

AMENDED IN SENATE SEPTEMBER 5, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 106**

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**Introduced by Committee on Budget (~~Blumenfield~~ (Skinner (Chair), Bloom, ~~Bonilla~~, Campos, Chesbro, Daly, Dickinson, Gordon, Jones-Sawyer, Mitchell, Mullin, Muratsuchi, Nazarian, ~~Rendon~~, Stone, and Ting)**

January 10, 2013

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~~An act relating to the Budget Act of 2013.~~ *An act to amend Sections 1091, 13073.5, 30061, and 30070 of the Government Code, to amend Sections 1231 and 13821 of the Penal Code, to amend Sections 17053.33, 17053.70, 18410.2, 23612.2, and 23633 of the Revenue and Taxation Code, and to amend Sections 1403, 18220, and 18220.1 of the Welfare and Institutions Code, relating to public finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 106, as amended, Committee on Budget. ~~Budget Act of 2013.~~ *Public finance.*

*Existing law prohibits certain public officials and employees from being financially interested in any contract made by them in their official capacity, or by any board of which they are members. An officer is not deemed to be interested in a contract entered into by a body or board of which the officer is a member if the officer has only a remote interest in the contract and other requirements are met. A remote interest is required to be publicly disclosed, and thereafter the public body may authorize, approve, or ratify the contract in question, but the officer or employee with the remote interest is disqualified from voting. A remote*

*interest is defined to include, among others, the interest of a person who is an officer or employee of a nonprofit entity exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code or a nonprofit corporation. Violation of these provisions is a crime.*

*This bill would include in the definition of remote interest the interest of a person who is an officer or employee of a nonprofit entity exempt from taxation pursuant to Section 501(c)(5) of the Internal Revenue Code.*

*By expanding the scope of an existing crime, this bill would impose a state-mandated local program.*

*Existing law establishes in the State Treasury the Local Revenue Fund 2011, a continuously appropriated fund, and requires that moneys in the fund be allocated exclusively for public safety services, as defined. Existing law further establishes the Law Enforcement Services Account within that fund, and creates the Enhancing Law Enforcement Activities Subaccount and the Juvenile Justice Subaccount within the Law Enforcement Services Account.*

*Existing law allocates specified funds from the Enhancing Law Enforcement Activities Subaccount to local governments, including to cities and counties that charge fees to a city, special district, community college district, college, or university for the booking or detention of a person arrested and brought to a detention facility of the city or county. Existing law also allocates moneys in the subaccount for county sheriffs' departments, California Multi-Jurisdictional Methamphetamine Enforcement Teams, Multi-Agency Gang Enforcement Consortium, Sexual Assault Felony Enforcement Teams, High Technology Theft Apprehension and Prosecution Program, Gang Violence Suppression Program, Central Valley and Central Coast Rural Crime Prevention Programs, jail construction and operation, criminal prosecution, juvenile justice plans, habitual truants, runaways, and children at risk of being wards of the court or under juvenile supervision or supervision of the county probation department.*

*This bill would, subsequent to the allocation made to cities and counties that charge fees to a city, special district, community college district, college, or university for the booking or detention of a person arrested and brought to a detention facility of the city or county, revise the percentages of the remaining funds to be allocated for the other above-mentioned purposes from the Enhancing Law Enforcement Activities Subaccount.*

*Under existing law counties are authorized to establish a Community Corrections Performance Incentives Fund (CCPIF) to receive moneys related to the placement of felons under probation supervision, mandatory supervision, and postrelease community supervision. Programs funded through a CCPIF are required to identify and track specific outcome-based measures and report its findings to the Administrative Office of the Courts (AOC). The AOC then provides quarterly statistical information to the Department of Finance that includes, among other things, the number of felony convictions in the county and the number of felons who would have been subject to specified sentencing provisions had felony probation not been granted.*

*This bill would remove from the AOC's quarterly statistical information the number of felons who would have been subject to those sentencing provisions had felony probation not been granted.*

*The Personal Income Tax Law and the Corporation Tax Law allow a credit in an amount equal to the amount of sales or use tax paid in connection with qualified property that is purchased and placed in service before the date the enterprise zone or targeted tax area designation expires, is no longer binding, or becomes inoperative. Existing law repeals these provisions on December 1, 2014.*

*This bill would instead require the qualified property to be placed in service in the enterprise zone or the targeted tax area before January 1, 2015, and would repeal those provisions on December 1, 2015. The bill would also make clarifying changes to those provisions.*

*Existing law requires the Population Research Unit to, among other things, determine the census tracts that are within the highest quartile of census tracts with the highest civilian unemployment, and to sort the census tracts by the respective civilian unemployment rate of each in ascending order, or from the lowest, 0%, to the highest, 100%, as specified.*

*This bill would make clarifying changes to those provisions.*

*Existing law established the California Competes Tax Credit Committee, which consists of the Treasurer, the Director of Finance, the Director of the Governor's Office of Business and Economic Development, and one appointee each from the Senate and Assembly.*

*This bill would provide that the Director of the Governor's Office of Business and Economic Development is the chair. The bill would prohibit a member of the Legislature from being appointed to the committee.*

*Under existing law and until January 1, 2014, California is subject to an interstate compact for juveniles and that compact requires California, among other things, to appoint a commissioner to the Interstate Commission for Juveniles and to create a State Council for Interstate Juvenile Supervision.*

*This bill would extend the duration of the compact until January 1, 2016.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

*The bill would appropriate \$100,000 from the General Fund to the Governor’s Office of Economic Development to provide staff support for the California Competes Tax Credit Committee.*

*This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

~~*This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2013.*~~

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

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

1     *SECTION 1. Section 1091 of the Government Code is amended*  
 2     *to read:*

3     1091. (a) An officer shall not be deemed to be interested in a  
 4 contract entered into by a body or board of which the officer is a  
 5 member within the meaning of this article if the officer has only  
 6 a remote interest in the contract and if the fact of that interest is  
 7 disclosed to the body or board of which the officer is a member  
 8 and noted in its official records, and thereafter the body or board  
 9 authorizes, approves, or ratifies the contract in good faith by a vote  
 10 of its membership sufficient for the purpose without counting the  
 11 vote or votes of the officer or member with the remote interest.

12     (b) As used in this article, “remote interest” means any of the  
 13 following:

14     (1) That of an officer or employee of a nonprofit entity exempt  
 15 from taxation pursuant to Section 501(c)(3) of the Internal Revenue

1 Code (~~26 U.S.C. Sec. 501(e)(3)~~ 501(c)(3)), pursuant to Section  
2 501(c)(5) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(5)),  
3 or a nonprofit corporation, except as provided in paragraph (8) of  
4 subdivision (a) of Section 1091.5.

5 (2) That of an employee or agent of the contracting party, if the  
6 contracting party has 10 or more other employees and if the officer  
7 was an employee or agent of that contracting party for at least three  
8 years prior to the officer initially accepting his or her office and  
9 the officer owns less than 3 percent of the shares of stock of the  
10 contracting party; and the employee or agent is not an officer or  
11 director of the contracting party and did not directly participate in  
12 formulating the bid of the contracting party.

13 For purposes of this paragraph, time of employment with the  
14 contracting party by the officer shall be counted in computing the  
15 three-year period specified in this paragraph even though the  
16 contracting party has been converted from one form of business  
17 organization to a different form of business organization within  
18 three years of the initial taking of office by the officer. Time of  
19 employment in that case shall be counted only if, after the transfer  
20 or change in organization, the real or ultimate ownership of the  
21 contracting party is the same or substantially similar to that which  
22 existed before the transfer or change in organization. For purposes  
23 of this paragraph, stockholders, bondholders, partners, or other  
24 persons holding an interest in the contracting party are regarded  
25 as having the “real or ultimate ownership” of the contracting party.

26 (3) That of an employee or agent of the contracting party, if all  
27 of the following conditions are met:

28 (A) The agency of which the person is an officer is a local public  
29 agency located in a county with a population of less than 4,000,000.

30 (B) The contract is competitively bid and is not for personal  
31 services.

32 (C) The employee or agent is not in a primary management  
33 capacity with the contracting party, is not an officer or director of  
34 the contracting party, and holds no ownership interest in the  
35 contracting party.

36 (D) The contracting party has 10 or more other employees.

37 (E) The employee or agent did not directly participate in  
38 formulating the bid of the contracting party.

39 (F) The contracting party is the lowest responsible bidder.

- 1 (4) That of a parent in the earnings of his or her minor child for  
2 personal services.
- 3 (5) That of a landlord or tenant of the contracting party.
- 4 (6) That of an attorney of the contracting party or that of an  
5 owner, officer, employee, or agent of a firm that renders, or has  
6 rendered, service to the contracting party in the capacity of  
7 stockbroker, insurance agent, insurance broker, real estate agent,  
8 or real estate broker, if these individuals have not received and  
9 will not receive remuneration, consideration, or a commission as  
10 a result of the contract and if these individuals have an ownership  
11 interest of 10 percent or more in the law practice or firm, stock  
12 brokerage firm, insurance firm, or real estate firm.
- 13 (7) That of a member of a nonprofit corporation formed under  
14 the Food and Agricultural Code or a nonprofit corporation formed  
15 under the Corporations Code for the sole purpose of engaging in  
16 the merchandising of agricultural products or the supplying of  
17 water.
- 18 (8) That of a supplier of goods or services when those goods or  
19 services have been supplied to the contracting party by the officer  
20 for at least five years prior to his or her election or appointment  
21 to office.
- 22 (9) That of a person subject to the provisions of Section 1090  
23 in any contract or agreement entered into pursuant to the provisions  
24 of the California Land Conservation Act of 1965.
- 25 (10) Except as provided in subdivision (b) of Section 1091.5,  
26 that of a director of, or a person having an ownership interest of,  
27 10 percent or more in a bank, bank holding company, or savings  
28 and loan association with which a party to the contract has a  
29 relationship of borrower or depositor, debtor or creditor.
- 30 (11) That of an engineer, geologist, or architect employed by a  
31 consulting engineering or architectural firm. This paragraph applies  
32 only to an employee of a consulting firm who does not serve in a  
33 primary management capacity, and does not apply to an officer or  
34 director of a consulting firm.
- 35 (12) That of an elected officer otherwise subject to Section 1090,  
36 in any housing assistance payment contract entered into pursuant  
37 to Section 8 of the United States Housing Act of 1937 (42 U.S.C.  
38 Sec. 1437f) as amended, provided that the housing assistance  
39 payment contract was in existence before Section 1090 became  
40 applicable to the officer and will be renewed or extended only as

1 to the existing tenant, or, in a jurisdiction in which the rental  
2 vacancy rate is less than 5 percent, as to new tenants in a unit  
3 previously under a Section 8 contract. This section applies to any  
4 person who became a public official on or after November 1, 1986.

5 (13) That of a person receiving salary, per diem, or  
6 reimbursement for expenses from a government entity.

7 (14) That of a person owning less than 3 percent of the shares  
8 of a contracting party that is a for-profit corporation, provided that  
9 the ownership of the shares derived from the person's employment  
10 with that corporation.

11 (15) That of a party to litigation involving the body or board of  
12 which the officer is a member in connection with an agreement in  
13 which all of the following apply:

14 (A) The agreement is entered into as part of a settlement of  
15 litigation in which the body or board is represented by legal  
16 counsel.

17 (B) After a review of the merits of the agreement and other  
18 relevant facts and circumstances, a court of competent jurisdiction  
19 finds that the agreement serves the public interest.

20 (C) The interested member has recused himself or herself from  
21 all participation, direct or indirect, in the making of the agreement  
22 on behalf of the body or board.

23 (16) That of a person who is an officer or employee of an  
24 investor-owned utility that is regulated by the Public Utilities  
25 Commission with respect to a contract between the investor-owned  
26 utility and a state, county, district, judicial district, or city body or  
27 board of which the person is a member, if the contract requires the  
28 investor-owned utility to provide energy efficiency rebates or other  
29 type of program to encourage energy efficiency that benefits the  
30 public when all of the following apply:

31 (A) The contract is funded by utility consumers pursuant to  
32 regulations of the Public Utilities Commission.

33 (B) The contract provides no individual benefit to the person  
34 that is not also provided to the public, and the investor-owned  
35 utility receives no direct financial profit from the contract.

36 (C) The person has recused himself or herself from all  
37 participation in making the contract on behalf of the state, county,  
38 district, judicial district, or city body or board of which he or she  
39 is a member.

1 (D) The contract implements a program authorized by the Public  
2 Utilities Commission.

3 (c) This section is not applicable to any officer interested in a  
4 contract who influences or attempts to influence another member  
5 of the body or board of which he or she is a member to enter into  
6 the contract.

7 (d) The willful failure of an officer to disclose the fact of his or  
8 her interest in a contract pursuant to this section is punishable as  
9 provided in Section 1097. That violation does not void the contract  
10 unless the contracting party had knowledge of the fact of the remote  
11 interest of the officer at the time the contract was executed.

12 *SEC. 2. Section 13073.5 of the Government Code is amended*  
13 *to read:*

14 13073.5. The Legislature finds and declares that: (1) population  
15 size and distribution patterns in California exert a major influence  
16 on the physical, social, and economic structure of the state and on  
17 the quality of the environment generally; (2) sound and current  
18 data and methods to estimate population trends are necessary to  
19 enable state, regional, and local agencies to plan and function  
20 properly; and (3) there is a critical need for a proper study of the  
21 implications of present and future population trends in order that  
22 state, regional, and local agencies might develop or reexamine  
23 policies and actions based thereon.

24 The Population Research Unit shall:

25 (a) Develop basic demographic data and statistical compilations,  
26 which may include a current population survey and a mid-decade  
27 census.

28 (b) Design and test methods of research and data collection.

29 (c) Conduct local population estimates as required by law.

30 (d) Validate all official census data and population statistics.

31 (e) Analyze and prepare projections of enrollments in public  
32 schools, colleges, and universities.

33 (f) Analyze governmental records to establish characteristics  
34 of migration and distribution.

35 (g) Publish annual estimates of the population of the state and  
36 its composition.

37 (h) Prepare short- and long-range projections of population and  
38 its composition.

39 (i) Provide advisory services to state agencies and other levels  
40 of government.

- 1 (j) Evaluate and recommend data requirements for determining  
2 population and population growth.
- 3 (k) Analyze the demographic features of the causes and  
4 consequences of patterns of natural increase or decrease, migration,  
5 and population concentration within the state.
- 6 (l) Assess the need for population data required for determining  
7 the allocation of federal, state, and other subvention revenues.
- 8 (m) Request and obtain from any department, division,  
9 commission, or other agency of the state all assistance and  
10 information to enable the unit to effectively carry out the provisions  
11 of this section.
- 12 (n) Cooperate with the Office of Planning and Research with  
13 respect to functions involving mutual areas of concern relating to  
14 demography and state planning.
- 15 (o) Enter into agreements to carry out the purposes of this  
16 section, including the application for and acceptance of federal  
17 funds or private foundation grants for demographic studies.
- 18 (p) Act as primary state government liaison with the Census  
19 Bureau, United States Department of Commerce, in the acquisition  
20 and distribution of census data and related documentation to state  
21 agencies.
- 22 (q) Administer, with other agencies, a State Census Data Center  
23 which will be responsible for acquiring decennial and other census  
24 data from the Bureau of the Census, and for providing necessary  
25 information to the Legislature and to the executive branch and for  
26 seeking to ensure the availability of census information to local  
27 governments. The unit and the Office of Planning and Research  
28 shall be responsible for designating subcenters of the State Census  
29 Data Center as needed. The unit will provide materials to  
30 subcenters of the State Census Data Center, will coordinate the  
31 efforts of the subcenters to avoid duplication and may consult in  
32 the design of standard reports to be offered by the center and its  
33 subcenters.
- 34 (~~r~~)
- 35 (r) Coordinate with the Office of Planning and Research  
36 Environmental Data Center for the purposes of ensuring  
37 consistency and compatibility of data products, improving public  
38 access to data, ensuring the consistent interpretation of data, and  
39 avoiding duplication of functions.

1 (s) (1) Determine those census tracts that are to be designated  
 2 census tracts based on data from the five-year American  
 3 Community Survey (ACS). The census tracts that are within the  
 4 highest quartile for both civilian unemployment and poverty  
 5 statistics, as determined in paragraphs (2) and (3), shall be  
 6 determined to be designated census tracts as described in paragraph  
 7 (7) of subdivision (b) of Section 17053.73, and paragraph (7) of  
 8 subdivision (b) of Section 23626 of the Revenue and Taxation  
 9 Code.

10 (2) To determine the census tracts that are within the highest  
 11 quartile of census tracts with the highest civilian unemployment,  
 12 the census tracts shall be sorted by the respective civilian  
 13 unemployment rate of each in ascending order, or from the lowest  
 14 (0 percent) to the highest (100 percent) according to the following:

15 (A) Census tracts without a civilian labor force shall be  
 16 excluded.

17 (B) After ordering the census tracts by the civilian  
 18 unemployment rate of each, the census tracts shall be divided into  
 19 four equal groups or quartiles as follows:

20 (i) The first quartile shall represent the lowest fourth of the  
 21 census tracts ~~(1 percent to less than 26 percent)~~. *(the lowest 25*  
 22 *percent, inclusive)*.

23 (ii) The second quartile shall represent the second fourth ~~(26~~  
 24 ~~tracts greater than 25 percent up to less than 51 percent)~~. *50*  
 25 *percent, inclusive)*.

26 (iii) The third quartile shall represent the third fourth ~~(51~~ *(tracts*  
 27 ~~greater than 50 percent up to less than 76 percent)~~. *75 percent,*  
 28 *inclusive)*.

29 (iv) The fourth quartile shall represent the fourth fourth ~~(76~~  
 30 ~~tracts greater than 75 percent up to 100 percent, inclusive)~~.

31 (C) The last or highest quartile shall represent the top 25 percent  
 32 of the census tracts with the highest civilian unemployment rates.

33 (3) To determine the census tracts that are within the quartile  
 34 of census tracts with the highest poverty, the census tracts shall  
 35 be sorted by the respective percentage of population below poverty  
 36 of each in ascending order, or from the lowest (0 percent) to the  
 37 highest (100 percent) according to the following:

38 (A) Consistent with poverty statistics in the ACS, which adhere  
 39 to the standards specified by the federal Office of Management  
 40 and Budget in Statistical Policy Directive 14, the poverty thresholds

1 as specified by the United States Census Bureau shall be used to  
2 determine those individuals below poverty.

3 (B) To determine those individuals below poverty, different  
4 thresholds, as specified by the United States Census Bureau, shall  
5 be applied to families, people living alone, or people living with  
6 nonrelatives (unrelated individuals).

7 (C) If a family's total income is less than the dollar value of the  
8 appropriate threshold, then that family and every individual in it  
9 shall be considered to be below poverty.

10 (D) If an unrelated individual's total income is less than the  
11 appropriate threshold, then that individual shall be considered to  
12 be below poverty.

13 (E) Poverty status shall be determined for all people except  
14 institutionalized people, people in military group quarters, people  
15 in college dormitories, and unrelated individuals under 15 years  
16 of age.

17 (F) Census tracts that do not have a population for whom poverty  
18 status is determined shall be excluded.

19 (G) After ordering the census tracts by the respective percent  
20 below poverty of each, the census tracts shall be divided into four  
21 equal quartiles as follows:

22 (i) The first quartile shall represent the lowest fourth of the  
23 census tracts ~~(1 percent to less than 26 percent)~~: *(the lowest 25*  
24 *percent, inclusive)*.

25 (ii) The second quartile shall represent the second fourth ~~(26~~  
26 ~~*tracts greater than 25 percent up to less than 51 percent)*~~: *50*  
27 *percent, inclusive)*.

28 (iii) The third quartile shall represent the third fourth ~~(51~~  
29 ~~*tracts greater than 50 percent up to less than 76 percent)*~~: *75 percent,*  
30 *inclusive)*.

31 (iv) The fourth quartile shall represent the fourth fourth ~~(76~~  
32 ~~*tracts greater than 75 percent up to 100 percent, inclusive)*~~.

33 (H) The last or highest quartile shall represent the top 25 percent  
34 of the census tracts with the highest percentage of population below  
35 poverty.

36 ~~(4) To determine the~~

37 (t) *(1) Determine those* census tracts that are within the lowest  
38 quartile of census tracts with the lowest civilian unemployment  
39 and ~~poverty~~, *poverty based on data from the five-year ACS. The*  
40 ~~census tracts shall be sorted by that are within the respective lowest~~

1 *quartile for both civilian unemployment and poverty rates statistics,*  
 2 *as determined in paragraphs (2) and (3) of each in ascending*  
 3 *order, or from subdivision (s), shall be determined to be census*  
 4 *tracts within the lowest (0 percent) to quartile of census tracts with*  
 5 *the highest (100 percent) according to lowest civilian*  
 6 *unemployment and poverty, as applied in subparagraph (A) of*  
 7 *paragraph (8) of subdivision (b) of Section 17053.73 and Section*  
 8 *23626 of the following: Revenue and Taxation Code.*

9 ~~(A) Census tracts without a civilian labor force are to be~~  
 10 ~~excluded.~~

11 ~~(B) After ordering the census tracts by the civilian~~  
 12 ~~unemployment and poverty rates of each, the census tracts shall~~  
 13 ~~be divided into four equal groups or quartiles as follows:~~

14 ~~(i) The first quartile shall represent the lowest fourth of the~~  
 15 ~~census tracts (1 percent to less than 26 percent).~~

16 ~~(ii) The second~~

17 ~~(2) Based on the quartiles developed pursuant to paragraph~~  
 18 ~~(2) of subdivision (s), the first or lowest quartile shall represent~~  
 19 ~~the second fourth (26 bottom 25 percent to less than 51 percent).~~  
 20 ~~of the census tracts with the lowest civilian unemployment rates.~~

21 ~~(iii) The third quartile shall represent the third fourth (51 percent~~  
 22 ~~to less than 76 percent).~~

23 ~~(iv) The fourth quartile shall represent the fourth fourth (76~~  
 24 ~~percent to 100 percent, inclusive).~~

25 ~~(C) The~~

26 ~~(3) Based on the quartiles developed pursuant to paragraph (3)~~  
 27 ~~of subdivision (s), the first or lowest quartile shall represent the~~  
 28 ~~bottom 25 percent of the census tracts with the lowest civilian~~  
 29 ~~unemployment and poverty rates: percentage of population below~~  
 30 ~~poverty.~~

31 *SEC. 3. Section 30061 of the Government Code is amended to*  
 32 *read:*

33 30061. (a) There shall be established in each county treasury  
 34 a Supplemental Law Enforcement Services Account (SLESA), to  
 35 receive all amounts allocated to a county for purposes of  
 36 implementing this chapter.

37 (b) In any fiscal year for which a county receives moneys to be  
 38 expended for the implementation of this chapter, the county auditor  
 39 shall allocate the moneys in the county's SLESA within 30 days

1 of the deposit of those moneys into the fund. The moneys shall be  
2 allocated as follows:

3 (1) Five and fifteen-hundredths percent to the county sheriff for  
4 county jail construction and operation. In the case of Madera,  
5 Napa, and Santa Clara Counties, this allocation shall be made to  
6 the county director or chief of corrections.

7 (2) Five and fifteen-hundredths percent to the district attorney  
8 for criminal prosecution.

9 (3) Thirty-nine and seven-tenths percent to the county and the  
10 cities within the county, and, in the case of San Mateo, Kern,  
11 Siskiyou, and Contra Costa Counties, also to the Broadmoor Police  
12 Protection District, the Bear Valley Community Services District,  
13 the Stallion Springs Community Services District, the Lake  
14 Shastina Community Services District, and the Kensington Police  
15 Protection and Community Services District, in accordance with  
16 the relative population of the cities within the county and the  
17 unincorporated area of the county, and the Broadmoor Police  
18 Protection District in the County of San Mateo, the Bear Valley  
19 Community Services District and the Stallion Springs Community  
20 Services District in Kern County, the Lake Shastina Community  
21 Services District in Siskiyou County, and the Kensington Police  
22 Protection and Community Services District in Contra Costa  
23 County, as specified in the most recent January estimate by the  
24 population research unit of the Department of Finance, and as  
25 adjusted to provide, except as provided in subdivision (j), a grant  
26 of at least one hundred thousand dollars (\$100,000) to each law  
27 enforcement jurisdiction. For a newly incorporated city whose  
28 population estimate is not published by the Department of Finance,  
29 but that was incorporated prior to July 1 of the fiscal year in which  
30 an allocation from the SLESA is to be made, the city manager, or  
31 an appointee of the legislative body, if a city manager is not  
32 available, and the county administrative or executive officer shall  
33 prepare a joint notification to the Department of Finance and the  
34 county auditor with a population estimate reduction of the  
35 unincorporated area of the county equal to the population of the  
36 newly incorporated city by July 15, or within 15 days after the  
37 Budget Act is enacted, of the fiscal year in which an allocation  
38 from the SLESA is to be made. No person residing within the  
39 Broadmoor Police Protection District, the Bear Valley Community  
40 Services District, the Stallion Springs Community Services District,

1 the Lake Shastina Community Services District, or the Kensington  
 2 Police Protection and Community Services District shall also be  
 3 counted as residing within the unincorporated area of the County  
 4 of San Mateo, Kern, Siskiyou, or Contra Costa, or within any city  
 5 located within those counties. Except as provided in subdivision  
 6 (j), the county auditor shall allocate a grant of at least one hundred  
 7 thousand dollars (\$100,000) to each law enforcement jurisdiction.  
 8 Moneys allocated to the county pursuant to this subdivision shall  
 9 be retained in the county SLESA, and moneys allocated to a city  
 10 pursuant to this subdivision shall be deposited in an SLESA  
 11 established in the city treasury.

12 (4) Fifty percent to the county or city and county to implement  
 13 a comprehensive multiagency juvenile justice plan as provided in  
 14 this paragraph. The juvenile justice plan shall be developed by the  
 15 local juvenile justice coordinating council in each county and city  
 16 and county with the membership described in Section 749.22 of  
 17 the Welfare and Institutions Code. If a plan has been previously  
 18 approved by the Corrections Standards Authority or, commencing  
 19 July 1, 2012, by the Board of State and Community Corrections,  
 20 the plan shall be reviewed and modified annually by the council.  
 21 The plan or modified plan shall be approved by the county board  
 22 of supervisors, and in the case of a city and county, the plan shall  
 23 also be approved by the mayor. The plan or modified plan shall  
 24 be submitted to the Board of State and Community Corrections  
 25 by May 1 of each year.

26 (A) Juvenile justice plans shall include, but not be limited to,  
 27 all of the following components:

28 (i) An assessment of existing law enforcement, probation,  
 29 education, mental health, health, social services, drug and alcohol,  
 30 and youth services resources that specifically target at-risk  
 31 juveniles, juvenile offenders, and their families.

32 (ii) An identification and prioritization of the neighborhoods,  
 33 schools, and other areas in the community that face a significant  
 34 public safety risk from juvenile crime, such as gang activity,  
 35 daylight burglary, late-night robbery, vandalism, truancy, controlled  
 36 substances sales, firearm-related violence, and juvenile substance  
 37 abuse and alcohol use.

38 (iii) A local juvenile justice action strategy that provides for a  
 39 continuum of responses to juvenile crime and delinquency and  
 40 demonstrates a collaborative and integrated approach for

1 implementing a system of swift, certain, and graduated responses  
2 for at-risk youth and juvenile offenders.

3 (iv) Programs identified in clause (iii) that are proposed to be  
4 funded pursuant to this subparagraph, including the projected  
5 amount of funding for each program.

6 (B) Programs proposed to be funded shall satisfy all of the  
7 following requirements:

8 (i) Be based on programs and approaches that have been  
9 demonstrated to be effective in reducing delinquency and  
10 addressing juvenile crime for any elements of response to juvenile  
11 crime and delinquency, including prevention, intervention,  
12 suppression, and incapacitation.

13 (ii) Collaborate and integrate services of all the resources set  
14 forth in clause (i) of subparagraph (A), to the extent appropriate.

15 (iii) Employ information sharing systems to ensure that county  
16 actions are fully coordinated, and designed to provide data for  
17 measuring the success of juvenile justice programs and strategies.

18 (iv) Adopt goals related to the outcome measures that shall be  
19 used to determine the effectiveness of the local juvenile justice  
20 action strategy.

21 (C) The plan shall also identify the specific objectives of the  
22 programs proposed for funding and specified outcome measures  
23 to determine the effectiveness of the programs and contain an  
24 accounting for all program participants, including those who do  
25 not complete the programs. Outcome measures of the programs  
26 proposed to be funded shall include, but not be limited to, all of  
27 the following:

28 (i) The rate of juvenile arrests per 100,000 population.

29 (ii) The rate of successful completion of probation.

30 (iii) The rate of successful completion of restitution and  
31 court-ordered community service responsibilities.

32 (iv) Arrest, incarceration, and probation violation rates of  
33 program participants.

34 (v) Quantification of the annual per capita costs of the program.

35 (D) The Board of State and Community Corrections shall review  
36 plans or modified plans submitted pursuant to this paragraph within  
37 30 days upon receipt of submitted or resubmitted plans or modified  
38 plans. The board shall approve only those plans or modified plans  
39 that fulfill the requirements of this paragraph, and shall advise a  
40 submitting county or city and county immediately upon the

1 approval of its plan or modified plan. The board shall offer, and  
2 provide, if requested, technical assistance to any county or city  
3 and county that submits a plan or modified plan not in compliance  
4 with the requirements of this paragraph. The SLESA shall only  
5 allocate funding pursuant to this paragraph upon notification from  
6 the board that a plan or modified plan has been approved.

7 (E) To assess the effectiveness of programs funded pursuant to  
8 this paragraph using the program outcome criteria specified in  
9 subparagraph (C), the following periodic reports shall be submitted:

10 (i) Each county or city and county shall report, beginning  
11 October 15, 2002, and annually each October 15 thereafter, to the  
12 county board of supervisors and the Board of State and Community  
13 Corrections, in a format specified by the board, on the programs  
14 funded pursuant to this chapter and program outcomes as specified  
15 in subparagraph (C).

16 (ii) The Board of State and Community Corrections shall  
17 compile the local reports and, by March 15, 2003, and annually  
18 thereafter, make a report to the Governor and the Legislature on  
19 program expenditures within each county and city and county from  
20 the appropriation for the purposes of this paragraph, on the  
21 outcomes as specified in subparagraph (C) of the programs funded  
22 pursuant to this paragraph and the statewide effectiveness of the  
23 comprehensive multiagency juvenile justice plans.

24 (c) Subject to subdivision (d), for each fiscal year in which the  
25 county, each city, the Broadmoor Police Protection District, the  
26 Bear Valley Community Services District, the Stallion Springs  
27 Community Services District, the Lake Shastina Community  
28 Services District, and the Kensington Police Protection and  
29 Community Services District receive moneys pursuant to paragraph  
30 (3) of subdivision (b), the county, each city, and each district  
31 specified in this subdivision shall appropriate those moneys in  
32 accordance with the following procedures:

33 (1) In the case of the county, the county board of supervisors  
34 shall appropriate existing and anticipated moneys exclusively to  
35 provide frontline law enforcement services, other than those  
36 services specified in paragraphs (1) and (2) of subdivision (b), in  
37 the unincorporated areas of the county, in response to written  
38 requests submitted to the board by the county sheriff and the district  
39 attorney. Any request submitted pursuant to this paragraph shall  
40 specify the frontline law enforcement needs of the requesting

1 entity, and those personnel, equipment, and programs that are  
2 necessary to meet those needs.

3 (2) In the case of a city, the city council shall appropriate  
4 existing and anticipated moneys exclusively to fund frontline  
5 municipal police services, in accordance with written requests  
6 submitted by the chief of police of that city or the chief  
7 administrator of the law enforcement agency that provides police  
8 services for that city.

9 (3) In the case of the Broadmoor Police Protection District  
10 within the County of San Mateo, the Bear Valley Community  
11 Services District or the Stallion Springs Community Services  
12 District within Kern County, the Lake Shastina Community  
13 Services District within Siskiyou County, or the Kensington Police  
14 Protection and Community Services District within Contra Costa  
15 County, the legislative body of that special district shall appropriate  
16 existing and anticipated moneys exclusively to fund frontline  
17 municipal police services, in accordance with written requests  
18 submitted by the chief administrator of the law enforcement agency  
19 that provides police services for that special district.

20 (d) For each fiscal year in which the county, a city, or the  
21 Broadmoor Police Protection District within the County of San  
22 Mateo, the Bear Valley Community Services District or the Stallion  
23 Springs Community Services District within Kern County, the  
24 Lake Shastina Community Services District within Siskiyou  
25 County, or the Kensington Police Protection and Community  
26 Services District within Contra Costa County receives any moneys  
27 pursuant to this chapter, in no event shall the governing body of  
28 any of those recipient agencies subsequently alter any previous,  
29 valid appropriation by that body, for that same fiscal year, of  
30 moneys allocated to the county or city pursuant to paragraph (3)  
31 of subdivision (b).

32 (e) For the 2011–12 fiscal year, the Controller shall allocate  
33 23.54 percent of the amount deposited in the Local Law  
34 Enforcement Services Account in the Local Revenue Fund 2011  
35 for the purposes of paragraphs (1), (2), and (3) of subdivision (b),  
36 and shall allocate 23.54 percent for purposes of paragraph (4) of  
37 subdivision (b).

38 (f) Commencing with the 2012–13 fiscal year, *subsequent to*  
39 *the allocation described in subdivision (c) of Section 29552, the*  
40 Controller shall allocate ~~21.86~~ 23.54363596 percent of the

1 *remaining* amount deposited in the Enhancing Law Enforcement  
 2 Activities Subaccount in the Local Revenue Fund 2011 for the  
 3 purposes of paragraphs (1) to (3), inclusive, of subdivision (b),  
 4 ~~and~~ *and, subsequent to the allocation described in subdivision (c)*  
 5 *of Section 29552, shall allocate* ~~21.86~~ *23.54363596* percent of the  
 6 *remaining amount* for purposes of paragraph (4) of subdivision  
 7 (b).

8 (g) Commencing with the 2013–14 fiscal year, *subsequent to*  
 9 *the allocation described in subdivision (d) of Section 29552, the*  
 10 *Controller shall allocate 23.54363596 percent of the remaining*  
 11 *amount deposited in the Enhancing Law Enforcement Activities*  
 12 *Subaccount in the Local Revenue Fund 2011 for the purposes of*  
 13 *paragraphs (1) to (3), inclusive, of subdivision (b), and, subsequent*  
 14 *to the allocation described in subdivision (d) of Section 29552,*  
 15 *shall allocate 23.54363596 percent of the remaining amount for*  
 16 *purposes of paragraph (4) of subdivision (b). The Controller shall*  
 17 *allocate funds in monthly installments to local jurisdictions for*  
 18 *public safety in accordance with this section as annually calculated*  
 19 *by the Director of Finance.*

20 (h) Funds received pursuant to subdivision (b) shall be expended  
 21 or encumbered in accordance with this chapter no later than June  
 22 30 of the following fiscal year. A local agency that has not met  
 23 the requirement of this subdivision shall remit unspent SLESA  
 24 moneys received after April 1, 2009, to the Controller for deposit  
 25 in the Local Safety and Protection Account, after April 1, 2012,  
 26 to the Local Law Enforcement Services Account, and after July  
 27 1, 2012, to the County Enhancing Law Enforcement Activities  
 28 Subaccount.

29 (i) In the 2010–11 fiscal year, if the fourth quarter revenue  
 30 derived from fees imposed by subdivision (a) of Section 10752.2  
 31 of the Revenue and Taxation Code that are deposited in the General  
 32 Fund and transferred to the Local Safety and Protection Account,  
 33 and continuously appropriated to the Controller for allocation  
 34 pursuant to this section, are insufficient to provide a minimum  
 35 grant of one hundred thousand dollars (\$100,000) to each law  
 36 enforcement jurisdiction, the county auditor shall allocate the  
 37 revenue proportionately, based on the allocation schedule in  
 38 paragraph (3) of subdivision (b). The county auditor shall  
 39 proportionately allocate, based on the allocation schedule in  
 40 paragraph (3) of subdivision (b), all revenues received after the

1 distribution of the fourth quarter allocation attributable to these  
2 fees for which payment was due prior to July 1, 2011, until all  
3 minimum allocations are fulfilled, at which point all remaining  
4 revenue shall be distributed proportionately among the other  
5 jurisdictions.

6 *SEC. 4. Section 30070 of the Government Code is amended to*  
7 *read:*

8 30070. (a) For the 2011–12 fiscal year, the program authorized  
9 by this chapter shall be funded from the Local Law Enforcement  
10 Services Account in the Local Revenue Fund 2011. The Controller  
11 shall, on a quarterly basis, beginning on October 1, 2011, allocate  
12 4.07 percent of the moneys annually deposited in the Local Law  
13 Enforcement Services Account. Commencing with the 2012–13  
14 fiscal year, the program authorized by this chapter shall be funded  
15 from the Enhancing Law Enforcement Activities Subaccount in  
16 the Local Revenue Fund 2011. ~~The Subsequent to the allocation~~  
17 ~~described in subdivision (c) of Section 29552, the Controller shall~~  
18 ~~allocate 3.784.06682787 percent of the remaining moneys annually~~  
19 ~~deposited in the Enhancing Law Enforcement Activities~~  
20 ~~Subaccount in the Local Revenue Fund 2011. Commencing with~~  
21 ~~the 2013–14 fiscal year, funds subsequent to the allocation~~  
22 ~~described in subdivision (d) of Section 29552, the Controller shall~~  
23 ~~allocate 4.06682787 percent of the remaining moneys annually~~  
24 ~~deposited in the Enhancing Law Enforcement Activities Subaccount~~  
25 ~~in the Local Revenue Fund 2011. Funds shall be allocated in~~  
26 ~~monthly installments to county sheriffs’ departments to enhance~~  
27 ~~law enforcement efforts in the counties specified in paragraphs (1)~~  
28 ~~to (37), inclusive, according to the following schedule:~~

29		
30	(1) Alpine County .....	2.7027%
31	(2) Amador County .....	2.7027%
32	(3) Butte County .....	2.7027%
33	(4) Calaveras County .....	2.7027%
34	(5) Colusa County .....	2.7027%
35	(6) Del Norte County .....	2.7027%
36	(7) El Dorado County .....	2.7027%
37	(8) Glenn County .....	2.7027%
38	(9) Humboldt County .....	2.7027%
39	(10) Imperial County .....	2.7027%
40	(11) Inyo County .....	2.7027%

1	(12) Kings County .....	2.7027%
2	(13) Lake County .....	2.7027%
3	(14) Lassen County .....	2.7027%
4	(15) Madera County .....	2.7027%
5	(16) Marin County .....	2.7027%
6	(17) Mariposa County .....	2.7027%
7	(18) Mendocino County .....	2.7027%
8	(19) Merced County .....	2.7027%
9	(20) Modoc County .....	2.7027%
10	(21) Mono County .....	2.7027%
11	(22) Napa County .....	2.7027%
12	(23) Nevada County .....	2.7027%
13	(24) Placer County .....	2.7027%
14	(25) Plumas County .....	2.7027%
15	(26) San Benito County .....	2.7027%
16	(27) San Luis Obispo County .....	2.7027%
17	(28) Santa Cruz County .....	2.7027%
18	(29) Shasta County .....	2.7027%
19	(30) Sierra County .....	2.7027%
20	(31) Siskiyou County .....	2.7027%
21	(32) Sutter County .....	2.7027%
22	(33) Tehama County .....	2.7027%
23	(34) Trinity County .....	2.7027%
24	(35) Tuolumne County .....	2.7027%
25	(36) Yolo County .....	2.7027%
26	(37) Yuba County .....	2.7027%

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28 (b) Funds allocated pursuant to this section shall be used to  
29 supplement rather than supplant existing law enforcement  
30 resources.

31 (c) The funds allocated pursuant to this section may not be used  
32 for any video surveillance or monitoring of the general public.

33 *SEC. 5. Section 1231 of the Penal Code is amended to read:*

34 1231. (a) Community corrections programs funded pursuant  
35 to this act shall identify and track specific outcome-based measures  
36 consistent with the goals of this act.

37 (b) The Administrative Office of the Courts, in consultation  
38 with the Chief Probation Officers of California, shall specify and  
39 define minimum required outcome-based measures, which shall  
40 include, but not be limited to, all of the following:

- 1 (1) The percentage of persons subject to local supervision who  
2 are being supervised in accordance with evidence-based practices.
- 3 (2) The percentage of state moneys expended for programs that  
4 are evidence based, and a descriptive list of all programs that are  
5 evidence based.
- 6 (3) Specification of supervision policies, procedures, programs,  
7 and practices that were eliminated.
- 8 (4) The percentage of persons subject to local supervision who  
9 successfully complete the period of supervision.
- 10 (c) Each CPO receiving funding pursuant to Sections 1233 to  
11 1233.6, inclusive, shall provide an annual written report to the  
12 Administrative Office of the Courts evaluating the effectiveness  
13 of the community corrections program, including, but not limited  
14 to, the data described in subdivision (b).
- 15 (d) The Administrative Office of the Courts shall, in consultation  
16 with the CPO of each county and the Department of Corrections  
17 and Rehabilitation, provide a quarterly statistical report to the  
18 Department of Finance including, but not limited to, the following  
19 statistical information for each county:
- 20 (1) The number of felony filings.
- 21 (2) The number of felony convictions.
- 22 (3) The number of felony convictions in which the defendant  
23 was sentenced to the state prison.
- 24 (4) The number of felony convictions in which the defendant  
25 was granted probation.
- 26 (5) The adult felon probation population.
- 27 (6) The number of felons who had their probation revoked and  
28 were sent to prison for that revocation.
- 29 (7) The number of adult felony probationers sent to state prison  
30 for a conviction of a new felony offense, including when probation  
31 was revoked or terminated.
- 32 (8) The number of felons who had their probation revoked and  
33 were sent to county jail for that revocation.
- 34 (9) The number of adult felony probationers sent to county jail  
35 for a conviction of a new felony offense, including when probation  
36 was revoked or terminated.
- 37 ~~(10) The number of felons who would have been subject to the~~  
38 ~~sentencing provisions contained in paragraph (5) of subdivision~~  
39 ~~(h) of Section 1170 if felony probation had not been granted,~~  
40 ~~commencing January 1, 2012.~~

- 1     ~~(11)~~
- 2     (10) The number of felons placed on postrelease community
- 3     supervision, commencing January 1, 2012.
- 4     ~~(12)~~
- 5     (11) The number of felons placed on mandatory supervision,
- 6     commencing January 1, 2012.
- 7     ~~(13)~~
- 8     (12) The mandatory supervision population, commencing
- 9     January 1, 2012.
- 10    ~~(14)~~
- 11    (13) The postrelease community supervision population,
- 12    commencing January 1, 2012.
- 13    ~~(15)~~
- 14    (14) The number of felons on postrelease community supervision
- 15    sentenced to state prison for a conviction of a new felony offense,
- 16    commencing January 1, 2012.
- 17    ~~(16)~~
- 18    (15) The number of felons on mandatory supervision sentenced
- 19    to state prison for a conviction of a new felony offense,
- 20    commencing January 1, 2012.
- 21    ~~(17)~~
- 22    (16) The number of felons who had their postrelease community
- 23    supervision revoked and were sent to county jail for that revocation,
- 24    commencing January 1, 2012.
- 25    ~~(18)~~
- 26    (17) The number of felons on postrelease community supervision
- 27    sentenced to county jail for a conviction of a new felony offense,
- 28    including when postrelease community supervision was revoked
- 29    or terminated, commencing January 1, 2012.
- 30    ~~(19)~~
- 31    (18) The number of felons who had their mandatory supervision
- 32    revoked and were sentenced to county jail for that revocation,
- 33    commencing January 1, 2012.
- 34    ~~(20)~~
- 35    (19) The number of felons on mandatory supervision sentenced
- 36    to county jail for a conviction of a new felony offense, including
- 37    when mandatory supervision was revoked or terminated,
- 38    commencing January 1, 2012.
- 39    *SEC. 6. Section 13821 of the Penal Code is amended to read:*

1 13821. (a) For the 2011–12 fiscal year, the Controller shall  
2 allocate 9 percent of the amount deposited in the Local Law  
3 Enforcement Services Account in the Local Revenue Fund 2011  
4 to the California Emergency Management Agency. The Controller  
5 shall allocate these funds on a quarterly basis beginning on October  
6 1. These funds shall be allocated by the Controller pursuant to a  
7 schedule provided by the California Emergency Management  
8 Agency which shall be developed according to the agency’s  
9 existing programmatic guidelines and the following percentages:

10 (1) The California Multi-Jurisdictional Methamphetamine  
11 Enforcement Teams shall receive 47.52 percent in the 2011–12  
12 fiscal year.

13 (2) The Multi-Agency Gang Enforcement Consortium shall  
14 receive 0.2 percent in the 2011–12 fiscal year.

15 (3) The Sexual Assault Felony Enforcement Teams, authorized  
16 by Section 13887, shall receive 12.48 percent in the 2011–12 fiscal  
17 year.

18 (4) The High Technology Theft Apprehension and Prosecution  
19 Program, authorized by Section 13848.2, shall receive 26.83  
20 percent in the 2011–12 fiscal year.

21 (5) The Gang Violence Suppression Program authorized by  
22 Section 13826.1, shall receive 3.91 percent in the 2011–12 fiscal  
23 year.

24 (6) The Central Valley and Central Coast Rural Crime  
25 Prevention Programs, authorized by Sections 14170 and 14180,  
26 shall receive 9.06 percent in the 2011–12 fiscal year.

27 (b) For the 2011–12 fiscal year, the California Emergency  
28 Management Agency may be reimbursed up to five hundred eleven  
29 thousand dollars (\$511,000) from the funds allocated in subdivision  
30 (a) for program administrative costs.

31 (c) Commencing with the 2012–13 fiscal year, *subsequent to*  
32 *the allocation described in subdivision (c) of Section 29552 of the*  
33 *Government Code, and commencing with the 2013–14 fiscal year,*  
34 *subsequent to the allocation described in subdivision (d) of Section*  
35 *29552 of the Government Code, the Controller shall allocate ~~8.35~~*  
36 *8.99758189* percent of the *remaining* amount deposited in the  
37 Enhancing Law Enforcement Activities Subaccount in the Local  
38 Revenue Fund 2011 and shall distribute the moneys as follows:

39 (1) Commencing with the 2012–13 fiscal year, the California  
40 Multi-Jurisdictional Methamphetamine Enforcement Teams shall

1 receive ~~47.52~~ 47.52015636 percent and shall be allocated by the  
2 Controller according to the following schedule:

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Alameda County	1.7109%
Alpine County	0.6327%
Amador County	0.6327%
Butte County	1.6666%
Calaveras County	0.8435%
Colusa County	0.1623%
Contra Costa County	1.3163%
Del Norte County	0.2167%
El Dorado County	1.3716%
Fresno County	5.3775%
Glenn County	0.2130%
Humboldt County	1.0198%
Imperial County	2.5510%
Inyo County	0.6327%
Kern County	5.6938%
Kings County	0.9701%
Lake County	0.6604%
Lassen County	0.2643%
Los Angeles County	5.3239%
Madera County	0.9701%
Marin County	0.6292%
Mariposa County	0.6327%
Mendocino County	0.6846%
Merced County	1.8136%
Modoc County	0.0734%
Mono County	0.6327%
Monterey County	0.9018%
Napa County	0.6803%
Nevada County	0.7482%
Orange County	1.5661%
Placer County	2.6395%
Plumas County	0.1516%
Riverside County	5.6395%
Sacramento County	10.0169%
San Benito County	0.8404%

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San Bernardino County	8.9364%
San Diego County	2.5510%
San Francisco County	1.0034%
San Joaquin County	4.6394%
San Luis Obispo County	1.3483%
San Mateo County	1.1224%
Santa Barbara County	1.3483%
Santa Clara County	2.0612%
Santa Cruz County	0.8333%
Shasta County	1.3426%
Sierra County	0.0245%
Siskiyou County	0.3401%
Solano County	1.8979%
Sonoma County	1.1610%
Stanislaus County	3.6272%
Sutter County	0.7177%
Tehama County	0.4808%
Trinity County	0.1044%
Tulare County	2.5306%
Tuolumne County	0.6327%
Ventura County	1.3483%
Yolo County	1.5215%
Yuba County	0.5466%

(2) Commencing with the 2013–14 fiscal year, the California Multi-Jurisdictional Methamphetamine Enforcement Teams shall receive ~~47.52~~ 47.52015636 percent and shall be allocated in monthly installments by the Controller according to the following schedule:

Alameda County	1.7109%
Alpine County	0.6327%
Amador County	0.6327%
Butte County	1.6666%
Calaveras County	0.8435%
Colusa County	0.1623%
Contra Costa County	1.3163%
Del Norte County	0.2167%
El Dorado County	1.3716%

1	Fresno County	5.3775%
2	Glenn County	0.2130%
3	Humboldt County	1.0198%
4	Imperial County	2.5510%
5	Inyo County	0.6327%
6	Kern County	5.6938%
7	Kings County	0.9701%
8	Lake County	0.6604%
9	Lassen County	0.2643%
10	Los Angeles County	5.3239%
11	Madera County	0.9701%
12	Marin County	0.6292%
13	Mariposa County	0.6327%
14	Mendocino County	0.6846%
15	Merced County	1.8136%
16	Modoc County	0.0734%
17	Mono County	0.6327%
18	Monterey County	0.9018%
19	Napa County	0.6803%
20	Nevada County	0.7482%
21	Orange County	1.5661%
22	Placer County	2.6395%
23	Plumas County	0.1516%
24	Riverside County	5.6395%
25	Sacramento County	10.0169%
26	San Benito County	0.8404%
27	San Bernardino County	8.9364%
28	San Diego County	2.5510%
29	San Francisco County	1.0034%
30	San Joaquin County	4.6394%
31	San Luis Obispo County	1.3483%
32	San Mateo County	1.1224%
33	Santa Barbara County	1.3483%
34	Santa Clara County	2.0612%
35	Santa Cruz County	0.8333%
36	Shasta County	1.3426%
37	Sierra County	0.0245%
38	Siskiyou County	0.3401%
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Solano County	1.8979%
Sonoma County	1.1610%
Stanislaus County	3.6272%
Sutter County	0.7177%
Tehama County	0.4808%
Trinity County	0.1044%
Tulare County	2.5306%
Tuolumne County	0.6327%
Ventura County	1.3483%
Yolo County	1.5215%
Yuba County	0.5466%

(3) Commencing with the 2012–13 fiscal year, the Multi-Agency Gang Enforcement Consortium shall receive ~~0.2~~ 0.19545566 percent and shall be allocated by the Controller to Fresno County.

(4) Commencing with the 2013–14 fiscal year, the Multi-Agency Gang Enforcement Consortium shall receive ~~0.2~~ 0.19545566 percent and shall be allocated in monthly installments by the Controller to Fresno County.

(5) Commencing with the 2012–13 fiscal year, the Sexual Assault Felony Enforcement Teams, authorized by Section 13887, shall receive ~~12.48~~ 12.48473003 percent and shall be allocated by the Controller according to the following schedule:

Los Angeles County	21.0294%
Riverside County	12.8778%
Sacramento County	14.0198%
San Luis Obispo County	12.0168%
Santa Clara County	17.0238%
Shasta County	12.0168%
Tulare County	11.0156%

(6) Commencing with the 2013–14 fiscal year, the Sexual Assault Felony Enforcement Teams, authorized by Section 13887, shall receive ~~12.48~~ 12.48473003 percent and shall be allocated by the Controller in monthly installments according to the following schedule:

Los Angeles County	21.0294%
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Riverside County	12.8778%
Sacramento County	14.0198%
San Luis Obispo County	12.0168%
Santa Clara County	17.0238%
Shasta County	12.0168%
Tulare County	11.0156%

(7) Commencing with the 2012–13 fiscal year, the High Technology Theft Apprehension and Prosecution Program, authorized by Section 13848.2, shall receive ~~26.83~~ 26.82628879 percent and shall be allocated by the Controller according to the following schedule:

Los Angeles County	18.25%
Marin County	18.25%
Marin County, for use by the Department of Justice in implementing subdivision (b) of Section 13848.4	7.00%
Marin County, for use by the California District Attorneys Association in implementing subdivision (b) of Section 13848.4	1.75%
Sacramento County	18.25%
San Diego County	18.25%
Santa Clara County	18.25%

(8) Commencing with the 2013–14 fiscal year, the High Technology Theft Apprehension and Prosecution Program, authorized by Section 13848.2, shall receive ~~26.83~~ 26.82628879 percent and shall be allocated by the Controller in monthly installments according to the following schedule:

Los Angeles County	18.25%
Marin County	18.25%
Marin County, for use by the Department of Justice in implementing subdivision (b) of Section 13848.4	7.00%
Marin County, for use by the California District Attorneys Association in implementing subdivision (b) of Section 13848.4	1.75%
Sacramento County	18.25%
San Diego County	18.25%

Santa Clara County	18.25%
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(9) Commencing with the 2012–13 fiscal year, the Gang Violence Suppression Program, authorized by Section 13826.1, shall receive ~~3.91~~ 3.90911312 percent and shall be allocated by the Controller according to the following schedule:

Alameda County	9.6775%
Los Angeles County	22.5808%
Monterey County	9.6775%
Napa County	17.7417%
City of Oxnard	17.7417%
City of Sacramento	22.5808%

(10) Commencing with the 2013–14 fiscal year, the Gang Violence Suppression Program, authorized by Section 13826.1, shall receive ~~3.91~~ 3.90911312 percent and shall be allocated by the Controller in monthly installments according to the following schedule:

Alameda County	9.6775%
Los Angeles County	22.5808%
Monterey County	9.6775%
Napa County	17.7417%
City of Oxnard	17.7417%
City of Sacramento	22.5808%

(11) Commencing with the 2012–13 fiscal year, the Central Valley and Central Coast Rural Crime Prevention Programs, authorized by Sections 14170 and 14180, shall receive ~~9.06~~ 9.06425605 percent and shall be allocated by the Controller according to the following schedule:

Fresno County	18.5588%
Kern County	13.7173%
Kings County	6.8587%
Madera County	4.4380%
Merced County	6.8587%
Monterey County	7.2411%

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San Benito County	4.8273%
San Joaquin County	6.8587%
San Luis Obispo County	2.1723%
Santa Barbara County	3.6206%
Santa Cruz County	1.4482%
Stanislaus County	6.8587%
Tulare County	16.5415%

(12) Commencing with the 2013–14 fiscal year, the Central Valley and Central Coast Rural Crime Prevention Programs, authorized by Sections 14170 and 14180, shall receive ~~9.06~~ 9.06425605 percent and shall be allocated by the Controller in monthly installments according to the following schedule:

Fresno County	18.5588%
Kern County	13.7173%
Kings County	6.8587%
Madera County	4.4380%
Merced County	6.8587%
Monterey County	7.2411%
San Benito County	4.8273%
San Joaquin County	6.8587%
San Luis Obispo County	2.1723%
Santa Barbara County	3.6206%
Santa Cruz County	1.4482%
Stanislaus County	6.8587%
Tulare County	16.5415%

(d) For any of the programs described in this section, funding will be distributed by local agencies as would otherwise have occurred pursuant to Section 1 of Chapter 13 of the Statutes of 2011, First Extraordinary Session.

*SEC. 7. Section 17053.33 of the Revenue and Taxation Code is amended to read:*

17053.33. (a) For each taxable year beginning on or after January 1, 1998, and before January 1, 2014, there shall be allowed as a credit against the “net tax” (as defined in Section 17039) for the taxable year an amount equal to the sales or use tax paid or incurred during the taxable year by the qualified taxpayer in

1 connection with the qualified taxpayer’s purchase of qualified  
2 property before January 1, 2014.

3 (b) For purposes of this section:

4 (1) “Qualified property” means property that meets all of the  
5 following requirements:

6 (A) Is any of the following:

7 (i) Machinery and machinery parts used for fabricating,  
8 processing, assembling, and manufacturing.

9 (ii) Machinery and machinery parts used for the production of  
10 renewable energy resources.

11 (iii) Machinery and machinery parts used for either of the  
12 following:

13 (I) Air pollution control mechanisms.

14 (II) Water pollution control mechanisms.

15 (iv) Data-processing and communications equipment, such as  
16 computers, computer-automated drafting systems, copy machines,  
17 telephone systems, and faxes.

18 (v) Motion picture manufacturing equipment central to  
19 production and postproduction, such as cameras, audio recorders,  
20 and digital image and sound processing equipment.

21 (B) The total cost of qualified property purchased and placed  
22 in service in any taxable year that may be taken into account by  
23 any qualified taxpayer for purposes of claiming this credit shall  
24 not exceed one million dollars (\$1,000,000).

25 (C) The qualified property is used by the qualified taxpayer  
26 exclusively in a targeted tax ~~area~~ *area, or in the case of a targeted*  
27 *tax area that was repealed by Chapter 69 of the Statutes of 2013,*  
28 *the area designated as a targeted tax area immediately prior to*  
29 *the repeal.*

30 (D) The qualified property is ~~purchased and placed in service~~  
31 ~~before the date the targeted tax area designation expires, is revoked,~~  
32 ~~is no longer binding, becomes inoperative, or becomes inoperative.~~  
33 *is repealed.*

34 (E) *The qualified property is placed in service before January*  
35 *1, 2015.*

36 (2) (A) “Qualified taxpayer” means a person or entity that meets  
37 both of the following:

38 (i) Is engaged in a trade or business within a targeted tax area  
39 designated pursuant to Chapter 12.93 (commencing with Section  
40 7097) of Division 7 of Title 1 of the Government Code.

1 (ii) Is engaged in those lines of business described in Codes  
2 2000 to 2099, inclusive; 2200 to 3999, inclusive; 4200 to 4299,  
3 inclusive; 4500 to 4599, inclusive; and 4700 to 5199, inclusive,  
4 of the Standard Industrial Classification (SIC) Manual published  
5 by the United States Office of Management and Budget, 1987  
6 edition.

7 (B) In the case of any pass-through entity, the determination of  
8 whether a taxpayer is a qualified taxpayer under this section shall  
9 be made at the entity level and any credit under this section or  
10 Section 23633 shall be allowed to the pass-through entity and  
11 passed through to the partners or shareholders in accordance with  
12 applicable provisions of this part or Part 11 (commencing with  
13 Section 23001). For purposes of this subparagraph, the term  
14 “pass-through entity” means any partnership or S corporation.

15 (3) “Targeted tax area” means the area designated pursuant to  
16 Chapter 12.93 (commencing with Section 7097) of Division 7 of  
17 Title 1 of the Government Code. *Code as it read on July 11, 2013.*

18 (c) If the qualified taxpayer is allowed a credit for qualified  
19 property pursuant to this section, only one credit shall be allowed  
20 to the taxpayer under this part with respect to that qualified  
21 property.

22 (d) If the qualified taxpayer has purchased property upon which  
23 a use tax has been paid or incurred, the credit provided by this  
24 section shall be allowed only if qualified property of a comparable  
25 quality and price is not timely available for purchase in this state.

26 (e) In the case where the credit otherwise allowed under this  
27 section exceeds the “net tax” for the taxable year, that portion of  
28 the credit that exceeds the “net tax” may be carried over and added  
29 to the credit, if any, in the succeeding 10 taxable years, if necessary,  
30 until the credit is exhausted. The credit shall be applied first to the  
31 earliest taxable years possible.

32 (f) Any qualified taxpayer who elects to be subject to this section  
33 shall not be entitled to increase the basis of the qualified property  
34 as otherwise required by Section 164(a) of the Internal Revenue  
35 Code with respect to sales or use tax paid or incurred in connection  
36 with the qualified taxpayer’s purchase of qualified property.

37 (g) (1) The amount of the credit otherwise allowed under this  
38 section and Section 17053.34, including any credit carryover from  
39 prior years, that may reduce the “net tax” for the taxable year shall  
40 not exceed the amount of tax that would be imposed on the

1 qualified taxpayer's business income attributable to the targeted  
2 tax area determined as if that attributable income represented all  
3 of the income of the qualified taxpayer subject to tax under this  
4 part.

5 (2) Attributable income shall be that portion of the taxpayer's  
6 California source business income that is apportioned to the  
7 targeted tax area. For that purpose, the taxpayer's business income  
8 attributable to sources in this state first shall be determined in  
9 accordance with Chapter 17 (commencing with Section 25101) of  
10 Part 11. That business income shall be further apportioned to the  
11 targeted tax area in accordance with Article 2 (commencing with  
12 Section 25120) of Chapter 17 of Part 11, modified for purposes  
13 of this section in accordance with paragraph (3).

14 (3) Business income shall be apportioned to the targeted tax  
15 area by multiplying the total California business income of the  
16 taxpayer by a fraction, the numerator of which is the property  
17 factor plus the payroll factor, and the denominator of which is two.  
18 For purposes of this paragraph:

19 (A) The property factor is a fraction, the numerator of which is  
20 the average value of the taxpayer's real and tangible personal  
21 property owned or rented and used in the targeted tax area during  
22 the taxable year, and the denominator of which is the average value  
23 of all the taxpayer's real and tangible personal property owned or  
24 rented and used in this state during the taxable year.

25 (B) The payroll factor is a fraction, the numerator of which is  
26 the total amount paid by the taxpayer in the targeted tax area during  
27 the taxable year for compensation, and the denominator of which  
28 is the total compensation paid by the taxpayer in this state during  
29 the taxable year.

30 (4) The portion of any credit remaining, if any, after application  
31 of this subdivision, shall be carried over to succeeding taxable  
32 years, if necessary, until the credit is exhausted, as if it were an  
33 amount exceeding the "net tax" for the taxable year, as provided  
34 in subdivision (e). However, the portion of any credit remaining  
35 for carryover to taxable years beginning on or after January 1,  
36 2014, if any, after application of this subdivision, shall be carried  
37 over only to the succeeding 10 taxable years if necessary, until the  
38 credit is exhausted, as if it were an amount exceeding the "net tax"  
39 for the taxable year, as provided in subdivision (e).

1 (5) In the event that a credit carryover is allowable under  
2 subdivision (e) for any taxable year after the targeted tax area  
3 designation has expired, has been revoked, is no longer binding,  
4 or has become inoperative, the targeted tax area shall be deemed  
5 to remain in existence for purposes of computing the limitation  
6 specified in this subdivision.

7 (h) The amendments made to this section by the act adding this  
8 subdivision shall apply to taxable years beginning on or after  
9 January 1, 1998.

10 (i) This section is repealed on December 1, ~~2014~~. 2015.

11 *SEC. 8. Section 17053.70 of the Revenue and Taxation Code*  
12 *is amended to read:*

13 17053.70. (a) There shall be allowed as a credit against the  
14 “net tax” (as defined in Section 17039) for the taxable year an  
15 amount equal to the sales or use tax paid or incurred during the  
16 taxable year by the taxpayer in connection with the taxpayer’s  
17 purchase of qualified property before January 1, 2014.

18 (b) For purposes of this section:

19 (1) “Taxpayer” means a person or entity engaged in a trade or  
20 business within an enterprise zone.

21 (2) “Qualified property” means:

22 (A) Any of the following:

23 (i) Machinery and machinery parts used for fabricating,  
24 processing, assembling, and manufacturing.

25 (ii) Machinery and machinery parts used for the production of  
26 renewable energy resources.

27 (iii) Machinery and machinery parts used for either of the  
28 following:

29 (I) Air pollution control mechanisms.

30 (II) Water pollution control mechanisms.

31 (iv) Data processing and communications equipment, including,  
32 but not limited, to computers, computer-automated drafting  
33 systems, copy machines, telephone systems, and faxes.

34 (v) Motion picture manufacturing equipment central to  
35 production and postproduction, including, but not limited to,  
36 cameras, audio recorders, and digital image and sound processing  
37 equipment.

38 (B) The total cost of qualified property purchased and placed  
39 in service in any taxable year that may be taken into account by

1 any taxpayer for purposes of claiming this credit shall not exceed  
2 one million dollars (\$1,000,000).

3 (C) The qualified property is used by the taxpayer exclusively  
4 in an enterprise ~~zone~~. *zone, or in the case of an enterprise zone*  
5 *that was repealed by Chapter 69 of the Statutes of 2013, the area*  
6 *designated as an enterprise zone immediately prior to the repeal.*

7 (D) The qualified property is ~~purchased and placed in service~~  
8 before the date the enterprise zone designation expires, is *revoked,*  
9 *is no longer binding, becomes inoperative, or becomes inoperative.*  
10 *is repealed.*

11 (E) *The qualified property is placed in service before January*  
12 *1, 2015.*

13 (3) “Enterprise zone” means the area designated as an enterprise  
14 zone pursuant to Chapter 12.8 (commencing with Section 7070)  
15 of Division 7 of Title 1 of the Government Code as it read on ~~the~~  
16 ~~effective date of the act amending this section.~~ *July 11, 2013.*

17 (c) If the taxpayer has purchased property upon which a use tax  
18 has been paid or incurred, the credit provided by this section shall  
19 be allowed only if qualified property of a comparable quality and  
20 price is not timely available for purchase in this state.

21 (d) In the case where the credit otherwise allowed under this  
22 section exceeds the “net tax” for the taxable year, that portion of  
23 the credit that exceeds the “net tax” may be carried over and added  
24 to the credit, if any, in the succeeding 10 taxable years, if necessary,  
25 until the credit is exhausted. The credit shall be applied first to the  
26 earliest taxable years possible.

27 (e) Any taxpayer that elects to be subject to this section shall  
28 not be entitled to increase the basis of the qualified property as  
29 otherwise required by Section 164(a) of the Internal Revenue Code  
30 with respect to sales or use tax paid or incurred in connection with  
31 the taxpayer’s purchase of qualified property.

32 (f) (1) The amount of the credit otherwise allowed under this  
33 section and Section 17053.74, including any credit carryover from  
34 prior years, that may reduce the “net tax” for the taxable year shall  
35 not exceed the amount of tax that would be imposed on the  
36 taxpayer’s business income attributable to the enterprise zone  
37 determined as if that attributable income represented all of the  
38 income of the taxpayer subject to tax under this part.

39 (2) Attributable income shall be that portion of the taxpayer’s  
40 California source business income that is apportioned to the

1 enterprise zone. For that purpose, the taxpayer's business income  
2 attributable to sources in this state first shall be determined in  
3 accordance with Chapter 17 (commencing with Section 25101) of  
4 Part 11. That business income shall be further apportioned to the  
5 enterprise zone in accordance with Article 2 (commencing with  
6 Section 25120) of Chapter 17 of Part 11, modified for purposes  
7 of this section in accordance with paragraph (3).

8 (3) Business income shall be apportioned to the enterprise zone  
9 by multiplying the total California business income of the taxpayer  
10 by a fraction, the numerator of which is the property factor plus  
11 the payroll factor, and the denominator of which is two. For  
12 purposes of this paragraph:

13 (A) The property factor is a fraction, the numerator of which is  
14 the average value of the taxpayer's real and tangible personal  
15 property owned or rented and used in the enterprise zone during  
16 the taxable year, and the denominator of which is the average value  
17 of all the taxpayer's real and tangible personal property owned or  
18 rented and used in this state during the taxable year.

19 (B) The payroll factor is a fraction, the numerator of which is  
20 the total amount paid by the taxpayer in the enterprise zone during  
21 the taxable year for compensation, and the denominator of which  
22 is the total compensation paid by the taxpayer in this state during  
23 the taxable year.

24 (4) The portion of any credit remaining, if any, after application  
25 of this subdivision, shall be carried over to succeeding taxable  
26 years, if necessary, until the credit is exhausted, as if it were an  
27 amount exceeding the "net tax" for the taxable year, as provided  
28 in subdivision (d). However, the portion of any credit remaining  
29 for carryover to taxable years beginning on or after January 1,  
30 2014, if any, after application of this subdivision, shall be carried  
31 over only to the succeeding 10 taxable years, if necessary, until  
32 the credit is exhausted, as if it were an amount exceeding the "net  
33 tax" for the taxable year, as provided in subdivision (d).

34 (g) The amendments made to this section by the act adding this  
35 subdivision shall apply to taxable years beginning on or after  
36 January 1, 1998.

37 (h) This section is repealed on December 1, ~~2014~~, 2015.

38 *SEC. 9. Section 18410.2 of the Revenue and Taxation Code is*  
39 *amended to read:*

1 18410.2. (a) The California Competes Tax Credit Committee  
2 is hereby established. The committee shall consist of the Treasurer,  
3 the Director of Finance, and the Director of the Governor’s Office  
4 of Business and Economic Development, *who shall serve as chair*  
5 *of the committee*, or their designated representatives, and one  
6 appointee each ~~from~~ by the ~~Senate Speaker of the Assembly and~~  
7 ~~the Assembly~~. *Senate Committee on Rules. A member of the*  
8 *Legislature shall not be appointed.*

9 (b) For purposes of Sections 17059.2 and 23689, the California  
10 Competes Tax Credit Committee shall do all of the following:

11 (1) Approve or reject any written agreement for a tax credit  
12 allocation by resolution at a duly noticed public meeting held in  
13 accordance with the Bagley-Keene Open Meeting Act (Article 9  
14 (commencing with Section 11120) of Chapter 1 of Part 1 of  
15 Division 3 of Title 2 of the Government Code), but only after  
16 receipt of the fully executed written agreement between the  
17 taxpayer and the Governor’s Office of Business and Economic  
18 Development.

19 (2) Approve or reject any recommendation to recapture, in whole  
20 or in part, a tax credit allocation by resolution at a duly noticed  
21 public meeting held in accordance with the Bagley-Keene Open  
22 Meeting Act (Article 9 (commencing with Section 11120) of  
23 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government  
24 Code), but only after receipt of the recommendation from the  
25 Governor’s Office of Business and Economic Development  
26 pursuant to the terms of the fully executed written agreement.

27 *SEC. 10. Section 23612.2 of the Revenue and Taxation Code*  
28 *is amended to read:*

29 23612.2. (a) There shall be allowed as a credit against the  
30 “tax” (as defined by Section 23036) for the taxable year an amount  
31 equal to the sales or use tax paid or incurred during the taxable  
32 year by the taxpayer in connection with the taxpayer’s purchase  
33 of qualified property before January 1, 2014.

34 (b) For purposes of this section:

35 (1) “Taxpayer” means a corporation engaged in a trade or  
36 business within an enterprise zone.

37 (2) “Qualified property” means:

38 (A) Any of the following:

39 (i) Machinery and machinery parts used for fabricating,  
40 processing, assembling, and manufacturing.

- 1 (ii) Machinery and machinery parts used for the production of  
 2 renewable energy resources.
- 3 (iii) Machinery and machinery parts used for either of the  
 4 following:
- 5 (I) Air pollution control mechanisms.
- 6 (II) Water pollution control mechanisms.
- 7 (iv) Data-processing and communications equipment, including,  
 8 but not limited to, computers, computer-automated drafting  
 9 systems, copy machines, telephone systems, and faxes.
- 10 (v) Motion picture manufacturing equipment central to  
 11 production and postproduction, including, but not limited to,  
 12 cameras, audio recorders, and digital image and sound processing  
 13 equipment.
- 14 (B) The total cost of qualified property purchased and placed  
 15 in service in any taxable year that may be taken into account by  
 16 any taxpayer for purposes of claiming this credit shall not exceed  
 17 twenty million dollars (\$20,000,000).
- 18 (C) The qualified property is used by the taxpayer exclusively  
 19 in an enterprise ~~zone~~: *zone, or in the case of an enterprise zone*  
 20 *that was repealed by Chapter 69 of the Statutes of 2013, the area*  
 21 *designated as an enterprise zone immediately prior to the repeal.*
- 22 (D) The qualified property is purchased ~~and placed in service~~  
 23 *before the date the enterprise zone designation expires, is revoked,*  
 24 *is no longer binding, becomes inoperative, or becomes inoperative.*  
 25 *is repealed.*
- 26 (E) *The qualified property is placed in service before January*  
 27 *1, 2015.*
- 28 (3) “Enterprise zone” means the area designated as an enterprise  
 29 zone pursuant to Chapter 12.8 (commencing with Section 7070)  
 30 of Division 7 of Title 1 of the Government Code as it read on ~~the~~  
 31 ~~effective date of the act amending this section.~~ *July 11, 2013.*
- 32 (c) If the taxpayer has purchased property upon which a use tax  
 33 has been paid or incurred, the credit provided by this section shall  
 34 be allowed only if qualified property of a comparable quality and  
 35 price is not timely available for purchase in this state.
- 36 (d) In the case where the credit otherwise allowed under this  
 37 section exceeds the “tax” for the taxable year, that portion of the  
 38 credit which exceeds the “tax” may be carried over and added to  
 39 the credit, if any, in the succeeding 10 taxable years if necessary,

1 until the credit is exhausted. The credit shall be applied first to the  
2 earliest taxable years possible.

3 (e) Any taxpayer that elects to be subject to this section shall  
4 not be entitled to increase the basis of the qualified property as  
5 otherwise required by Section 164(a) of the Internal Revenue Code  
6 with respect to sales or use tax paid or incurred in connection with  
7 the taxpayer's purchase of qualified property.

8 (f) (1) The amount of credit otherwise allowed under this  
9 section and Section 23622.7, including any credit carryover from  
10 prior years, that may reduce the "tax" for the taxable year shall  
11 not exceed the amount of tax which would be imposed on the  
12 taxpayer's business income attributable to the enterprise zone  
13 determined as if that attributable income represented all of the  
14 income of the taxpayer subject to tax under this part.

15 (2) Attributable income shall be that portion of the taxpayer's  
16 California source business income that is apportioned to the  
17 enterprise zone. For that purpose, the taxpayer's business income  
18 attributable to sources in this state first shall be determined in  
19 accordance with Chapter 17 (commencing with Section 25101).  
20 That business income shall be further apportioned to the enterprise  
21 zone in accordance with Article 2 (commencing with Section  
22 25120) of Chapter 17, modified for purposes of this section in  
23 accordance with paragraph (3).

24 (3) Business income shall be apportioned to the enterprise zone  
25 by multiplying the total California business income of the taxpayer  
26 by a fraction, the numerator of which is the property factor plus  
27 the payroll factor, and the denominator of which is two. For  
28 purposes of this paragraph:

29 (A) The property factor is a fraction, the numerator of which is  
30 the average value of the taxpayer's real and tangible personal  
31 property owned or rented and used in the enterprise zone during  
32 the taxable year, and the denominator of which is the average value  
33 of all the taxpayer's real and tangible personal property owned or  
34 rented and used in this state during the taxable year.

35 (B) The payroll factor is a fraction, the numerator of which is  
36 the total amount paid by the taxpayer in the enterprise zone during  
37 the taxable year for compensation, and the denominator of which  
38 is the total compensation paid by the taxpayer in this state during  
39 the taxable year.

1 (4) The portion of any credit remaining, if any, after application  
2 of this subdivision, shall be carried over to succeeding taxable  
3 years if necessary, until the credit is exhausted, as if it were an  
4 amount exceeding the “tax” for the taxable year, as provided in  
5 subdivision (d). However, the portion of any credit remaining for  
6 carryover to taxable years beginning on January 1, 2014, if any,  
7 after application of this subdivision, shall be carried over only to  
8 the succeeding 10 taxable years if necessary, until the credit is  
9 exhausted, as if it were an amount exceeding the “tax” for the  
10 taxable year, as provided in subdivision (d).

11 (g) The amendments made to this section by the act adding this  
12 subdivision shall apply to taxable years beginning on or after  
13 January 1, 1998.

14 (h) This section is repealed on December 1, ~~2014~~ 2015.

15 *SEC. 11. Section 23633 of the Revenue and Taxation Code is*  
16 *amended to read:*

17 23633. (a) For each taxable year beginning on or after January  
18 1, 1998, and before January 1, 2014, there shall be allowed as a  
19 credit against the “tax” (as defined by Section 23036) for the  
20 taxable year an amount equal to the sales or use tax paid or incurred  
21 during the taxable year by the qualified taxpayer in connection  
22 with the qualified taxpayer’s purchase of qualified property before  
23 January 1, 2014.

24 (b) For purposes of this section:

25 (1) “Qualified property” means property that meets all of the  
26 following requirements:

27 (A) Is any of the following:

28 (i) Machinery and machinery parts used for fabricating,  
29 processing, assembling, and manufacturing.

30 (ii) Machinery and machinery parts used for the production of  
31 renewable energy resources.

32 (iii) Machinery and machinery parts used for either of the  
33 following:

34 (I) Air pollution control mechanisms.

35 (II) Water pollution control mechanisms.

36 (iv) Data-processing and communications equipment, such as  
37 computers, computer-automated drafting systems, copy machines,  
38 telephone systems, and faxes.

1 (v) Motion picture manufacturing equipment central to  
2 production and postproduction, such as cameras, audio recorders,  
3 and digital image and sound processing equipment.

4 (B) The total cost of qualified property purchased and placed  
5 in service in any taxable year that may be taken into account by  
6 any qualified taxpayer for purposes of claiming this credit shall  
7 not exceed twenty million dollars (\$20,000,000).

8 (C) The qualified property is used by the qualified taxpayer  
9 exclusively in a targeted tax ~~area~~ *area, or in the case of a targeted*  
10 *tax area that was repealed by Chapter 69 of the Statutes of 2013,*  
11 *the area designated as a targeted tax area immediately prior to*  
12 *the repeal.*

13 (D) The qualified property is purchased ~~and placed in service~~  
14 before the date the targeted tax area designation expires, is revoked,  
15 is no longer binding, *becomes inoperative, or becomes inoperative.*  
16 *is repealed.*

17 (E) *The qualified property is placed in service before January*  
18 *1, 2015.*

19 (2) (A) “Qualified taxpayer” means a corporation that meets  
20 both of the following:

21 (i) Is engaged in a trade or business within a targeted tax area  
22 designated pursuant to Chapter 12.93 (commencing with Section  
23 7097) of Division 7 of Title 1 of the Government Code.

24 (ii) Is engaged in those lines of business described in Codes  
25 2000 to 2099, inclusive; 2200 to 3999, inclusive; 4200 to 4299,  
26 inclusive; 4500 to 4599, inclusive; and 4700 to 5199, inclusive,  
27 of the Standard Industrial Classification (SIC) Manual published  
28 by the United States Office of Management and Budget, 1987  
29 edition.

30 (B) In the case of any pass-through entity, the determination of  
31 whether a taxpayer is a qualified taxpayer under this section shall  
32 be made at the entity level and any credit under this section or  
33 Section 17053.33 shall be allowed to the pass-through entity and  
34 passed through to the partners or shareholders in accordance with  
35 applicable provisions of this part or Part 10 (commencing with  
36 Section 17001). For purposes of this subparagraph, the term  
37 “pass-through entity” means any partnership or S corporation.

38 (3) “Targeted tax area” means the area designated pursuant to  
39 Chapter 12.93 (commencing with Section 7097) of Division 7 of  
40 Title 1 of the Government ~~Code~~. *Code as it read on July 11, 2013.*

1 (c) If the qualified taxpayer is allowed a credit for qualified  
2 property pursuant to this section, only one credit shall be allowed  
3 to the taxpayer under this part with respect to that qualified  
4 property.

5 (d) If the qualified taxpayer has purchased property upon which  
6 a use tax has been paid or incurred, the credit provided by this  
7 section shall be allowed only if qualified property of a comparable  
8 quality and price is not timely available for purchase in this state.

9 (e) In the case where the credit otherwise allowed under this  
10 section exceeds the “tax” for the taxable year, that portion of the  
11 credit that exceeds the “tax” may be carried over and added to the  
12 credit, if any, in the succeeding 10 taxable years, if necessary, until  
13 the credit is exhausted. The credit shall be applied first to the  
14 earliest taxable years possible.

15 (f) Any qualified taxpayer who elects to be subject to this section  
16 shall not be entitled to increase the basis of the qualified property  
17 as otherwise required by Section 164(a) of the Internal Revenue  
18 Code with respect to sales or use tax paid or incurred in connection  
19 with the qualified taxpayer’s purchase of qualified property.

20 (g) (1) The amount of credit otherwise allowed under this  
21 section and Section 23634, including any credit carryover from  
22 prior years, that may reduce the “tax” for the taxable year shall  
23 not exceed the amount of tax that would be imposed on the  
24 qualified taxpayer’s business income attributable to the targeted  
25 tax area determined as if that attributable income represented all  
26 of the income of the qualified taxpayer subject to tax under this  
27 part.

28 (2) Attributable income shall be that portion of the taxpayer’s  
29 California source business income that is apportioned to the  
30 targeted tax area. For that purpose, the taxpayer’s business income  
31 attributable to sources in this state first shall be determined in  
32 accordance with Chapter 17 (commencing with Section 25101).  
33 That business income shall be further apportioned to the targeted  
34 tax area in accordance with Article 2 (commencing with Section  
35 25120) of Chapter 17, modified for purposes of this section in  
36 accordance with paragraph (3).

37 (3) Business income shall be apportioned to the targeted tax  
38 area by multiplying the total California business income of the  
39 taxpayer by a fraction, the numerator of which is the property

1 factor plus the payroll factor, and the denominator of which is two.

2 For purposes of this paragraph:

3 (A) The property factor is a fraction, the numerator of which is  
4 the average value of the taxpayer's real and tangible personal  
5 property owned or rented and used in the targeted tax area during  
6 the taxable year and the denominator of which is the average value  
7 of all the taxpayer's real and tangible personal property owned or  
8 rented and used in this state during the taxable year.

9 (B) The payroll factor is a fraction, the numerator of which is  
10 the total amount paid by the taxpayer in the targeted tax area during  
11 the taxable year for compensation, and the denominator of which  
12 is the total compensation paid by the taxpayer in this state during  
13 the taxable year.

14 (4) The portion of any credit remaining, if any, after application  
15 of this subdivision, shall be carried over to succeeding taxable  
16 years, if necessary, until the credit is exhausted, as if it were an  
17 amount exceeding the "tax" for the taxable year, as provided in  
18 subdivision (e). However, the portion of any credit remaining for  
19 carryover to taxable years beginning on or after January 1, 2014,  
20 if any, after application of this subdivision, shall be carried over  
21 only to the succeeding 10 taxable years if necessary, until the credit  
22 is exhausted, as if it were an amount exceeding the "tax" for the  
23 taxable year, as provided in subdivision (e).

24 (5) In the event that a credit carryover is allowable under  
25 subdivision (e) for any taxable year after the targeted tax area  
26 designation has expired, has been revoked, is no longer binding,  
27 or has become inoperative, the targeted tax area shall be deemed  
28 to remain in existence for purposes of computing the limitation  
29 specified in this subdivision.

30 (h) The changes made to this section by the act adding this  
31 subdivision shall apply to taxable years beginning on or after  
32 January 1, 1998.

33 (i) This section is repealed on December 1, ~~2014~~, 2015.

34 *SEC. 12. Section 1403 of the Welfare and Institutions Code is*  
35 *amended to read:*

36 1403. This chapter shall remain in effect only until January 1,  
37 ~~2014~~, 2016, and as of that date is repealed, unless a later enacted  
38 statute, that is enacted before January 1, ~~2014~~, 2016, deletes or  
39 extends that date.

1 SEC. 13. Section 18220 of the Welfare and Institutions Code  
2 is amended to read:

3 18220. (a) For the 2011–12 fiscal year, the Controller shall  
4 allocate 33.38 percent of the funds deposited in the Local Law  
5 Enforcement Services Account in the Local Revenue Fund 2011  
6 for purposes of Section 18221.

7 (b) (1) Commencing with the 2012–13 fiscal year, *subsequent*  
8 *to the allocation described in subdivision (c) of Section 29552 of*  
9 *the Government Code, the Controller shall allocate—30.99*  
10 *33.37876457 percent of the remaining funds deposited in the*  
11 *Enhancing Law Enforcement Activities Subaccount in the Local*  
12 *Revenue Fund 2011 according to the schedule in subdivision (c),*  
13 *for purposes of Section 18221.*

14 (2) Commencing with the 2013–14 fiscal year, *subsequent to*  
15 *the allocation described in subdivision (d) of Section 29552 of the*  
16 *Government Code the Controller shall—allocate; allocate*  
17 *33.37876457 percent of the remaining funds deposited in the*  
18 *Enhancing Law Enforcement Activities Subaccount in the Local*  
19 *Revenue Fund 2011, in monthly installments, according to the*  
20 *funds specified schedule in paragraph (1) in accordance with*  
21 *subdivision (e). subdivision (c), for purposes of Section 18221.*

22 (c) The Controller shall allocate funds to local jurisdictions to  
23 support juvenile probation activities according to the following  
24 schedule:

25	
26	Alameda County..... 3.9522%
27	Alpine County..... 0.0004%
28	Amador County..... 0.0597%
29	Butte County..... 0.3193%
30	Calaveras County..... 0.0611%
31	Colusa County..... 0.0341%
32	Contra Costa County..... 2.6634%
33	Del Norte County..... 0.1170%
34	El Dorado County..... 0.3016%
35	Fresno County..... 2.1547%
36	Glenn County..... 0.0536%
37	Humboldt County..... 0.1696%
38	Imperial County..... 0.3393%
39	Inyo County..... 0.1432%
40	Kern County..... 2.5687%

1	Kings County.....	0.3839%
2	Lake County.....	0.1866%
3	Lassen County.....	0.0543%
4	Los Angeles County.....	40.1353%
5	Madera County.....	0.2399%
6	Marin County.....	0.3742%
7	Mariposa County.....	0.0133%
8	Mendocino County.....	0.1975%
9	Merced County.....	0.3464%
10	Modoc County.....	0.0213%
11	Mono County.....	0.0071%
12	Monterey County.....	0.6039%
13	Napa County.....	0.3520%
14	Nevada County.....	0.1244%
15	Orange County.....	8.4582%
16	Placer County.....	0.2667%
17	Plumas County.....	0.0273%
18	Riverside County.....	3.2234%
19	Sacramento County.....	2.1350%
20	San Benito County.....	0.2136%
21	San Bernardino County.....	3.4715%
22	San Diego County.....	5.6095%
23	San Francisco County.....	1.9161%
24	San Joaquin County.....	0.8854%
25	San Luis Obispo County.....	0.6007%
26	San Mateo County.....	1.8974%
27	Santa Barbara County.....	1.6561%
28	Santa Clara County.....	5.8082%
29	Santa Cruz County.....	0.6128%
30	Shasta County.....	0.4116%
31	Sierra County.....	0.0037%
32	Siskiyou County.....	0.0750%
33	Solano County.....	1.0363%
34	Sonoma County.....	1.3043%
35	Stanislaus County.....	0.5275%
36	Sutter County.....	0.1344%
37	Tehama County.....	0.1444%
38	Trinity County.....	0.0346%
39	Tulare County.....	1.4116%
40	Tuolumne County.....	0.0706%

1	Ventura County.....	1.7193%
2	Yolo County.....	0.2543%
3	Yuba County.....	0.1125%

4  
5

6 *SEC. 14. Section 18220.1 of the Welfare and Institutions Code*  
7 *is amended to read:*

8 18220.1. (a) For the 2011–12 fiscal year, the Controller shall,  
9 on a quarterly basis beginning October 1, allocate 6.47 percent of  
10 the funds deposited in the Local Law Enforcement Services  
11 Account in the Local Revenue Fund 2011 pursuant to a schedule  
12 provided by the Department of Corrections and Rehabilitation.  
13 The department’s schedule shall provide for the allocation of funds  
14 appropriated in the annual Budget Act, and included in the Local  
15 Law Enforcement Services Account, among counties that operate  
16 juvenile camps and ranches based on the number of occupied beds  
17 in each camp as of 12:01 a.m. each day, up to the Corrections  
18 Standards Authority rated maximum capacity, as determined by  
19 the Corrections Standards Authority.

20 (b) Commencing with the 2012–13 fiscal year, *subsequent to*  
21 *the allocation described in subdivision (c) of Section 29552 of the*  
22 *Government Code, the Controller shall allocate ~~6.04~~ 6.46955375*  
23 *percent of the remaining funds deposited in the Enhancing Law*  
24 *Enforcement Activities Subaccount in the Local Revenue Fund*  
25 *2011 pursuant to the schedule provided by the Department of*  
26 *Finance based on data reported to the Board of State and*  
27 *Community Corrections. The schedule shall provide for the*  
28 *allocation of funds appropriated in the annual Budget Act, and*  
29 *included in the Enhancing Law Enforcement Activities Subaccount,*  
30 *among counties that operate juvenile camps and ranches based on*  
31 *the number of occupied beds in each camp as of 12:01 a.m. each*  
32 *day, up to the rated maximum capacity, as determined by the board.*  
33 *Allocations shall be made following the end of each fiscal quarter,*  
34 *beginning July 1, 2012, to account for beds occupied in that quarter.*

35 (c) Commencing with the 2013–14 fiscal year, *subsequent to*  
36 *the allocation described in subdivision (d) of Section 29552 of the*  
37 *Government Code, the Controller shall allocate ~~6.04~~ 6.46955375*  
38 *percent of the remaining funds deposited in the Enhancing Law*  
39 *Enforcement Activities Subaccount in the Local Revenue Fund*  
40 *2011 pursuant to the schedule provided by the Department of*

1 Finance based on data reported to the Board of State and  
2 Community Corrections. The schedule shall provide for the  
3 allocation of funds appropriated in the annual Budget Act, and  
4 included in the Enhancing Law Enforcement Activities Subaccount,  
5 among counties that operate juvenile camps and ranches based on  
6 the number of occupied beds in each camp as of 12:01 a.m. each  
7 day, up to the rated maximum capacity, as determined by the board.  
8 Allocations shall be made in monthly installments.

9 *SEC. 15. No reimbursement is required by this act pursuant*  
10 *to Section 6 of Article XIII B of the California Constitution because*  
11 *the only costs that may be incurred by a local agency or school*  
12 *district will be incurred because this act creates a new crime or*  
13 *infraction, eliminates a crime or infraction, or changes the penalty*  
14 *for a crime or infraction, within the meaning of Section 17556 of*  
15 *the Government Code, or changes the definition of a crime within*  
16 *the meaning of Section 6 of Article XIII B of the California*  
17 *Constitution.*

18 *SEC. 16. The sum of one hundred thousand dollars (\$100,000)*  
19 *is hereby appropriated from the General Fund to the Governor's*  
20 *Office of Economic Development to provide staff support for the*  
21 *California Competes Tax Credit Committee pursuant to Section*  
22 *18410.2 of the Revenue and Taxation Code.*

23 *SEC. 17. This act is a bill providing for appropriations related*  
24 *to the Budget Bill within the meaning of subdivision (e) of Section*  
25 *12 of Article IV of the California Constitution, has been identified*  
26 *as related to the budget in the Budget Bill, and shall take effect*  
27 *immediately.*

28 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
29 ~~changes relating to the Budget Act of 2013.~~