Senate Bill No. 1304

Passed the Senate May 15, 2014

_____

Secretary of the Senate

Passed the Assembly June 16, 2014

_____

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day of _____, 2014, at _____ o'clock ____M.

_____

Private Secretary of the Governor

Corrected 6-24-14

CHAPTER _____

An act to amend Sections 494.6, 2135.7, 2507, 2530.2, 2660, 3010.5, 3110, 4342, 8776, 18646, 19605.73, 22251.2, and 23826.12 of the Business and Professions Code, to amend Sections 56.30, 1102.6, and 1788.58 of the Civil Code, to amend Sections 425.16, 580b, 580d, 1282.4, and 1530 of the Code of Civil Procedure, to amend Sections 402.5, 14001, and 14305 of the Corporations Code, to amend Sections 221.5, 2576, 8151, 8152, 8155, 8482.3, 20092, 32282.1, 35182.5, 41329.575, 42238.03, 42283, 44212, 44956, 49085, 49557.2, 60643, 60811.4, 66746, 66762.5, 78230, 92493, and 99301 of the Education Code, to amend Sections 2187, 3007.8, 5001, 19284, and 19290 of the Elections Code, to amend Sections 914, 6383, and 8730 of the Family Code, to amend Section 12002 of, and to repeal Section 8664.2 of, the Fish and Game Code, to amend Sections 24001, 24011, 24012, 43003, 47060, 47061, and 81006 of the Food and Agricultural Code, to amend Sections 905.2, 1043, 1097.1, 9402, 11507, 6588.7, 12011.5, 12012.61, 13403, 13978.8, 14528.56, 15920, 41805, 53313, 57118, and 70377 of the Government Code, to amend Sections 1275.3, 1357.51, 1367.006, 1375.9, 1562.3, 1796.24, 11379, 11751, 25249.7, 25269.1, 121022, 121026, 123367, and 130301 of the Health and Safety Code, to amend Sections 395, 791.29, 935.8, 1216.1, 10133.4, 10232.8, 10234.93, 10753.05, 10961, and 10965.11 of the Insurance Code, to amend Sections 139.2, 139.5, 230.4, 1773.1, 2055, 4600, and 5502 of the Labor Code, to amend Sections 935 and 952 of the Military and Veterans Code, to amend Sections 136.2, 145.5, 273.5, 289.6, 311.11, 311.12, 326.3, 487a, 519, 646.91, 647, 830.3, 1208, 1275, 2053.1, 6027, 7442, 11165.15, 13701, and 16970 of the Penal Code, to amend Sections 215, 2574, 6325, 9702, and 9730 of, and to amend the heading of Chapter 4 (commencing with Section 3600) of Part 8 of Division 4 of, the Probate Code, to amend Section 20133 of the Public Contract Code, to amend Sections 6217.6, 25722.8, and 30620 of, and to amend and renumber Section 6717.6.1 of, the Public Resources Code, to amend Sections 379.8, 589, 740.5, 741, 747.6, 769, 984.5, 987, 2120, 2827.10, 4661, 100602.4, and 170056 of the Public Utilities Code, to amend Sections 62, 2615.6, 17053.57, 18796, 19136, 19164, and 19555 of, and to amend and renumber Section

20125 of, the Revenue and Taxation Code, to amend Sections 1653.5, 2810.2, 12801, 12801.9, 14601.2, 15210, 15215, 21251, 21260, and 27375 of, and to amend and renumber the heading of Article 5 (commencing with Section 21250) of Chapter 1 of Division 11 of, the Vehicle Code, to amend Sections 304.7, 355, 366.31, 726, 4363, 4512, 4571, 4685.8, 5848.5, 6604.9, 8103, 11400, 11450.025, 14005.30, 14005.65, 14007.1, 14132.277, 14182.18, 14186.1, 14186.36, 14701, 17603, 17604, 17606.10, 17612.3, 17612.5, 17613.2, 17613.3, 17613.4, 18259.7, and 18901 of the Welfare and Institutions Code, to amend Section 2 of Chapter 489 of the Statutes of 2001, to amend Section 34 of Chapter 37 of the Statutes of 2013, to amend Sections 1 and 5 of Chapter 391 of the Statutes of 2013, and to amend Section 2 of Chapter 653 of the Statutes of 2013, relating to the maintenance of the codes.

LEGISLATIVE COUNSEL'S DIGEST

SB 1304, Committee on Judiciary. Maintenance of the codes.

Existing law directs the Legislative Counsel to advise the Legislature from time to time as to legislation necessary to maintain the codes.

This bill would make nonsubstantive changes in various provisions of law to effectuate the recommendations made by the Legislative Counsel to the Legislature.

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

SECTION 1. Section 494.6 of the Business and Professions Code is amended to read:

494.6. (a) A business license regulated by this code may be subject to suspension or revocation if the licensee has been determined by the Labor Commissioner or the court to have violated subdivision (b) of Section 244 of the Labor Code and the court or Labor Commissioner has taken into consideration any harm such a suspension or revocation would cause to employees of the licensee, as well as the good faith efforts of the licensee to resolve any alleged violations after receiving notice.

(b) Notwithstanding subdivision (a), a licensee of an agency within the Department of Consumer Affairs who has been found by the Labor Commissioner or the court to have violated

subdivision (b) of Section 244 of the Labor Code may be subject to disciplinary action by his or her respective licensing agency.

(c) An employer shall not be subject to suspension or revocation under this section for requiring a prospective or current employee to submit, within three business days of the first day of work for pay, an I-9 Employment Eligibility Verification form.

SEC. 2. Section 2135.7 of the Business and Professions Code is amended to read:

2135.7. (a) Upon review and recommendation, the board may determine that an applicant for a physician and surgeon's certificate who acquired his or her medical education or a portion thereof at a foreign medical school that is not recognized or has been previously disapproved by the board is eligible for a physician and surgeon's certificate if the applicant meets all of the following criteria:

(1) Has successfully completed a resident course of medical education leading to a degree of medical doctor equivalent to that specified in Sections 2089 to 2091.2, inclusive.

(2) (A) (i) For an applicant who acquired any part of his or her medical education from an unrecognized foreign medical school, he or she holds an unlimited and unrestricted license as a physician and surgeon in another state, a federal territory, or a Canadian province and has held that license and continuously practiced for a minimum of 10 years prior to the date of application.

(ii) For an applicant who acquired any part of his or her professional instruction from a foreign medical school that was disapproved by the board at the time he or she attended the school, he or she holds an unlimited and unrestricted license as a physician and surgeon in another state, a federal territory, or a Canadian province and has held that license and continuously practiced for a minimum of 12 years prior to the date of application.

(B) For the purposes of clauses (i) and (ii) of subparagraph (A), the board may combine the period of time that the applicant has held an unlimited and unrestricted license in other states, federal territories, or Canadian provinces and continuously practiced therein, but each applicant under this section shall have a minimum of two years continuous licensure and practice in a single state, federal territory, or Canadian province. For purposes of this paragraph, continuous licensure and practice includes any postgraduate training after 24 months in a postgraduate training

program that is accredited by the Accreditation Council for Graduate Medical Education (ACGME) or postgraduate training completed in Canada that is accredited by the Royal College of Physicians and Surgeons of Canada (RCPSC).

(3) Is certified by a specialty board that is a member board of the American Board of Medical Specialties.

(4) Has successfully taken and passed the examinations described in Article 9 (commencing with Section 2170).

(5) Has not been the subject of a disciplinary action by a medical licensing authority or of adverse judgments or settlements resulting from the practice of medicine that the board determines constitutes a pattern of negligence or incompetence.

(6) Has successfully completed three years of approved postgraduate training. The postgraduate training required by this paragraph shall have been obtained in a postgraduate training program accredited by the ACGME or postgraduate training completed in Canada that is accredited by the RCPSC.

(7) Is not subject to denial of licensure under Division 1.5 (commencing with Section 475) or Article 12 (commencing with Section 2220).

(8) Has not held a healing arts license and been the subject of disciplinary action by a healing arts board of this state or by another state, federal territory, or Canadian province.

(b) The board may adopt regulations to establish procedures for accepting transcripts, diplomas, and other supporting information and records when the originals are not available due to circumstances outside the applicant's control. The board may also adopt regulations authorizing the substitution of additional specialty board certifications for years of practice or licensure when considering the certification for a physician and surgeon pursuant to this section.

(c) This section shall not apply to a person seeking to participate in a program described in Section 2072, 2073, 2111, 2112, 2113, 2115, or 2168, or seeking to engage in postgraduate training in this state.

SEC. 3. Section 2507 of the Business and Professions Code is amended to read:

2507. (a) The license to practice midwifery authorizes the holder to attend cases of normal pregnancy and childbirth, as defined in paragraph (1) of subdivision (b), and to provide prenatal,

intrapartum, and postpartum care, including family-planning care, for the mother, and immediate care for the newborn.

(b) As used in this article, the practice of midwifery constitutes the furthering or undertaking by any licensed midwife to assist a woman in childbirth as long as progress meets criteria accepted as normal.

(1) Except as provided in paragraph (2), a licensed midwife shall only assist a woman in normal pregnancy and childbirth, which is defined as meeting all of the following conditions:

(A) There is an absence of both of the following:

(i) Any preexisting maternal disease or condition likely to affect the pregnancy.

(ii) Significant disease arising from the pregnancy.

(B) There is a singleton fetus.

(C) There is a cephalic presentation.

(D) The gestational age of the fetus is greater than $37\frac{0}{7}$ weeks and less than $42\frac{0}{7}$ completed weeks of pregnancy.

(E) Labor is spontaneous or induced in an outpatient setting.

(2) If a potential midwife client meets the conditions specified in subparagraphs (B) to (E), inclusive, of paragraph (1), but fails to meet the conditions specified in subparagraph (A) of paragraph (1), and the woman still desires to be a client of the licensed midwife, the licensed midwife shall provide the woman with a referral for an examination by a physician and surgeon trained in obstetrics and gynecology. A licensed midwife may assist the woman in pregnancy and childbirth only if an examination by a physician and surgeon trained in obstetrics and gynecology is obtained and the physician and surgeon who examined the woman determines that the risk factors presented by her disease or condition are not likely to significantly affect the course of pregnancy and childbirth.

(3) The board shall adopt regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part of 1 of Division 3 of Title 2 of the Government Code) specifying the conditions described in subparagraph (A) of paragraph (1).

(c) (1) If at any point during pregnancy, childbirth, or postpartum care a client's condition deviates from normal, the licensed midwife shall immediately refer or transfer the client to a physician and surgeon. The licensed midwife may consult and

remain in consultation with the physician and surgeon after the referral or transfer.

(2) If a physician and surgeon determines that the client's condition or concern has been resolved such that the risk factors presented by a woman's disease or condition are not likely to significantly affect the course of pregnancy or childbirth, the licensed midwife may resume primary care of the client and resume assisting the client during her pregnancy, childbirth, or postpartum care.

(3) If a physician and surgeon determines the client's condition or concern has not been resolved as specified in paragraph (2), the licensed midwife may provide concurrent care with a physician and surgeon and, if authorized by the client, be present during the labor and childbirth, and resume postpartum care, if appropriate. A licensed midwife shall not resume primary care of the client.

(d) A licensed midwife shall not provide or continue to provide midwifery care to a woman with a risk factor that will significantly affect the course of pregnancy and childbirth, regardless of whether the woman has consented to this care or refused care by a physician or surgeon, except as provided in paragraph (3) of subdivision (c).

(e) The practice of midwifery does not include the assisting of childbirth by any artificial, forcible, or mechanical means, nor the performance of any version of these means.

(f) A midwife is authorized to directly obtain supplies and devices, obtain and administer drugs and diagnostic tests, order testing, and receive reports that are necessary to his or her practice of midwifery and consistent with his or her scope of practice.

(g) This article does not authorize a midwife to practice medicine or to perform surgery.

SEC. 4. Section 2530.2 of the Business and Professions Code is amended to read:

2530.2. As used in this chapter, unless the context otherwise requires:

(a) "Board" means the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.

(b) "Person" means any individual, partnership, corporation, limited liability company, or other organization or combination thereof, except that only individuals can be licensed under this chapter.

(c) A "speech-language pathologist" is a person who practices speech-language pathology.

(d) The practice of speech-language pathology means all of the following:

(1) The application of principles, methods, instrumental procedures, and noninstrumental procedures for measurement, testing, screening, evaluation, identification, prediction, and counseling related to the development and disorders of speech, voice, language, or swallowing.

(2) The application of principles and methods for preventing, planning, directing, conducting, and supervising programs for habilitating, rehabilitating, ameliorating, managing, or modifying disorders of speech, voice, language, or swallowing in individuals or groups of individuals.

(3) Conducting hearing screenings.

(4) Performing suctioning in connection with the scope of practice described in paragraphs (1) and (2), after compliance with a medical facility's training protocols on suctioning procedures.

(e) (1) Instrumental procedures referred to in subdivision (d) are the use of rigid and flexible endoscopes to observe the pharyngeal and laryngeal areas of the throat in order to observe, collect data, and measure the parameters of communication and swallowing as well as to guide communication and swallowing assessment and therapy.

(2) Nothing in this subdivision shall be construed as a diagnosis. Any observation of an abnormality shall be referred to a physician and surgeon.

(f) A licensed speech-language pathologist shall not perform a flexible fiber optic nasendoscopic procedure unless he or she has received written verification from an otolaryngologist certified by the American Board of Otolaryngology that the speech-language pathologist has performed a minimum of 25 flexible fiber optic nasendoscopic procedures and is competent to perform these procedures. The speech-language pathologist shall have this written verification on file and readily available for inspection upon request by the board. A speech-language pathologist shall pass a flexible fiber optic nasendoscopic instrument only under the direct authorization of an otolaryngologist certified by the American Board of Otolaryngology and the supervision of a physician and surgeon.

(g) A licensed speech-language pathologist shall only perform flexible endoscopic procedures described in subdivision (e) in a setting that requires the facility to have protocols for emergency medical backup procedures, including a physician and surgeon or other appropriate medical professionals being readily available.

(h) "Speech-language pathology aide" means any person meeting the minimum requirements established by the board, who works directly under the supervision of a speech-language pathologist.

(i) (1) "Speech-language pathology assistant" means a person who meets the academic and supervised training requirements set forth by the board and who is approved by the board to assist in the provision of speech-language pathology under the direction and supervision of a speech-language pathologist who shall be responsible for the extent, kind, and quality of the services provided by the speech-language pathology assistant.

(2) The supervising speech-language pathologist employed or contracted for by a public school may hold a valid and current license issued by the board, a valid, current, and professional clear clinical or rehabilitative services credential in language, speech, and hearing issued by the Commission on Teacher Credentialing, or other credential authorizing service in language, speech, and hearing issued by the Commission on Teacher Credentialing that is not issued on the basis of an emergency permit or waiver of requirements. For purposes of this paragraph, a "clear" credential is a credential that is not issued pursuant to a waiver or emergency permit and is as otherwise defined by the Commission on Teacher Credentialing. Nothing in this section referring to credentialed supervising speech-language pathologists expands existing exemptions from licensing pursuant to Section 2530.5.

(j) An "audiologist" is one who practices audiology.

(k) "The practice of audiology" means the application of principles, methods, and procedures of measurement, testing, appraisal, prediction, consultation, counseling, and instruction related to auditory, vestibular, and related functions and the modification of communicative disorders involving speech, language, auditory behavior, or other aberrant behavior resulting from auditory dysfunction; and the planning, directing, conducting, supervising, or participating in programs of identification of auditory disorders, hearing conservation, cerumen removal, aural

habilitation, and rehabilitation, including hearing aid recommendation and evaluation procedures, including, but not limited to, specifying amplification requirements and evaluation of the results thereof, auditory training, and speech reading, and the selling of hearing aids.

(*l*) A "dispensing audiologist" is a person who is authorized to sell hearing aids pursuant to his or her audiology license.

(m) "Audiology aide" means any person meeting the minimum requirements established by the board. An audiology aid may not perform any function that constitutes the practice of audiology unless he or she is under the supervision of an audiologist. The board may by regulation exempt certain functions performed by an industrial audiology aide from supervision provided that his or her employer has established a set of procedures or protocols that the aide shall follow in performing these functions.

(n) "Medical board" means the Medical Board of California.

(o) A "hearing screening" performed by a speech-language pathologist means a binary puretone screening at a preset intensity level for the purpose of determining if the screened individuals are in need of further medical or audiological evaluation.

(p) "Cerumen removal" means the nonroutine removal of cerumen within the cartilaginous ear canal necessary for access in performance of audiological procedures that shall occur under physician and surgeon supervision. Cerumen removal, as provided by this section, shall only be performed by a licensed audiologist. Physician and surgeon supervision shall not be construed to require the physical presence of the physician, but shall include all of the following:

(1) Collaboration on the development of written standardized protocols. The protocols shall include a requirement that the supervised audiologist immediately refer to an appropriate physician any trauma, including skin tears, bleeding, or other pathology of the ear discovered in the process of cerumen removal as defined in this subdivision.

(2) Approval by the supervising physician of the written standardized protocol.

(3) The supervising physician shall be within the general vicinity, as provided by the physician-audiologist protocol, of the supervised audiologist and available by telephone contact at the time of cerumen removal.

(4) A licensed physician and surgeon may not simultaneously supervise more than two audiologists for purposes of cerumen removal.

SEC. 5. Section 2660 of the Business and Professions Code is amended to read:

2660. Unprofessional conduct constitutes grounds for citation, discipline, denial of a license, or issuance of a probationary license. The board may, after the conduct of appropriate proceedings under the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code), issue a citation, impose discipline, deny a license, suspend for not more than 12 months, or revoke, or impose probationary conditions upon any license issued under this chapter for unprofessional conduct that includes, in addition to other provisions of this chapter, but is not limited to, the following:

(a) Violating or attempting to violate, directly or indirectly, assisting in or abetting the violation of, or conspiring to violate any provision of this chapter, any regulations duly adopted under this chapter, or the Medical Practice Act (Chapter 5 (commencing with Section 2000)).

(b) Advertising in violation of Section 17500.

(c) Obtaining or attempting to obtain a license by fraud or misrepresentation.

(d) Practicing or offering to practice beyond the scope of practice of physical therapy.

(e) Conviction of a crime that substantially relates to the qualifications, functions, or duties of a physical therapist or physical therapist assistant. The record of conviction or a certified copy thereof shall be conclusive evidence of that conviction.

(f) Unlawful possession or use of, or conviction of a criminal offense involving, a controlled substance as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code, or any dangerous drug as defined in Article 2 (commencing with Section 4015) of Chapter 9, as follows:

(1) Obtaining or possessing in violation of law, or except as directed by a licensed physician and surgeon, dentist, or podiatrist, administering to himself or herself, or furnishing or administering to another, any controlled substance or any dangerous drug.

(2) Using any controlled substance or any dangerous drug.

(3) Conviction of a criminal offense involving the consumption or self-administration of, or the possession of, or falsification of a record pertaining to, any controlled substance or any dangerous drug, in which event the record of the conviction is conclusive evidence thereof.

(g) Failure to maintain adequate and accurate records relating to the provision of services to his or her patients.

(h) Gross negligence or repeated acts of negligence in practice or in the delivery of physical therapy care.

(i) Aiding or abetting any person to engage in the unlawful practice of physical therapy.

(j) The commission of any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, or duties of a physical therapist or physical therapist assistant.

(k) Except for good cause, the knowing failure to protect patients by failing to follow infection control guidelines of the board, thereby risking transmission of bloodborne infectious diseases from licensee to patient, from patient to patient, and from patient to licensee. In administering this subdivision, the board shall consider referencing the standards, regulations, and guidelines of the State Department of Public Health developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, regulations, and guidelines pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, hepatitis B, and other bloodborne pathogens in health care settings. As necessary, the board shall consult with the Medical Board of California, the California Board of Podiatric Medicine, the Dental Board of California, the Board of Registered Nursing, and the Board of Vocational Nursing and Psychiatric Technicians of the State of California, to encourage appropriate consistency in the implementation of this subdivision.

(*l*) The commission of verbal abuse or sexual harassment.

(m) Engaging in sexual misconduct or violating Section 726.

(n) Permitting a physical therapist assistant or physical therapy aide under one's supervision or control to perform, or permitting the physical therapist assistant or physical therapy aide to hold himself or herself out as competent to perform, professional services beyond the level of education, training, and experience of the physical therapist assistant or aide.

(o) The revocation, suspension, or other discipline, restriction, or limitation imposed by another state upon a license or certificate to practice physical therapy issued by that state, or the revocation, suspension, or restriction of the authority to practice physical therapy by any agency of the federal government.

(p) Viewing a completely or partially disrobed patient in the course of treatment if the viewing is not necessary to patient evaluation or treatment under current standards.

(q) Engaging in any act in violation of Section 650, 651, or 654.2.

(r) Charging a fee for services not performed.

(s) Misrepresenting documentation of patient care or deliberate falsifying of patient records.

(t) Except as otherwise allowed by law, the employment of runners, cappers, steerers, or other persons to procure patients.

(u) The willful, unauthorized violation of professional confidence.

(v) Failing to maintain confidentiality, except as otherwise required or permitted by law, of all information that has been received from a patient in confidence during the course of treatment and all information about the patient that is obtained from tests or other means.

(w) Habitual intemperance.

(x) Failure to comply with the provisions of Section 2620.1.

SEC. 6. Section 3010.5 of the Business and Professions Code is amended to read:

3010.5. (a) There is in the Department of Consumer Affairs a State Board of Optometry in which the enforcement of this chapter is vested. The board consists of 11 members, five of whom shall be public members.

Six members of the board shall constitute a quorum.

(b) The board shall, with respect to conducting investigations, inquiries, and disciplinary actions and proceedings, have the authority previously vested in the board as created pursuant to former Section 3010. The board may enforce any disciplinary actions undertaken by that board.

(c) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date. Notwithstanding any other law, the repeal of this section renders

the board subject to review by the appropriate policy committees of the Legislature.

SEC. 7. Section 3110 of the Business and Professions Code is amended to read:

3110. The board may take action against any licensee who is charged with unprofessional conduct, and may deny an application for a license if the applicant has committed unprofessional conduct. In addition to other provisions of this article, unprofessional conduct includes, but is not limited to, the following:

(a) Violating or attempting to violate, directly or indirectly assisting in or abetting the violation of, or conspiring to violate any provision of this chapter or any of the rules and regulations adopted by the board pursuant to this chapter.

(b) Gross negligence.

(c) Repeated negligent acts. To be repeated, there must be two or more negligent acts or omissions.

(d) Incompetence.

(e) The commission of fraud, misrepresentation, or any act involving dishonesty or corruption, that is substantially related to the qualifications, functions, or duties of an optometrist.

(f) Any action or conduct that would have warranted the denial of a license.

(g) The use of advertising relating to optometry that violates Section 651 or 17500.

(h) Denial of licensure, revocation, suspension, restriction, or any other disciplinary action against a health care professional license by another state or territory of the United States, by any other governmental agency, or by another California health care professional licensing board. A certified copy of the decision or judgment shall be conclusive evidence of that action.

(i) Procuring his or her license by fraud, misrepresentation, or mistake.

(j) Making or giving any false statement or information in connection with the application for issuance of a license.

(k) Conviction of a felony or of any offense substantially related to the qualifications, functions, and duties of an optometrist, in which event the record of the conviction shall be conclusive evidence thereof.

(*l*) Administering to himself or herself any controlled substance or using any of the dangerous drugs specified in Section 4022, or

using alcoholic beverages to the extent, or in a manner, as to be dangerous or injurious to the person applying for a license or holding a license under this chapter, or to any other person, or to the public, or, to the extent that the use impairs the ability of the person applying for or holding a license to conduct with safety to the public the practice authorized by the license, or the conviction of a misdemeanor or felony involving the use, consumption, or self-administration of any of the substances referred to in this subdivision, or any combination thereof.

(m) (1) Committing or soliciting an act punishable as a sexually related crime, if that act or solicitation is substantially related to the qualifications, functions, or duties of an optometrist.

(2) Committing any act of sexual abuse, misconduct, or relations with a patient. The commission of and conviction for any act of sexual abuse, sexual misconduct, or attempted sexual misconduct, whether or not with a patient, shall be considered a crime substantially related to the qualifications, functions, or duties of a licensee. This paragraph shall not apply to sexual contact between any person licensed under this chapter and his or her spouse or person in an equivalent domestic relationship when that licensee provides optometry treatment to his or her spouse or person in an equivalent domestic relationship.

(3) Conviction of a crime that requires the person to register as a sex offender pursuant to Chapter 5.5 (commencing with Section 290) of Title 9 of Part 1 of the Penal Code. A conviction within the meaning of this paragraph means a plea or verdict of guilty or a conviction following a plea of nolo contendere. A conviction described in this paragraph shall be considered a crime substantially related to the qualifications, functions, or duties of a licensee.

(n) Repeated acts of excessive prescribing, furnishing, or administering of controlled substances or dangerous drugs specified in Section 4022, or repeated acts of excessive treatment.

(o) Repeated acts of excessive use of diagnostic or therapeutic procedures, or repeated acts of excessive use of diagnostic or treatment facilities.

(p) The prescribing, furnishing, or administering of controlled substances or drugs specified in Section 4022, or treatment without a good faith prior examination of the patient and optometric reason.

(q) The failure to maintain adequate and accurate records relating to the provision of services to his or her patients.

(r) Performing, or holding oneself out as being able to perform, or offering to perform, any professional services beyond the scope of the license authorized by this chapter.

(s) The practice of optometry without a valid, unrevoked, unexpired license.

(t) The employing, directly or indirectly, of any suspended or unlicensed optometrist to perform any work for which an optometry license is required.

(u) Permitting another person to use the licensee's optometry license for any purpose.

(v) Altering with fraudulent intent a license issued by the board, or using a fraudulently altered license, permit certification or any registration issued by the board.

(w) Except for good cause, the knowing failure to protect patients by failing to follow infection control guidelines of the board, thereby risking transmission of bloodborne infectious diseases from optometrist to patient, from patient to patient, or from patient to optometrist. In administering this subdivision, the board shall consider the standards, regulations, and guidelines of the State Department of Public Health developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, guidelines, and regulations pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, hepatitis B, and other bloodborne pathogens in health care settings. As necessary, the board may consult with the Medical Board of California, the Board of Podiatric Medicine, the Board of Registered Nursing, and the Board of Vocational Nursing and Psychiatric Technicians, to encourage appropriate consistency in the implementation of this subdivision.

(x) Failure or refusal to comply with a request for the clinical records of a patient, that is accompanied by that patient's written authorization for release of records to the board, within 15 days of receiving the request and authorization, unless the licensee is unable to provide the documents within this time period for good cause.

(y) Failure to refer a patient to an appropriate physician in either of the following circumstances:

(1) Where an examination of the eyes indicates a substantial likelihood of any pathology that requires the attention of that physician.

(2) As required by subdivision (c) of Section 3041.

SEC. 8. Section 4342 of the Business and Professions Code is amended to read:

4342. (a) The board may institute any action or actions as may be provided by law and that, in its discretion, are necessary, to prevent the sale of pharmaceutical preparations and drugs that do not conform to the standard and tests as to quality and strength, provided in the latest edition of the United States Pharmacopoeia or the National Formulary, or that violate any provision of the Sherman Food, Drug, and Cosmetic Law (Part 5 (commencing with Section 109875) of Division 104 of the Health and Safety Code).

(b) Any knowing or willful violation of any regulation adopted pursuant to Section 4006 shall be subject to punishment in the same manner as is provided in Sections 4321 and 4336.

SEC. 9. Section 8776 of the Business and Professions Code is amended to read:

8776. (a) A licensee shall report to the board in writing the occurrence of any of the following events that occurred on or after January 1, 2008, within 90 days of the date the licensee has knowledge of the event:

(1) The conviction of the licensee of any felony.

(2) The conviction of the licensee of any other crime that is substantially related to the qualifications, functions, and duties of a licensed land surveyor.

(3) A civil action settlement or administrative action resulting in a settlement against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of land surveying if the amount or value of the settlement is greater than fifty thousand dollars ($50,000).

(4) A civil action judgment or binding arbitration award, or administrative action resulting in a judgment or binding arbitration award, against the licensee in any action alleging fraud, deceit, misrepresentation, breach or violation of contract, negligence, incompetence, or recklessness by the licensee in the practice of land surveying if the amount or value of the judgment or binding

arbitration award is twenty-five thousand dollars ($25,000) or greater.

(b) The report required by subdivision (a) shall be signed by the licensee and set forth the facts that constitute the reportable event. If the reportable event involves the action of an administrative agency or court, the report shall set forth the title of the matter, court or agency name, docket number, and the dates the reportable event occurred.

(c) A licensee shall promptly respond to oral or written inquiries from the board concerning the reportable events, including inquiries made by the board in conjunction with license renewal.

(d) Nothing in this section shall impose a duty upon any licensee to report to the board the occurrence of any of the events set forth in subdivision (a) either by or against any other licensee.

(e) Failure of a licensee to report to the board in the time and manner required by this section shall be grounds for disciplinary action.

(f) For purposes of this section, a conviction includes the initial plea, verdict, or finding of guilt; a plea of no contest; or pronouncement of sentence by a trial court even though the conviction may not be final or sentence actually imposed until all appeals are exhausted.

SEC. 10. Section 18646 of the Business and Professions Code is amended to read:

18646. (a) This chapter applies to all amateur boxing, wrestling, and full contact martial arts contests.

(b) The commission may, however, authorize one or more nonprofit boxing, wrestling, or martial arts clubs, organizations, or sanctioning bodies, upon approval of its bylaws, to administer its rules for amateur boxing, wrestling, and full contact martial arts contests, and may, therefore, waive direct commission application of laws and rules, including licensure, subject to the commission's affirmative finding that the standards and enforcement of similar rules by a club, organization, or sanctioning body meet or exceed the safety and fairness standards of the commission. The commission shall review the performance of any such club, organization, or sanctioning body annually.

(c) Every contest subject to this section shall be preceded by a physical examination, specified by the commission, of every contestant. A physician and surgeon shall be in attendance at the

contest. There shall be a medical insurance program satisfactory to the commission provided by an amateur club, organization, or sanctioning body in effect covering all contestants. The commission shall review compliance with these requirements.

(d) Any club, organization, or sanctioning body that conducts, holds, or gives amateur contests pursuant to this section, which collects money for the event, shall furnish a written financial report of receipts and disbursements within 90 days of the event.

(e) The commission has the right to have present without charge or restriction such representatives as are necessary to obtain compliance with this section.

(f) The commission may require any additional notices and reports it deems necessary to enforce the provisions of this section.

(g) The commission, at its discretion, may rescind previously approved authorization of a nonprofit boxing, wrestling, or martial arts club, organization, or sanctioning body to administer its rules for amateur boxing, wrestling, and full contact martial arts contests.

SEC. 11. Section 19605.73 of the Business and Professions Code is amended to read:

19605.73. (a) Thoroughbred racing associations, fairs, and the organization responsible for contracting with thoroughbred racing associations and fairs with respect to the conduct of racing meetings, may form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing, including, but not limited to, the establishment and maintenance of an Internet Web site featuring California thoroughbred and fair racing, the establishment and administration of players incentive programs for those who wager on thoroughbred association and fair races, and promotional activities at satellite wagering facilities to increase their attendance and handle. While the promotional activities at satellite wagering facilities shall be funded by the marketing organization, they shall be implemented and coordinated by representatives of the satellite wagering facilities and the thoroughbred racing associations or fairs then conducting a live race meet. The organization shall consist of the following members: two members, one from the northern zone and one from the combined central and southern zones, appointed by the thoroughbred racetracks; two members, one from the northern zone and one from the combined central and southern zones, appointed by the owners' organization responsible for contracting

with associations and fairs with respect to the conduct of racing meetings; and two members, one from the northern zone and one from the combined central and southern zones, appointed by the organization representing racing and satellite fairs.

(b) The marketing organization formed pursuant to subdivision (a) shall, by November 1 of each year, submit a written report to the board on a statewide marketing and promotion plan for the upcoming calendar year. In addition, the organization shall annually present to the board at the board's November meeting a verbal report on the statewide marketing and promotion plan for the upcoming calendar year. The plan shall be implemented as determined by the organization. The organization shall receive input from all interested industry participants and may utilize outside consultants.

(c) In addition to the distributions specified in subdivisions (a) and (b) of Section 19605.7, subdivisions (a) and (b) of Section 19605.71, and Section 19605.72, for thoroughbred and fair meetings only, from the amount that would normally be available for commissions and purses, an amount not to exceed 0.25 percent of the total amount handled by each satellite wagering facility shall be distributed to the marketing organization formed pursuant to subdivision (a) for the purposes set forth in subdivision (a). The amounts initially distributed to the marketing organization formed pursuant to subdivision (a) shall be 0.2 percent of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only. The amount distributable to the marketing organization may be adjusted by the board, in its discretion. However, the adjusted amounts shall not exceed an aggregate of 0.25 percent of the total amount handled by satellite wagering facilities for thoroughbred and fair meetings only. Promotion funds that are not expended in the year in which they are collected may be expended in the following year. If promotion funds expended in any one year exceed the amount collected for that year, the funds expended in the following year shall be reduced by the excess amount. The marketing organization, on a quarterly basis, shall submit to the board a written report that accounts for all receipts and expenditures of the promotion funds for the previous three months.

(d) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that

is enacted before January 1, 2015, deletes or extends that date. Any moneys held by the organization shall, in the event this section is repealed, be distributed to the organization formed pursuant to Section 19608.2, for purposes of that section.

SEC. 12. Section 22251.2 of the Business and Professions Code is amended to read:

22251.2. (a) The council shall have the responsibilities and duties set forth in this chapter. The council may take any reasonable actions to carry out the responsibilities and duties set forth in this chapter, including, but not limited to, hiring staff and entering into contracts. The council shall be governed by a board of directors comprised in the manner described in subdivision (d) of Section 22251.

(b) The council shall issue registrations, deny applications, and discipline registrants as authorized by this chapter. The council may adopt bylaws, rules, regulations, and procedures necessary to effectuate the purposes of this chapter.

(c) The council shall establish application fees, renewal fees, delinquent fees, and other fees related to the regulatory cost of providing services and carrying out the council's responsibilities and duties pursuant to this chapter. These fees shall not exceed the reasonable cost to the council of providing those services and carrying out those responsibilities and duties.

SEC. 13. Section 23826.12 of the Business and Professions Code is amended to read:

23826.12. (a) Notwithstanding any other provision of this chapter, in any county of the 24th class, the department may issue no more than a total of five additional new original on-sale general licenses for bona fide public eating places from January 1, 2014, to December 31, 2016, inclusive. To qualify for a license under this section, the premises upon which a bona fide public eating place is operated shall have a seating capacity for 50 or more diners.

(b) In issuing the licenses provided for in this section, the department shall follow the procedure set forth in Section 23961.

(c) This chapter does not prohibit a person who currently holds a valid on-sale general license for seasonal business from applying for an original on-sale general license pursuant to this section.

(d) A license issued under this section shall not be transferred from one county to another, nor shall it be transferred to any premises not qualifying under this section.

SEC. 14. Section 56.30 of the Civil Code is amended to read:

56.30. The disclosure and use of the following medical information shall not be subject to the limitations of this part:

(a) (Mental health and developmental disabilities) Information and records obtained in the course of providing services under Division 4 (commencing with Section 4000), Division 4.1 (commencing with Section 4400), Division 4.5 (commencing with Section 4500), Division 5 (commencing with Section 5000), Division 6 (commencing with Section 6000), or Division 7 (commencing with Section 7100) of the Welfare and Institutions Code.

(b) (Public social services) Information and records that are subject to Sections 10850, 14124.1, and 14124.2 of the Welfare and Institutions Code.

(c) (State health services, communicable diseases, developmental disabilities) Information and records maintained pursuant to former Chapter 2 (commencing with Section 200) of Part 1 of Division 1 of the Health and Safety Code and pursuant to the Communicable Disease Prevention and Control Act (subdivision (a) of Section 27 of the Health and Safety Code).

(d) (Licensing and statistics) Information and records maintained pursuant to Division 2 (commencing with Section 1200) and Part 1 (commencing with Section 102100) of Division 102 of the Health and Safety Code; pursuant to Chapter 3 (commencing with Section 1200) of Division 2 of the Business and Professions Code; and pursuant to Section 8608, 8817, or 8909 of the Family Code.

(e) (Medical survey, workers' safety) Information and records acquired and maintained or disclosed pursuant to Sections 1380 and 1382 of the Health and Safety Code and pursuant to Division 5 (commencing with Section 6300) of the Labor Code.

(f) (Industrial accidents) Information and records acquired, maintained, or disclosed pursuant to Division 1 (commencing with Section 50), Division 4 (commencing with Section 3200), Division 4.5 (commencing with Section 6100), and Division 4.7 (commencing with Section 6200) of the Labor Code.

(g) (Law enforcement) Information and records maintained by a health facility which are sought by a law enforcement agency

under Chapter 3.5 (commencing with Section 1543) of Title 12 of Part 2 of the Penal Code.

(h) (Investigations of employment accident or illness) Information and records sought as part of an investigation of an on-the-job accident or illness pursuant to Division 5 (commencing with Section 6300) of the Labor Code or pursuant to Section 105200 of the Health and Safety Code.

(i) (Alcohol or drug abuse) Information and records subject to the federal alcohol and drug abuse regulations (Part 2 (commencing with Section 2.1) of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations) or to Section 11845.5 of the Health and Safety Code dealing with alcohol and drug abuse.

(j) (Patient discharge data) Nothing in this part shall be construed to limit, expand, or otherwise affect the authority of the California Health Facilities Commission to collect patient discharge information from health facilities.

(k) Medical information and records disclosed to, and their use by, the Insurance Commissioner, the Director of the Department of Managed Health Care, the Division of Industrial Accidents, the Workers' Compensation Appeals Board, the Department of Insurance, or the Department of Managed Health Care.

(*l*) Medical information and records related to services provided on and after January 1, 2006, disclosed to, and their use by, the Managed Risk Medical Insurance Board to the same extent that those records are required to be provided to the board related to services provided on and after July 1, 2009, to comply with Section 403 of the federal Children's Health Insurance Program Reauthorization Act of 2009 (Public Law 111-3), applying subdivision (c) of Section 1932 of the federal Social Security Act.

SEC. 15. Section 1102.6 of the Civil Code, as amended by Section 1 of Chapter 431 of the Statutes of 2013, is amended to read:

1102.6. (a) The disclosures required by this article pertaining to the property proposed to be transferred are set forth in, and shall be made on a copy of, the following disclosure form:

REAL ESTATE TRANSFER DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF _____, COUNTY OF _____, STATE OF CALIFORNIA, DESCRIBED AS _____ _____. THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF _____, 20___. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I

COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

☐ Inspection reports completed pursuant to the contract of sale or receipt for deposit.

☐ Additional inspection reports or disclosures:

_____

_____

_____

II

SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER:

Seller __is __is not occupying the property.
A. The subject property has the items checked below (read across):*

__Range
__Dishwasher
__Washer/Dryer Hookups
__Burglar Alarms
__TV Antenna
__Central Heating
__Wall/Window Air Cndtng.
__Septic Tank
__Patio/Decking
__Sauna
__Hot Tub__Locking Safety Cover
__Security Gate(s)

Garage:__Attached
Pool/Spa Heater: __Gas
Water Heater: __Gas

Water Supply: __City
Gas Supply: __Utility
__Window Screens

__Oven
__Trash Compactor

__Carbon Monoxide Device(s)
__Satellite Dish
__Central Air Cndtng.
__Sprinklers
__Sump Pump
__Built-in Barbecue

__Pool __Child Resistant Barrier
__Automatic Garage Door Opener(s)
__Not Attached
__Solar

__Well
__Bottled
__Window Security Bars__Quick-Release Mechanism on Bedroom Windows

__Microwave
__Garbage Disposal
__Rain Gutters
__Fire Alarm
__Intercom
__Evaporator Cooler(s)
__Public Sewer System
__Water Softener
__Gazebo

__Spa__Locking Safety Cover
__Number Remote Controls
__Carport
__Electric
__Private Utility or Other_____
__Water-conserving plumbing fixtures

Exhaust Fan(s) in _____ 220 Volt Wiring in _____ Fireplace(s) in _____
Gas Starter _____ Roof(s): Type: _____ Age: _____ (approx.)
Other: _____
Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? __Yes __No. If yes, then describe.
(Attach additional sheets if necessary): _____

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? __Yes __No. If yes, check appropriate space(s) below.
__Interior Walls __Ceilings __Floors __Exterior Walls __Insulation __Roof(s) __Windows __Doors __Foundation __Slab(s) __Driveways __Sidewalks __Walls/Fences __Electrical Systems __Plumbing/Sewers/Septics __Other Structural Components (Describe: _____)
If any of the above is checked, explain. (Attach additional sheets if necessary):_____

* Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 8 (commencing with Section 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code. Section 1101.4 of the Civil Code requires all single-family residences built on or before January 1, 1994, to be equipped with water-conserving plumbing fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family residence built on or before January 1, 1994, that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in this dwelling may not comply with Section 1101.4 of the Civil Code.

C. Are you (Seller) aware of any of the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property ..... __Yes __No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property ..... __Yes __No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property ..... __Yes __No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits ..... __Yes __No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes ..... __Yes __No
6. Fill (compacted or otherwise) on the property or any portion thereof ..... __Yes __No
7. Any settling from any cause, or slippage, sliding, or other soil problems ..... __Yes __No
8. Flooding, drainage or grading problems ..... __Yes __No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides ..... __Yes __No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements ..... __Yes __No
11. Neighborhood noise problems or other nuisances ..... __Yes __No
12. CC&Rs or other deed restrictions or obligations ..... __Yes __No
13. Homeowners' Association which has any authority over the subject property ..... __Yes __No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) ..... __Yes __No
15. Any notices of abatement or citations against the property ..... __Yes __No
16. Any lawsuits by or against the Seller threatening to or affecting this real property, claims for damages by the Seller pursuant to Section 910 or 914 of the Civil Code threatening to or affecting this real property, claims for breach of warranty pursuant to Section 900 of the Civil Code threatening to or affecting this real property, or claims for breach of an enhanced protection agreement pursuant to Section 903 of the Civil Code threatening to or affecting this real property, including any lawsuits or claims for damages pursuant to Section 910 or 914 of the Civil Code alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) ..... __Yes __No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary.): _____

_____

_____

D. 1. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 13113.8 of the Health and Safety Code by having

operable smoke detectors(s) which are approved, listed, and installed in accordance with the State Fire Marshal's regulations and applicable local standards.

2. The Seller certifies that the property, as of the close of escrow, will be in compliance with Section 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller _____ Date _____
Seller _____ Date _____

III

AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

☐ Agent notes no items for disclosure.

☐ Agent notes the following items:

_____
_____
_____
_____

Agent (Broker Representing Seller) _____ By _____ Date _____
(Please Print) (Associate Licensee or Broker Signature)

IV

AGENT'S INSPECTION DISCLOSURE

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

☐ Agent notes no items for disclosure.

☐ Agent notes the following items:

_____

_____

_____

_____

Agent (Broker Obtaining the Offer) _____ By _____ Date _____
(Please Print) (Associate Licensee or Broker Signature)

V

BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER(S) AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller _____ Date _____ Buyer _____ Date _____
Seller _____ Date _____ Buyer _____ Date _____

Agent (Broker Representing Seller) _____ By _____ Date _____
(Please Print) (Associate Licensee or Broker Signature)

Agent (Broker Obtaining the Offer) _____ By _____ Date _____
(Please Print) (Associate Licensee or Broker Signature)

SECTION 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE.
IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

(b) The amendments to this section by the act adding this subdivision shall become operative on July 1, 2014.

SEC. 16. Section 1788.58 of the Civil Code is amended to read:

1788.58. In an action brought by a debt buyer on a consumer debt:

(a) The complaint shall allege all of the following:

(1) That the plaintiff is a debt buyer.

(2) The nature of the underlying debt and the consumer transaction or transactions from which it is derived, in a short and plain statement.

(3) That the debt buyer is the sole owner of the debt at issue, or has authority to assert the rights of all owners of the debt.

(4) The debt balance at charge off and an explanation of the amount, nature, and reason for all post-charge-off interest and fees, if any, imposed by the charge-off creditor or any subsequent purchasers of the debt. This paragraph shall not be deemed to require a specific itemization, but the explanation shall identify separately the charge-off balance, the total of any post-charge-off interest, and the total of any post-charge-off fees.

(5) The date of default or the date of the last payment.

(6) The name and an address of the charge-off creditor at the time of charge off and the charge-off creditor's account number associated with the debt. The charge-off creditor's name and address shall be in sufficient form so as to reasonably identify the charge-off creditor.

(7) The name and last known address of the debtor as they appeared in the charge-off creditor's records prior to the sale of the debt. If the debt was sold prior to January 1, 2014, the debtor's name and last known address as they appeared in the debt owner's records on December 31, 2013, shall be sufficient.

(8) The names and addresses of all persons or entities that purchased the debt after charge off, including the plaintiff debt buyer. The names and addresses shall be in sufficient form so as to reasonably identify each such purchaser.

(9) That the debt buyer has complied with Section 1788.52.

(b) A copy of the contract or other document described in subdivision (b) of Section 1788.52 shall be attached to the complaint.

(c) The requirements of this title shall not be deemed to require the disclosure in public records of personal, financial, or medical information, the confidentiality of which is protected by any state or federal law.

SEC. 17. Section 425.16 of the Code of Civil Procedure is amended to read:

425.16. (a) The Legislature finds and declares that there has been a disturbing increase in lawsuits brought primarily to chill the valid exercise of the constitutional rights of freedom of speech and petition for the redress of grievances. The Legislature finds and declares that it is in the public interest to encourage continued participation in matters of public significance, and that this participation should not be chilled through abuse of the judicial process. To this end, this section shall be construed broadly.

(b) (1) A cause of action against a person arising from any act of that person in furtherance of the person's right of petition or free speech under the United States Constitution or the California Constitution in connection with a public issue shall be subject to a special motion to strike, unless the court determines that the plaintiff has established that there is a probability that the plaintiff will prevail on the claim.

(2) In making its determination, the court shall consider the pleadings, and supporting and opposing affidavits stating the facts upon which the liability or defense is based.

(3) If the court determines that the plaintiff has established a probability that he or she will prevail on the claim, neither that determination nor the fact of that determination shall be admissible in evidence at any later stage of the case, or in any subsequent action, and no burden of proof or degree of proof otherwise applicable shall be affected by that determination in any later stage of the case or in any subsequent proceeding.

(c) (1) Except as provided in paragraph (2), in any action subject to subdivision (b), a prevailing defendant on a special motion to strike shall be entitled to recover his or her attorney's fees and costs. If the court finds that a special motion to strike is frivolous or is solely intended to cause unnecessary delay, the court shall award costs and reasonable attorney's fees to a plaintiff prevailing on the motion, pursuant to Section 128.5.

(2) A defendant who prevails on a special motion to strike in an action subject to paragraph (1) shall not be entitled to attorney's

fees and costs if that cause of action is brought pursuant to Section 6259, 11130, 11130.3, 54960, or 54960.1 of the Government Code. Nothing in this paragraph shall be construed to prevent a prevailing defendant from recovering attorney's fees and costs pursuant to subdivision (d) of Section 6259, or Section 11130.5 or 54960.5, of the Government Code.

(d) This section shall not apply to any enforcement action brought in the name of the people of the State of California by the Attorney General, district attorney, or city attorney, acting as a public prosecutor.

(e) As used in this section, "act in furtherance of a person's right of petition or free speech under the United States or California Constitution in connection with a public issue" includes: (1) any written or oral statement or writing made before a legislative, executive, or judicial proceeding, or any other official proceeding authorized by law, (2) any written or oral statement or writing made in connection with an issue under consideration or review by a legislative, executive, or judicial body, or any other official proceeding authorized by law, (3) any written or oral statement or writing made in a place open to the public or a public forum in connection with an issue of public interest, or (4) any other conduct in furtherance of the exercise of the constitutional right of petition or the constitutional right of free speech in connection with a public issue or an issue of public interest.

(f) The special motion may be filed within 60 days of the service of the complaint or, in the court's discretion, at any later time upon terms it deems proper. The motion shall be scheduled by the clerk of the court for a hearing not more than 30 days after the service of the motion unless the docket conditions of the court require a later hearing.

(g) All discovery proceedings in the action shall be stayed upon the filing of a notice of motion made pursuant to this section. The stay of discovery shall remain in effect until notice of entry of the order ruling on the motion. The court, on noticed motion and for good cause shown, may order that specified discovery be conducted notwithstanding this subdivision.

(h) For purposes of this section, "complaint" includes "cross-complaint" and "petition," "plaintiff" includes "cross-complainant" and "petitioner," and "defendant" includes "cross-defendant" and "respondent."

(i) An order granting or denying a special motion to strike shall be appealable under Section 904.1.

(j) (1) Any party who files a special motion to strike pursuant to this section, and any party who files an opposition to a special motion to strike, shall, promptly upon so filing, transmit to the Judicial Council, by e-mail or facsimile, a copy of the endorsed, filed caption page of the motion or opposition, a copy of any related notice of appeal or petition for a writ, and a conformed copy of any order issued pursuant to this section, including any order granting or denying a special motion to strike, discovery, or fees.

(2) The Judicial Council shall maintain a public record of information transmitted pursuant to this subdivision for at least three years, and may store the information on microfilm or other appropriate electronic media.

SEC. 18. Section 580b of the Code of Civil Procedure is amended to read:

580b. (a) Except as provided in subdivision (c), no deficiency shall be owed or collected, and no deficiency judgment shall lie, for any of the following:

(1) After a sale of real property or an estate for years therein for failure of the purchaser to complete his or her contract of sale.

(2) Under a deed of trust or mortgage given to the vendor to secure payment of the balance of the purchase price of that real property or estate for years therein.

(3) Under a deed of trust or mortgage on a dwelling for not more than four families given to a lender to secure repayment of a loan that was used to pay all or part of the purchase price of that dwelling, occupied entirely or in part by the purchaser. For purposes of subdivision (b), a loan described in this paragraph is a "purchase money loan."

(b) No deficiency shall be owed or collected, and no deficiency judgment shall lie, on a loan, refinance, or other credit transaction (collectively, a "credit transaction") that is used to refinance a purchase money loan, or subsequent refinances of a purchase money loan, except to the extent that in a credit transaction the lender or creditor advances new principal (hereafter "new advance") that is not applied to an obligation owed or to be owed under the purchase money loan, or to fees, costs, or related expenses of the credit transaction. A new credit transaction shall be deemed to be a purchase money loan except as to the principal

amount of a new advance. For purposes of this section, any payment of principal shall be deemed to be applied first to the principal balance of the purchase money loan, and then to the principal balance of a new advance, and interest payments shall be applied to any interest due and owing. This subdivision applies only to credit transactions that are executed on or after January 1, 2013.

(c) The fact that no deficiency shall be owed or collected under the circumstances set forth in subdivisions (a) and (b) does not affect the liability that a guarantor, pledgor, or other surety might otherwise have with respect to the deficiency, or that might otherwise be satisfied in whole or in part from other collateral pledged to secure the obligation that is the subject of the deficiency.

(d) When both a chattel mortgage and a deed of trust or mortgage have been given to secure payment of the balance of the combined purchase price of both real and personal property, no deficiency judgment shall lie under any one thereof if no deficiency judgment would lie under the deed of trust or mortgage on the real property or estate for years therein.

SEC. 19. Section 580d of the Code of Civil Procedure is amended to read:

580d. (a) Except as provided in subdivision (b), no deficiency shall be owed or collected, and no deficiency judgment shall be rendered for a deficiency on a note secured by a deed of trust or mortgage on real property or an estate for years therein executed in any case in which the real property or estate for years therein has been sold by the mortgagee or trustee under power of sale contained in the mortgage or deed of trust.

(b) The fact that no deficiency shall be owed or collected under the circumstances set forth in subdivision (a) does not affect the liability that a guarantor, pledgor, or other surety might otherwise have with respect to the deficiency, or that might otherwise be satisfied in whole or in part from other collateral pledged to secure the obligation that is the subject of the deficiency.

(c) This section does not apply to a deed of trust, mortgage, or other lien given to secure the payment of bonds or other evidences of indebtedness authorized or permitted to be issued by the Commissioner of Corporations, or which is made by a public utility subject to the Public Utilities Act (Part 1 (commencing with Section 201) of Division 1 of the Public Utilities Code).

SEC. 20. Section 1282.4 of the Code of Civil Procedure is amended to read:

1282.4. (a) A party to the arbitration has the right to be represented by an attorney at any proceeding or hearing in arbitration under this title. A waiver of this right may be revoked; but if a party revokes that waiver, the other party is entitled to a reasonable continuance for the purpose of procuring an attorney.

(b) Notwithstanding any other law, including Section 6125 of the Business and Professions Code, an attorney admitted to the bar of any other state may represent the parties in the course of, or in connection with, an arbitration proceeding in this state, provided that the attorney, if not admitted to the State Bar of California, satisfies all of the following:

(1) He or she timely serves the certificate described in subdivision (c).

(2) The attorney's appearance is approved in writing on that certificate by the arbitrator, the arbitrators, or the arbitral forum.

(3) The certificate bearing approval of the attorney's appearance is filed with the State Bar of California and served on the parties as described in this section.

(c) Within a reasonable period of time after the attorney described in subdivision (b) indicates an intention to appear in the arbitration, the attorney shall serve a certificate in a form prescribed by the State Bar of California on the arbitrator, arbitrators, or arbitral forum, the State Bar of California, and all other parties and counsel in the arbitration whose addresses are known to the attorney. The certificate shall state all of the following:

(1) The case name and number, and the name of the arbitrator, arbitrators, or arbitral forum assigned to the proceeding in which the attorney seeks to appear.

(2) The attorney's residence and office address.

(3) The courts before which the attorney has been admitted to practice and the dates of admission.

(4) That the attorney is currently a member in good standing of, and eligible to practice law before, the bar of those courts.

(5) That the attorney is not currently on suspension or disbarred from the practice of law before the bar of any court.

(6) That the attorney is not a resident of the State of California.

(7) That the attorney is not regularly employed in the State of California.

(8) That the attorney is not regularly engaged in substantial business, professional, or other activities in the State of California.

(9) That the attorney agrees to be subject to the jurisdiction of the courts of this state with respect to the law of this state governing the conduct of attorneys to the same extent as a member of the State Bar of California.

(10) The title of the court and the cause in which the attorney has filed an application to appear as counsel pro hac vice in this state or filed a certificate pursuant to this section in the preceding two years, the date of each application or certificate, and whether or not it was granted. If the attorney has made repeated appearances, the certificate shall reflect the special circumstances that warrant the approval of the attorney's appearance in the arbitration.

(11) The name, address, and telephone number of the active member of the State Bar of California who is the attorney of record.

(d) The arbitrator, arbitrators, or arbitral forum may approve the attorney's appearance if the attorney has complied with subdivision (c). Failure to timely file and serve the certificate described in subdivision (c) shall be grounds for disapproval of the appearance and disqualification from serving as an attorney in the arbitration in which the certificate was filed. In the absence of special circumstances, repeated appearances shall be grounds for disapproval of the appearance and disqualification from serving as an attorney in the arbitration in which the certificate was filed.

(e) Within a reasonable period of time after the arbitrator, arbitrators, or arbitral forum approves the certificate, the attorney shall file the certificate with the State Bar of California and serve the certificate as described in Section 1013a on all parties and counsel in the arbitration whose addresses are known to the attorney.

(f) An attorney who fails to file or serve the certificate required by this section or files or serves a certificate containing false information or who otherwise fails to comply with the standards of professional conduct required of members of the State Bar of California shall be subject to the disciplinary jurisdiction of the State Bar with respect to that certificate or any of his or her acts occurring in the course of the arbitration.

(g) Notwithstanding any other law, including Section 6125 of the Business and Professions Code, an attorney who is a member

in good standing of the bar of any state may represent the parties in connection with rendering legal services in this state in the course of and in connection with an arbitration pending in another state.

(h) Notwithstanding any other law, including Section 6125 of the Business and Professions Code, any party to an arbitration arising under collective bargaining agreements in industries and provisions subject to either state or federal law may be represented in the course of, and in connection with, those proceedings by any person, regardless of whether that person is licensed to practice law in this state.

(i) Nothing in this section shall apply to Division 4 (commencing with Section 3200) of the Labor Code.

(j) (1) In enacting the amendments to this section made by Assembly Bill 2086 of the 1997–98 Regular Session, it is the intent of the Legislature to respond to the holding in Birbrower v. Superior Court (1998) 17 Cal.4th 119, to provide a procedure for nonresident attorneys who are not licensed in this state to appear in California arbitration proceedings.

(2) In enacting subdivision (h), it is the intent of the Legislature to make clear that any party to an arbitration arising under a collective bargaining agreement governed by the laws of this state may be represented in the course of and in connection with those proceedings by any person regardless of whether that person is licensed to practice law in this state.

(3) Except as otherwise specifically provided in this section, in enacting the amendments to this section made by Assembly Bill 2086 of the 1997–98 Regular Session, it is the Legislature's intent that nothing in this section is intended to expand or restrict the ability of a party prior to the decision in Birbrower to elect to be represented by any person in a nonjudicial arbitration proceeding, to the extent those rights or abilities existed prior to that decision. To the extent that Birbrower is interpreted to expand or restrict that right or ability pursuant to the laws of this state, it is hereby abrogated except as specifically provided in this section.

(4) In enacting subdivision (i), it is the intent of the Legislature to make clear that nothing in this section shall affect those provisions of law governing the right of injured workers to elect to be represented by any person, regardless of whether that person

is licensed to practice law in this state, as set forth in Division 4 (commencing with Section 3200) of the Labor Code.

SEC. 21. Section 1530 of the Code of Civil Procedure is amended to read:

1530. (a) Every person holding funds or other property escheated to this state under this chapter shall report to the Controller as provided in this section.

(b) The report shall be on a form prescribed or approved by the Controller and shall include:

(1) Except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of value of at least fifty dollars ($50) escheated under this chapter. This paragraph shall become inoperative on July 1, 2014.

(2) Except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of value of at least twenty-five dollars ($25) escheated under this chapter. This paragraph shall become operative on July 1, 2014.

(3) In the case of escheated funds of life insurance corporations, the full name of the insured or annuitant, and his or her last known address, according to the life insurance corporation's records.

(4) In the case of the contents of a safe deposit box or other safekeeping repository or in the case of other tangible property, a description of the property and the place where it is held and may be inspected by the Controller. The report shall set forth any amounts owing to the holder for unpaid rent or storage charges and for the cost of opening the safe deposit box or other safekeeping repository, if any, in which the property was contained.

(5) The nature and identifying number, if any, or description of any intangible property and the amount appearing from the records to be due, except that items of value under twenty-five dollars ($25) each may be reported in aggregate.

(6) Except for any property reported in the aggregate, the date when the property became payable, demandable, or returnable, and the date of the last transaction with the owner with respect to the property.

(7) Other information which the Controller prescribes by rule as necessary for the administration of this chapter.

(c) If the holder is a successor to other persons who previously held the property for the owner, or if the holder has changed his or her name while holding the property, he or she shall file with his or her report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 or fiscal yearend next preceding, but the report of life insurance corporations, and the report of all insurance corporation demutualization proceeds subject to Section 1515.5, shall be filed before May 1 of each year as of December 31 next preceding. The initial report for property subject to Section 1515.5 shall be filed on or before May 1, 2004, with respect to conditions in effect on December 31, 2003, and all property shall be determined to be reportable under Section 1515.5 as if that section were in effect on the date of the insurance company demutualization or related reorganization. The Controller may postpone the reporting date upon his or her own motion or upon written request by any person required to file a report.

(e) The report, if made by an individual, shall be verified by the individual; if made by a partnership, by a partner; if made by an unincorporated association or private corporation, by an officer; and if made by a public corporation, by its chief fiscal officer or other employee authorized by the holder.

SEC. 22. Section 402.5 of the Corporations Code is amended to read:

402.5. The rights, preferences, privileges, and restrictions granted to or imposed upon a class or series of preferred shares (Section 176), the designation of which includes either the word "preferred" or the word "preference," may:

(a) Notwithstanding paragraph (9) of subdivision (a) of Section 204, include a provision requiring a vote of a specified percentage or proportion of the outstanding shares of the class or series that is less than a majority of the class or series to approve any corporate action, except where the vote of a majority or greater proportion of the class or series is required by this division, regardless of restrictions or limitations on the voting rights thereof.

(b) Notwithstanding paragraph (5) of subdivision (a) of Section 204, provide that in addition to the requirement of subdivision (a)

of Section 1900 the corporation may voluntarily wind up and dissolve only upon the vote of a specified percentage (which shall not exceed 66 ⅔ percent) of such class or series.

(c) Notwithstanding subdivision (a) of Section 500, provide that a distribution may be made without regard to the preferential dividends arrears amount, or any preferential rights amount, or both, as described in paragraphs (1) and (2) of subdivision (a) of Section 500.

SEC. 23. Section 14001 of the Corporations Code is amended to read:

14001. (a) It is the intent of the Legislature in enacting this chapter to promote the economic development of small businesses through the California Small Business Finance Center by making available capital, general management assistance, and other resources, including financial services, personnel, and business education to small business entrepreneurs, including women, veteran, and minority-owned businesses, for the purpose of promoting the health, safety, and social welfare of the citizens of California, to eliminate unemployment of the economically disadvantaged of the state, and to stimulate economic development and entrepreneurship.

(b) It is the further intent of the Legislature to provide a flexible means to mobilize and commit all available and potential resources in the various regions of the state to fulfill these objectives, including federal, state, and local public resources, and private debt and equity investment.

(c) It is the further intent of the Legislature that corporations operating pursuant to this law shall, to the maximum extent feasible, coordinate with other job and business development efforts within their region directed toward implementing the purpose of this chapter.

(d) It is the further intent of the Legislature to provide expanded resources allowing participation by small and emerging contractors in state public works contracts. Increased access to surety bonding resources will assist in supporting participation by those firms in public works contracts, and by stimulating increased participation by small firms, the state will benefit from increased competition and lower bid costs.

SEC. 24. Section 14305 of the Corporations Code is amended to read:

14305. (a) (1) This section shall be known and may be cited as the Mutual Water Company Open Meeting Act.

(2) This section shall only apply to a mutual water company that operates a public water system.

(b) Any eligible person, upon 24 hours advance written notice, may attend meetings of the board of directors of a mutual water company, except when the board adjourns to, or meets solely in, executive session to consider litigation, matters relating to the formation of contracts with third parties, member or shareholder discipline, personnel matters, or to meet with a member or shareholder, upon the member or shareholder's request, regarding the member or shareholder's payment of assessments, as specified in Section 14303. The board of directors of the mutual water company shall meet in executive session, if requested by a member or shareholder who may be subject to a fine, penalty, or other form of discipline, and the member shall be entitled to attend the executive session. As specified in paragraph (3) of subdivision (o), an eligible person shall be entitled to attend a teleconference meeting or the portion of a teleconference meeting that is open to eligible persons, and that meeting or portion of the meeting shall be audible to the eligible persons in a location specified in the notice of the meeting.

(c) Any matter discussed in executive session shall be generally noted in the minutes of the immediately following meeting that is open to eligible persons.

(d) The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the board of directors of a mutual water company, conducted on or after January 1, 2014, other than an executive session, shall be available to eligible persons within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be provided to any eligible person upon request and upon reimbursement of the mutual water company's costs for providing the minutes.

(e) The pro forma budget required in Section 14306 shall be available to eligible persons within 30 days of the meeting at which the budget was adopted. The budget shall be provided to any eligible person upon request and upon reimbursement of the mutual water company's costs.

(f) Unless the bylaws provide for a longer period of notice, eligible persons shall be given notice of the time and place of a meeting as defined in subdivision (o), except for an emergency meeting or a meeting that will be held solely in executive session, at least four days prior to the meeting. Except for an emergency meeting, eligible persons shall be given notice of the time and place of a meeting that will be held solely in executive session at least two days prior to the meeting. Notice shall be given by posting the notice in a prominent, publicly accessible place or places within the territory served by the mutual water company and by mail to any eligible person who had requested notification of board meetings by mail, at the address requested by the eligible person. Eligible persons requesting notice by mail shall pay the costs of reproduction and mailing of the notice in advance. Notice may also be given by mail, by delivery of the notice to each unit served by the mutual water company or, with the consent of the eligible person, by electronic means. The notice shall contain the agenda for the meeting.

(g) An emergency meeting of the board may be called by the chief executive officer of the mutual water company, or by any two members of the board of directors other than the chief executive officer, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the board, and which of necessity make it impracticable to provide notice as required by this section.

(h) The board of directors of a mutual water company shall permit any eligible person to speak at any meeting of the mutual water company or the board of directors, except for meetings of the board held in executive session. A reasonable time limit for all eligible persons to speak to the board of directors or before a meeting of the mutual water company shall be established by the board of directors.

(i) (1) Except as described in paragraphs (2) to (4), inclusive, the board of directors of the mutual water company may not discuss or take action on any item at a nonemergency meeting unless the item was placed on the agenda included in the notice that was posted and distributed pursuant to subdivision (f). This subdivision does not prohibit an eligible person who is not a member of the board from speaking on issues not on the agenda.

(2) Notwithstanding paragraph (1), a member of the board of directors, mutual water company officers, or a member of the staff of the mutual water company, may do any of the following:

(A) Briefly respond to statements made or questions posed by a person speaking at a meeting as described in subdivision (h).

(B) Ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities, whether in response to questions posed by an eligible person or based upon his or her own initiative.

(3) Notwithstanding paragraph (1), the board of directors or a member of the board of directors, subject to rules or procedures of the board of directors, may do any of the following:

(A) Provide a reference to, or provide other resources for factual information to, the mutual water company's officers or staff.

(B) Request the mutual water company's officers or staff to report back to the board of directors at a subsequent meeting concerning any matter, or take action to direct the mutual water company's officers or staff to place a matter of business on a future agenda.

(C) Direct the mutual water company's officers or staff to perform administrative tasks that are necessary to carry out this subdivision.

(4) (A) Notwithstanding paragraph (1), the board of directors may take action on any item of business not appearing on the agenda posted and distributed pursuant to subdivision (f) under any of the following conditions:

(i) Upon a determination made by a majority of the board of directors present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the board, that require immediate attention and possible action by the board, and that, of necessity, make it impracticable to provide notice.

(ii) Upon a determination made by the board by a vote of two-thirds of the members present at the meeting, or, if less than two-thirds of total membership of the board is present at the meeting, by a unanimous vote of the members present, that there is a need to take immediate action and that the need for action came to the attention of the board after the agenda was posted and distributed pursuant to subdivision (f).

(iii) The item appeared on an agenda that was posted and distributed pursuant to subdivision (f) for a prior meeting of the board of directors that occurred not more than 30 calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken.

(B) Before discussing any item pursuant to this paragraph, the board of directors shall openly identify the item to the members in attendance at the meeting.

(j) (1) Notwithstanding any other law, the board of directors shall not take action on any item of business outside of a meeting.

(2) (A) Notwithstanding any other provision of law, the board of directors shall not conduct a meeting via a series of electronic transmissions, including, but not limited to, electronic mail, except as specified in subparagraph (B).

(B) Electronic transmissions may be used as a method of conducting an emergency meeting if all members of the board, individually or collectively, consent in writing to that action, and if the written consent or consents are filed with the minutes of the meeting of the board. These written consents may be transmitted electronically.

(k) (1) An eligible person may bring a civil action for declaratory or equitable relief for a violation of this section by a mutual water company for which he or she is defined as an eligible person for a judicial determination that an action taken by the board is null and void under this section.

(2) Prior to the commencement of an action pursuant to paragraph (1), the eligible person shall make a demand on the board to cure or correct the action alleged to be taken in violation of this section. The demand shall be in writing, and submitted within 90 days from the date the action was taken. The demand shall state the challenged action of the board and the nature of the alleged violation.

(3) Within 30 days of receipt of the demand, the board shall cure or correct the challenged action and inform the demanding party in writing of its actions to cure or correct, or inform the demanding party in writing of its decision not to cure or correct the challenged action.

(4) Within 15 days of receipt of the written notice of the board's decision to cure or correct or not to cure or correct, or within 15

days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall commence the action pursuant to paragraph (1). If the demanding party fails to commence the action pursuant to paragraph (1), that party shall be barred from commencing the action thereafter.

(*l*) A board action that is alleged to have been taken in violation of this section shall not be determined to be void if the action taken was in substantial compliance with this section.

(m) The fact that the board of directors of a mutual water company takes subsequent action to cure or correct an action taken pursuant to this section shall not be construed as, or admissible as evidence of, a violation of this section.

(n) An eligible person who prevails in a civil action to enforce his or her rights pursuant to this section shall be entitled to reasonable attorney's fees and court costs. A prevailing mutual water company shall not recover any costs, unless the court finds the action to be frivolous, unreasonable, or without foundation.

(o) As used in this section:

(1) "Eligible person" means a person who is any of the following:

(A) A shareholder or member of the mutual water company.

(B) A person who is an occupant, pursuant to a lease or a rental agreement, of commercial space or a dwelling unit to which the mutual water company sells, distributes, supplies, or delivers drinking water.

(C) An elected official of a city or county who represents people who receive drinking water directly from the mutual water company on a retail basis.

(D) Any other person eligible to participate in the mutual water company's meetings under provisions of the company's articles or bylaws.

(2) "Item of business" means any action within the authority of the board, except those actions that the board has validly delegated to any other person or persons, officer of the mutual water company, or committee of the board comprising less than a majority of the directors.

(3) "Meeting" means either of the following:

(A) A congregation of a majority of the members of the board at the same time and place to hear, discuss, or deliberate upon any item of business that is within the authority of the board.

(B) A teleconference in which a majority of the members of the board, in different locations, are connected by electronic means, through audio or video or both. A teleconference meeting shall be conducted in a manner that protects the rights of members of the mutual water company and otherwise complies with the requirements of this title. Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one physical location so that members of the mutual water company may attend and at least one member of the board of directors or a person designated by the board shall be present at that location. Participation by board members in a teleconference meeting constitutes presence at that meeting as long as all board members participating in the meeting are able to hear one another and members of the mutual water company speaking on matters before the board.

(4) "Mutual water company" means a mutual water company, as defined in Section 14300, that operates a public water system, as defined in Section 14300.5.

SEC. 25. Section 221.5 of the Education Code is amended to read:

221.5. (a) It is the policy of the state that elementary and secondary school classes and courses, including nonacademic and elective classes and courses, be conducted, without regard to the sex of the pupil enrolled in these classes and courses.

(b) A school district shall not prohibit a pupil from enrolling in any class or course on the basis of the sex of the pupil, except a class subject to Chapter 5.6 (commencing with Section 51930) of Part 28 of Division 4 of Title 2.

(c) A school district shall not require a pupil of one sex to enroll in a particular class or course, unless the same class or course is also required of a pupil of the opposite sex.

(d) A school counselor, teacher, instructor, administrator, or aide shall not, on the basis of the sex of a pupil, offer vocational or school program guidance to a pupil of one sex that is different from that offered to a pupil of the opposite sex or, in counseling a pupil, differentiate career, vocational, or higher education opportunities on the basis of the sex of the pupil counseled. Any school personnel acting in a career counseling or course selection capacity to a pupil shall affirmatively explore with the pupil the possibility of careers, or courses leading to careers, that are

nontraditional for that pupil's sex. The parents or legal guardian of the pupil shall be notified in a general manner at least once in the manner prescribed by Section 48980, in advance of career counseling and course selection commencing with course selection for grade 7 so that they may participate in the counseling sessions and decisions.

(e) Participation in a particular physical education activity or sport, if required of pupils of one sex, shall be available to pupils of each sex.

(f) A pupil shall be permitted to participate in sex-segregated school programs and activities, including athletic teams and competitions, and use facilities consistent with his or her gender identity, irrespective of the gender listed on the pupil's records.

SEC. 26. Section 2576 of the Education Code is amended to read:

2576. (a) If a county superintendent of schools enrolls, in a school operated by the county superintendent of schools, a pupil not funded pursuant to clause (i), (ii), or (iii) of subparagraph (A) of paragraph (4) of subdivision (c) of Section 2574, or Article 2.5 (commencing with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title 2, any attendance generated by that pupil shall be credited to the school district of residence. Enrollment of these pupils shall be transferred to the school district of residence for purposes of calculating the percentage of unduplicated pupils pursuant to Section 42238.02.

(b) For purposes of this section, the school district of residence for a homeless child, as defined in Section 1981.2, enrolled in a school operated by a county superintendent of schools shall be deemed to be the school district that last provided educational services to that child or, if it is not possible to determine that school district, the largest school district in the county.

SEC. 27. Section 8151 of the Education Code is amended to read:

8151. An apprentice attending a local educational agency in classes of related and supplemental instruction, as provided under Section 3074 of the Labor Code and in accordance with the requirements of subdivision (d) of Section 3078 of the Labor Code, shall be exempt from the requirements of any interdistrict attendance agreement for those classes.

SEC. 28. Section 8152 of the Education Code is amended to read:

8152. (a) The reimbursement rate shall be established in the annual Budget Act and the rate shall be commonly applied to all providers of instruction specified in subdivision (d).

(b) For purposes of this section, each hour of teaching time may include up to 10 minutes of passing time and breaks.

(c) This section also applies to isolated apprentices, as defined in Section 3074 of the Labor Code, for which alternative methods of instruction are provided.

(d) The Chancellor of the California Community Colleges shall make the reimbursements specified in this section for teaching time provided by local educational agencies.

(e) The hours for related and supplemental instruction derived from funds appropriated pursuant to subdivision (b) of Section 8150 shall be allocated by the Chancellor of California Community Colleges directly to participating local educational agencies that contract with apprenticeship programs pursuant to subdivision (f).

(f) Reimbursements may be made under this section for related and supplemental instruction provided to indentured apprentices only if the instruction is provided by a program approved by the Division of Apprenticeship Standards of the Department of Industrial Relations in accordance with Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(g) The initial allocation of hours made pursuant to subdivision (e) for related and supplemental instruction at the beginning of a fiscal year, when multiplied by the hourly reimbursement rate, shall equal 100 percent of the total appropriation for apprenticeships.

(h) If funds remain from the appropriation pursuant to subdivision (b) of Section 8150, the Chancellor of the California Community Colleges shall reimburse local educational agencies for unfunded related and supplemental instruction hours from any of the three previous fiscal years, in the following order:

(1) Reported related and supplemental instruction hours, as described in subdivision (b) of Section 8154, that were paid at a rate less than the hourly rate specified in the Budget Act.

(2) Reported related and supplemental instruction hours that were not reimbursed.

SEC. 29. Section 8155 of the Education Code is amended to read:

8155. (a) The Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, in consultation with the Superintendent, shall jointly develop a model format for agreements between apprenticeship programs and local educational agencies for instruction pursuant to Section 3074 of the Labor Code.

(b) By March 14, 2014, the Chancellor of the California Community Colleges and the Division of Apprenticeship Standards of the Department of Industrial Relations, with equal participation by local educational agencies and community college apprenticeship administrators, shall develop common administrative practices and treatment of costs and services, as well as other policies related to apprenticeship programs. Any policies developed pursuant to this subdivision shall become operative upon approval by the California Apprenticeship Council.

(c) Apprenticeship programs offered through local educational agencies may maintain their existing curriculum and instructors separate from the requirements of the California Community Colleges. The person providing instruction may be a qualified journeyperson with experience and knowledge of the trade.

SEC. 30. Section 8482.3 of the Education Code is amended to read:

8482.3. (a) The After School Education and Safety Program shall be established to serve pupils in kindergarten and grades 1 to 9, inclusive, at participating public elementary, middle, junior high, and charter schools.

(b) A program may operate a before school component of a program, an after school component, or both the before and after school components of a program, on one or multiple schoolsites. If a program operates at multiple schoolsites, only one application shall be required for its establishment.

(c) (1) Each component of a program established pursuant to this article shall consist of the following two elements:

(A) An educational and literacy element in which tutoring or homework assistance is provided in one or more of the following areas: language arts, mathematics, history and social science, computer training, or science.

(B) An educational enrichment element that may include, but need not be limited to, fine arts, career technical education, recreation, physical fitness, and prevention activities.

(2) Notwithstanding any other provision of this article, the majority of the time spent by a pupil who is in kindergarten or any of grades 1 to 9, inclusive, and who is participating in a career technical education element of a program established pursuant to this article shall be at a site that complies with Section 8484.6.

(d) (1) Applicants shall agree that snacks made available through a program shall conform to the nutrition standards in Article 2.5 (commencing with Section 49430) of Chapter 9 of Part 27 of Division 4 of Title 2.

(2) Applicants shall agree that meals made available through a program shall conform to the nutrition standards of the United States Department of Agriculture's at-risk afterschool meal component of the Child and Adult Care Food Program (42 U.S.C. Sec. 1766).

(e) Applicants for programs established pursuant to this article may include any of the following:

(1) A local educational agency, including, but not limited to, a charter school, the California School for the Deaf (northern California), the California School for the Deaf (southern California), and the California School for the Blind.

(2) A city, county, or nonprofit organization in partnership with, and with the approval of, a local educational agency or agencies.

(f) Applicants for grants pursuant to this article shall ensure that each of the following requirements is fulfilled, if applicable:

(1) The application documents the commitments of each partner to operate a program on that site or sites.

(2) The application has been approved by the school district, or the charter school governing body, and the principal of each participating school for each schoolsite or other site.

(3) Each partner in the application agrees to share responsibility for the quality of the program.

(4) The application designates the public agency or local educational agency partner to act as the fiscal agent. For purposes of this section, "public agency" means only a county board of supervisors or, if the city is incorporated or has a charter, a city council.

(5) Applicants agree to follow all fiscal reporting and auditing standards required by the department.

(6) Applicants agree to incorporate into the program both of the elements required pursuant to subdivision (c).

(7) Applicants agree to provide information to the department for the purpose of program evaluation pursuant to Section 8483.55.

(8) Applicants shall certify that program evaluations will be based upon Section 8484 and upon any requirements recommended by the Advisory Committee on Before and After School Programs and adopted by the state board, in compliance with subdivision (g) of Section 8482.4.

(9) The application states the targeted number of pupils to be served by the program.

(10) Applicants agree to provide the following information on participating pupils to the department:

(A) Schoolday attendance rates.

(B) Pupil test scores from the Standardized Testing and Reporting Program established under Section 60640, reflecting achievement in the areas addressed by required program elements, if assessments have been established in that area.

(C) Program attendance.

(g) (1) Grantees shall review their after school program plans every three years, including, but not limited to, all of the following:

(A) Program goals. A grantee may specify any new program goals that will apply to the following three years during the grant renewal process.

(B) Program content, including the elements identified in subdivision (c).

(C) Outcome measures selected from those identified in subdivision (a) of Section 8484 that the grantee will use for the next three years.

(D) Any other information requested by the department.

(E) If the program goals or outcome measures change as a result of this review, the grantee shall notify the department in a manner prescribed by the department.

(F) The grantee shall maintain documentation of the after school program plan for a minimum of five years.

(2) The department shall monitor this review as part of its onsite monitoring process.

SEC. 31. Section 20092 of the Education Code is amended to read:

20092. (a) The endowment may create a competitive grant program to support small capital projects in museums pursuant to subdivision (b) of Section 20057. The grant program shall give priority to the objectives listed in Section 20091. Once funding becomes available from the sale of specialized license plates pursuant to subdivision (b), funding for the grant program shall only be made, upon appropriation by the Legislature, from the funds collected pursuant to subdivision (b).

(b) If the endowment creates the grant program described in subdivision (a), the endowment shall apply to the Department of Motor Vehicles pursuant to Section 5156 of the Vehicle Code for the purpose of creating a specialized license plate program. It is hereby warranted to the purchasers of these specialized license plates that the fees collected from the sale of the specialized license plates shall be deposited in the California Cultural and Historical Endowment Fund to fund the grant program described in subdivision (a). The endowment shall comply with all of the requirements of Article 8.6 (commencing with Section 5151) of Chapter 1 of Division 3 of the Vehicle Code that apply to a state agency that sponsors a specialized license plate program.

SEC. 32. Section 32282.1 of the Education Code is amended to read:

32282.1. As comprehensive school safety plans are reviewed and updated, the Legislature encourages all plans, to the extent that resources are available, to include clear guidelines for the roles and responsibilities of mental health professionals, community intervention professionals, school counselors, school resource officers, and police officers on school campuses, if the school district uses these people. The guidelines may include primary strategies to create and maintain a positive school climate, promote school safety, increase pupil achievement, and prioritize mental health and intervention services, restorative and transformative justice programs, and positive behavior interventions and support.

SEC. 33. Section 35182.5 of the Education Code is amended to read:

35182.5. (a) The Legislature finds and declares all of the following:

(1) State and federal laws require all schools participating in meal programs to provide nutritious food and beverages to pupils.

(2) State and federal laws restrict the sale of food and beverages in competition with meal programs to enhance the nutritional goals for pupils, and to protect the fiscal and nutritional integrity of the school food service programs.

(3) Parents, pupils, and community members should have the opportunity to ensure, through the review of food and beverage contracts, that food and beverages sold on school campuses provide nutritious sustenance to pupils, promote good health, help pupils learn, provide energy, and model fit living for life.

(b) For purposes of this section, the following terms have the following meanings:

(1) "Nonnutritious beverages" means any beverage that is not any of the following:

(A) Drinking water.

(B) Milk, including, but not limited to, chocolate milk, soy milk, rice milk, and other similar dairy or nondairy milk.

(C) An electrolyte replacement beverage that contains 42 grams or less of added sweetener per 20 ounce serving.

(D) A 100 percent fruit juice, or fruit-based drink that is composed of 50 percent or more fruit juice and that has no added sweeteners.

(2) "Added sweetener" means an additive that enhances the sweetness of the beverage, including, but not limited to, added sugar, but does not include the natural sugar or sugars that are contained within any fruit juice that is a component of the beverage.

(3) "Nonnutritious food" means food that is not sold as part of the school breakfast or lunch program as a full meal, and that meets any of the following standards:

(A) More than 35 percent of its total calories are from fat.

(B) More than 10 percent of its total calories are from saturated fat.

(C) More than 35 percent of its total weight is composed of sugar. This subparagraph does not apply to the sale of fruits or vegetables.

(c) The governing board of a school district shall not do any of the following:

(1) Enter into or renew a contract, or permit a school within the district to enter into or renew a contract, that grants exclusive or

nonexclusive advertising or grants the right to the exclusive or nonexclusive sale of carbonated beverages or nonnutritious beverages or nonnutritious food within the district to a person, business, or corporation, unless the governing board of the school district does all of the following:

(A) Adopts a policy after a public hearing of the governing board of the school district to ensure that the school district has internal controls in place to protect the integrity of the public funds and to ensure that funds raised benefit public education, and that the contracts are entered into on a competitive basis pursuant to procedures contained in Section 20111 of the Public Contract Code or through the issuance of a Request for Proposal.

(B) Provides to parents, guardians, pupils, and members of the public the opportunity to comment on the contract by holding a public hearing on the contract during a regularly scheduled board meeting. The governing board of the school district shall clearly, and in a manner recognizable to the general public, identify in the agenda the contract to be discussed at the meeting.

(2) Enter into a contract that prohibits a school district employee from disparaging the goods or services of the party contracting with the governing board of the school district.

(3) Enter into a contract or permit a school within the district to enter into a contract for electronic products or services that requires the dissemination of advertising to pupils, unless the governing board of the school district does all of the following:

(A) Enters into the contract at a noticed public hearing of the governing board of the school district.

(B) Makes a finding that the electronic product or service in question is or would be an integral component of the education of pupils.

(C) Makes a finding that the school district cannot afford to provide the electronic product or service unless it contracts to permit dissemination of advertising to pupils.

(D) Provides written notice to the parents or guardians of pupils that the advertising will be used in the classroom or other learning centers. This notice shall be part of the school district's normal ongoing communication to parents or guardians.

(E) Offers the parents the opportunity to request in writing that the pupil not be exposed to the program that contains the advertising. A request shall be honored for the school year in which

it is submitted, or longer if specified, but may be withdrawn by the parents or guardians at any time.

(d) A governing board of the school district may meet the public hearing requirement set forth in subparagraph (B) of paragraph (1) of subdivision (c) for those contracts that grant the right to the exclusive or nonexclusive sale of carbonated beverages or nonnutritious beverages or nonnutritious food within the district, by an annual public hearing to review and discuss existing and potential contracts for the sale of food and beverages on campuses, including food and beverages sold as full meals, through competitive sales, as fundraisers, and through vending machines.

(1) The public hearing shall include, but not be limited to, a discussion of all of the following:

(A) The nutritional value of food and beverages sold within the district.

(B) The availability of fresh fruit, vegetables, and grains in school meals and snacks, including, but not limited to, locally grown and organic produce.

(C) The amount of fat, sugar, and additives in the food and beverages discussed.

(D) Barriers to pupil participation in school breakfast and lunch programs.

(2) A school district that holds an annual public hearing consistent with this subdivision is not released from the public hearing requirements set forth in subparagraph (B) of paragraph (1) of subdivision (c) for those contracts not discussed at the annual public hearing.

(e) The governing board of the school district shall make accessible to the public a contract entered into pursuant to paragraph (1) of subdivision (c) and may not include in that contract a confidentiality clause that would prevent a school or school district from making any part of the contract public.

(f) The governing board of a school district may sell advertising, products, or services on a nonexclusive basis.

(g) The governing board of a school district may post public signs indicating the school district's appreciation for the support of a person or business for the school district's education program.

(h) Contracts entered into before January 1, 2004, may remain in effect, but shall not be renewed if they are in conflict with this section.

SEC. 34. Section 41329.575 of the Education Code is amended to read:

41329.575. (a) (1) Pursuant to a schedule provided to the Controller by the bank, commencing with the 2013–14 fiscal year, the Controller shall transfer from Section A of the State School Fund and the Education Protection Account the amount of funds necessary to pay the warrants issued pursuant to paragraph (3) so that the effective cost of the lease financing for each fiscal year from 2013–14 to 2029–30, inclusive, provided to the South Monterey County Joint Union High School District pursuant to Chapter 20 of the Statutes of 2009 shall be equal to the cost of providing an emergency General Fund cashflow loan to the South Monterey County Joint Union High School District for each fiscal year from 2013–14 to 2029–30, inclusive.

(2) For purposes of determining the cost of providing an emergency General Fund cashflow loan to the South Monterey County Joint Union High School District for fiscal years 2013–14 to 2029–30, inclusive, for the South Monterey County Joint Union High School District, the original interest rate is equal to the annual rate of return earned by the Pooled Money Investment Account for the applicable fiscal year, plus an additional 2 percent. This rate shall also apply to disbursements of the loan pursuant to Chapter 20 of the Statutes of 2009 that are subsequent to September 15, 2013.

(3) The executive director or chair of the bank shall periodically provide a schedule to the Controller and the South Monterey County Joint Union High School District of the actual amount of the difference between the annual cost of the lease financing compared to the annual cost of providing the South Monterey County Joint Union High School District with an emergency General Fund cashflow loan for each applicable fiscal year and the Controller shall issue warrants to the South Monterey County Joint Union High School District pursuant to the schedule. Payments to the South Monterey County Joint Union High School District shall occur only during the term of the loan for the South Monterey County Joint Union High School District and shall be made no sooner than the corresponding payments are made to the bond trustee under the lease financing for the South Monterey County Joint Union High School District.

(4) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the warrants issued pursuant to paragraph (3) are "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 for the fiscal years in which the warrants are issued and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the fiscal years in which the warrants are issued.

(b) It is the intent of the Legislature that the financing cost subsidies funded in this section not be deemed precedent nor in conflict with Chapter 20 of the Statutes of 2009.

SEC. 35. Section 42238.03 of the Education Code is amended to read:

42238.03. (a) Commencing with the 2013–14 fiscal year and each fiscal year thereafter, the Superintendent shall calculate a base entitlement for the transition to the local control funding formula for each school district and charter school equal to the sum of the amounts computed pursuant to paragraphs (1) to (4), inclusive. The amounts computed pursuant to paragraphs (1) to (4), inclusive, shall be continuously appropriated pursuant to Section 14002.

(1) The current fiscal year base entitlement funding level shall be the sum of all of the following:

(A) For school districts, revenue limits in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 42238), as that article read on January 1, 2013, divided by the 2012–13 average daily attendance of the school district computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the school district computed pursuant to Section 42238.05. A school district's 2012–13 fiscal year revenue limit funding shall exclude amounts computed pursuant to Article 4 (commencing with Section 42280).

(B) (i) For charter schools, general purpose funding as computed pursuant to Article 2 (commencing with Section 47633) of Chapter 6, as that article read on January 1, 2013, and the amount of in-lieu property tax provided to the charter school pursuant to Section 47635, as that section read on June 30, 2013, divided by the 2012–13 average daily attendance of the charter school computed pursuant to Section 42238.05. That quotient shall

be multiplied by the current fiscal year average daily attendance of the charter school computed pursuant to Section 42238.05.

(ii) The amount computed pursuant to clause (i) shall exclude funds received by a charter school pursuant to Section 47634.1, as that section read on January 1, 2013.

(C) The amount computed pursuant to subparagraph (A) shall exclude funds received pursuant to Section 47633, as that section read on January 1, 2013.

(D) For school districts, funding for qualifying necessary small high school and necessary small elementary schools shall be adjusted to reflect the funding levels that correspond to the 2012–13 necessary small high school and necessary small elementary school allowances pursuant to Article 4 (commencing with Section 42280) and Section 42238.146, as those provisions read on January 1, 2013.

(2) Entitlements from items contained in Section 2.00, as adjusted pursuant to Section 12.42, of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4, as it read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915. The entitlement for basic aid school districts shall include the reduction of 8.92 percent as applied pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

(3) The allocations pursuant to Sections 42606 and 47634.1, as those sections read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school computed pursuant to Section 42238.05. That quotient shall be multiplied by the

current fiscal year average daily attendance of the charter school computed pursuant to Section 42238.05.

(4) The amount allocated to a school district or charter school pursuant to paragraph (3) of subdivision (b) for the fiscal years before the current fiscal year divided by the average daily attendance of the school district or charter school for the fiscal years before the current fiscal year computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the school district or charter school computed pursuant to Section 42238.05.

(5) (A) For the 2013–14 and 2014–15 fiscal years only, a school district that, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2), received funds on behalf of, or provided funds to, a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to secondary pupils shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement between the regional occupational center or program joint powers agency and the contracting school district.

(B) For the 2013–14 and 2014–15 fiscal years only, if a regional occupational center or program joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing instruction to pupils enrolled in grades 9 to 12, inclusive, received, in the 2012–13 fiscal year, an apportionment of funds directly from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the regional occupational center or program joint powers agency.

(6) (A) (i) For the 2013–14 and 2014–15 fiscal years only, a school district that, in the 2012–13 fiscal year, from any of the funding sources identified in paragraph (1) or (2), received funds on behalf of, or provided funds to, a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation shall not redirect that funding for another purpose unless otherwise authorized in law or pursuant to an agreement

between the home-to-school transportation joint powers agency and the contracting school district.

(ii) For the 2013–14 and 2014–15 fiscal years only, if a home-to-school transportation joint powers agency established in accordance with Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code for purposes of providing pupil transportation received, in the 2012–13 fiscal year, an apportionment of funds directly from the Superintendent from any of the funding sources identified in subparagraph (A) of paragraph (2) of subdivision (a), the Superintendent shall apportion that same amount to the home-to-school transportation joint powers agency.

(B) In addition to subparagraph (A), of the funds a school district receives for home-to-school transportation programs the school district shall expend, pursuant to Article 2 (commencing with Section 39820) of Chapter 1 of Part 23.5, Article 10 (commencing with Section 41850) of Chapter 5, and the Small School District Transportation program, as set forth in Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, no less for those programs than the amount of funds the school district expended for home-to-school transportation in the 2012–13 fiscal year.

(7) For the 2013–14 and 2014–15 fiscal years only, of the funds a school district receives for purposes of regional occupational centers or programs, or adult education, the school district shall expend no less than the amount of funds the school district expended for purposes of regional occupational centers or programs, or adult education, respectively, in the 2012–13 fiscal year. For purposes of this paragraph, a school district may include expenditures made by its county office of education within the school district for purposes of regional occupational centers or programs so long as the total amount of expenditures by the school district and the county office of education equal or exceed the total amount required to be expended for purposes of regional occupational centers or programs pursuant to this paragraph and paragraph (3) of subdivision (k) of Section 2575.

(b) Compute an annual local control funding formula transition adjustment for each school district and charter school as follows:

(1) Subtract the amount computed pursuant to paragraphs (1) to (4), inclusive, of subdivision (a) from the amount computed for

each school district or charter school under the local control funding formula entitlements computed pursuant to Section 42238.02. School districts and charter schools with a negative difference shall be deemed to have a zero difference.

(2) Each school district's and charter school's total need, as calculated pursuant to paragraph (1), shall be divided by the sum of all school districts' and charter schools' total need to determine the school district's or charter school's respective proportions of total need.

(3) Each school district's and charter school's proportion of total need shall be multiplied by any available appropriations specifically made for purposes of this subdivision, and added to the school district's or charter school's funding amounts as calculated pursuant to subdivision (a).

(4) If the total amount of funds appropriated for purposes of paragraph (3) pursuant to this subdivision are sufficient to fully fund any positive amounts computed pursuant to paragraph (1), the local control funding formula grant computed pursuant to subdivision (c) of Section 42238.02 shall be adjusted to ensure that any available appropriation authority is expended for purposes of the local control funding formula.

(5) Commencing with the first fiscal year after either paragraph (4) of this subdivision or paragraph (2) of subdivision (g) applies, the adjustments in paragraph (2) of subdivision (d) of Section 42238.02 shall be made only if an appropriation for those adjustments is included in the annual Budget Act.

(c) The Superintendent shall subtract from the amounts computed pursuant to subdivisions (a) and (b) the sum of the following:

(1) (A) For school districts, the property tax revenue received pursuant to Chapter 3.5 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

(B) For charter schools, the in-lieu property tax amount provided to a charter school pursuant to Section 47635.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of Division 2 of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code.

(4) Prior years' taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.

(6) The amount, if any, received pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), less any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance and that is not an amount received pursuant to Section 33492.15, or paragraph (4) of subdivision (a) of Section 33607.5, or Section 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(7) The amount, if any, received pursuant to Sections 34177, 34179.5, 34179.6, 34183, and 34188 of the Health and Safety Code.

(8) Revenue received pursuant to subparagraph (B) of paragraph (3) of subdivision (e) of Section 36 of Article XIII of the California Constitution.

(d) A school district or charter school that has a zero difference pursuant to paragraph (1) of subdivision (b) in the prior fiscal year shall receive an entitlement equal to the amount calculated pursuant to Section 42238.02 in the current fiscal year and future fiscal years.

(e) Notwithstanding the computations pursuant to subdivisions (b) to (d), inclusive, and Section 42238.02, commencing with the 2013–14 fiscal year, a school district or charter school shall receive state-aid funding of no less than the sum of the amounts computed pursuant to paragraphs (1) to (3), inclusive.

(1) (A) For school districts, revenue limits in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 42238), as that article read on January 1, 2013, divided by the 2012–13 average daily attendance of the school district computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the school district computed pursuant Section 42238.05. A school district's

2012–13 revenue limit funding shall exclude amounts computed pursuant to Article 4 (commencing with Section 42280).

(B) (i) For charter schools, general purpose funding in the 2012–13 fiscal year as computed pursuant to Article 2 (commencing with Section 47633) of Chapter 6, as that article read on January 1, 2013, and the amount of in-lieu property tax provided to the charter school in the 2012–13 fiscal year pursuant to Section 47635, as that section read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school computed pursuant to Section 42238.05. That quotient shall be multiplied by the current fiscal year average daily attendance of the charter school computed pursuant to Section 42238.05.

(ii) The amount computed pursuant to clause (i) shall exclude funds received by a charter school pursuant to Section 47634.1, as that section read on January 1, 2013.

(C) The amount computed pursuant to subparagraph (A) shall exclude funds received pursuant to Section 47633, as that section read on January 1, 2013.

(D) For school districts, the 2012–13 funding allowance provided for qualifying necessary small high schools and necessary small elementary schools pursuant to Article 4 (commencing with Section 42280) and Section 42238.146, as those provisions read on January 1, 2013.

(E) The amount computed pursuant to subparagraphs (A) to (D), inclusive, shall be reduced by the sum of the amount computed pursuant to paragraphs (1) to (8), inclusive, of subdivision (c).

(2) (A) Entitlements from items contained in Section 2.00, as adjusted pursuant to Section 12.42, of the Budget Act of 2012 for Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-111-0001, 6110-124-0001, 6110-128-0001, 6110-137-0001, 6110-144-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-212-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-267-0001, 6110-268-0001, and 6360-101-0001, 2012–13 fiscal year funding for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of Division 4, as it

read on January 1, 2013, and 2012–13 fiscal year funding for pupils enrolled in community day schools who are mandatorily expelled pursuant to subdivision (d) of Section 48915. Notwithstanding Section 39 of Chapter 38 of the Statutes of 2012, the entitlement for basic aid school districts shall include the reduction of 8.92 percent as applied pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Section 3 of Chapter 2 of the Statutes of 2012.

(B) The Superintendent shall annually apportion any entitlement provided to the state special schools from the items specified in subparagraph (A) to the state special schools in the same amount as the state special schools received from those items in the 2012–13 fiscal year.

(3) The allocations pursuant to Sections 42606 and 47634.1, as those sections read on January 1, 2013, divided by the 2012–13 average daily attendance of the charter school. That quotient shall be multiplied by the current fiscal year average daily attendance of the charter school.

(f) (1) For purposes of this section, commencing with the 2013–14 fiscal year and until all school districts and charter schools equal or exceed their local control funding formula target computed pursuant to Section 42238.02, as determined by the calculation of a zero difference pursuant to paragraph (1) of subdivision (b), a newly operational charter school shall be determined to have a prior year per average daily attendance funding amount equal to the lesser of:

(A) The prior year funding amount per unit of average daily attendance for the school district in which the charter school is physically located. The Superintendent shall calculate the funding amount per unit of average daily attendance for this purpose by dividing the total local control funding formula entitlement, calculated pursuant to subdivisions (a) and (b), received by that school district in the prior year by prior year funded average daily attendance of that school district. For purposes of this subparagraph, a charter school that is physically located in more than one school district shall use the calculated local control funding entitlement per unit of average daily attendance of the school district with the highest prior year funding amount per unit of average daily attendance.

(B) The charter school's local control funding formula rate computed pursuant to subdivisions (c) to (i), inclusive, of Section 42238.02.

(2) For charter schools funded pursuant to paragraph (1), the charter school shall be eligible to receive growth funding pursuant to subdivision (b) toward meeting the newly operational charter school's local control funding formula target.

(3) Upon a determination that all school districts and charter schools equal or exceed the local control funding formula target computed pursuant to Section 42238.02, as determined by the calculation of a zero difference pursuant to paragraph (1) of subdivision (b) for all school districts and charter schools, this subdivision shall not apply and the charter school shall receive an allocation equal to the amount calculated under Section 42238.02 in that fiscal year and future fiscal years.

(g) (1) In each fiscal year the Superintendent shall determine the percentage of school districts that are apportioned funding pursuant to this section that is less than the amount computed pursuant to Section 42238.02 as of the second principal apportionments of the fiscal year. If the percentage is less than 10 percent, the Superintendent shall apportion funding to school districts and charter schools equal to the amount computed pursuant to Section 42238.02 in that fiscal year.

(2) For each fiscal year thereafter, the Superintendent shall apportion funding to a school district and charter school equal to the amount computed pursuant to Section 42238.02.

SEC. 36. Section 42283 of the Education Code is amended to read:

42283. (a) For purposes of Sections 42281 and 42282, a "necessary small school" is an elementary school with an average daily attendance of less than 97, excluding pupils attending the seventh and eighth grades of a junior high school, maintained by a school district to which any of the following conditions apply:

(1) If as many as five pupils residing in the school district and attending kindergarten and grades 1 to 8, inclusive, excluding pupils attending the seventh and eighth grades of a junior high school, in the elementary school with an average daily attendance of less than 97 would be required to travel more than 10 miles one way from a point on a well-traveled road nearest their home to the nearest other public elementary school.

(2) If as many as 15 pupils residing in the school district and attending kindergarten and grades 1 to 8, inclusive, excluding pupils attending the seventh and eighth grades of a junior high school, in the elementary school with an average daily attendance of less than 97 would be required to travel more than five miles one way from a point on a well-traveled road nearest their home to the nearest other public elementary school.

(3) If topographical or other conditions exist in a school district which would impose unusual hardships if the number of miles specified in paragraph (1) or (2) were required to be traveled, or if during the fiscal year the roads which would be traveled have been impassable for more than an average of two weeks per year for the preceding five years, the governing board of the school district may, on or before April 1, request the Superintendent, in writing, for an exemption from these requirements or for a reduction in the miles required. The request shall be accompanied by a statement of the conditions upon which the request is based, giving the information in a form required by the Superintendent. The Superintendent shall cause an investigation to be made, and shall either grant the request to the extent he or she deems necessary, or deny the request.

(b) For purposes of this section, "other public elementary school" is a public school, including a charter school, that serves kindergarten or any of grades 1 to 8, inclusive, exclusive of grades 7 and 8 of a junior high school.

SEC. 37. Section 44212 of the Education Code is amended to read:

44212. (a) (1) The Regents of the University of California, the Trustees of the California State University, the California Postsecondary Education Commission, and the Association of Independent California Colleges and Universities shall each appoint a representative to serve as member ex officio without vote in proceedings of the commission.

(2) The Board of Governors of the California Community Colleges may appoint an alternate representative to serve as an ex officio member in the absence of the California Postsecondary Education Commission's representative.

(b) The ex officio members shall not vote in the proceedings of the commission or in any of its committees or subcommittees, except, by a majority vote of the commission, ex officio members

may be permitted to vote in committees or subcommittees in order to establish a quorum or as otherwise determined by majority vote of the commission.

SEC. 38. Section 44956 of the Education Code is amended to read:

44956. Any permanent employee whose services have been terminated as provided in Section 44955 shall have the following rights:

(a) For the period of 39 months from the date of the termination, any employee who in the meantime has not attained the age of 65 years shall have the preferred right to reappointment, in the order of original employment as determined by the board in accordance with Sections 44831 to 44855, inclusive, if the number of employees is increased or the discontinued service is reestablished, with no requirements that were not imposed upon other employees who continued in service; provided, that no probationary or other employee with less seniority shall be employed to render a service that the employee is certificated and competent to render. However, prior to reappointing any employee to teach a subject that he or she has not previously taught, and for which he or she does not have a teaching credential or that is not within the employee's major area of postsecondary study or the equivalent thereof, the governing board shall require the employee to pass a subject matter competency test in the appropriate subject.

(b) The right to reappointment described in subdivision (a) may be waived by the employee, without prejudice, for not more than one school year, unless the board extends this right, but the waiver shall not deprive the employee of his or her right to subsequent offers of reappointment.

(c) Notwithstanding subdivision (a), a school district may deviate from reappointing a certificated employee in order of seniority for either of the following reasons:

(1) The district demonstrates a specific need for personnel to teach a specific course or course of study, or to provide services authorized by a services credential with a specialization in either pupil personnel services or health for a school nurse, and that the employee has special training and experience necessary to teach that course or course of study, or to provide those services, that others with more seniority do not possess.

(2) For purposes of maintaining or achieving compliance with constitutional requirements related to equal protection of the laws.

(d) As to any employee who is reappointed, the period of his or her absence shall be treated as a leave of absence and shall not be considered as a break in the continuity of his or her service, he or she shall retain the classification and order of employment he or she had when his or her services were terminated, and credit for prior service under any state or district retirement system shall not be affected by such termination, but the period of his or her absence shall not count as a part of the service required for retirement.

(e) During the period of his or her preferred right to reappointment, an employee shall, in the order of original employment, be offered prior opportunity for substitute service during the absence of any other employee who has been granted a leave of absence or who is temporarily absent from duty; provided, that his or her services may be terminated upon the return to duty of the other employee and that substitute service shall not affect the retention of his or her previous classification and rights. If, in any school year the employee serves as a substitute in any position requiring certification for 21 days or more within a period of 60 schooldays, the compensation the employee receives for substitute service in that 60-day period, including his or her first 20 days of substitute service, shall be not less than the amount the employee would receive if he or she were being reappointed.

(f) (1) During the period of the employee's preferred right to reappointment, the governing board of the district, if it is also the governing board of one or more other districts, may assign him or her to service, which he or she is certificated and competent to render, in another district or districts; provided, that the compensation he or she receives therefor may, in the discretion of the governing board, be the same as he or she would have received had he or she been serving in the district from which his or her services were terminated, that his or her service in the other district or districts shall be counted toward the period required for both state and local retirement as though rendered in the district from which his or her services were terminated, and that no permanent employee in the other district or districts shall be displaced by him or her.

(2) It is the intent of this subdivision that the employees of a school district, the governing board of which is also the governing board of one or more other school districts, shall not be at a disadvantage as compared with employees of a unified school district.

(g) At any time prior to the completion of one year after his or her return to service, he or she may continue or make up, with interest, his or her own contributions to any state or district retirement system, for the period of his or her absence, but it shall not be obligatory on state or district to match those contributions.

(h) Should he or she become disabled or reach retirement age at any time before his or her return to service, he or she shall receive, in any state or district retirement system of which he or she was a member, all benefits to which he or she would have been entitled had such event occurred at the time of his or her termination of service, plus any benefits he or she may have qualified for thereafter, as though still employed.

SEC. 39. Section 49085 of the Education Code is amended to read:

49085. (a) On or before February 1, 2014, the department and the State Department of Social Services shall develop and enter into a memorandum of understanding that shall, at a minimum, require the State Department of Social Services, at least once per week, to share with the department both of the following:

(1) Disaggregated information on children and youth in foster care sufficient for the department to identify pupils in foster care.

(2) Disaggregated data on children and youth in foster care that is helpful to county offices of education and other local educational agencies responsible for ensuring that pupils in foster care receive appropriate educational supports and services.

(b) To the extent allowable under federal law, the department shall regularly identify pupils in foster care and designate those pupils in the California Longitudinal Pupil Achievement Data System or any future data system used by the department to collect disaggregated pupil outcome data.

(c) To the extent allowable under federal law, the Superintendent, on or before July 1 of each even-numbered year, shall report to the Legislature and the Governor on the educational outcomes for pupils in foster care at both the individual schoolsite

level and school district level. The report shall include, but is not limited to, all of the following:

(1) Individual schoolsite level and school district level educational outcome data for each local educational agency that enrolls at least 15 pupils in foster care, each county in which at least 15 pupils in foster care attend school, and for the entire state.

(2) The number of pupils in foster care statewide and by each local educational agency.

(3) The academic achievement of pupils in foster care.

(4) The incidence of suspension and expulsion for pupils in foster care.

(5) Truancy rates, attendance rates, and dropout rates for pupils in foster care.

(d) To the extent allowable under federal law, the department, at least once per week, shall do all of the following:

(1) Inform school districts and charter schools of any pupils enrolled in those school districts or charter schools who are in foster care.

(2) Inform county offices of education of any pupils enrolled in schools in the county who are in foster care.

(3) Provide schools districts, county office of education, and charter schools disaggregated data helpful to ensuring pupils in foster care receive appropriate educational supports and services.

(e) For purposes of this section "pupil in foster care" has the same meaning as "foster youth," as defined in Section 42238.01.

SEC. 40. Section 49557.2 of the Education Code is amended to read:

49557.2. (a) (1) At the option of the school district or county superintendent, and to the extent necessary to implement Section 14005.41 of the Welfare and Institutions Code, the following information may be incorporated into the School Lunch Program application packet or notification of eligibility for the School Lunch Program using simple and culturally appropriate language:

(A) A notification that if a child qualifies for free school lunches, then the child may qualify for free or reduced-cost health coverage.

(B) A request for the applicant's consent for the child to participate in the Medi-Cal program, if eligible for free school lunches, and to have the information on the school lunch application shared with the entity designated by the State Department of Health Care Services to make an accelerated

determination and the local agency that determines eligibility under the Medi-Cal program.

(C) A notification that the school district will not forward the school lunch application to the entity designated by the State Department of Health Care Services to make an accelerated determination and the local agency that determines eligibility under the Medi-Cal program, without the consent of the child's parent or guardian.

(D) A notification that the school lunch application is confidential and, with the exception of forwarding the information for use in health program enrollment upon the consent of the child's parent or guardian, the school district will not share the information with any other governmental agency, including the federal Department of Homeland Security and the Social Security Administration.

(E) A notification that the school lunch application information will only be used by the entity designated by the State Department of Health Care Services to make an accelerated determination and the state and local agencies that administer the Medi-Cal program for purposes directly related to the administration of the Medi-Cal program and will not be shared with other governmental agencies, including the federal Department of Homeland Security and the Social Security Administration for any purpose other than the administration of the Medi-Cal program.

(F) Information regarding the Medi-Cal program, including available services, program requirements, rights and responsibilities, and privacy and confidentiality requirements.

(2) The department, in consultation with school districts, county superintendents of schools, consumer advocates, counties, the State Department of Health Care Services, and other stakeholders, shall make recommendations regarding the School Lunch Program application, on or before February 1, 2003. The recommendations shall include specific changes to the School Lunch Program application materials as necessary to implement Section 14005.41 of the Welfare and Institutions Code, information for staff as to how to implement the changes, and a description of the process by which information on the School Lunch Program application will be shared with the county, as the local agency that determines eligibility under the Medi-Cal program.

(3) At the option of the school, the request for consent in subparagraph (B) of paragraph (1) may be modified so that the parent or guardian can also consent to allowing Medi-Cal to inform the school as provided in subdivision (n) of Section 14005.41 of the Welfare and Institutions Code when followup is needed in order to complete the Medi-Cal application process.

(b) (1) School districts and county superintendents of schools may implement a process to share information provided on the School Lunch Program application with the entity designated by the State Department of Health Care Services to make an accelerated determination and with the local agency that determines eligibility under the Medi-Cal program, and shall share this information with those entities, if the applicant consents to that sharing of information. Schools may designate, only as necessary to implement this section, nonfood service staff to assist in the administration of free, reduced price, or paid school lunch applications that have applicant consent, but only if that designation does not displace or have an adverse effect on food service staff. This information may be shared electronically, physically, or through whatever method is determined appropriate.

(2) If a school is aware that a child, who has been found eligible for free school lunches under the National School Lunch Program, and for whom the parent or guardian has consented to share the information provided on the application, already has an active Medi-Cal or Healthy Families case, the application shall not be processed for an accelerated determination but shall be forwarded to the local agency that determines eligibility under the Medi-Cal program pursuant to Section 14005.41 of the Welfare and Institutions Code. The school shall notify the parent or guardian of the child's ineligibility for an accelerated Medi-Cal determination due to the current eligibility status and that the child's application will be forwarded to the county pursuant to this section. The notice shall include a statement, with contact information, advising the parent or guardian to contact the Medi-Cal or Healthy Families programs regarding the child's eligibility status.

(3) Each school district or county superintendent that chooses to share information pursuant to this subdivision shall enter into a memorandum of understanding with the local agency that determines eligibility under the Medi-Cal program, that sets forth

the roles and responsibilities of each agency and the process to be used in sharing the information.

(4) The local agency that determines eligibility under the Medi-Cal program shall only use information provided by applicants on the school lunch application for purposes directly related to the administration of the Medi-Cal program.

(5) After school districts share information regarding the school lunch application with the entity designated by the State Department of Health Care Services to make an accelerated determination and the local agency that determines eligibility under the Medi-Cal program, for the purpose of determining Medi-Cal program eligibility, the local agency and the school district shall not share information about school lunch participation or the Medi-Cal program eligibility information with each other except as specifically authorized under subdivision (n) of Section 14005.41 of the Welfare and Institutions Code and other provisions of law.

(c) Effective July 1, 2005, the notifications and consent referenced in subdivision (a) and the procedures set out in subdivision (b) shall include the Healthy Families Program and any relevant county- and local-sponsored health insurance programs as necessary to implement Section 14005.41 of the Welfare and Institutions Code.

(d) Effective January 1, 2014, the notifications referenced in subdivision (a) shall do all of the following:

(1) Advise the applicant that the applicant may be eligible for reduced-cost comprehensive health care coverage through the California Health Benefit Exchange.

(2) Advise that, if the applicant's family income is low, the applicant may be eligible for no-cost coverage through Medi-Cal.

(3) Provide the applicant with the contact information for the California Health Benefit Exchange, including its Internet Web site and telephone number.

(4) Comply with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.) and any other applicable federal or state disabled access law.

(e) If a school district finds that the child is eligible for reduced price or paid meals under the National School Lunch Program and consent was provided as described in subdivision (b), the entity designated by the State Department of Health Care Services to

make an accelerated determination shall notify the parent or guardian of the child's ineligibility for an accelerated Medi-Cal determination pursuant to Section 14005.41 of the Welfare and Institutions Code. The notification shall include information on other available health programs for which the child may be eligible.

(f) A school district may also include the notifications in the notifications at the beginning of the first semester or quarter of the regular school term required pursuant to Section 48980.

(g) Upon receipt of information provided on the School Lunch Program application pursuant to this section, for a pupil who is not already enrolled in a health insurance affordability program, the county shall treat the School Lunch Program application as an application for a health insurance affordability program. For purposes of administration of the Medi-Cal program, the application date shall be the date that the School Lunch Program application is received by the county human services department. The county shall take no further action if it determines that the pupil is already enrolled in a health insurance affordability program.

SEC. 41. Section 60643 of the Education Code is amended to read:

60643. (a) Notwithstanding any other law, the contractor or contractors of the achievement tests provided for in Section 60640 shall comply with all of the conditions and requirements of the contract to the satisfaction of the Superintendent and the state board.

(b) (1) The department shall develop, and the Superintendent and the state board shall approve, a contract or contracts to be entered into with a contractor in connection with the test provided for in Section 60640. The department may develop the contract through negotiations. In approving a contract amendment to the contract authorized pursuant to this section, the department, in consultation with the state board, may make material amendments to the contract that do not increase the contract cost. Contract amendments that increase contract costs may only be made with the approval of the department, the state board, and the Department of Finance.

(2) For purposes of the contracts authorized pursuant to this subdivision, the department is exempt from the requirements of Part 2 (commencing with Section 10100) of Division 2 of the

Public Contract Code and from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code. The department shall use a competitive and open process utilizing standardized scoring criteria through which to select a potential administration contractor or contractors for recommendation to the state board for consideration. The state board shall consider each of the following criteria:

(A) The ability of the contractor to produce valid and reliable scores.

(B) The ability of the contractor to report accurate results in a timely fashion.

(C) Exclusive of the consortium assessments, the ability of the contractor to ensure technical adequacy of the tests, inclusive of the alignment between the Measurement of Academic Performance and Progress assessments and the state-adopted content standards.

(D) The cost of the assessment system.

(E) The ability and proposed procedures to ensure the security and integrity of the assessment system.

(F) The experience of the contractor in successfully conducting statewide testing programs in other states.

(3) The contracts shall include provisions for progress payments to the contractor for work performed or costs incurred in the performance of the contract. Not less than 10 percent of the amount budgeted for each separate and distinct component task provided for in each contract shall be withheld pending final completion of all component tasks by that contractor. The total amount withheld pending final completion shall not exceed 10 percent of the total contract price for that fiscal year.

(4) The contracts shall require liquidated damages to be paid by the contractor in the amount of up to 10 percent of the total cost of the contract for any component task that the contractor through its own fault or that of its subcontractors fails to substantially perform by the date specified in the agreement.

(5) The contracts shall establish the process and criteria by which the successful completion of each component task shall be recommended by the department and approved by the state board.

(6) The contractors shall submit, as part of the contract negotiation process, a proposed budget and invoice schedule, that includes a detailed listing of the costs for each component task

and the expected date of the invoice for each completed component task.

(7) The contract or contracts subject to approval by the Superintendent and the state board under paragraph (1) and exempt under paragraph (2) shall specify the following component tasks, as applicable, that are separate and distinct:

(A) Development of new tests or test items.

(B) Test materials production or publication.

(C) Delivery or electronic distribution of test materials to local educational agencies.

(D) Test processing, scoring, and analyses.

(E) Reporting of test results to the local educational agencies, including, but not necessarily limited to, all reports specified in this section.

(F) Reporting of valid and reliable test results to the department, including, but not necessarily limited to, the following electronic files:

(i) Scores aggregated statewide, and by county, school district, school, and grade.

(ii) Disaggregated scores based on English proficiency status, gender, ethnicity, socioeconomic disadvantage, foster care status, and special education designation.

(G) All other analyses or reports required by the Superintendent to meet the requirements of state and federal law and set forth in the agreement.

(H) Technology services to support the activities listed in subparagraphs (A) to (G), inclusive.

(I) Perform regular performance checks and load simulations to ensure the integrity and robustness of the technology system used to support the activities listed in subparagraphs (A) to (G), inclusive.

SEC. 42. Section 60811.4 of the Education Code is amended to read:

60811.4. (a) On or before January 1, 2015, the Superintendent shall recommend to the state board modifications to the English language development standards, adopted pursuant to former Section 60811.3, to link with the academic content standards for mathematics adopted by the state board pursuant to Sections 60605.8 and 60605.11 and the academic content standards for science adopted by the state board pursuant to Section 60605.85.

If the state board modifies the English language development standards to link with the academic content standards for mathematics and science, it shall explain, in writing, to the Governor and the Legislature the reasons for the modification. The Superintendent's recommendations and the state board's actions shall assist schools in the implementation and application of English language development standards in the mathematics and science subject areas.

(b) In meeting the requirements of subdivision (a), the Superintendent, in consultation with the state board, shall convene a group of experts in English language instruction, curriculum, and assessment, including individuals who have a minimum of three years of demonstrated experience instructing English learners in the classroom at the elementary or secondary level. The experts shall review the mathematics and science academic content standards to identify those standards that correspond to the English language development standards. The Superintendent shall ensure that members of the group include, but are not necessarily limited to, individuals who are schoolsite principals, school district or county office of education administrators overseeing programs and support for English learners, personnel of teacher training schools at institutions of higher education, and curriculum and instructional specialists with English learner experience. At least a majority of the members of the group of experts shall be currently employed public schoolteachers.

(c) Before completing the requirements of subdivision (a), the Superintendent shall hold a minimum of two public meetings pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) in order for the public to provide input regarding any modifications recommended pursuant to this section.

(d) (1) On or before August 1, 2015, the state board shall adopt or reject the Superintendent's recommendations for the English language development standards adopted pursuant to former Section 60811.3 to correspond with the state board-approved academic content standards for mathematics adopted pursuant to Sections 60605.8 and 60605.11 and the state board-approved academic content standards for science adopted pursuant to Section 60605.85.

(2) The state board shall ensure that any modifications to the English language development standards adopted by the state board pursuant to this section are incorporated into the appropriate mathematics and science curriculum frameworks.

(e) This section shall not be implemented unless funds are appropriated by the Legislature in the annual Budget Act or another statute for its purposes.

(f) This section shall become inoperative on July 1, 2016, and as of January 1, 2017, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2017, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 43. Section 66746 of the Education Code is amended to read:

66746. (a) Commencing with the fall term of the 2011–12 academic year, a student who earns an associate degree for transfer granted pursuant to subdivision (b) shall be deemed eligible for transfer into a California State University baccalaureate program when the student meets both of the following requirements:

(1) Completion of 60 semester units or 90 quarter units that are eligible for transfer to the California State University, including both of the following:

(A) The Intersegmental General Education Transfer Curriculum (IGETC) or the California State University General Education-Breadth Requirements.

(B) A minimum of 18 semester units or 27 quarter units in a major or area of emphasis, as determined by the community college district and meeting the requirements of an approved transfer model curriculum.

(2) Obtainment of a minimum grade point average of 2.0.

(b) (1) (A) As a condition of receipt of state apportionment funds, a community college district shall develop and grant associate degrees for transfer that meet the requirements of subdivision (a). A community college district shall not impose any requirements in addition to the requirements of this section, including any local college or district requirements, for a student to be eligible for the associate degree for transfer and subsequent admission to the California State University pursuant to Section 66747.

(B) Before the commencement of the 2015–16 academic year, a community college shall create an associate degree for transfer

in the major and area of emphasis offered by that college for any approved transfer model curriculum finalized prior to the commencement of the 2013–14 academic year.

(C) A community college shall create an associate degree for transfer in every major and area of emphasis offered by that college for any approved transfer model curriculum approved subsequent to the commencement of the 2013–14 academic year within 18 months of the approval of the transfer model curriculum.

(D) Before the commencement of the 2015–16 academic year, there shall be the development of at least two transfer model curricula in areas of emphasis and, before the commencement of the 2016–17 academic year, there shall be the development of at least two additional transfer model curricula in areas of emphasis.

(2) The condition of receipt of state apportionment funding contained in paragraph (1) shall become inoperative if, by December 31, 2010, each of the state's 72 community college districts has submitted to the Chancellor of the California Community Colleges, for transmission to the Director of Finance, signed certification waiving, as a local agency request within the meaning of paragraph (1) of subdivision (a) of Section 6 of Article XIII B of the California Constitution, any claim of reimbursement related to the implementation of this article.

(c) A community college district is encouraged to consider the local articulation agreements and other work between the respective faculties from the affected community college and California State University campuses in implementing the requirements of this section.

(d) Community colleges are encouraged to facilitate the acceptance of credits earned at other community colleges toward the associate degree for transfer pursuant to this section.

(e) This section shall not preclude enrollment in nontransferable student success courses or preclude students who are assessed below collegiate level from acquiring remedial noncollegiate level coursework in preparation for obtaining the associate degree. Remedial noncollegiate level coursework and nontransferable student success courses shall not be counted as part of the transferable units required pursuant to paragraph (1) of subdivision (a).

SEC. 44. Section 66762.5 of the Education Code is amended to read:

66762.5. A matriculated CSU student shall have priority access to online courses provided at his or her home campus. A CSU student who meets the requirements of subdivision (a) of Section 66761, and seeks to enroll in courses provided entirely online by another CSU campus, shall be able to enroll, provided that cross-enrollment students generally have an opportunity to enroll in these online courses at any time after the priority enrollment period for continuing students, as determined by each host campus. The enrollment policy of the host campus shall, to the extent possible, encourage cross-enrollment as provided for in this chapter.

SEC. 45. Section 78230 of the Education Code is amended to read:

78230. (a) For the purposes of this section, the following terms have the following meanings:

(1) "Eligible community college campus" means one of the following campuses:

(A) College of the Canyons.

(B) Crafton Hills College.

(C) Long Beach City College.

(D) Oxnard College.

(E) Pasadena City College.

(F) Solano Community College.

(2) "Eligible community college district" means a community college district with an eligible community college campus.

(b) (1) The Office of the Chancellor of the California Community Colleges shall establish a voluntary pilot program through which an eligible community college campus may establish and maintain extension programs offering credit courses during summer and winter intersessions. The governing board of an eligible community college district may request to participate in the pilot program.

(2) It is the intent of the Legislature that at least one participating campus should begin implementation of the pilot program by January 2014, and that an additional five campuses should implement the pilot program by July 1, 2014.

(c) An extension program established pursuant to this section shall have all of following characteristics:

(1) The program shall be self-supporting and all costs associated with the program shall be recovered.

(2) Enrollment in the pilot program shall not be reported for state apportionment funding, but program enrollment shall be open to the public pursuant to Section 51006 of Title 5 of the California Code of Regulations.

(3) The program shall be developed in conformance with this code and Division 6 (commencing with Section 50001) of Title 5 of the California Code of Regulations related to community college credit courses.

(4) The program shall be subject to community college district collective bargaining agreements.

(5) The program shall apply to all courses leading to certificates, degrees, or transfer preparation.

(d) (1) To participate in the pilot program, an eligible community college district shall satisfy all of the following criteria:

(A) The district shall have served a number of students equal to, or beyond, its funding limit for the two immediately prior academic years, as provided in the annual Budget Act and as reported by the Office of the Chancellor of the California Community Colleges.

(B) The district shall not have received a stability adjustment to state apportionment funding pursuant to Section 58776 of Title 5 of the California Code of Regulations in the prior two years.

(C) All courses offered for credit that receive state apportionment funding shall meet basic skills, transfer, or workforce development objectives.

(D) The district shall prioritize enrollment of students in courses offered that receive state apportionment funding in conformance with the legal authority of the governing board of the community college district, Section 66025.8 of this code, and Section 58108 of Title 5 of the California Code of Regulations, by promoting policies that prioritize enrollment in courses that receive state apportionment funding of students who are fully matriculated, as defined in Section 78212, and making satisfactory progress toward a basic skills, transfer, or workforce development goal.

(E) The district shall prioritize enrollment in the extension program courses as follows:

(i) First priority shall be given to current community college students who are eligible for resident tuition.

(ii) Second priority shall be given to students who are eligible for resident tuition.

(F) (i) The district shall limit the enrollment of students funded by the state in activity courses, as defined in Section 55041 of Title 5 of the California Code of Regulations. An applicant district shall not claim state apportionment funding for students who repeat either credit courses or noncredit physical education, or visual or performance arts courses that are part of the same sequence of courses, unless the student is doing so to meet degree or other local community college district requirements and is in compliance with Section 55041 of Title 5 of the California Code of Regulations.

(ii) This subparagraph does not apply to disabled students taking adaptive activity courses, students participating in intercollegiate athletics, or students with an approved educational plan majoring in physical education or the performing arts.

(2) The Office of the Chancellor of the California Community Colleges, to the extent feasible, shall determine whether an eligible community college district meets the criteria outlined in paragraph (1) prior to its participation in the pilot program.

(e) For a student who is not categorically exempt from nonresident tuition, the community college district shall charge all statutorily authorized fees applicable to nonresident students, including, but not limited to, fees authorized pursuant to Section 76141 or 76142, for his or her enrollment in courses offered pursuant to the pilot program.

(f) The governing board of an eligible community college district shall not expend General Fund moneys to establish and maintain the extension program.

(g) An extension credit course shall not supplant any course funded with state apportionments and shall not be offered at times or in locations that supplant or limit the offering of programs that receive state funding or in conjunction with courses that receive state apportionment funding. An eligible community college district shall not reduce a state-funded course section needed by students to achieve basic skills, workforce training, or transfer goals, with the intent of reestablishing those course sections as part of the extension program. The governing board of an eligible community college district shall annually certify compliance with this subdivision by board action taken at a regular session of the board.

(h) A degree credit course offered as an extension course shall meet all of the requirements of subdivision (a) of Section 55002

of Title 5 of the California Code of Regulations, as it exists on January 1, 2013.

(i) The governing board of an eligible community college district may charge students enrolled in an extension course a fee that covers the actual cost of the course and that is based upon the district's nonresident fee rate for the year the course is offered. For purposes of this subdivision, "actual cost" includes the actual cost of instruction, necessary equipment and supplies, student services and institutional support, and other costs of the community college district used in calculating the costs of education for nonresident students, including the administrative costs incurred by the Office of the Chancellor of the California Community Colleges in providing oversight of the pilot program.

(j) In order to assist in providing access to extension courses for students eligible for the Board of Governors fee waiver, one-third of the revenue collected pursuant to subdivision (i) shall be used by the district to provide financial assistance to these students. In addition to the one-third of the revenues collected, a participating district shall supplement financial assistance with funds from campus foundations or any other nonstate funds.

(1) Each participating community college district shall develop a plan for collecting and disbursing financial assistance provided pursuant to this subdivision.

(2) Participating districts shall include a description of the financial assistance plan in their annual reports to the Office of the Chancellor of the California Community Colleges in accordance with subdivision (n). Participating districts shall report, at a minimum, all of the following:

(A) The number and percentage of participating students who are receiving financial assistance.

(B) The criteria used for determining eligibility for, and prioritizing awards of, financial assistance for students.

(C) Methods for communicating financial assistance information to students.

(D) Total amount of financial aid disbursed and the sources of the aid.

(E) Information on the proportion of students whose extension program fees are subsidized with financial assistance, the percentage of total fees that is paid by financial assistance for individual students, with this information aggregated in ways that

assist in evaluating the consequence and equity of the financial assistance program, and the sources of the financial assistance.

(k) A community college district maintaining an extension program under this section shall make every effort to encourage broad participation in the program and support access for students eligible for Board of Governors fee waivers, including, but not limited to, providing students with information about financial aid programs, the American Opportunity Tax Credit, military benefits, scholarships, and other financial assistance that may be available to students, as well as working with campus foundations to provide financial assistance for students attending extension programs. In addition, the district shall adopt enrollment priority and student support policies ensuring that students who are eligible for state financial aid are not disproportionately shifted from courses that receive state apportionment funding to courses offered under the pilot program.

(*l*) (1) Each eligible community college district participating in the pilot program shall do both of the following:

(A) Collect and keep records that measure student participation, student demographics, and student outcomes in a manner consistent with records collected by community college districts in regular credit programs supported through state apportionments, including an analysis of program effects, if any, on district workload and district financial status. A community college district shall submit this information to the Office of the Chancellor of the California Community Colleges by October 1 of each year.

(B) Submit a schedule of fees established pursuant to subdivision (i) to the Chancellor of the California Community Colleges by August 1 of each year.

(2) The chancellor shall submit all of the information provided by community college districts pursuant to paragraph (1) to the Legislative Analyst's Office by November 1 of each year.

(3) (A) No later than January 1, 2017, the Legislative Analyst's Office shall, pursuant to Section 9795 of the Government Code, provide to the Legislature a written report that evaluates the pilot program established by this article.

(B) The report shall include all of the following:

(i) Summary statistics relating to course offerings, student enrollment, including demographic data on the students enrolled

in courses, if available, financing, student use of financial aid, funding, and course completion rates for the pilot program.

(ii) A determination of the extent to which the pilot program complies with statutory requirements and the extent to which the pilot program results in expanded access for students.

(iii) An assessment of the effect of the pilot program on the availability of, and enrollment in, courses that receive state apportionment funding, with particular attention to the demographic makeup and financial aid status of students enrolled in those courses.

(iv) Recommendations as to whether the pilot program should be extended, expanded, or modified. In making recommendations, the Legislative Analyst's Office shall consider alternative approaches that might achieve the goal of expanded access without increasing state funding.

(m) Courses offered by the extension program established and maintained under this section may only be offered during summer and winter intersessions.

(n) (1) No later than March 31, 2014, the Board of Governors of the California Community Colleges shall adopt reporting requirements for the pilot program that conform with the requirements of Article 2 (commencing with Section 84030) of Chapter 1 of Part 50, and the information reported shall be included in the annual audit process.

(2) An eligible community college district that fails to comply with the requirements established by the Board of Governors of the California Community Colleges for the pilot program pursuant to paragraph (1) or no longer meets the criteria set forth in subdivision (d) shall be ineligible for participation in the pilot program.

SEC. 46. Section 92493 of the Education Code is amended to read:

92493. (a) The University of California may pledge, along with its other revenues, its annual General Fund support appropriation, less the amount of that appropriation that is required to fund general obligation bond payments and the State Public Works Board rental payments, to secure the payment of any of the university's general revenue bonds or commercial paper associated with the general revenue bond program. To the extent the university pledges any part of its support appropriation as a source of revenue

securing any obligation, it shall provide that this commitment of revenue is subject to annual appropriation by the Legislature. The university may fund debt service for capital expenditures defined in subdivision (b) from its General Fund support appropriation pursuant to Sections 92495 and 92495.5. The state hereby covenants with the holders of the university's obligations secured by the pledge of the university permitted by this section that, so long as any of the obligations referred to in this subdivision remain outstanding, the state will not impair or restrict the ability of the university to pledge any support appropriation or support appropriations that may be enacted for the university. The university may include this covenant of the state in the agreements or other documents underlying the university's obligations to this effect.

(b) For purposes of this section, "capital expenditures" shall mean (1) the costs to design, construct, or equip academic facilities to address seismic and life safety needs, enrollment growth, or modernization of out-of-date facilities, and renewal or expansion of infrastructure to serve academic programs, or (2) the debt service amount associated with refunding, defeasing, or retiring State Public Works Board lease revenue bonds.

(c) Nothing in this section shall require the Legislature to make an appropriation from the General Fund in any specific amount to support the University of California.

(d) The ability to utilize its support appropriation as stated in this section shall not be used as a justification for future increases in student tuition, additional employee layoffs, or reductions in employee compensation at the University of California.

SEC. 47. Section 99301 of the Education Code is amended to read:

99301. (a) Notwithstanding subdivision (a) of Section 78213, the individual grade 11 assessment results, as referenced in Section 60641, or a standards-aligned successor assessment, in addition to any other purposes, may be used by community college districts to provide diagnostic advice to, or for the placement of, prospective community college students participating in the EAP.

(b) (1) As authorized pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 60641, the individual assessment results, as referenced in Section 60641, or a standards-aligned

successor assessment, shall be provided to the office of the Chancellor of the California Community Colleges.

(2) The office of the Chancellor of the California Community Colleges shall coordinate with community college districts that choose to voluntarily participate in the EAP as follows, and, to the extent possible, shall accomplish all of the following activities using existing resources:

(A) Encourage community college districts to choose to voluntarily participate in the EAP and notify them of the requirements of subdivision (c), including the requirements that the standards utilized by CSU to assess readiness for college-level English and mathematics courses, as expressed in the assessment referenced in Section 60641, or a standards-aligned successor assessment, shall also be used for the purposes of the EAP.

(B) Coordinate the progress of the program, provide technical assistance to participating community college districts pursuant to subdivision (c) as needed, identify additional reporting and program criteria as needed, and provide a report to the Legislature and Governor on or before February 15, 2015, on the implementation and results of the EAP for community college students.

(C) Provide access to the individual assessment results, as referenced in Section 60641, or a standards-aligned successor assessment, to participating community college districts.

(c) For those community college districts that choose to work directly with high school pupils within their respective district boundaries who took the assessment, as referenced in Section 60641, or a standards-aligned successor assessment, and choose to offer assistance to these pupils in strengthening their college readiness skills, all of the following provisions apply:

(1) The individual results of the assessment, as referenced in Section 60641, or a standards-aligned successor assessment, shall be released by the office of the Chancellor of the California Community Colleges, as authorized pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 60641, to participating community college districts upon their request for this information and may be used to provide diagnostic advice to prospective community college students participating in the EAP.

(2) Pursuant to subparagraph (A) of paragraph (2) of subdivision (b), the same standards utilized by CSU to assess readiness shall also be used for purposes of this section.

(3) The assessment, as referenced in Section 60641, and utilized by CSU for purposes of early assessment, or a standards-aligned successor assessment, shall be used to assess the college readiness of pupils in the EAP.

(4) Participating community college districts are encouraged to consult with the Academic Senate for the California Community Colleges to work toward sequencing their precollegiate level courses and transfer-level courses in English and mathematics to the common core academic content standards adopted pursuant to Section 60605.8.

(5) Participating community college districts shall identify an EAP coordinator and shall coordinate with CSU campuses and schools offering instruction in kindergarten and any of grades 1 to 12, inclusive, in their respective district boundaries on EAP-related activities that assist pupils in making decisions that increase their college readiness skills and likelihood of pursuing a postsecondary education.

(6) In order to provide high school pupils with an indicator of their college readiness, a community college district participating in the EAP shall use individual assessment results provided to that college pursuant to paragraph (1) of, and subparagraph (C) of paragraph (2) of, subdivision (b) to provide diagnostic advice to prospective community college students participating in the EAP.

(7) The individual results of the assessment, as referenced in Section 60641 for purposes of the EAP, or a standards-aligned successor assessment, shall not be used by a community college as a criterion for admission.

(8) Participating community college districts shall utilize the existing infrastructure of academic opportunities, as developed by CSU, to provide additional preparation in grade 12 for prospective community college students participating in the EAP.

(d) Both of the following provisions apply to CSU:

(1) The individual results of the assessment, as referenced in Section 60641, or a standards-aligned successor assessment, as authorized pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 60641, shall be released to, and, in addition to any other purposes, may be used by, CSU to provide

diagnostic advice to, or for the placement of, prospective CSU students participating in the EAP.

(2) The individual results of the assessment, as referenced in Section 60641 for purposes of the EAP, or a standards-aligned successor assessment, shall not be used by CSU as a criterion for admission.

SEC. 48. Section 2187 of the Elections Code is amended to read:

2187. (a) Each county elections official shall send to the Secretary of State, in a format described by the Secretary of State, a summary statement of the number of voters in the county. The statement shall show the total number of voters in the county, the number registered as affiliated with each qualified political party, the number registered in nonqualified parties, and the number who declined to state any party affiliation. The statement shall also show the number of voters, by political affiliations, in each city, supervisorial district, Assembly district, Senate district, and congressional district located in whole or in part within the county.

(b) The Secretary of State, on the basis of the statements sent by the county elections officials and within 30 days after receiving those statements, shall compile a statewide list showing the number of voters, by party affiliations, in the state and in each county, city, supervisorial district, Assembly district, Senate district, and congressional district in the state. A copy of this list shall be made available, upon request, to any elector in this state.

(c) Each county that uses data-processing equipment to store the information set forth in the affidavit of registration shall send to the Secretary of State one copy of the electronic data file with the information requested by the Secretary of State. Each county that does not use data-processing storage shall send to the Secretary of State one copy of the index setting forth that information.

(d) The summary statements and the electronic data file copy or the index shall be sent at the following times:

(1) On the 135th day before each presidential primary and before each direct primary, with respect to voters registered on the 154th day before the primary election.

(2) Not less than 50 days prior to the primary election, with respect to voters registered on the 60th day before the primary election.

(3) Not less than seven days prior to the primary election, with respect to voters registered before the 14th day prior to the primary election.

(4) Not less than 102 days prior to each presidential general election, with respect to voters registered before the 123rd day before the presidential general election.

(5) Not less than 50 days prior to the general election, with respect to voters registered on the 60th day before the general election.

(6) Not less than seven days prior to the general election, with respect to voters registered before the 14th day prior to the general election.

(7) On or before March 1 of each odd-numbered year, with respect to voters registered as of February 10.

(e) The Secretary of State may adopt regulations prescribing the content and format of the electronic data file or index referred to in subdivision (c) that contains the registered voter information from the affidavits of registration.

(f) The Secretary of State may adopt regulations prescribing additional regular reporting times, except that the total number of reporting times in any one calendar year shall not exceed 12.

(g) The Secretary of State shall make the information from the electronic data files or the printed indexes available, under conditions prescribed by the Secretary of State, to any candidate for federal, state, or local office, to any committee for or against any proposed ballot measure, to any committee for or against any initiative or referendum measure for which legal publication is made, and to any person for election, scholarly or political research, or governmental purposes as determined by the Secretary of State.

(h) For purposes of this section, "electronic data file" means either a magnetic tape or a data file in an alternative electronic format, at the discretion of the county elections official.

SEC. 49. Section 3007.8 of the Elections Code is amended to read:

3007.8. (a) A local elections official may offer a voter the ability to apply for a vote by mail voter's ballot by telephone.

(b) To apply by telephone, the applicant shall provide to the elections official personal identifying information that matches the information contained on the applicant's affidavit of

registration, including first and last name, home address, and date of birth. The applicant's signature shall not be required.

(c) A person shall not apply for a vote by mail voter's ballot pursuant to this section using the name of, or on behalf of, another person.

(d) Prior to being asked for personal identifying information, an applicant applying for a vote by mail voter's ballot pursuant to this section shall be advised as follows:

"Only the registered voter himself or herself may apply for a vote by mail ballot. An application for a vote by mail ballot that is made by any person other than the registered voter is a criminal offense."

(e) Except as otherwise provided in this section, all provisions of this code governing written applications for vote by mail voters' ballots shall apply to applications made by telephone.

SEC. 50. Section 5001 of the Elections Code is amended to read:

5001. Whenever a group of electors desires to qualify a new political party meeting the requirements of Section 5100 or 5151, that group shall form a political body by:

(a) Holding a caucus or convention at which temporary officers shall be elected and a party name designated. The designated name shall not be so similar to the name of an existing party so as to mislead the voters, and shall not conflict with that of any existing party or political body that has previously filed notice pursuant to subdivision (b).

(b) Filing formal notice with the Secretary of State that the political body has organized, elected temporary officers, and declared an intent to qualify a political party pursuant to either Section 5100 or 5151, but not both. The notice shall include the names and addresses of the temporary officers of the political body.

SEC. 51. Section 19284 of the Elections Code is amended to read:

19284. (a) A person, corporation, or public agency owning or having an interest in the sale or acquisition of a ballot marking system or a part of a ballot marking system may apply to the Secretary of State for certification or conditional approval that includes testing and examination of the applicant's system and a report on the findings, which shall include the accuracy and

efficiency of the ballot marking system. As part of its application, the applicant of a ballot marking system or a part of a ballot marking system shall notify the Secretary of State in writing of any known defect, fault, or failure of the version of the hardware, software, or firmware of the ballot marking system or a part of the ballot marking system submitted. The Secretary of State shall not begin his or her certification process until he or she receives a completed application from the applicant of the ballot marking system or a part of the ballot marking system. The applicant shall also notify the Secretary of State in writing of any defect, fault, or failure of the version of the hardware, software, or firmware of the ballot marking system or a part of the ballot marking system submitted that is discovered after the application is submitted and before the Secretary of State submits the report required by Section 19288. The Secretary of State shall complete his or her examination without undue delay.

(b) After receiving an applicant's written notification of a defect, fault, or failure, the Secretary of State shall notify the United States Election Assistance Commission or its successor agency of the problem as soon as practicable so as to present a reasonably complete description of the problem. The Secretary of State shall subsequently submit a report regarding the problem to the United States Election Assistance Commission or its successor agency. The report shall include any report regarding the problem submitted to the Secretary of State by the applicant.

(c) As used in this chapter:

(1) "Defect" means any flaw in the hardware or documentation of a ballot marking system that could result in a state of unfitness for use or nonconformance to the manufacturer's specifications or applicable law.

(2) "Failure" means a discrepancy between the external results of the operation of any software or firmware in a ballot marking system and the manufacturer's product requirements for that software or firmware or applicable law.

(3) "Fault" means a step, process, or data definition in any software or firmware in a ballot marking system that is incorrect under the manufacturer's program specification or applicable law.

SEC. 52. Section 19290 of the Elections Code is amended to read:

19290. (a) If a ballot marking system has been certified or conditionally approved by the Secretary of State, the vendor or, in cases where the system is publicly owned, the jurisdiction shall notify the Secretary of State and all local elections officials who use the system in writing of any defect, fault, or failure of the hardware, software, or firmware of the system or a part of the system within 30 calendar days after the vendor or jurisdiction learns of the defect, fault, or failure.

(b) After receiving written notification of a defect, fault, or failure pursuant to subdivision (a), the Secretary of State shall notify the United States Election Assistance Commission or its successor agency of the problem as soon as practicable so as to present a reasonably complete description of the problem. The Secretary of State shall subsequently submit a report regarding the problem to the United States Election Assistance Commission or its successor agency. The report shall include any report regarding the problem submitted to the Secretary of State.

SEC. 53. Section 914 of the Family Code is amended to read:

914. (a) Notwithstanding Section 913, a married person is personally liable for the following debts incurred by the person's spouse during marriage:

(1) A debt incurred for necessaries of life of the person's spouse while the spouses are living together.

(2) Except as provided in Section 4302, a debt incurred for common necessaries of life of the person's spouse while the spouses are living separately.

(b) The separate property of a married person may be applied to the satisfaction of a debt for which the person is personally liable pursuant to this section. If separate property is so applied at a time when nonexempt property in the community estate or separate property of the person's spouse is available but is not applied to the satisfaction of the debt, the married person is entitled to reimbursement to the extent such property was available.

(c) (1) Except as provided in paragraph (2), the statute of limitations set forth in Section 366.2 of the Code of Civil Procedure shall apply if the spouse for whom the married person is personally liable dies.

(2) If the surviving spouse had actual knowledge of the debt prior to expiration of the period set forth in Section 366.2 of the Code of Civil Procedure and the personal representative of the

deceased spouse's estate failed to provide the creditor asserting the claim under this section with a timely written notice of the probate administration of the estate in the manner provided for pursuant to Section 9050 of the Probate Code, the statute of limitations set forth in Section 337 or 339 of the Code of Civil Procedure, as applicable, shall apply.

SEC. 54. Section 6383 of the Family Code, as amended by Section 2 of Chapter 263 of the Statutes of 2013, is amended to read:

6383. (a) A temporary restraining order or emergency protective order issued under this part shall, on request of the petitioner, be served on the respondent, whether or not the respondent has been taken into custody, by a law enforcement officer who is present at the scene of reported domestic violence involving the parties to the proceeding.

(b) The petitioner shall provide the officer with an endorsed copy of the order and a proof of service that the officer shall complete and transmit to the issuing court.

(c) It is a rebuttable presumption that the proof of service was signed on the date of service.

(d) Upon receiving information at the scene of a domestic violence incident that a protective order has been issued under this part, or that a person who has been taken into custody is the respondent to that order, if the protected person cannot produce an endorsed copy of the order, a law enforcement officer shall immediately inquire of the Domestic Violence Restraining Order System to verify the existence of the order.

(e) If the law enforcement officer determines that a protective order has been issued, but not served, the officer shall immediately notify the respondent of the terms of the order and where a written copy of the order can be obtained and the officer shall, at that time, also enforce the order. The law enforcement officer's verbal notice of the terms of the order shall constitute service of the order and is sufficient notice for the purposes of this section and for the purposes of Sections 273.6 and 29825 of the Penal Code.

(f) If a report is required under Section 13730 of the Penal Code, or if no report is required, then in the daily incident log, the officer shall provide the name and assignment of the officer notifying the respondent pursuant to subdivision (e) and the case number of the order.

(g) Upon service of the order outside of the court, a law enforcement officer shall advise the respondent to go to the local court to obtain a copy of the order containing the full terms and conditions of the order.

(h) (1) There shall be no civil liability on the part of, and no cause of action for false arrest or false imprisonment against, a peace officer who makes an arrest pursuant to a protective or restraining order that is regular upon its face, if the peace officer, in making the arrest, acts in good faith and has reasonable cause to believe that the person against whom the order is issued has notice of the order and has committed an act in violation of the order.

(2) If there is more than one order issued and one of the orders is an emergency protective order that has precedence in enforcement pursuant to paragraph (1) of subdivision (c) of Section 136.2 of the Penal Code, the peace officer shall enforce the emergency protective order. If there is more than one order issued, none of the orders issued is an emergency protective order that has precedence in enforcement, and one of the orders issued is a no-contact order, as described in Section 6320, the peace officer shall enforce the no-contact order. If there is more than one civil order regarding the same parties and neither an emergency protective order that has precedence in enforcement nor a no-contact order has been issued, the peace officer shall enforce the order that was issued last. If there are both civil and criminal orders regarding the same parties and neither an emergency protective order that has precedence in enforcement nor a no-contact order has been issued, the peace officer shall enforce the criminal order issued last, subject to the provisions of subdivisions (h) and (i) of Section 136.2 of the Penal Code. Nothing in this section shall be deemed to exonerate a peace officer from liability for the unreasonable use of force in the enforcement of the order. The immunities afforded by this section shall not affect the availability of any other immunity that may apply, including, but not limited to, Sections 820.2 and 820.4 of the Government Code.

SEC. 55. Section 8730 of the Family Code is amended to read:

8730. (a) Subject to the requirements of subdivision (b), the department, county adoption agency, or licensed adoption agency

may provide an abbreviated home study assessment for any of the following:

(1) A licensed or certified foster parent with whom the child has lived for a minimum of six months.

(2) An approved relative caregiver or nonrelated extended family member with whom the child has had an ongoing and significant relationship.

(3) A court-appointed relative guardian of the child who has been investigated and approved pursuant to the guardianship investigation process and has had physical custody of the child for at least one year.

(4) A prospective adoptive parent who has completed an agency-supervised adoption within the last two years.

(b) Unless otherwise ordered by a court with jurisdiction over the child, home study assessments completed pursuant to subdivision (a) shall include, at minimum, all of the following:

(1) A criminal records check, as required by all applicable state and federal statutes and regulations.

(2) A determination that the applicant has sufficient financial stability to support the child and ensure that an adoption assistance program payment or other government assistance to which the child is entitled is used exclusively to meet the child's needs. In making this determination, the experience of the applicant only while the child was in his or her care shall be considered. For purposes of this section, the applicant shall be required to provide verification of employment records or income or both.

(3) A determination that the applicant has not abused or neglected the child while the child has been in his or her care and has fostered the healthy growth and development of the child. This determination shall include a review of the disciplinary practices of the applicant to ensure that the practices are age appropriate and do not physically or emotionally endanger the child.

(4) A determination that the applicant is not likely to abuse or neglect the child in the future and that the applicant can protect the child, ensure necessary care and supervision, and foster the child's healthy growth and development.

(5) A determination that the applicant can address issues that may affect the child's well-being, including, but not limited to, the child's physical health, mental health, and educational needs.

(6) An interview with the applicant, an interview with each individual residing in the home, and an interview with the child to be adopted.

(7) A review by the department, county adoption agency, or licensed adoption agency of all previous guardianship investigation reports, home study assessments, and preplacement evaluations of each applicant. Notwithstanding any other law regarding the confidential nature of these reports, upon the written request of the department, county adoption agency, or licensed adoption agency that is accompanied by a signed release from the applicant, the department, county adoption agency, or licensed adoption agency may receive a copy of any of these reports from a court, investigating agency, or other person or entity in possession of the report. The department, county adoption agency, or licensed adoption agency shall document attempts to obtain the report and, if applicable, the reason the report is unavailable.

(c) The department may promulgate regulations as necessary or appropriate to implement this section.

(d) This section does not apply to independent adoptions filed pursuant to Chapter 3 (commencing with Section 8800).

SEC. 56. Section 8664.2 of the Fish and Game Code is repealed.

SEC. 57. Section 12002 of the Fish and Game Code is amended to read:

12002. (a) Unless otherwise provided, the punishment for a violation of this code that is a misdemeanor is a fine of not more than one thousand dollars ($1,000), imprisonment in the county jail for not more than six months, or by both that fine and imprisonment.

(b) The punishment for a violation of any of the following provisions is a fine of not more than two thousand dollars ($2,000), imprisonment in the county jail for not more than one year, or both the fine and imprisonment:

(1) Section 1059.
(2) Subdivision (c) of Section 4004.
(3) Section 4600.
(4) Paragraph (1) or (2) of subdivision (a) of Section 5650.
(5) A first violation of Section 8670.
(6) Section 10500.

(7) Unless a greater punishment is otherwise provided, a violation subject to subdivision (a) of Section 12003.1.

(c) Except as specified in Sections 12001 and 12010, the punishment for violation of Section 3503, 3503.5, 3513, or 3800 is a fine of not more than five thousand dollars ($5,000), imprisonment in the county jail for not more than six months, or by both that fine and imprisonment.

(d) (1) A license, tag, stamp, reservation, permit, or other entitlement or privilege issued pursuant to this code to a defendant who fails to appear at a court hearing for a violation of this code, or who fails to pay a fine imposed pursuant to this code, shall be immediately suspended or revoked. The license, tag, stamp, reservation, permit, or other entitlement or privilege shall not be reinstated or renewed, and no other license, tag, stamp, reservation, permit, or other entitlement or privilege shall be issued to that person pursuant to this code, until the court proceeding is completed or the fine is paid.

(2) This subdivision does not apply to any violation of Section 1052, 1059, 1170, 5650, 5653.9, 6454, 6650, or 6653.5.

SEC. 58. Section 24001 of the Food and Agricultural Code is amended to read:

24001. For purposes of this chapter:

(a) "Event" means a public equine event or public horse sale that is held in the state, including a cutting horse competition, an endurance riding competition, a competitive trail competition, or any other competition as determined by the department by regulation.

(b) An equine event that is subject to this chapter shall meet all of the following criteria:

(1) Money, goods, or services are exchanged for the right to compete.

(2) Individuals compete for a single set of placings, points, or awards at the equine event.

(3) For one-day events, the entry fee to enter a single class exceeds four dollars and ninety-nine cents ($4.99), and either no other fees are charged or other fees charged exceed nineteen dollars and ninety-nine cents ($19.99). Fees charged may include ground fees, stall fees, or any other fees composed of money, goods, or services assessed to permit competitors to enter into the event.

(c) Sales that are subject to this chapter are public sales that permit a horse to be consigned for public sale.

(d) The following events are excluded from this chapter:

(1) Competitions subject to the jurisdiction of the California Horse Racing Board.

(2) Sales consisting solely of racing stock.

(3) Parade horse competitions.

(4) A timed rodeo-related performance competition when held apart from a horse show, including, but not limited to, rodeo, roping club, cattle team penning, barrel racing, and gymkhana.

(e) "Event manager" means the person in charge of an event, including the entity or individual financially responsible for the event that is responsible for registering the event with the department, and who is responsible for the assessment, collection, and remittance of fees. "Event manager" includes horse show secretaries and managers, competitive event managers, and horse sale managers and sale owners.

(f) "Horse" means all horses, mules, and asses.

(g) "Licensed veterinarian" means a person licensed as a veterinarian by the State of California.

(h) "Prohibited substance" means a stimulant, depressant, tranquilizer, anesthetic, including any local anesthetic, sedative analgesic, corticosteroid, anabolic steroid, or agent that would sore a horse, that could affect the performance, soundness, or disposition of a horse, or any drug, regardless of how harmless or innocuous it might otherwise be, that could interfere with the detection of any prohibited substance, including any metabolite or derivative of any prohibited substance.

(i) "NSAID" means a nonsteroidal anti-inflammatory drug.

(j) "Therapeutic administration" means the administration of a drug or medicine that is necessary for the treatment of an illness or injury diagnosed by a licensed veterinarian. The administration of a prescription drug or medicine shall only be as given or prescribed by the licensed veterinarian. The administration of a nonprescription drug or medicine shall be in accordance with the directions on the manufacturer's label.

(k) "Exempt medication" means an oral or topical medication containing prohibited substances determined by the department to be exempt from this chapter when administered therapeutically.

(*l*) "Public equine event" means a horse show or competition that permits a person to enter a horse for show or competition in exchange for money, goods, or services. Any club or group that permits people to join or enter into competition in exchange for money, goods, or services, is "public" for purposes of this chapter.

(m) "Public horse sale" is a sale that consigns a horse in exchange for money, goods, or services, excluding sales consisting solely of racing stock.

(n) "Stimulant or depressant" means a medication that stimulates or depresses the circulatory, respiratory, or central or peripheral nervous system.

(o) To "sore" means to apply an irritating or blistering agent internally or externally for the purpose of affecting the performance, soundness, or disposition of a horse.

(p) "Trainer" means a person who has the responsibility for the care, training, custody, or performance of a horse, including, but not limited to, a person who signs any entry blank of a public equine event or public horse sale, whether that person is an owner, rider, agent, coach, adult, or minor.

SEC. 59. Section 24011 of the Food and Agricultural Code is amended to read:

24011. (a) A horse that has received a prohibited substance shall not be eligible for show, competition, or sale, unless the following requirements have been met and the facts requested are submitted to the department in writing:

(1) Medication shall be therapeutic and necessary for treatment of an illness or injury.

(2) A horse shall be withdrawn from a show or competition for a period of not less than 24 hours after a prohibited substance is administered, unless the department determines a different withdrawal period for a specific prohibited substance or class of substances. A horse shall be withdrawn from a public sale for a period of not less than 72 hours after a prohibited substance or NSAID is administered. The withdrawal period for anabolic steroids is 90 days after administration and the withdrawal period for fluphenazine or reserpine is 45 days after administration.

(3) The medication shall be administered by a licensed veterinarian, the trainer, or the owner.

(4) Medication shall be identified as to the amount, strength, and mode of administration.

(5) The statement shall include the date and time of administration of the medication.

(6) The horse shall be identified by its name, age, sex, color, and entry number.

(7) The statement shall contain the diagnosis of the attending veterinarian and reason for administering the medication.

(8) The statement shall be signed by the person administering the medication.

(9) The statement shall be filed with the event manager of the public equine event or general manager of the public horse sale within one hour after administration or one hour after the event manager of the event returns to duty, if administration is at a time other than during show or sale hours.

(10) The statement shall be signed by the event manager or his or her designated representative and time of receipt recorded on the statement by the event manager or his or her designated representative.

(b) If the chemical analysis of the sample taken from a horse treated indicates the presence of a prohibited substance and all the requirements of this section have been fully complied with, the information contained in the medication report and any other relevant evidence shall be considered at any hearing provided under this chapter in determining whether any provision of this chapter has been violated.

SEC. 60. Section 24012 of the Food and Agricultural Code is amended to read:

24012. (a) (1) To provide funds for enforcement of this chapter, the event manager of every event shall charge and collect the applicable fee for each horse entered or exhibited in the event, and each horse consigned for public sale. The secretary may, by regulation, set the applicable fee, in consultation with the advisory committee appointed pursuant to Section 24013.5, at an amount necessary to carry out this chapter. An event manager shall be notified of the applicable fee at the time of registration of an event. The event manager of the registered event shall remit the fee established pursuant to this section, in addition to the completed assessment report for the registered event, as prescribed by the secretary, to the department within 15 days after completion of the event. The event manager shall maintain event records for a period of two years after the completion of the event. Upon request

by the department, the event records shall be made available to the department for inspection and photocopying to enable verification of appropriate fee collection and remittance.

(2) Notwithstanding Section 24001, a show event held over multiple consecutive days, with a different judge on each day, that is registered and managed by the same event manager on the same premises, shall be considered one event for the purpose of the assessment of the fee.

(b) An event manager who does not pay to the department the full amount that is due pursuant to this section shall pay a civil penalty of 10 percent of the amount due plus interest at the rate of 1 ½ percent per month of the unpaid balance computed from the date of the event. The event manager is personally liable for fees and penalties owed the department pursuant to this section.

(c) Fees and penalties collected pursuant to this section shall be deposited in the Department of Food and Agriculture Fund. Funds received by the department from fees and penalties pursuant to this section shall be used exclusively to carry out the intent and purposes of this chapter, including, but not limited to, pharmacological studies, drug testing, and drug research, inspection for drugs, prosecution of alleged offenders, administrative costs, attorney's and expert witness fees, and any other costs necessary to carry out this chapter.

SEC. 61. Section 43003 of the Food and Agricultural Code is amended to read:

43003. (a) In lieu of civil prosecution, the secretary or the commissioner may levy a civil penalty against any person violating this division or any regulation adopted pursuant to its provisions. Except as provided in subdivisions (b) and (c), the civil penalty for each violation shall be, for a first violation, a fine of not more than five hundred dollars ($500). For a second or subsequent violation, the fine shall be not less than one hundred dollars ($100), nor more than one thousand dollars ($1,000).

(b) The secretary or the commissioner may, for a first violation, levy a civil penalty not to exceed three thousand dollars ($3,000) for each violation of Section 42945, 42948, 42949, 42951, subdivision (b) of Section 44971, Section 44972, subdivision (c) of Section 44974, or Section 44986.

(c) The secretary or the commissioner may, for a first violation, levy a civil penalty not to exceed five hundred dollars ($500) for

each violation of Section 44973, 44982, 44983, 44984, 45031, 45034, or 45035. For a second or subsequent violation, or for a violation involving avocados worth five hundred dollars ($500) or more, the fine shall be not less than two hundred fifty dollars ($250) nor more than five thousand dollars ($5,000).

(d) Before a civil penalty is levied, the person charged with the violation shall receive notice of the nature of the violation and shall be given an opportunity to be heard. This shall include the right to review the evidence and a right to present evidence on his or her own behalf.

(e) The person fined may appeal to the secretary within 10 days of the date of receiving notification of the fine. The following procedures apply to the appeal:

(1) The appeal need not be formal, but it shall be in writing and signed by the appellant or his or her authorized agent, and shall state the grounds for the appeal.

(2) Any party may, at the time of filing the appeal or within 10 days thereafter, present written evidence and a written argument to the secretary.

(3) The secretary may grant oral arguments upon application made at the time written arguments are filed.

(4) If an application to present an oral argument is granted, written notice of the time and place for the oral argument shall be given at least 10 days before the date set for the oral argument. The times may be altered by mutual agreement.

(5) The secretary shall decide the appeal on any oral or written argument, brief, and evidence that he or she has received.

(6) The secretary shall render a written decision within 45 days of the date of appeal or within 15 days of the date of oral arguments.

(7) On an appeal pursuant to this section, the secretary may sustain, modify by reducing the amount of the fine, or reverse the decision of the commissioner. A copy of the secretary's decision shall be delivered or mailed to the appellant and the commissioner.

(8) Review of the decision of the secretary may be sought by the appellant pursuant to Section 1094.5 of the Code of Civil Procedure.

(f) After the exhaustion of the appeal and review procedures provided in this section, the commissioner, or his or her representative, may file a certified copy of a final decision of the

commissioner that directs the payment of a civil penalty and, if applicable, a copy of any decision of the secretary, or his or her representative, rendered on an appeal from the commissioner's decision, and a copy of any order that denies a petition for a writ of administrative mandamus, with the clerk of the superior court of any county. Judgment shall be entered immediately by the clerk in conformity with the decision or order. Pursuant to Section 6103 of the Government Code, the clerk of the superior court shall not charge a fee for the performance of any official service required in connection with the entry of judgment pursuant to this section.

SEC. 62. Section 47060 of the Food and Agricultural Code is amended to read:

47060. For purposes of this article, the following definitions apply:

(a) "Community-supported agriculture program" or "CSA program" means a program under which a registered California direct marketing producer, or a group of registered California direct marketing producers, grow food for a group of California consumer shareholders or subscribers who pledge or contract to buy a portion of the future crop, animal production, or both, of a registered California direct marketing producer or a group of registered California direct marketing producers.

(b) "Single-farm community-supported agriculture program" means a program in which all delivered farm products originate from and are produced at the farm of one registered California direct marketing producer, and no more than a de minimis amount of delivered farm products originate at the farms of other registered California direct marketing producers.

(c) "Multi-farm community-supported agriculture program" means a program in which all delivered farm products originate from and are produced at one or more farms of a group of registered California direct marketing producers who declare their association as a group at the time of their annual certification or by amending the annual certification during the year.

(d) "Farm" means a farm operated by a registered California direct marketing producer or a group of registered California direct marketing producers.

SEC. 63. Section 47061 of the Food and Agricultural Code is amended to read:

47061. (a) A producer that markets whole produce, shell eggs, or processed foods through a single-farm community-supported agriculture program or multi-farm community-supported agriculture program shall comply with all of the following:

(1) Register annually with the department as a California direct marketing producer, which shall include both of the following:

(A) A statement specifying whether the producer is part of a single-farm community-supported agriculture program or multi-farm community-supported agriculture program.

(B) (i) A declaration by the producer that he or she is knowledgeable and intends to produce in accordance with good agricultural practices, as outlined in the small farm food safety guidelines published by the department.

(ii) A declaration made pursuant to this subparagraph shall not be used to infer that the producer is not required to comply with any other state or federal laws relative to food safety and good agricultural practices.

(2) Label the consumer box or container used to deliver farm products to the consumer with the name and address of the farm delivering the box or container.

(3) Maintain the consumer boxes or containers in a condition that prevents contamination.

(4) Inform consumers, either by including a printed list in the consumer box or container or by delivering a list electronically to the consumer, of the farm of origin of each item in the consumer box or container.

(5) Maintain records that document the contents and origin of all of the items included in each consumer box or container, in accordance with department regulations.

(6) Comply with all labeling and identification requirements for shell eggs and processed foods imposed pursuant to the provisions of the Health and Safety Code, including, but not limited to, the farm's name, physical address, and telephone number.

(b) A registered California direct marketing producer that is in compliance with this section and in good standing shall be deemed an approved source, as defined in Section 113735 of the Health and Safety Code.

(c) A potentially hazardous food, as defined in Section 113871 of the Health and Safety Code, shall not be included in a consumer box distributed pursuant to this article unless that food has been

produced, processed, and handled pursuant to all applicable federal, state, and local food safety requirements.

(d) Poultry and rabbit meat produced pursuant to Part 2 (commencing with Section 25401) of Division 12, and other meats produced pursuant to Chapter 4.1 (commencing with Section 18940) of Part 3 of Division 9, that are marketed under this chapter shall comply with handling requirements established in the small farm food safety guidelines published by the department, as described in paragraph (2) of subdivision (b) of Section 47062.

(e) An enforcement officer, as defined in Section 113774 of the California Retail Food Code (Part 7 (commencing with Section 113700) of Division 104 of the Health and Safety Code) may enter into and inspect a community-supported agriculture program in response to a public food safety complaint. The enforcement officer may recover reasonable costs associated with that inspection from the registered California direct marketing producer operating the community-supported agriculture program.

(f) Nothing in this section shall be construed to remove the responsibility of a community-supported agriculture program from obtaining all required permits and licenses, including, but not limited to, a produce handler license or a cottage food permit.

SEC. 64. Section 81006 of the Food and Agricultural Code is amended to read:

81006. (a) (1) Except when grown by an established agricultural research institution or a registered seed breeder, industrial hemp shall be grown only as a densely planted fiber or oilseed crop, or both, in acreages of not less than five acres at the same time, and no portion of an acreage of industrial hemp shall include plots of less than one contiguous acre.

(2) Registered seed breeders, for purposes of seed production, shall only grow industrial hemp as a densely planted crop in acreages of not less than two acres at the same time, and no portion of the acreage of industrial hemp shall include plots of less than one contiguous acre.

(3) Registered seed breeders, for purposes of developing a new California seed cultivar, shall grow industrial hemp as densely as possible in dedicated acreage of not less than one acre and in accordance with the seed development plan. The entire area of the dedicated acreage is not required to be used for the cultivation of the particular seed cultivar.

(b) Ornamental and clandestine cultivation of industrial hemp is prohibited. All plots shall have adequate signage indicating they are industrial hemp.

(c) Pruning and tending of individual industrial hemp plants is prohibited, except when grown by an established agricultural research institution or when the action is necessary to perform the tetrahydrocannabinol (THC) testing described in this section.

(d) Culling of industrial hemp is prohibited, except when grown by an established agricultural research institution, when the action is necessary to perform the THC testing described in this section, or for purposes of seed production and development by a registered seed breeder.

(e) Industrial hemp shall include products imported under the Harmonized Tariff Schedule of the United States (2013) of the United States International Trade Commission, including, but not limited to, hemp seed, per subheading 1207.99.03, hemp oil, per subheading 1515.90.80, oilcake, per subheading 2306.90.01, true hemp, per heading 5302, true hemp yarn, per subheading 5308.20.00, and woven fabrics of true hemp fibers, per subheading 5311.00.40.

(f) Except when industrial hemp is grown by an established agricultural research institution, a registrant that grows industrial hemp under this section shall, before the harvest of each crop and as provided below, obtain a laboratory test report indicating the THC levels of a random sampling of the dried flowering tops of the industrial hemp grown.

(1) Sampling shall occur as soon as practicable when the THC content of the leaves surrounding the seeds is at its peak and shall commence as the seeds begin to mature, when the first seeds of approximately 50 percent of the plants are resistant to compression.

(2) The entire fruit-bearing part of the plant including the seeds shall be used as a sample. The sample cut shall be made directly underneath the inflorescence found in the top one-third of the plant.

(3) The sample collected for THC testing shall be accompanied by the following documentation:

(A) The registrant's proof of registration.

(B) Seed certification documentation for the seed cultivar used.

(C) The THC testing report for each certified seed cultivar used.

(4) The laboratory test report shall be issued by a laboratory registered with the federal Drug Enforcement Administration, shall

state the percentage content of THC, shall indicate the date and location of samples taken, and shall state the Global Positioning System coordinates and total acreage of the crop. If the laboratory test report indicates a percentage content of THC that is equal to or less than three-tenths of 1 percent, the words "PASSED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report. If the laboratory test report indicates a percentage content of THC that is greater than three-tenths of 1 percent, the words "FAILED AS CALIFORNIA INDUSTRIAL HEMP" shall appear at or near the top of the laboratory test report.

(5) If the laboratory test report indicates a percentage content of THC that is equal to or less than three-tenths of 1 percent, the laboratory shall provide the person who requested the testing not less than 10 original copies signed by an employee authorized by the laboratory and shall retain one or more original copies of the laboratory test report for a minimum of two years from its date of sampling.

(6) If the laboratory test report indicates a percentage content of THC that is greater than three-tenths of 1 percent and does not exceed 1 percent, the registrant that grows industrial hemp shall submit additional samples for testing of the industrial hemp grown.

(7) A registrant that grows industrial hemp shall destroy the industrial hemp grown upon receipt of a first laboratory test report indicating a percentage content of THC that exceeds 1 percent or a second laboratory test report pursuant to paragraph (6) indicating a percentage content of THC that exceeds three-tenths of 1 percent but is less than 1 percent. If the percentage content of THC exceeds 1 percent, the destruction shall take place within 48 hours after receipt of the laboratory test report. If the percentage content of THC in the second laboratory test report exceeds three-tenths of 1 percent but is less than 1 percent, the destruction shall take place as soon as practicable, but no later than 45 days after receipt of the second test report.

(8) A registrant that intends to grow industrial hemp and who complies with this section shall not be prosecuted for the cultivation or possession of marijuana as a result of a laboratory test report that indicates a percentage content of THC that is greater than three-tenths of 1 percent but does not exceed 1 percent.

(9) Established agricultural research institutions shall be permitted to cultivate or possess industrial hemp with a laboratory test report that indicates a percentage content of THC that is greater than three-tenths of 1 percent if that cultivation or possession contributes to the development of types of industrial hemp that will comply with the three-tenths of 1 percent THC limit established in this division.

(10) Except for an established agricultural research institution, a registrant that grows industrial hemp shall retain an original signed copy of the laboratory test report for two years from its date of sampling, make an original signed copy of the laboratory test report available to the department, the commissioner, or law enforcement officials or their designees upon request, and shall provide an original copy of the laboratory test report to each person purchasing, transporting, or otherwise obtaining from the registrant that grows industrial hemp the fiber, oil, cake, or seed, or any component of the seed, of the plant.

(g) If, in the Attorney General's opinion issued pursuant to Section 8 of the act that added this division, it is determined that the provisions of this section are not sufficient to comply with federal law, the department, in consultation with the board, shall establish procedures for this section that meet the requirements of federal law.

SEC. 65. Section 905.2 of the Government Code is amended to read:

905.2. (a) This section shall apply to claims against the state filed with the California Victim Compensation and Government Claims Board.

(b) There shall be presented in accordance with this chapter and Chapter 2 (commencing with Section 910) all claims for money or damages against the state:

(1) For which no appropriation has been made or for which no fund is available but the settlement of which has been provided for by statute or constitutional provision.

(2) For which the appropriation made or fund designated is exhausted.

(3) For money or damages on express contract, or for an injury for which the state is liable.

(4) For which settlement is not otherwise provided for by statute or constitutional provision.

(c) Claimants shall pay a filing fee of twenty-five dollars ($25) for filing a claim described in subdivision (b). This fee shall be deposited into the General Fund and may be appropriated in support of the board as reimbursements to Item 1870-001-0001 of Section 2.00 of the annual Budget Act.

(1) The fee shall not apply to the following persons:

(A) Persons who are receiving benefits pursuant to the Supplemental Security Income (SSI) and State Supplementary Payment (SSP) programs (Article 5 (commencing with Section 12200) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code), the California Work Opportunity and Responsibility to Kids Act (CalWORKs) program (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code), the federal Supplemental Nutrition Assistance Program (SNAP; 7 U.S.C. Sec. 2011 et seq.), or Section 17000 of the Welfare and Institutions Code.

(B) Persons whose monthly income is 125 percent or less of the current monthly poverty line annually established by the Secretary of California Health and Human Services pursuant to the federal Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), as amended.

(C) Persons who are sentenced to imprisonment in a state prison or confined in a county jail, or who are residents in a state institution and, within 90 days prior to the date the claim is filed, have a balance of one hundred dollars ($100) or less credited to the inmate's or resident's trust account. A certified copy of the statement of the account shall be submitted.

(2) Any claimant who requests a fee waiver shall attach to the application a signed affidavit requesting the waiver and verification of benefits or income and any other required financial information in support of the request for the waiver.

(3) Notwithstanding any other law, an applicant shall not be entitled to a hearing regarding the denial of a request for a fee waiver.

(d) The time for the board to determine the sufficiency, timeliness, or any other aspect of the claim shall begin when any of the following occur:

(1) The claim is submitted with the filing fee.

(2) The fee waiver is granted.

(3) The filing fee is paid to the board upon the board's denial of the fee waiver request, so long as payment is received within 10 calendar days of the mailing of the notice of the denial.

(e) Upon approval of the claim by the board, the fee shall be reimbursed to the claimant, except that no fee shall be reimbursed if the approved claim was for the payment of an expired warrant. Reimbursement of the filing fee shall be paid by the state entity against which the approved claim was filed. If the claimant was granted a fee waiver pursuant to this section, the amount of the fee shall be paid by the state entity to the board. The reimbursement to the claimant or the payment to the board shall be made at the time the claim is paid by the state entity, or shall be added to the amount appropriated for the claim in an equity claims bill.

(f) The board may assess a surcharge to the state entity against which the approved claim was filed in an amount not to exceed 15 percent of the total approved claim. The board shall not include the refunded filing fee in the surcharge calculation. This surcharge shall be deposited into the General Fund and may be appropriated in support of the board as reimbursements to Item 1870-001-0001 of Section 2.00 of the annual Budget Act.

(1) The surcharge shall not apply to approved claims to reissue expired warrants.

(2) Upon the request of the board in a form prescribed by the Controller, the Controller shall transfer the surcharges and fees from the state entity's appropriation to the appropriation for the support of the board. However, the board shall not request an amount that shall be submitted for legislative approval pursuant to Section 13928.

(g) The filing fee required by subdivision (c) shall apply to all claims filed after June 30, 2004, or the effective date of this statute. The surcharge authorized by subdivision (f) may be calculated and included in claims paid after June 30, 2004, or the effective date of the statute adding this subdivision.

(h) This section shall not apply to claims made for a violation of the California Whistleblower Protection Act (Article 3 (commencing with Section 8547) of Chapter 6.5 of Division 1 of Title 2).

SEC. 66. Section 1043 of the Government Code is amended to read:

1043. (a) (1) The executive board of the California Health Benefit Exchange, as established by Section 100500, shall, consistent with the federal Centers for Medicare and Medicaid Services (CMS), Catalog of Minimum Acceptable Risk Standards for Exchanges (MARS-E), Exchange Reference Architecture Supplement version 1.0, issued on August 12, 2012, or further updates, guidance, or regulations, submit to the Department of Justice fingerprint images and related information required by the Department of Justice of all employees, prospective employees, contractors, subcontractors, volunteers, or vendors, whose duties include or would include access to confidential information, personal identifying information, personal health information, federal tax information, or financial information contained in the information systems and devices of the Exchange, or any other information as required by federal law or guidance applicable to state-based exchanges for the purposes of obtaining information as to the existence and content of a record of state or federal convictions and also information as to the existence and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on his or her recognizance pending trial or appeal.

(2) The board shall require a services contract, interagency agreement, or public entity agreement that includes or would include access to information described in paragraph (1), and entered into, renewed, or amended on or after June 17, 2013, to include a provision requiring the contractor to agree to criminal background checks on its employees, contractors, agents, or subcontractors who will have access to information described in paragraph (1) as part of their services contract, interagency agreement, or public entity agreement with the board.

(b) The Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal history information received pursuant to paragraph (1) of subdivision (a). The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the board.

(c) The Department of Justice shall provide a state or federal level response to the board pursuant to subdivision (p) of Section 11105 of the Penal Code.

(d) The board shall request from the Department of Justice subsequent notification service, as provided pursuant to Section 11105.2 of the Penal Code, for persons listed in paragraph (1) of subdivision (a).

(e) The Department of Justice shall charge a fee sufficient to cover the cost of processing requests pursuant to this section.

SEC. 67. Section 1097.1 of the Government Code is amended to read:

1097.1. (a) The Commission shall have the jurisdiction to commence an administrative action, or a civil action, as set forth within the limitations of this section and Sections 1097.2, 1097.3, 1097.4, and 1097.5, against an officer or person prohibited by Section 1090 from making or being interested in contracts, or from becoming a vendor or purchaser at sales, or from purchasing scrip, or other evidences of indebtedness, including any member of the governing board of a school district, who violates any provision of those laws or who causes any other person to violate any provision of those laws.

(b) The Commission shall not have jurisdiction to commence an administrative or civil action or an investigation that might lead to an administrative or civil action pursuant to subdivision (a) against a person except upon written authorization from the district attorney of the county in which the alleged violation occurred. A civil action alleging a violation of Section 1090 shall not be filed against a person pursuant to this section if the Attorney General or a district attorney is pursuing a criminal prosecution of that person pursuant to Section 1097.

(c) (1) The Commission's duties and authority under the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)) to issue opinions or advice shall not be applicable to Sections 1090, 1091, 1091.1, 1091.2, 1091.3, 1091.4, 1091.5, 1091.6, or 1097, except as provided in this subdivision.

(2) A person subject to Section 1090 may request the Commission to issue an opinion or advice with respect to his or her duties under Section 1090, 1091, 1091.1, 1091.2, 1091.3, 1091.4, 1091.5, and 1091.6. The Commission shall decline to issue an opinion or advice relating to past conduct.

(3) The Commission shall forward a copy of the request for an opinion or advice to the Attorney General's office and the local district attorney prior to proceeding with the advice or opinion.

(4) When issuing the advice or opinion, the Commission shall either provide to the person who made the request a copy of any written communications submitted by the Attorney General or a local district attorney regarding the opinion or advice, or shall advise the person that no written communications were submitted. The failure of the Attorney General or a local district attorney to submit a written communication pursuant to this paragraph shall not give rise to an inference that the Attorney General or local district attorney agrees with the opinion or advice.

(5) The opinion or advice, when issued, may be offered as evidence of good faith conduct by the requester in an enforcement proceeding, if the requester truthfully disclosed all material facts and committed the acts complained of in reliance on the opinion or advice. Any opinion or advice of the Commission issued pursuant to this subdivision shall not be admissible by any person other than the requester in any proceeding other than a proceeding brought by the Commission pursuant to this section. The Commission shall include in any opinion or advice that it issues pursuant to this subdivision a statement that the opinion or advice is not admissible in a criminal proceeding against any individual other than the requester.

(d) A decision issued by the Commission pursuant to an administrative action commenced pursuant to the jurisdiction established in subdivision (a) shall not be admissible in any proceeding other than a proceeding brought by the Commission pursuant to this section. The Commission shall include in any decision it issues pursuant to an administrative action commenced pursuant to the jurisdiction established in subdivision (a) a statement that the decision applies only to proceedings brought by the Commission.

(e) The Commission may adopt, amend, and rescind regulations to govern the procedures of the Commission consistent with the requirements of this section and Sections 1097.2, 1097.3, 1097.4, and 1097.5. These regulations shall be adopted in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2).

(f) For purposes of this section and Sections 1097.2, 1097.3, 1097.4, and 1097.5, "Commission" means the Fair Political Practices Commission.

SEC. 68. Section 9402 of the Government Code is amended to read:

9402. A subpoena is sufficient if it:

(a) States whether the proceeding is before the Senate, Assembly, or a committee.

(b) Is addressed to the witness.

(c) Requires the attendance of the witness at a time and place certain.

(d) Is signed by the President of the Senate, Speaker of the Assembly, or chairman of the committee before whom attendance of the witness is desired.

SEC. 69. Section 11507 of the Government Code is amended to read:

11507. At any time before the matter is submitted for decision, the agency may file, or permit the filing of, an amended or supplemental accusation or District Statement of Reduction in Force. All parties shall be notified of the filing. If the amended or supplemental accusation or District Statement of Reduction in Force presents new charges, the agency shall afford the respondent a reasonable opportunity to prepare his or her defense to the new charges, but he or she shall not be entitled to file a further pleading unless the agency in its discretion so orders. Any new charges shall be deemed controverted, and any objections to the amended or supplemental accusation or District Statement of Reduction in Force may be made orally and shall be noted in the record.

SEC. 70. Section 6588.7 of the Government Code is amended to read:

6588.7. (a) An authority whose financing activities are limited to financing utility projects and projects for the use or benefit of public water agencies may finance utility projects as provided in this section, including the issuance of rate reduction bonds and the imposition and adjustment of utility project charges.

(b) (1) A local agency that owns and operates a publicly owned utility may apply to an authority specified in subdivision (a) to finance costs of a utility project for the publicly owned utility with the proceeds of rate reduction bonds if at the time of application, bonds payable from revenues of the publicly owned utility are, or upon issuance would be, rated investment grade by a nationally recognized rating agency. In its application to an authority for the financing, the local agency shall specify the utility project to be

financed by the rate reduction bonds, the maximum principal amount, the maximum interest rate, and the maximum stated terms of the rate reduction bonds.

(2) In order to allow the state to review the issuance of rate reduction bonds, collect data, ensure transparency, and conduct an independent analysis of the effectiveness of the use of rate reduction bonds pursuant to this section, the California Pollution Control Financing Authority, as defined in Section 44504 of the Health and Safety Code, shall review each issue of bonds and shall determine whether the issue is qualified for issuance under the provisions of this section. The California Pollution Control Financing Authority shall determine that an issue of rate reduction bonds is qualified for issuance under this section, if the issuance satisfies all of the following:

(A) The issuance meets the criteria specified in paragraphs (1) to (3), inclusive, of subdivision (c).

(B) The projected financing costs, as defined in subdivision (g) of Section 6585, fall within the normal range of financing costs for comparable types of debt issuance.

(3) The California Pollution Control Financing Authority shall establish procedures for the expeditious review of a proposed issuance pursuant to this section, including, but not limited to, the establishment of reasonable application fees to reimburse the California Pollution Control Financing Authority for costs incurred in administering this section.

(4) The California Pollution Control Financing Authority shall provide an explanation in writing for any refusal to qualify a proposed issuance but may not alter or modify any term or condition related to the utility project property.

(5) The California Pollution Control Financing Authority shall take action on any completed application submitted to it pursuant to this section no later than the next meeting of the California Pollution Control Financing Authority that occurs after at least 60 days following receipt of the application.

(6) The review and qualification pursuant to this section may be concurrent with an authority's processing of an application for financing so as to allow for the issuance of rate reduction bonds as quickly as feasible.

(7) Notwithstanding any other law, the California Pollution Control Financing Authority may adopt regulations relating to this

section as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3. For purposes of Chapter 3.5 (commencing with Section 11340), including Section 11349.6, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare.

(8) Annually, no later than March 31, the California Pollution Control Financing Authority shall submit to the Legislature a report of its activities pursuant to this section for the preceding calendar year ended December 31. The California Pollution Control Financing Authority shall require information from applicants to ensure that the necessary data is available to complete this report. The report may be submitted as a part of the report required pursuant to Section 44538 of the Health and Safety Code. The report shall include all of the following:

(A) A listing of applications received.

(B) A listing of proposed issuances qualified under the provisions of this section.

(C) A report of bonds sold, the interest rates on the bonds, whether the bond sales were pursuant to public bid or were negotiated, and any rating given the bonds by a nationally recognized securities rating organization.

(D) A specification of proposed issuances qualified but not yet issued.

(E) A comparison of the interest rates and transactional costs on issuances qualified under this section with interest rates on comparable types of debt issuance occurring at or near the same time as the issuances.

(9) (A) The requirement for submitting a report imposed under paragraph (8) is inoperative on December 31, 2020.

(B) A report to be submitted pursuant to paragraph (8) shall be submitted in compliance with Section 9795.

(c) A local agency shall not apply to an authority for financing of a utility project pursuant to this section unless the legislative body of the local agency has determined all of the following:

(1) The project to be financed is a utility project.

(2) The local agency is electing to finance costs of the utility project pursuant to this section and the financing costs associated with the financing are to be paid from utility project property,

including the utility project charge for the rate reduction bonds issued for the utility project in accordance with this section.

(3) Based on information available to, and projections used by, the legislative body, the rates of the publicly owned utility plus the utility project charge resulting from the financing of the utility project with rate reduction bonds are expected to be lower than the rates of the publicly owned utility if the utility project was financed with bonds payable from revenues of the publicly owned utility.

(d) (1) Subject to the requirements of Article XIII D of the California Constitution, an authority financing the costs of a utility project or projects for a local agency's publicly owned utility with rate reduction bonds is authorized and directed to impose and collect a utility project charge with respect to the rate reduction bonds as provided in this section. The imposition of the utility project charge shall be made and evidenced by the adoption of a financing resolution by the governing body of the authority. The financing resolution with respect to financing a utility project or project with rate reduction bonds for a publicly owned utility shall include all of the following:

(A) The addition of a separate charge to the bill of each customer of the publicly owned utility in the class or classes of customers specified in the financing resolution.

(B) A description of the financial calculation, formula, or other method that the authority is to use to determine the utility project charge. The calculation, formula or other method shall include a periodic adjustment method to the then current utility project charge, to be applied at least annually, that shall be used by the authority to correct for any overcollection or undercollection of financing costs from the utility project charge or any other adjustment necessary to ensure timely payment of the financing costs of the rate reduction bonds, including, but not limited to, the adjustment of the utility project charge to pay any debt service coverage requirement for the rate reduction bonds. The financial calculation, formula, or other method, including the periodic adjustment method, established in the financing resolution pursuant to this section, and the allocation of utility project charges to, and among, customers of the publicly owned utility shall be decided solely by the governing body of the authority and shall be final and conclusive. In no event shall the periodic adjustment method

established in the financing resolution be applied less frequently than required by the financing resolution and the documents relating to the applicable rate reduction bonds. Once the financial calculation, formula, or other method for determining the utility project charge, and the periodic adjustment method, have been established in the financing resolution and have become final and conclusive as provided in this section, they shall not be changed.

(C) Notwithstanding any other provision of this section, in no event shall a utility project charge exceed the maximum rate permitted under Article XIII D of the California Constitution.

(D) A requirement that the authority enter into a servicing agreement for the collection of the utility project charge with the local agency for which the financing is undertaken or its publicly owned utility and the local agency or its publicly owned utility shall act as a servicing agent for purposes of collecting the utility project charge as long as the servicing agreement remains in effect. Moneys collected by the local agency or its publicly owned utility, acting as a servicing agent on behalf of the authority, as a utility project charge shall be held in trust for the exclusive benefit of the persons entitled to the financing costs to be paid, directly or indirectly, from the utility project charge and shall not lose their character as revenues of the authority by virtue of possession by the local agency or its publicly owned utility. The local agency or its publicly owned utility shall provide the authority with the information as to estimated sales of water and any other information concerning the publicly owned utility required by the authority in connection with the initial establishment and the adjustment of the utility project charge.

(2) The determination of the legislative body of the local agency that a project to be financed with rate reduction bonds is a utility project shall be final and conclusive and the rate reduction bonds issued to finance the utility project and the utility project charge imposed relating to the rate reduction bonds shall be valid and enforceable in accordance with the terms of the financing resolution and the documents relating to the rate reduction bonds. The authority shall require, in its financing resolution with respect to a utility project charge, that as long as a customer in the class or classes of customers specified in the financing resolution receive water through the facilities of the publicly owned utility, the customer shall pay the utility project charge regardless of whether

or not the customer has an agreement to purchase water from a person or entity other than the publicly owned utility. The utility project charge shall be a nonbypassable charge to all customers of the publicly owned utility in the class or classes of customers specified in the financing resolution at the time of adoption of the financing resolution and all future customers in that class or classes. If a customer of the publicly owned utility that is subject to a utility project charge enters into an agreement to purchase water from a person or entity other than the publicly owned utility, the customer shall remain liable for the payment of its share of the utility project charge as if it had not entered into the agreement. The liability may be discharged by the continued payment of its share of the utility project charge as it accrues or by a one-time payment, as determined by the authority. All provisions of a financing resolution adopted pursuant to this subdivision shall be binding on the authority.

(3) The timely and complete payment of all utility project charges by a person liable for the charges shall be a condition of receiving water service from the publicly owned utility of the local agency and each of the local agencies and their publicly owned utilities is authorized to use its established collection policies and all rights and remedies provided by law to enforce payment and collection of the utility project charge. In no event shall a person liable for a utility project charge be entitled or authorized to withhold payment, in whole or in part, of the utility project charge for any reason.

(4) The authority shall determine whether adjustments to the utility project charge relating to rate reduction bonds are required upon the issuance of the rate reduction bonds and at least annually, and at additional intervals as may be provided for in the financing resolution or the documents relating to the rate reduction bonds. Each adjustment shall be made and put into effect in accordance with the financial calculation, formula, or other method that the authority is to use to determine the utility project charge pursuant to the financing resolution expeditiously after the authority's determination that the adjustment is required.

(5) All revenues with respect to utility project property related to rate reduction bonds, including payments of the utility project charge, shall be applied first to the payment of the financing costs of the related rate reduction bonds then due, including the funding

of reserves for the rate reduction bonds, with any excess being applied as determined by the authority for the benefit of the utility for which the rate reduction bonds were issued.

(6) The authority shall be obligated to impose and collect the utility project charge relating to rate reduction bonds in amounts, based on estimates of water usage subject to the utility project charge, sufficient to pay on a timely basis the financing costs associated with the rate reduction bonds when due. The pledge of a utility project charge to secure the payment of rate reduction bonds shall be irrevocable, and the State of California, the authority, or any limited liability company acting pursuant to subdivision (i) shall not reduce, impair, or otherwise adjust the utility project charge, except that the authority shall implement the periodic adjustments to the utility project charge relating to rate reduction bonds as required by the applicable financing resolution and the documents relating to the rate reduction bonds. Revenue from a utility project charge shall be deemed special revenue of the authority and shall not constitute revenue of the local agency or its publicly owned utility for any purpose, including without limitation, any dedication, commitment, or pledge of revenue, receipts, or other income that the local agency or its publicly owned utility has made or will make for the security of any of its obligations.

(7) A utility project charge shall constitute a utility project property when, and to the extent that, a financing resolution authorizing the utility project charge has become effective in accordance with its terms, and the utility project property shall thereafter continuously exist as property for all purposes with all of the rights and privileges of this section for the period, and to the extent, provided in the financing resolution, but in any event until all financing costs with respect to the related rate reduction bonds are paid in full, including all arrearages thereon.

(8) Utility project property shall constitute a current property right notwithstanding that the value of the property right will depend on consumers using water or, in those instances where consumers are customers of the publicly owned utility, the publicly owned utility performing certain services.

(9) If a local agency for which rate reduction bonds have been issued and remain outstanding ceases to operate a water utility, either directly or through its publicly owned utility, references in

this section to the local agency or to its publicly owned utility shall be to the entity providing water utility services in lieu of the local agency and the entity shall assume and perform all obligations of the local agency and its publicly owned utility required by this section and the servicing agreement with the local agency while the rate reduction bonds remain outstanding.

(e) (1) Rate reduction bonds shall be within the parameters of the financing set forth by the local agency pursuant to subdivision (b) in connection with the rate reduction bonds and the proceeds of the rate reduction bonds made available to the local agency or its publicly owned utility shall be used for the utility project identified in the application for financing of the utility project or projects pursuant to subdivision (b).

(2) An authority shall authorize the issuance of rate reduction bonds by a resolution of its governing body. An authority issuing rate reduction bonds shall include in its preliminary notice and final report for the rate reduction bonds submitted to the California Debt and Investment Advisory Commission pursuant to Section 8855 a statement that the rate reduction bonds are being issued pursuant to this section. An authority issuing rate reduction bonds shall include in its final report for the rate reduction bonds submitted to the California Debt and Investment Advisory Commission pursuant to Section 8855 the savings realized by issuing the rate reduction bonds rather than bonds payable from the revenues of the publicly owned utility for whose benefit the rate reduction bonds were issued. Rate reduction bonds shall be nonrecourse to the credit or any assets of the local agency and the publicly owned utility for which the utility project is financed and shall be payable from, and secured by a pledge of, the utility project property relating to the rate reduction bonds and any additional security or credit enhancement specified in the documents relating to the rate reduction bonds.

(3) An authority issuing rate reduction bonds shall pledge the utility project property relating to the rate reduction bonds as security for the payment of the rate reduction bonds, which pledge shall be made pursuant to, and with the effect set forth in Section 5451. All rights of an authority with respect to utility project property pledged as security for the payment of rate reduction bonds shall be for the benefit of, and enforceable by, the

beneficiaries of the pledge to the extent provided in the documents relating to the rate reduction bonds.

(4) To the extent that any interest in utility project property is pledged as security for the payment of rate reduction bonds, the applicable local agency or its publicly owned utility shall contract with the authority, which contract shall be part of the utility project property, that the local agency or its publicly owned utility will continue to operate its publicly owned utility system that includes the financed utility project to provide service to its customers, will, as servicer, collect amounts in respect of the utility project charge for the benefit and account of the authority and the beneficiaries of the pledge of the utility project charge and will account for and remit these amounts to, or for the account of, the authority.

(5) Notwithstanding any other law, any requirement under this section, a financing resolution, any other resolution of the authority, or the provisions of the documents relating to rate reduction bonds to the effect that the authority shall take action with respect to the utility project property relating to the rate reduction bonds shall be binding upon the authority, as its governing body may be constituted from time to time, and the authority shall have no power or right to rescind, alter, or amend any resolution or document containing the requirement.

(6) Notwithstanding any other law, except as otherwise provided in this section with respect to adjustments to a utility project charge, the recovery of the financing costs for the rate reduction bonds from the utility project charge shall be irrevocable and the authority shall not have the power either by rescinding, altering, or amending the applicable financing resolution or otherwise, to revalue or revise for ratemaking purposes the financing costs of rate reduction bonds, determine that the financing costs for the related rate reduction bonds or the utility project charge is unjust or unreasonable, or in any way reduce or impair the value of utility project property that includes the utility project charge, either directly or indirectly; nor shall the amount of revenues arising with respect to the financing costs for the related rate reduction bonds or the utility project charge be subject to reduction, impairment, postponement, or termination for any reason until all financing costs to be paid from the utility project charge are fully met and discharged. Except as otherwise provided in this section with respect to adjustments to a utility project charge, the State of

California does hereby pledge and agree with the owners of rate reduction bonds that the State of California shall neither limit nor alter the financing costs or the utility project property, including the utility project charge, relating to the rate reduction bonds, or any rights in, to or under, the utility project property until all financing costs with respect to the rate reduction bonds are fully met and discharged. This section does not preclude limitation or alteration if and when adequate provision shall be made by law for the protection of the owners. The authority is authorized to include this pledge and undertaking by the State of California in the governing documents for rate reduction bonds. Notwithstanding any other provision of this section, the authority shall make the adjustments to the utility project charge relating to rate reduction bonds provided by this section and the documents related to those rate reduction bonds as may be necessary to ensure timely payment of all financing costs with respect to the rate reduction bonds. The adjustments shall not impose the utility project charge upon classes of customers which were not subject to the utility project charge pursuant to the financing resolution imposing the utility project charge.

(f) (1) Financing costs in connection with rate reduction bonds do not constitute a debt or liability of the State of California or of any political subdivision thereof, other than the special obligation of the authority, and do not constitute a pledge of the full faith and credit of the State of California or any of its political subdivisions, including the authority, but are payable solely from the funds provided therefor under this section and in the documents relating to the rate reduction bonds. This subdivision shall in no way preclude guarantees or credit enhancements in connection with rate reduction bonds. All the rate reduction bonds shall contain on the face thereof a statement to the following effect:

Neither the full faith and credit nor the taxing power of the State of California or any political subdivision thereof is pledged to the payment of the principal of, or interest on, this bond.

(2) The issuance of rate reduction bonds shall not directly, indirectly, or contingently obligate the State of California or any political subdivision thereof to levy or to pledge any form of taxation to pay the rate reduction bonds or to make any appropriation for their payment.

(g) (1) Utility project property shall constitute property for all purposes, including for contracts securing rate reduction bonds, whether or not the revenues and proceeds arising with respect thereto have accrued.

(2) Subject to the terms of the pledge document with respect to a pledge of utility project property, the validity and relative priority of a pledge created or authorized under this section is not defeated or adversely affected by the commingling of revenues arising with respect to the utility project property with other funds of the local agency or the publicly owned utility collecting a utility project charge on behalf of an authority.

(h) (1) There shall exist a statutory lien on the utility project property relating to rate reduction bonds. Upon the effective date of the financing resolution relating to rate reduction bonds, there shall exist a first priority statutory lien on all utility project property, then existing or, thereafter arising, to secure the payment of the rate reduction bonds. This lien shall arise pursuant to law by operation of this section automatically without any action on the part of the authority, the local agency or its publicly owned utility, or any other person. This lien shall secure the payment of all financing costs, then existing or subsequently arising, to the holders of the rate reduction bonds, the trustee or representative for the holders of the rate reduction bonds, and any other entity specified in the financing resolution or the documents relating to the rate reduction bonds. This lien shall attach to the utility project property regardless of who shall own, or shall subsequently be determined to own, the utility project property including any local agency or its publicly owned utility, the authority, or any other person. This lien shall be valid and enforceable against the owner of the utility project property and all third parties upon the effectiveness of the financing resolution without any further public notice.

(2) The statutory lien on utility project property created by this section is a continuously perfected lien on all revenues and proceeds arising with respect thereto, whether or not the revenues or proceeds have accrued. Utility project property shall constitute property for all purposes, including for contracts securing rate reduction bonds, whether or not the revenues or proceeds arising with respect thereto have accrued.

(3) In addition, the authority may require, in a financing resolution creating utility project property, that, in the event of default by the local agency or its publicly owned utility, in payment of revenues arising with respect to the utility project property, the authority, upon the application by the beneficiaries of the statutory lien, and without limiting any other remedies available to the beneficiaries by reason of the default, shall order the sequestration and payment to the beneficiaries of revenues arising with respect to the utility project property.

(i) Notwithstanding any other law, an authority that has financed a utility project through the issuance of rate reduction bonds is not authorized, and no governmental officer or organization shall be empowered to authorize the authority, to become a debtor in a case under the United States Bankruptcy Code (11 U.S.C. Sec. 1 et seq.) or to become the subject of any similar case or proceeding under any other law, whether federal or State of California, as long as any payment obligation from utility project property remains with respect to the rate reduction bonds.

(j) An authority may elect to effect a financing of a utility project pursuant to this section through a single member limited liability company formed by the authority by authorizing the company to adopt the financing resolution and the authority's issuing rate reduction bonds payable from, and secured by a pledge of, amounts paid by the company to the authority from the applicable utility project property pursuant to an agreement. The provisions of subdivisions (g) and (h) shall apply to and be the exclusive method of perfecting a pledge of utility project property by the company securing the payment of financing costs under any agreement of the company in connection with the issuance of rate reduction bonds. Reference to the authority in this section and in all related defined terms shall mean or include the company as necessary to implement this subdivision.

(k) After December 31, 2020, the authority to issue rate reduction bonds under this section terminates.

SEC. 71. Section 12011.5 of the Government Code is amended to read:

12011.5. (a) In the event of a vacancy in a judicial office to be filled by appointment of the Governor, or in the event that a declaration of candidacy is not filed by a judge and the Governor is required under subdivision (d) of Section 16 of Article VI of the

California Constitution to nominate a candidate, the Governor shall first submit to a designated agency of the State Bar of California the names of all potential appointees or nominees for the judicial office for evaluation of their judicial qualifications.

(b) The membership of the designated agency of the State Bar responsible for evaluation of judicial candidates shall consist of attorney members and public members with the ratio of public members to attorney members determined, to the extent practical, by the ratio established in Section 6013.5 of the Business and Professions Code. It is the intent of this subdivision that the designated agency of the State Bar responsible for evaluation of judicial candidates shall be broadly representative of the ethnic, gender, and racial diversity of the population of California and composed in accordance with Sections 11140 and 11141. The further intent of this subdivision is to establish a selection process for membership on the designated agency of the State Bar responsible for evaluation of judicial candidates under which no member of that agency shall provide inappropriate, multiple representation for purposes of this subdivision. Each member of the designated agency of the State Bar responsible for evaluation of judicial candidates shall complete a minimum of 60 minutes of training in the areas of fairness and bias in the judicial appointments process at an orientation for new members. If the member serves more than one term, the member shall complete an additional 60 minutes of that training during the member's service on the designated agency of the State Bar responsible for evaluation of judicial candidates.

(c) Upon receipt from the Governor of the names of candidates for judicial office and their completed personal data questionnaires, the State Bar shall use appropriate confidential procedures to evaluate and determine the qualifications of each candidate with regard to his or her ability to discharge the judicial duties of the office to which the appointment or nomination shall be made. Within 90 days of submission by the Governor of the name of a potential appointee for judicial office, the State Bar shall report, in confidence, to the Governor its recommendation whether the candidate is exceptionally well qualified, well qualified, qualified, or not qualified and the reasons therefor, and may report, in confidence, other information as the State Bar deems pertinent to the qualifications of the candidate.

(d) In determining the qualifications of a candidate for judicial office, the State Bar shall consider, among other appropriate factors, his or her industry, judicial temperament, honesty, objectivity, community respect, integrity, health, ability, and legal experience. The State Bar shall consider legal experience broadly, including, but not limited to, litigation and nonlitigation experience, legal work for a business or nonprofit entity, experience as a law professor or other academic position, legal work in any of the three branches of government, and legal work in dispute resolution.

(e) The State Bar shall establish and promulgate rules and procedures regarding the investigation of the qualifications of candidates for judicial office by the designated agency. These rules and procedures shall establish appropriate, confidential methods for disclosing to the candidate the subject matter of substantial and credible adverse allegations received regarding the candidate's health, physical or mental condition, or moral turpitude that, unless rebutted, would be determinative of the candidate's unsuitability for judicial office. No provision of this section shall be construed as requiring that a rule or procedure be adopted that permits the disclosure to the candidate of information from which the candidate may infer the source, and no information shall either be disclosed to the candidate nor be obtainable by any process that would jeopardize the confidentiality of communications from persons whose opinion has been sought on the candidate's qualifications.

(f) All communications, written, verbal, or otherwise, of and to the Governor, the Governor's authorized agents or employees, including, but not limited to, the Governor's Legal Affairs Secretary and Appointments Secretary, or of and to the State Bar in furtherance of the purposes of this section are absolutely privileged from disclosure and confidential, and any communication made in the discretion of the Governor or the State Bar with a candidate or person providing information in furtherance of the purposes of this section shall not constitute a waiver of the privilege or a breach of confidentiality.

(g) If the Governor has appointed a person to a trial court who has been found not qualified by the designated agency, the State Bar may make public this fact after due notice to the appointee of its intention to do so, but that notice or disclosure shall not constitute a waiver of privilege or breach of confidentiality with

respect to communications of or to the State Bar concerning the qualifications of the appointee.

(h) If the Governor has nominated or appointed a person to the Supreme Court or court of appeal in accordance with subdivision (d) of Section 16 of Article VI of the California Constitution, the Commission on Judicial Appointments may invite, or the State Bar's governing board or its designated agency may submit to the commission, its recommendation, and the reasons therefor, but that disclosure shall not constitute a waiver of privilege or breach of confidentiality with respect to communications of or to the State Bar concerning the qualifications of the nominee or appointee.

(i) A person or entity shall not be liable for an injury caused by an act or failure to act, be it negligent, intentional, discretionary, or otherwise, in the furtherance of the purposes of this section, including, but not limited to, providing or receiving information, making recommendations, and giving reasons therefor. As used in this section, the term "State Bar" means its governing board and members thereof, the designated agency of the State Bar and members thereof, and employees and agents of the State Bar.

(j) At any time prior to the receipt of the report from the State Bar specified in subdivision (c) the Governor may withdraw the name of a person submitted to the State Bar for evaluation pursuant to this section.

(k) A candidate for judicial office shall not be appointed until the State Bar has reported to the Governor pursuant to this section, or until 90 days have elapsed after submission of the candidate's name to the State Bar, whichever occurs earlier. The requirement of this subdivision shall not apply to a vacancy in judicial office occurring within the 90 days preceding the expiration of the Governor's term of office, provided, however, that with respect to those vacancies and with respect to nominations pursuant to subdivision (d) of Section 16 of Article VI of the California Constitution, the Governor shall be required to submit any candidate's name to the State Bar in order to provide an opportunity, if time permits, to make an evaluation.

(*l*) Nothing in this section shall be construed as imposing an additional requirement for an appointment or nomination to judicial office, nor shall anything in this section be construed as adding additional qualifications for the office of a judge.

(m) The Board of Governors of the State Bar shall not conduct or participate in, or authorize a committee, agency, employee, or commission of the State Bar to conduct or participate in, an evaluation, review, or report on the qualifications, integrity, diligence, or judicial ability of any specific justice of a court provided for in Section 2 or 3 of Article VI of the California Constitution without prior review and statutory authorization by the Legislature, except an evaluation, review, or report on potential judicial appointees or nominees as authorized by this section.

The provisions of this subdivision shall not be construed to prohibit a member of the State Bar from conducting or participating in an evaluation, review, or report in his or her individual capacity.

(n) (1) Notwithstanding any other provision of this section, but subject to paragraph (2), on or before March 1 of each year for the prior calendar year, all of the following shall occur:

(A) The Governor shall collect and release, on an aggregate statewide basis, all of the following:

(i) Demographic data provided by all judicial applicants relative to ethnicity, race, disability, veteran status, gender, gender identity, and sexual orientation.

(ii) Demographic data relative to ethnicity, race, disability, veteran status, gender, gender identity, and sexual orientation as provided by all judicial applicants, both as to those judicial applicants who have been and those who have not been submitted to the State Bar for evaluation.

(iii) Demographic data relative to ethnicity, race, disability, veteran status, gender, gender identity, and sexual orientation of all judicial appointments or nominations as provided by the judicial appointee or nominee.

(B) The designated agency of the State Bar responsible for evaluation of judicial candidates shall collect and release both of the following on an aggregate statewide basis:

(i) Statewide demographic data provided by all judicial applicants reviewed relative to ethnicity, race, disability, veteran status, gender, gender identity, sexual orientation, and areas of legal practice and employment.

(ii) The statewide summary of the recommendations of the designated agency of the State Bar by ethnicity, race, disability, veteran status, gender, gender identity, sexual orientation, and areas of legal practice and employment.

(C) The Administrative Office of the Courts shall collect and release the demographic data provided by justices and judges described in Article VI of the California Constitution relative to ethnicity, race, disability, veteran status, gender, gender identity, and sexual orientation by specific jurisdiction.

(2) For purposes of subparagraph (A) of paragraph (1), in the year following a general election or recall election that will result in a new Governor taking office prior to March 1, the departing Governor shall provide all of the demographic data collected for the year by that Governor pursuant to this subdivision to the incoming Governor. The incoming Governor shall then be responsible for releasing the provided demographic data, and the demographic data collected by that incoming Governor, if any, prior to the March 1 deadline imposed pursuant to this subdivision.

(3) Demographic data disclosed or released pursuant to this subdivision shall disclose only aggregated statistical data and shall not identify any individual applicant, justice, or judge.

(4) The State Bar and the Administrative Office of the Courts shall use the following ethnic and racial categories: American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or other Pacific Islander, White, some other race, and more than one race, as those categories are defined by the United States Census Bureau for the 2010 Census for reporting purposes.

(5) Demographic data disclosed or released pursuant to this subdivision shall also indicate the percentage of respondents who declined to respond.

(6) For purposes of this subdivision, the collection of demographic data relative to disability and veteran status shall be required only for judicial applicants, candidates, appointees, nominees, justices, and judges who apply, or are reviewed, appointed, nominated, or elected, on or after January 1, 2014. The release of this demographic data shall begin in 2015.

(7) For purposes of this subdivision, the following terms have the following meanings:

(A) "Disability" includes mental disability and physical disability, as defined in subdivisions (j) and (m) of Section 12926.

(B) "Veteran status" has the same meaning as specified in Section 101(2) of Title 38 of the United States Code.

(o) The Governor and members of judicial selection advisory committees are encouraged to give particular consideration to candidates from diverse backgrounds and cultures reflecting the demographics of California, including candidates with demographic characteristics underrepresented among existing judges and justices.

(p) If any provision of this section other than a provision relating to or providing for confidentiality or privilege from disclosure of any communication or matter, or the application of the provision to any person or circumstances, is held invalid, the remainder of this section, to the extent it can be given effect, or the application of the provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this section are severable. If any other act of the Legislature conflicts with the provisions of this section, this section shall prevail.

SEC. 72. Section 12012.61 of the Government Code is amended to read:

12012.61. (a) The tribal-state gaming compact entered into in accordance with the federal Indian Gaming Regulatory Act of 1988 (18 U.S.C. Secs. 1166 to 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Ramona Band of Cahuilla, executed on June 10, 2013, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the tribal-state gaming compact ratified by this section.

(B) The execution of the tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, this subdivision does not exempt a city, county, or city and county, or the Department of Transportation, from the requirements of the California Environmental Quality Act.

SEC. 73. Section 13403 of the Government Code is amended to read:

13403. (a) Internal accounting and administrative controls, if maintained and reinforced through effective monitoring systems and processes, are the methods through which reasonable assurances can be given that measures adopted by state agency heads to safeguard assets, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies are being followed. The elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following:

(1) A plan of organization that provides segregation of duties appropriate for proper safeguarding of state agency assets.

(2) A plan that limits access to state agency assets to authorized personnel who require these assets in the performance of their assigned duties.

(3) A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

(4) An established system of practices to be followed in performance of duties and functions in each of the state agencies.

(5) Personnel of a quality commensurate with their responsibilities.

(6) An effective system of internal review.

(b) State agency heads shall follow these standards of internal accounting and administrative control in carrying out the requirements of Section 13402.

(c) Monitoring systems and processes are vital to the following:

(1) Ensuring that routine application of internal controls does not diminish their efficacy over time.

(2) Providing timely notice and opportunity for correction of emerging weaknesses with established internal controls.

(3) Facilitating public resources and other decisions by ensuring availability of accurate and reliable information.

(4) Facilitating production of timely and accurate financial reports, and the submittal, when appropriate, of recommendations for how greater efficiencies in support of the agency's mission may be attainable via the consolidation or restructuring of potentially duplicative or inefficient processes, programs, or practices where it appears such changes may be achieved without undermining program effectiveness, quality, or customer satisfaction.

(d) It shall be the responsibility of the Department of Finance, in consultation with the Controller and State Auditor, to establish guidelines to state agencies management on how the role of independent monitor should be staffed, structured, and its reporting function standardized so it fits within an efficient and normalized agency administrative framework.

(e) State agency heads shall implement systems and processes to ensure the independence and objectivity of the monitoring of internal accounting and administrative control as an ongoing activity in carrying out the requirements of Section 13402.

SEC. 74. Section 13978.8 of the Government Code is amended to read:

13978.8. (a) The Transportation Agency shall prepare a state freight plan. The state freight plan shall comply with the relevant provisions of the federal Moving Ahead for Progress in the 21st Century Act (MAP-21), Public Law 112-141. The agency shall develop a state freight plan that provides a comprehensive plan to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight.

(b) (1) The agency shall establish a freight advisory committee consisting of a representative cross section of public and private sector freight stakeholders, including representatives of ports, shippers, carriers, freight-related associations, the freight industry workforce, the California Transportation Commission, the Department of Transportation, the Public Utilities Commission, the State Lands Commission, the State Air Resources Board, regional and local governments, and environmental, safety, and community organizations.

(2) The freight advisory committee shall do all of the following:

(A) Advise the agency on freight-related priorities, issues, projects, and funding needs.

(B) Serve as a forum for discussion for state transportation decisions affecting freight mobility.

(C) Communicate and coordinate regional priorities with other organizations.

(D) Promote the sharing of information between the private and public sectors on freight issues.

(E) Participate in the development of the state freight plan.

(c) The state freight plan shall include, at a minimum, all of the following:

(1) An identification of significant freight system trends, needs, and issues.

(2) A description of the freight policies, strategies, and performance measures that will guide freight-related transportation investment decisions.

(3) A description of how the state freight plan will improve the ability of California to meet the national freight goals established under Section 167 of Title 23 of the United States Code.

(4) Evidence of consideration of innovative technologies and operational strategies, including intelligent transportation systems, that improve the safety and efficiency of freight movement.

(5) In the case of routes on which travel by heavy vehicles, including mining, agricultural, energy cargo or equipment, and timber vehicles, is projected to substantially deteriorate the condition of roadways, a description of improvements that may be required to reduce or impede the deterioration.

(6) An inventory of facilities with freight mobility issues, such as truck bottlenecks within California, and a description of the strategies California is employing to address those freight mobility issues.

(d) Notwithstanding Section 10231.5, the state freight plan shall be submitted to the Legislature, the Governor, the California Transportation Commission, the Public Utilities Commission, and the State Air Resources Board on or before December 31, 2014, and every five years thereafter. The state freight plan shall be submitted pursuant to Section 9795.

(e) The state freight plan required by this section may be developed separately from, or incorporated into, the statewide

strategic long-range transportation plan required by Section 135 of Title 23 of the United States Code.

(f) The freight rail element of the state freight plan may be developed separately from, or incorporated into, the state rail plan prepared by the Department of Transportation pursuant to Section 14036.

SEC. 75. Section 14528.56 of the Government Code is amended to read:

14528.56. The following shall pertain to local alternative transportation improvement programs developed and approved pursuant to Sections 14528.5 and 14528.55:

(a) The department shall maintain a separate account in the state's Special Deposit Fund for each approved local alternative transportation improvement program into which it will deposit the funds derived from the sale of the respective excess properties pursuant to subdivision (c) of Section 14528.5 and subdivision (c) of Section 14528.55. All proceeds received by the department from the sale of those excess properties that are available pursuant to those subdivisions for the respective local alternative transportation improvement programs, less reimbursement for costs incurred by the department for administration of each account, shall be deposited in each respective account, along with all interest earnings generated by the funds in the respective account.

(b) Funds in each account shall be available for expenditure by the local agencies for projects designated in the respective local alternative transportation improvement program approved by the commission pursuant to Section 14528.5 or 14528.55.

(c) This section applies only to State Highway Routes 84 and 238, and to the local alternative transportation programs approved pursuant to Section 14528.5 or 14528.55.

(d) Section 14528.8 does not apply to projects undertaken pursuant to Section 14528.5 or 14528.55.

(e) A local jurisdiction may, with the concurrence of the appropriate transportation planning agency, the commission, and the department, advance a project included in the local alternative transportation improvement programs prior to the availability of sufficient funds from the sale of respective excess properties, through the use of its own funds. A project advanced in this manner shall be deliverable by the state, or by the local jurisdiction pursuant to agreement, when proposed by the local jurisdiction.

Advancement of a project or projects shall not change the priority for funding and delivery of all projects within each respective approved local alternative transportation improvement program.

(f) A local agency may enter into an agreement with the appropriate transportation planning agency, the department, and the commission to use its own funds to develop, purchase right-of-way for, and construct a transportation project within its jurisdiction if the project is one that is included in the respective local alternative transportation improvement program and is funded by the individual account established in the Special Deposit Fund pursuant to subdivision (a), and meets all of the following requirements:

(1) Pursuant to the agreement, and from funds allocated by the commission for the project when scheduled in the local alternative transportation improvement program, the department shall reimburse the local agency for the actual cost of constructing the project, including the acquisition of right-of-way. Interest or other debt service costs incurred by local agencies to finance right-of-way acquisition or construction for the project are not reimbursable. Reimbursement made to a local agency pursuant to this subdivision shall be made from the respective account established in the Special Deposit Fund.

(2) The amount actually reimbursed to the local agency under paragraph (1) shall be the amount expended by the local agency for right-of-way and construction. If the expenditure of local funds does not result in the completion of an operable segment of a transportation project, reimbursement shall be limited to the actual amount expended by the local agency for right-of-way or partial construction, with no escalation factor.

(3) Pursuant to the agreement, and from funds allocated by the commission for the project when it was scheduled in the local respective alternative transportation improvement program, the department shall reimburse the local agency for the actual cost of developing the project with local funds pursuant to this subdivision. Reimbursement of project development costs shall not exceed 20 percent of estimated construction costs. In no case shall this reimbursement exceed any lesser amount mutually agreed to by the department, commission, and local agency.

(4) Reimbursements made to local agencies pursuant to this section for expenditures of local voter-approved sales and use tax

revenues shall be used for the same purposes for which the imposition of the sales and use tax is authorized.

(5) The commission, in consultation with the department and local transportation officials, shall develop and adopt guidelines to implement this subdivision.

(g) At the time of its approval of the respective local alternative transportation improvement program, the commission, in consultation with the department and representatives from regional and local agencies, shall also incorporate, into the state transportation improvement program guidelines, additional guidelines specific to the local alternative transportation improvement program. The additional guidelines shall include, but need not be limited to, criteria for project applications, estimation of costs, assessment of capability to complete the project, allocation of funds to project phases, timely expenditure of funds, management of changes to cost, scope, and schedules, assessment of progress in implementing projects, and audit requirements.

SEC. 76. Section 15920 of the Government Code is amended to read:

15920. Duly authorized team members listed in subdivision (a) of Section 15914 may exchange intelligence, data, documents, information, complaints, or lead referrals for the purpose of investigating criminal tax evasion associated with underground economic activities. Any member or ex-member of the team, any agent employed by any agency listed in subdivisions (a) and (b) of Section 15914, or any person who has at any time obtained such knowledge from any of the foregoing agencies or persons shall not divulge, or make known in any manner not provided by law, any of the confidential information received by, or reported to, the team. Information exchanged pursuant to this section shall retain its confidential status and shall remain subject to the confidentiality provisions contained in the following provisions:

(a) California Health and Human Services Agency: Subdivision (c) of Section 6254 of this code and Section 14100.2 of the Welfare and Institutions Code.

(b) Department of Consumer Affairs: Section 30 of the Business and Professions Code and Section 56.29 of the Civil Code.

(c) Department of Industrial Relations: Sections 11181, 11183, and 15553 of this code, Article 7 (commencing with Section 1877)

of Chapter 12 of Part 2 of Division 1 of the Insurance Code, and Sections 92, 138.7, 1026, 3762, 6309, 6322, 6396, and 6412 of the Labor Code.

(d) Department of Insurance: Section 11180 of this code and Sections 1872.6, 1873, 1874.2, 1875.1, 1877.1, 1877.3, 1877.4, and 1877.5 of the Insurance Code.

(e) Department of Justice: Section 11183.

(f) Department of Motor Vehicles: Sections 1808.2, 1808.4, 1808.5, 1808.6, 1808.21, 1808.24, and 12800.5 of the Vehicle Code.

(g) Employment Development Department: Sections 1094 and 1095 of the Unemployment Insurance Code.

(h) Franchise Tax Board: Sections 19542, 19542.1, and 19542.3 of the Revenue and Taxation Code.

(i) State Board of Equalization: Section 15619 of this code, Section 42464.8 of the Public Resources Code, and Sections 7056, 7056.5, 8255, 9255, 9255.1, 30455, 38705, 38706, 43651, 45981, 45982, 45983, 45984, 46751, 50159, 50160, 50161, 55381, 60608, and 60609 of the Revenue and Taxation Code.

SEC. 77. Section 41805 of the Government Code is amended to read:

41805. (a) A city attorney who does not, in fact, exercise prosecutorial responsibilities on behalf of the city or cities by which he or she is employed shall not be precluded from defending or assisting in the defense of, or acting as counsel for, any person accused of any crime except for violation of any ordinance of the city or cities by which he or she is employed, provided that:

(1) The city or cities by which the city attorney is employed expressly relieve the city attorney of any and all prosecutorial responsibilities on its or their behalf; and

(2) The accused has been informed of and expressly waives any rights created as a result of any potential conflict created by his or her attorney's position as a city attorney.

(b) Where the above provisions are met, a partner or associate of a city attorney shall not be prevented from defending or assisting in the defense of, or acting as counsel for, any person accused of any crime except for violations of any ordinance of the city or cities by which his or her partner or associate is employed as a city attorney.

(c) This section shall not preclude any city from limiting or prohibiting the private practice of any attorney it retains or employs.

SEC. 78. Section 53313 of the Government Code is amended to read:

53313. A community facilities district may be established under this chapter to finance any one or more of the following types of services within an area:

(a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.

(b) Fire protection and suppression services, and ambulance and paramedic services.

(c) Recreation program services, library services, maintenance services for elementary and secondary schoolsites and structures, and the operation and maintenance of museums and cultural facilities. A special tax may be levied for any of the services specified in this subdivision only upon approval of the registered voters as specified in subdivision (b) of Section 53326. An election to enact a special tax for recreation program services, library services, and the operation and maintenance of museums and cultural facilities may be conducted pursuant to subdivision (c) of Section 53326.

(d) Maintenance and lighting of parks, parkways, streets, roads, and open space.

(e) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, plowing and removal of snow, and sandstorm protection systems.

(f) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment. As used in this subdivision, the terms "remedial action" and "removal" shall have the meanings set forth in Sections 25322 and 25323, respectively, of the Health and Safety Code, and the term "hazardous substance" shall have the meaning set forth in Section 25281 of the Health and Safety Code. Community facilities districts shall provide the State Department of Health Care Services and local health and building departments with notification of any cleanup activity pursuant to

this subdivision at least 30 days prior to commencement of the activity.

(g) Maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the local agency or by another local agency pursuant to an agreement entered into under Section 53316.2.

A community facilities district tax approved by vote of the landowners of the district may only finance the services authorized in this section to the extent that they are in addition to those provided in the territory of the district before the district was created. The additional services shall not supplant services already available within that territory when the district was created.

Bonds shall not be issued pursuant to this chapter to fund any of the services specified in this section, although bonds may be issued to fund capital facilities to be used in providing these services.

SEC. 79. Section 57118 of the Government Code is amended to read:

57118. In any resolution ordering a change of organization or reorganization subject to the confirmation of the voters, the commission shall determine that an election will be held:

(a) Within the territory of each city or district ordered to be incorporated, formed, disincorporated, dissolved, or consolidated.

(b) Within the entire territory of each district ordered to be merged with or established as a subsidiary district of a city, or both within the district and within the entire territory of the city outside the boundaries of the district.

(c) If the executive officer certifies a petition pursuant to Section 57108 or 57109, within the territory of the district ordered to be merged with or established as a subsidiary district of a city.

(d) Within the territory ordered to be annexed or detached.

(e) If ordered by the commission pursuant to Section 56876 or 56759, both within the territory ordered to be annexed or detached and within all or the part of the city or district which is outside of the territory.

(f) If the election is required by subdivision (b) of Section 57077.4, separately within the territory of each affected district that has filed a petition meeting the requirements of subdivision (b) of Section 57077.4.

SEC. 80. Section 70377 of the Government Code is amended to read:

70377. (a) Amounts required to be transmitted by a county, city and county, or court to the state pursuant to this section shall be remitted to the State Treasurer no later than 45 days after the end of the month in which the fees, assessments, or penalties were collected. This remittance shall be accompanied by remittance advice identifying the collection month and the appropriate account in the State Court Facilities Construction Fund or the Immediate and Critical Needs Account of the State Court Facilities Construction Fund to which it is to be deposited. Any remittance made later than this time shall be considered delinquent and subject to the interest and penalties specified in this section.

(b) Upon receipt of delinquent payment required pursuant to this section, the Controller shall do the following:

(1) Calculate the interest on the delinquent payment by multiplying the amount of the delinquent payment at a daily rate equivalent to the rate of return on money deposited in the Local Agency Investment Fund pursuant to Section 16429.1 from the date the payment was originally due to either 30 days after the date of the issuance by the Controller of the final audit report concerning the failure to pay or the date of payment by the entity responsible for the delinquent payment, whichever comes first. In calculating the interest under this paragraph, the Controller shall apply the average monthly Local Agency Investment Fund rate over the period of delinquency.

(2) Calculate a penalty at a daily rate equivalent to 1 ½ percent per month from the date 30 days after the date of the issuance by the Controller of the final audit report concerning the failure to pay.

(c) Interest or penalty amounts calculated pursuant to subdivision (b) shall be paid by the county, city and county, or court to the State Court Facilities Construction Fund or the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, whichever is appropriate, no later than 45 days after the end of the month in which the interest or penalty was calculated. Payment shall be made by the entity responsible for the error or other action that caused the failure to pay, as determined by the Controller in a notice given to that party by the Controller.

(d) Notwithstanding Section 77009, the court may pay any penalty or interest imposed pursuant to this section due to an error or other action by the court from money received from the Trial Court Trust Fund. This section does not require an increase in a court's allocation from the Trial Court Trust Fund.

(e) The Controller may permit a county, city and county, or court to pay the interest or penalty amounts according to a payment schedule in the event of a large interest or penalty amount that causes a hardship to the paying entity.

(f) The party responsible for the error or other action that caused the failure to pay may include, but is not limited to, the party that collected the funds who is not the party responsible for remitting the funds to the State Court Facilities Construction Fund or the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, if the collecting party failed to provide or delayed providing the remitting party with sufficient information needed by the remitting party to distribute the funds.

(g) The changes made to this section by Chapter 452 of the Statutes of 2013 shall apply to all delinquent payments for which the Controller has not issued a final audit before January 1, 2014.

SEC. 81. Section 1275.3 of the Health and Safety Code, as amended by Section 4 of Chapter 722 of the Statutes of 2013, is amended to read:

1275.3. (a) The State Department of Public Health and the State Department of Developmental Services shall jointly develop and implement licensing regulations appropriate for an intermediate care facility/developmentally disabled-nursing and an intermediate care facility/developmentally disabled-continuous nursing.

(b) The regulations adopted pursuant to subdivision (a) shall ensure that residents of an intermediate care facility/developmentally disabled-nursing and an intermediate care facility/developmentally disabled-continuous nursing receive appropriate medical and nursing services, and developmental program services in a normalized, least restrictive physical and programmatic environment appropriate to individual resident need.

In addition, the regulations shall do all of the following:

(1) Include provisions for the completion of a clinical and developmental assessment of placement needs, including medical and other needs, and the degree to which they are being met, of clients placed in an intermediate care facility/developmentally

disabled-nursing and an intermediate care facility/developmentally disabled-continuous nursing and for the monitoring of these needs at regular intervals.

(2) Provide for maximum utilization of generic community resources by clients residing in a facility.

(3) Require the State Department of Developmental Services to review and approve an applicant's facility program plan as a prerequisite to the licensing and certification process.

(4) Require that the physician providing the certification that placement in the intermediate care facility/developmentally disabled-nursing or intermediate care facility/developmentally disabled-continuous nursing is needed, consult with the physician who is the physician of record at the time the person's proposed placement is being considered by the interdisciplinary team.

(c) Until the departments adopt regulations pursuant to this section relating to services by an intermediate care facility/developmentally disabled-nursing, the licensed intermediate care facilities/developmentally disabled-nursing shall comply with federal certification standards for intermediate care facilities for individuals with intellectual disabilities, as specified in Sections 483.400 to 483.480, inclusive, of Title 42 of the Code of Federal Regulations, in effect immediately preceding January 1, 2013.

(d) This section shall not supersede the authority of the State Fire Marshal pursuant to Sections 13113, 13113.5, 13143, and 13143.6 to the extent that these sections are applicable to community care facilities.

(e) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.

SEC. 82. Section 1275.3 of the Health and Safety Code, as added by Section 5 of Chapter 722 of the Statutes of 2013, is amended to read:

1275.3. (a) The State Department of Public Health and the State Department of Developmental Services shall jointly develop and implement licensing regulations appropriate for an intermediate care facility/developmentally disabled-nursing and an intermediate care facility/developmentally disabled-continuous nursing.

(b) The regulations adopted pursuant to subdivision (a) shall ensure that residents of an intermediate care facility/developmentally disabled-nursing and an intermediate care

facility/developmentally disabled-continuous nursing receive appropriate medical and nursing services, and developmental program services in a normalized, least restrictive physical and programmatic environment appropriate to individual resident need.

In addition, the regulations shall do all of the following:

(1) Include provisions for the completion of a clinical and developmental assessment of placement needs, including medical and other needs, and the degree to which they are being met, of clients placed in an intermediate care facility/developmentally disabled-nursing and an intermediate care facility/developmentally disabled-continuous nursing and for the monitoring of these needs at regular intervals.

(2) Provide for maximum utilization of generic community resources by clients residing in a facility.

(3) Require the State Department of Developmental Services to review and approve an applicant's program plan as part of the licensing and certification process.

(4) Require that the physician providing the certification that placement in the intermediate care facility/developmentally disabled-nursing or intermediate care facility/developmentally disabled-continuous nursing is needed, consult with the physician who is the physician of record at the time the person's proposed placement is being considered by the interdisciplinary team.

(c) Regulations developed pursuant to this section shall include licensing fee schedules appropriate to facilities which will encourage their development.

(d) This section shall not supersede the authority of the State Fire Marshal pursuant to Sections 13113, 13113.5, 13143, and 13143.6 to the extent that these sections are applicable to community care facilities.

(e) This section shall become operative on January 1, 2018.

SEC. 83. Section 1357.51 of the Health and Safety Code is amended to read:

1357.51. (a) A health benefit plan for group coverage shall not impose a preexisting condition provision or waivered condition provision upon an enrollee.

(b) (1) A nongrandfathered health benefit plan for individual coverage shall not impose a preexisting condition provision or waivered condition provision upon an enrollee.

(2) A grandfathered health benefit plan for individual coverage shall not exclude coverage on the basis of a waivered condition provision or preexisting condition provision for a period greater than 12 months following the enrollee's effective date of coverage, nor limit or exclude coverage for a specific enrollee by type of illness, treatment, medical condition, or accident, except for satisfaction of a preexisting condition provision or waivered condition provision pursuant to this article. Waivered condition provisions or preexisting condition provisions contained in individual grandfathered health benefit plans may relate only to conditions for which medical advice, diagnosis, care, or treatment, including use of prescription drugs, was recommended or received from a licensed health practitioner during the 12 months immediately preceding the effective date of coverage.

(3) If Section 5000A of the Internal Revenue Code, as added by Section 1501 of PPACA, is repealed or amended to no longer apply to the individual market, as defined in Section 2791 of the Public Health Service Act (42 U.S.C. Sec. 300gg-91(e)), paragraph (1) shall become inoperative 12 months after the date of that repeal or amendment and thereafter paragraph (2) shall apply also to nongrandfathered health benefit plans for individual coverage.

(c) (1) A health benefit plan for group coverage may apply a waiting period of up to 60 days as a condition of employment if applied equally to all eligible employees and dependents and if consistent with PPACA. A health benefit plan for group coverage through a health maintenance organization, as defined in Section 2791 of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-91(b)(3)), shall not impose any affiliation period that exceeds 60 days. A waiting or affiliation period shall not be based on a preexisting condition of an employee or dependent, the health status of an employee or dependent, or any other factor listed in Section 1357.52. An affiliation period shall run concurrently with a waiting period. During the waiting or affiliation period, the plan is not required to provide health care services and a premium shall not be charged to the subscriber or enrollees.

(2) A health benefit plan for individual coverage shall not impose a waiting or affiliation period.

(d) In determining whether a preexisting condition provision, a waivered condition provision, or a waiting or affiliation period applies to an enrollee, a plan shall credit the time the enrollee was

covered under creditable coverage, provided that the enrollee becomes eligible for coverage under the succeeding plan contract within 62 days of termination of prior coverage, exclusive of any waiting or affiliation period, and applies for coverage under the succeeding plan within the applicable enrollment period. A plan shall also credit time that an eligible employee must wait before enrolling in the plan, including any postenrollment or employer-imposed waiting or affiliation period.

However, if a person's employment has ended, the availability of health coverage offered through employment or sponsored by an employer has terminated, or an employer's contribution toward health coverage has terminated, a plan shall credit the time the person was covered under creditable coverage if the person becomes eligible for health coverage offered through employment or sponsored by an employer within 180 days, exclusive of a waiting or affiliation period, and applies for coverage under the succeeding plan contract within the applicable enrollment period.

(e) An individual's period of creditable coverage shall be certified pursuant to Section 2704(e) of Title XXVII of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-3(e)).

SEC. 84. Section 1367.006 of the Health and Safety Code is amended to read:

1367.006. (a) This section shall apply to nongrandfathered individual and group health care service plan contracts that provide coverage for essential health benefits, as defined in Section 1367.005, and that are issued, amended, or renewed on or after January 1, 2015.

(b) (1) For nongrandfathered health care service plan contracts in the individual or small group markets, a health care service plan contract, except a specialized health care service plan contract, that is issued, amended, or renewed on or after January 1, 2015, shall provide for a limit on annual out-of-pocket expenses for all covered benefits that meet the definition of essential health benefits in Section 1367.005, including out-of-network emergency care consistent with Section 1371.4.

(2) For nongrandfathered health care service plan contracts in the large group market, a health care service plan contract, except a specialized health care service plan contract, that is issued, amended, or renewed on or after January 1, 2015, shall provide for a limit on annual out-of-pocket expenses for covered benefits,

including out-of-network emergency care consistent with Section 1371.4. This limit shall only apply to essential health benefits, as defined in Section 1367.005, that are covered under the plan to the extent that this provision does not conflict with federal law or guidance on out-of-pocket maximums for nongrandfathered health care service plan contracts in the large group market.

(c) (1) The limit described in subdivision (b) shall not exceed the limit described in Section 1302(c) of PPACA, and any subsequent rules, regulations, or guidance issued under that section.

(2) The limit described in subdivision (b) shall result in a total maximum out-of-pocket limit for all essential health benefits equal to the dollar amounts in effect under Section 223(c)(2)(A)(ii) of the Internal Revenue Code of 1986 with the dollar amounts adjusted as specified in Section 1302(c)(1)(B) of PPACA.

(d) This section shall not be construed to affect the reduction in cost sharing for eligible enrollees described in Section 1402 of PPACA, and any subsequent rules, regulations, or guidance issued under that section.

(e) If an essential health benefit is offered or provided by a specialized health care service plan, the total annual out-of-pocket maximum for all covered essential benefits shall not exceed the limit in subdivision (b). This section shall not apply to a specialized health care service plan that does not offer an essential health benefit as defined in Section 1367.005.

(f) The maximum out-of-pocket limit shall apply to any copayment, coinsurance, deductible, and any other form of cost sharing for all covered benefits that meet the definition of essential health benefits in Section 1367.005.

(g) For nongrandfathered health plan contracts in the group market, "plan year" has the meaning set forth in Section 144.103 of Title 45 of the Code of Federal Regulations. For nongrandfathered health plan contracts sold in the individual market, "plan year" means the calendar year.

(h) "PPACA" means the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), and any rules, regulations, or guidance issued thereunder.

SEC. 85. Section 1375.9 of the Health and Safety Code is amended to read:

1375.9. (a) A health care service plan shall ensure that there is at least one full-time equivalent primary care physician for every 2,000 enrollees of the plan. The number of enrollees per primary care physician may be increased by up to 1,000 additional enrollees for each full-time equivalent nonphysician medical practitioner supervised by that primary care physician.

(b) This section shall not require a primary care physician to accept an assignment of enrollees by a health care service plan without his or her approval, or that would be contrary to paragraph (2) of subdivision (b) of Section 1375.7.

(c) This section does not modify subdivision (e) of Section 2836.1 of the Business and Professions Code or subdivision (b) of Section 3516 of the Business and Professions Code.

(d) For purposes of this section, a primary care provider includes a "nonphysician medical practitioner," which is defined as a physician assistant performing services under the supervision of a primary care physician in compliance with Chapter 7.7 (commencing with Section 3500) of Division 2 of the Business and Professions Code or a nurse practitioner performing services in collaboration with a physician pursuant to Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code.

(e) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 86. Section 1562.3 of the Health and Safety Code is amended to read:

1562.3. (a) The Director of Social Services, in consultation with the Director of Health Care Services and the Director of Developmental Services, shall establish a training program to ensure that licensees, operators, and staffs of adult residential care facilities, as defined in paragraph (1) of subdivision (a) of Section 1502, have appropriate training to provide the care and services for which a license or certificate is issued. The training program shall be developed in consultation with provider organizations.

(b) (1) An administrator of an adult residential care facility, as defined in paragraph (1) of subdivision (a) of Section 1502, shall successfully complete a department-approved certification program pursuant to subdivision (c) prior to employment.

(2) In those cases where the individual is both the licensee and the administrator of a facility, the individual shall comply with both the licensee and administrator requirements of this section.

(3) Failure to comply with this section shall constitute cause for revocation of the license of the facility.

(4) The licensee shall notify the department within 30 days of any change in administrators.

(c) (1) The administrator certification program shall require a minimum of 35 hours of classroom instruction that provides training on a uniform core of knowledge in each of the following areas:

(A) Laws, regulations, and policies and procedural standards that impact the operations of the type of facility for which the applicant will be an administrator.

(B) Business operations.

(C) Management and supervision of staff.

(D) Psychosocial needs of the facility residents.

(E) Community and support services.

(F) Physical needs for facility residents.

(G) Use, misuse, and interaction of medication commonly used by facility residents.

(H) Resident admission, retention, and assessment procedures.

(I) Nonviolent crisis intervention for administrators.

(J) Cultural competency and sensitivity in issues relating to the underserved aging lesbian, gay, bisexual, and transgender community.

(2) The requirement for 35 hours of classroom instruction pursuant to this subdivision shall not apply to persons who were employed as administrators prior to July 1, 1996. A person holding the position of administrator of an adult residential facility on June 30, 1996, shall file a completed application for certification with the department on or before April 1, 1998. In order to be exempt from the 35-hour training program and the test component, the application shall include documentation showing proof of continuous employment as the administrator of an adult residential facility between, at a minimum, June 30, 1994, and June 30, 1996. An administrator of an adult residential facility who became certified as a result of passing the department-administered challenge test, that was offered between October 1, 1996, and

December 23, 1996, shall be deemed to have fulfilled the requirements of this paragraph.

(3) Unless an extension is granted to the applicant by the department, an applicant for an administrator's certificate shall, within 60 days of the applicant's completion of classroom instruction, pass the written test provided in this section.

(d) The department shall not begin the process of issuing a certificate until receipt of all of the following:

(1) A certificate of completion of the administrator training required pursuant to this chapter.

(2) The fee required for issuance of the certificate. A fee of one hundred dollars ($100) shall be charged by the department to cover the costs of processing the application for certification.

(3) Documentation from the applicant that he or she has passed the written test.

(4) Submission of fingerprints. The department and the Department of Justice shall expedite the criminal record clearance for holders of certificates of completion. The department may waive the submission for those persons who have a current clearance on file.

(e) It shall be unlawful for any person not certified under this section to hold himself or herself out as a certified administrator of an adult residential facility. A person willfully making any false representation as being a certified administrator is guilty of a misdemeanor.

(f) (1) Certificates issued under this section shall be renewed every two years and renewal shall be conditional upon the certificate holder submitting documentation of completion of 40 hours of continuing education related to the core of knowledge specified in subdivision (c). No more than one-half of the required 40 hours of continuing education necessary to renew the certificate may be satisfied through online courses. All other continuing education hours shall be completed in a classroom setting. For purposes of this section, an individual who is an adult residential facility administrator and who is required to complete the continuing education hours required by the regulations of the State Department of Developmental Services, and approved by the regional center, shall be permitted to have up to 24 of the required continuing education course hours credited toward the 40-hour continuing education requirement of this section. Community

college course hours approved by the regional centers shall be accepted by the department for certification.

(2) Every licensee and administrator of an adult residential facility is required to complete the continuing education requirements of this subdivision.

(3) Certificates issued under this section shall expire every two years, on the anniversary date of the initial issuance of the certificate, except that any administrator receiving his or her initial certification on or after January 1, 1999, shall make an irrevocable election to have his or her recertification date for any subsequent recertification either on the date two years from the date of issuance of the certificate or on the individual's birthday during the second calendar year following certification. The department shall send a renewal notice to the certificate holder 90 days prior to the expiration date of the certificate. If the certificate is not renewed prior to its expiration date, reinstatement shall only be permitted after the certificate holder has paid a delinquency fee equal to three times the renewal fee and has provided evidence of completion of the continuing education required.

(4) To renew a certificate, the certificate holder shall, on or before the certificate expiration date, request renewal by submitting to the department documentation of completion of the required continuing education courses and pay the renewal fee of one hundred dollars ($100), irrespective of receipt of the department's notification of the renewal. A renewal request postmarked on or before the expiration of the certificate is proof of compliance with this paragraph.

(5) A suspended or revoked certificate is subject to expiration as provided for in this section. If reinstatement of the certificate is approved by the department, the certificate holder, as a condition precedent to reinstatement, shall submit proof of compliance with paragraphs (1) and (2) and shall pay a fee in an amount equal to the renewal fee, plus the delinquency fee, if any, accrued at the time of its revocation or suspension. Delinquency fees, if any, accrued subsequent to the time of its revocation or suspension and prior to an order for reinstatement, shall be waived for one year to allow the individual sufficient time to complete the required continuing education units and to submit the required documentation. Individuals whose certificates will expire within 90 days after the order for reinstatement may be granted a

three-month extension to renew their certificates during which time the delinquency fees shall not accrue.

(6) A certificate that is not renewed within four years after its expiration shall not be renewed, restored, reissued, or reinstated except upon completion of a certification training program, passing any test that may be required of an applicant for a new certificate at that time, and paying the appropriate fees provided for in this section.

(7) A fee of twenty-five dollars ($25) shall be charged for the reissuance of a lost certificate.

(8) A certificate holder shall inform the department of his or her employment status within 30 days of any change.

(g) The certificate shall be considered forfeited under the following conditions:

(1) The administrator has had a license revoked, suspended, or denied as authorized under Section 1550.

(2) The administrator has been denied employment, residence, or presence in a facility based on action resulting from an administrative hearing pursuant to Section 1522 or 1558.

(h) (1) The department, in consultation with the State Department of Health Care Services and the State Department of Developmental Services, shall establish, by regulation, the program content, the testing instrument, the process for approving certification training programs, and criteria to be used in authorizing individuals, organizations, or educational institutions to conduct certification training programs and continuing education courses. These regulations shall be developed in consultation with provider organizations, and shall be made available at least six months prior to the deadline required for certification. The department may deny vendor approval to any agency or person in any of the following circumstances:

(A) The applicant has not provided the department with evidence satisfactory to the department of the ability of the applicant to satisfy the requirements of vendorization set out in the regulations adopted by the department pursuant to subdivision (i).

(B) The applicant person or agency has a conflict of interest in that the person or agency places its clients in adult residential facilities.

(C) The applicant public or private agency has a conflict of interest in that the agency is mandated to place clients in adult

residential facilities and to pay directly for the services. The department may deny vendorization to this type of agency only as long as there are other vendor programs available to conduct the certification training programs and conduct education courses.

(2) The department may authorize vendors to conduct the administrator's certification training program pursuant to provisions set forth in this section. The department shall conduct the written test pursuant to regulations adopted by the department.

(3) The department shall prepare and maintain an updated list of approved training vendors.

(4) The department may inspect certification training programs and continuing education courses, including online courses, at no charge to the department, to determine if content and teaching methods comply with regulations. If the department determines that any vendor is not complying with the intent of this section, the department shall take appropriate action to bring the program into compliance, which may include removing the vendor from the approved list.

(5) The department shall establish reasonable procedures and timeframes not to exceed 30 days for the approval of vendor training programs.

(6) The department may charge a reasonable fee, not to exceed one hundred fifty dollars ($150) every two years to certification program vendors for review and approval of the initial 35-hour training program pursuant to subdivision (c). The department may also charge the vendor a fee not to exceed one hundred dollars ($100) every two years for the review and approval of the continuing education courses needed for recertification pursuant to this subdivision.

(7) (A) A vendor of online programs for continuing education shall ensure that each online course contains all of the following:

(i) An interactive portion in which the participant receives feedback, through online communication, based on input from the participant.

(ii) Required use of a personal identification number or personal identification information to confirm the identity of the participant.

(iii) A final screen displaying a printable statement, to be signed by the participant, certifying that the identified participant completed the course. The vendor shall obtain a copy of the final screen statement with the original signature of the participant prior

to the issuance of a certificate of completion. The signed statement of completion shall be maintained by the vendor for a period of three years and be available to the department upon demand. Any person who certifies as true any material matter pursuant to this clause that he or she knows to be false is guilty of a misdemeanor.

(B) This subdivision shall not prohibit the department from approving online programs for continuing education that do not meet the requirements of subparagraph (A) if the vendor demonstrates to the department's satisfaction that, through advanced technology, the course and the course delivery meet the requirements of this section.

(i) The department shall establish a registry for holders of certificates that shall include, at a minimum, information on employment status and criminal record clearance.

SEC. 87. Section 1796.24 of the Health and Safety Code is amended to read:

1796.24. (a) (1) The department shall establish a home care aide registry pursuant to this chapter and shall continuously update the registry information. Upon submission of the home care aide application and fingerprints or other identification documents pursuant to Section 1796.23, the department shall enter into the home care aide registry the person's name, identification number, and an indicator that the person has submitted a home care aide application and fingerprints or identification documentation. This person shall be known as a "home care aide applicant."

(2) A person shall not be entitled to apply to be a registered home care aide and shall have his or her registration application returned without the right to appeal if the person would not be eligible to obtain a license pursuant to Section 1558.1.

(b) (1) Before approving an individual for registration, the department shall check the individual's criminal history pursuant to Section 1522. Upon completion of the searches of the state summary criminal offender record information and the records of the Federal Bureau of Investigation, the applicant shall be issued a criminal record clearance or granted a criminal record exemption if grounds do not exist for denial pursuant to Section 1522. The department shall enter that finding in the person's record in the home care aide registry and shall notify the person of the action. This person shall be known as an "independent home care aide" or an "affiliated home care aide." If the applicant meets all of the

conditions for registration, except receipt of the Federal Bureau of Investigation's criminal offender record information search response, the department may issue a clearance if the applicant has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a minor traffic violation. If, after approval, the department determines that the registrant has a criminal record, registration may be revoked pursuant to Section 1796.26.

(2) For purposes of compliance with this section, the department may permit an applicant to request the transfer of a current criminal record clearance or exemption for a licensed care facility issued by the department or a county with delegated licensing authority. A signed criminal record clearance or exemption transfer request shall be submitted to the department and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the State Department of Social Services shall verify whether the individual has a clearance or exemption that can be transferred pursuant to the requirements of this chapter.

(3) The State Department of Social Services shall hold criminal record clearances and exemptions in its active files for a minimum of three years after the individual is no longer on the registry in order to facilitate a transfer request.

SEC. 88. Section 11379 of the Health and Safety Code is amended to read:

11379. (a) Except as otherwise provided in subdivision (b) and in Article 7 (commencing with Section 4110) of Chapter 9 of Division 2 of the Business and Professions Code, every person who transports, imports into this state, sells, furnishes, administers, or gives away, or offers to transport, import into this state, sell, furnish, administer, or give away, or attempts to import into this state or transport any controlled substance which is (1) classified in Schedule III, IV, or V and which is not a narcotic drug, except subdivision (g) of Section 11056, (2) specified in subdivision (d) of Section 11054, except paragraphs (13), (14), (15), (20), (21), (22), and (23) of subdivision (d), (3) specified in paragraph (11) of subdivision (c) of Section 11056, (4) specified in paragraph (2)

or (3) of subdivision (f) of Section 11054, or (5) specified in subdivision (d) or (e), except paragraph (3) of subdivision (e), or specified in subparagraph (A) of paragraph (1) of subdivision (f), of Section 11055, unless upon the prescription of a physician, dentist, podiatrist, or veterinarian, licensed to practice in this state, shall be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code for a period of two, three, or four years.

(b) Notwithstanding the penalty provisions of subdivision (a), any person who transports any controlled substances specified in subdivision (a) within this state from one county to another noncontiguous county shall be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code for three, six, or nine years.

(c) For purposes of this section, "transports" means to transport for sale.

(d) This section does not preclude or limit prosecution under an aiding and abetting theory or a conspiracy theory.

SEC. 89. Section 11751 of the Health and Safety Code is amended to read:

11751. (a) Except as provided in Section 131055.2, the State Department of Health Care Services shall succeed to and be vested with all the duties, powers, purposes, functions, responsibilities, and jurisdiction of the former State Department of Alcohol and Drug Programs.

(b) Any reference in statute, regulation, or contract to the State Department of Alcohol and Drug Programs or the State Department of Alcohol and Drug Abuse shall refer to the State Department of Health Care Services to the extent that they relate to the transfer of duties, powers, purposes, functions, responsibilities, and jurisdiction made pursuant to this section.

(c) A contract, lease, license, or any other agreement to which the State Department of Alcohol and Drug Programs is a party shall not be made void or voidable by reason of the act that enacted this section, but shall continue in full force and effect with the State Department of Health Care Services assuming all of the rights, obligations, and duties of the State Department of Alcohol and Drug Programs with respect to the transfer of duties, powers, purposes, functions, responsibilities, and jurisdiction made pursuant to this section.

(d) (1) All unexpended balances of appropriations and other funds available for use by the State Department of Alcohol and Drug Programs in connection with any function or the administration of any law transferred to the State Department of Health Care Services pursuant to the act that enacted this section shall be available for use by the State Department of Health Care Services for the purpose for which the appropriation was originally made or the funds were originally available.

(2) The State Department of Health Care Services may, until July 1, 2017, liquidate the prior years' encumbrances previously obligated by the former State Department of Alcohol and Drug Programs. The Controller shall transfer the following Budget Act appropriations from the former State Department of Alcohol and Drug Programs to the State Department of Health Care Services for use by the State Department of Health Care Services to liquidate the prior years' encumbrances previously obligated by the former State Department of Alcohol and Drug Programs:

(A) Items 4200-001-0001, 4200-001-0139, 4200-001-0243, 4200-001-0816, 4200-001-0890, 4200-001-3113, 4200-101-0001, 4200-101-0890, 4200-102-0001, 4200-103-0001, 4200-104-0001, and 4200-104-0890 of Section 2.00 of the Budget Act of 2011 (Chapter 33 of the Statutes of 2011).

(B) Items 4200-001-0001, 4200-001-0139, 4200-001-0243, 4200-001-0816, 4200-001-0890, 4200-001-3113, 4200-101-0001, 4200-101-0890, 4200-104-0001, and 4200-104-0890 of Section 2.00 of the Budget Act of 2012 (Chapter 21 of the Statutes of 2012).

(e) All books, documents, forms, records, data systems, and property of the State Department of Alcohol and Drug Programs with respect to the transfer of duties, powers, purposes, functions, responsibilities, and jurisdiction made pursuant to this section shall be transferred to the State Department of Health Care Services.

(f) Positions filled by appointment by the Governor in the State Department of Alcohol and Drug Programs whose principal assignment was to perform functions transferred pursuant to this section shall be transferred to the State Department of Health Care Services.

(g) All employees serving in state civil service, other than temporary employees, who are engaged in the performance of functions transferred pursuant to this section, are transferred to the

State Department of Health Care Services pursuant to the provisions of Section 19050.9 of the Government Code. The status, position, and rights of those persons shall not be affected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), except as to positions the duties of which are vested in a position exempt from civil service. The personnel records of all employees transferred pursuant to this section shall be transferred to the State Department of Health Care Services.

(h) Any regulation or other action adopted, prescribed, taken, or performed by an agency or officer in the administration of a program or the performance of a duty, power, purpose, function, or responsibility pursuant to this division or Division 10.6 (commencing with Section 11998) in effect prior to July 1, 2013, shall remain in effect unless or until amended, and shall be deemed to be a regulation or action of the agency to which or officer to whom the program, duty, power, purpose, function, responsibility, or jurisdiction is assigned pursuant to this section.

(i) A suit, action, or other proceeding lawfully commenced by or against any agency or other officer of the state, in relation to the administration of any program or the discharge of any duty, power, purpose, function, or responsibility transferred pursuant to this section, shall not abate by reason of the transfer of the program, duty, power, purpose, function, or responsibility under that section.

SEC. 90. Section 25249.7 of the Health and Safety Code is amended to read:

25249.7. (a) A person who violates or threatens to violate Section 25249.5 or 25249.6 may be enjoined in any court of competent jurisdiction.

(b) (1) A person who has violated Section 25249.5 or 25249.6 is liable for a civil penalty not to exceed two thousand five hundred dollars ($2,500) per day for each violation in addition to any other penalty established by law. That civil penalty may be assessed and recovered in a civil action brought in any court of competent jurisdiction.

(2) In assessing the amount of a civil penalty for a violation of this chapter, the court shall consider all of the following:

(A) The nature and extent of the violation.

(B) The number of, and severity of, the violations.

(C) The economic effect of the penalty on the violator.

(D) Whether the violator took good faith measures to comply with this chapter and the time these measures were taken.

(E) The willfulness of the violator's misconduct.

(F) The deterrent effect that the imposition of the penalty would have on both the violator and the regulated community as a whole.

(G) Any other factor that justice may require.

(c) Actions pursuant to this section may be brought by the Attorney General in the name of the people of the State of California, by a district attorney, by a city attorney of a city having a population in excess of 750,000, or, with the consent of the district attorney, by a city prosecutor in a city or city and county having a full-time city prosecutor, or as provided in subdivision (d).

(d) Actions pursuant to this section may be brought by a person in the public interest if both of the following requirements are met:

(1) The private action is commenced more than 60 days from the date that the person has given notice of an alleged violation of Section 25249.5 or 25249.6 that is the subject of the private action to the Attorney General and the district attorney, city attorney, or prosecutor in whose jurisdiction the violation is alleged to have occurred, and to the alleged violator. If the notice alleges a violation of Section 25249.6, the notice of the alleged violation shall include a certificate of merit executed by the attorney for the noticing party, or by the noticing party, if the noticing party is not represented by an attorney. The certificate of merit shall state that the person executing the certificate has consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the action, and that, based on that information, the person executing the certificate believes there is a reasonable and meritorious case for the private action. Factual information sufficient to establish the basis of the certificate of merit, including the information identified in paragraph (2) of subdivision (h), shall be attached to the certificate of merit that is served on the Attorney General.

(2) The Attorney General, a district attorney, a city attorney, or a prosecutor has not commenced and is not diligently prosecuting an action against the violation.

(e) A person bringing an action in the public interest pursuant to subdivision (d) and a person filing an action in which a violation of this chapter is alleged shall notify the Attorney General that the action has been filed. Neither this subdivision nor the procedures provided in subdivisions (f) to (k), inclusive, affect the requirements imposed by statute or a court decision in existence on January 1, 2002, concerning whether a person filing an action in which a violation of this chapter is alleged is required to comply with the requirements of subdivision (d).

(f) (1) A person filing an action in the public interest pursuant to subdivision (d), a private person filing an action in which a violation of this chapter is alleged, or a private person settling a violation of this chapter alleged in a notice given pursuant to paragraph (1) of subdivision (d), shall, after the action or violation is subject either to a settlement or to a judgment, submit to the Attorney General a reporting form that includes the results of that settlement or judgment and the final disposition of the case, even if dismissed. At the time of the filing of a judgment pursuant to an action brought in the public interest pursuant to subdivision (d), or an action brought by a private person in which a violation of this chapter is alleged, the plaintiff shall file an affidavit verifying that the report required by this subdivision has been accurately completed and submitted to the Attorney General.

(2) A person bringing an action in the public interest pursuant to subdivision (d), or a private person bringing an action in which a violation of this chapter is alleged, shall, after the action is either subject to a settlement, with or without court approval, or to a judgment, submit to the Attorney General a report that includes information on any corrective action being taken as a part of the settlement or resolution of the action.

(3) The Attorney General shall develop a reporting form that specifies the information that shall be reported, including, but not limited to, for purposes of subdivision (e), the date the action was filed, the nature of the relief sought, and for purposes of this subdivision, the amount of the settlement or civil penalty assessed, other financial terms of the settlement, and any other information the Attorney General deems appropriate.

(4) If there is a settlement of an action brought by a person in the public interest under subdivision (d), the plaintiff shall submit the settlement, other than a voluntary dismissal in which no

consideration is received from the defendant, to the court for approval upon noticed motion, and the court may approve the settlement only if the court makes all of the following findings:

(A) The warning that is required by the settlement complies with this chapter.

(B) The award of attorney's fees is reasonable under California law.

(C) The penalty amount is reasonable based on the criteria set forth in paragraph (2) of subdivision (b).

(5) The plaintiff subject to paragraph (4) has the burden of producing evidence sufficient to sustain each required finding. The plaintiff shall serve the motion and all supporting papers on the Attorney General, who may appear and participate in a proceeding without intervening in the case.

(6) Neither this subdivision nor the procedures provided in subdivision (e) and subdivisions (g) to (k), inclusive, affect the requirements imposed by statute or a court decision in existence on January 1, 2002, concerning whether claims raised by a person or public prosecutor not a party to the action are precluded by a settlement approved by the court.

(g) The Attorney General shall maintain a record of the information submitted pursuant to subdivisions (e) and (f) and shall make this information available to the public.

(h) (1) Except as provided in paragraph (2), the basis for the certificate of merit required by subdivision (d) is not discoverable. However, nothing in this subdivision precludes the discovery of information related to the certificate of merit if that information is relevant to the subject matter of the action and is otherwise discoverable, solely on the ground that it was used in support of the certificate of merit.

(2) Upon the conclusion of an action brought pursuant to subdivision (d) with respect to a defendant, if the trial court determines that there was no actual or threatened exposure to a listed chemical, the court may, upon the motion of that alleged violator or upon the court's own motion, review the basis for the belief of the person executing the certificate of merit, expressed in the certificate of merit, that an exposure to a listed chemical had occurred or was threatened. The information in the certificate of merit, including the identity of the persons consulted with and relied on by the certifier, and the facts, studies, or other data

reviewed by those persons, shall be disclosed to the court in an in-camera proceeding at which the moving party shall not be present. If the court finds that there was no credible factual basis for the certifier's belief that an exposure to a listed chemical had occurred or was threatened, then the action shall be deemed frivolous within the meaning of Section 128.7 of the Code of Civil Procedure. The court shall not find a factual basis credible on the basis of a legal theory of liability that is frivolous within the meaning of Section 128.7 of the Code of Civil Procedure.

(i) The Attorney General may provide the factual information submitted to establish the basis of the certificate of merit on request to a district attorney, city attorney, or prosecutor within whose jurisdiction the violation is alleged to have occurred, or to any other state or federal government agency, but in all other respects the Attorney General shall maintain, and ensure that all recipients maintain, the submitted information as confidential official information to the full extent authorized in Section 1040 of the Evidence Code.

(j) In an action brought by the Attorney General, a district attorney, a city attorney, or a prosecutor pursuant to this chapter, the Attorney General, district attorney, city attorney, or prosecutor may seek and recover costs and attorney's fees on behalf of a party who provides a notice pursuant to subdivision (d) and who renders assistance in that action.

(k) A person who serves a notice of alleged violation pursuant to paragraph (1) of subdivision (d) for an exposure identified in subparagraph (A), (B), (C), or (D) of paragraph (1) shall complete, as appropriate, and provide to the alleged violator, a notice of special compliance procedure and proof of compliance form pursuant to subdivision (*l*) and shall not file an action for that exposure against the alleged violator, or recover from the alleged violator in a settlement any payment in lieu of penalties or any reimbursement for costs and attorney's fees, if all of the following conditions have been met:

(1) The notice given pursuant to paragraph (1) of subdivision (d) was served on or after October 5, 2013, and alleges that the alleged violator failed to provide clear and reasonable warning as required under Section 25249.6 regarding one or more of the following, and no other violation:

(A) An exposure to alcoholic beverages that are consumed on the alleged violator's premises, to the extent onsite consumption is permitted by law.

(B) An exposure to a chemical known to the state to cause cancer or reproductive toxicity in a food or beverage prepared and sold on the alleged violator's premises primarily intended for immediate consumption on or off premises, to the extent both of the following conditions apply:

(i) The chemical was not intentionally added.

(ii) The chemical was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination.

(C) An exposure to environmental tobacco smoke caused by the entry of persons, other than employees, on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises.

(D) An exposure to chemicals known to the state to cause cancer or reproductive toxicity in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking noncommercial vehicles.

(2) Within 14 days after service of the notice, the alleged violator has done all of the following:

(A) Corrected the alleged violation.

(B) (i) Agreed to pay a civil penalty for the alleged violation of Section 25249.6 in the amount of five hundred dollars ($500), to be adjusted quinquennially pursuant to clause (ii), per facility or premises where the alleged violation occurred, of which 75 percent shall be deposited in the Safe Drinking Water and Toxic Enforcement Fund, and 25 percent shall be paid to the person that served the notice as provided in Section 25249.12.

(ii) On April 1, 2019, and at each five-year interval thereafter, the dollar amount of the civil penalty provided pursuant to this subparagraph shall be adjusted by the Judicial Council based on the change in the annual California Consumer Price Index for All Urban Consumers, published by the Department of Industrial Relations, Division of Labor Statistics, for the most recent five-year period ending on December 31 of the year preceding the year in which the adjustment is made, rounded to the nearest five dollars ($5). The Judicial Council shall quinquennially publish the dollar

amount of the adjusted civil penalty provided pursuant to this subparagraph, together with the date of the next scheduled adjustment.

(C) Notified, in writing, the person that served the notice of the alleged violation, that the violation has been corrected. The written notice shall include the notice of special compliance procedure and proof of compliance form specified in subdivision (*l*), which was provided by the person serving notice of the alleged violation and which shall be completed by the alleged violator as directed in the notice.

(3) The alleged violator shall deliver the civil penalty to the person that served the notice of the alleged violation within 30 days of service of that notice, and the person that served the notice of violation shall remit the portion of the penalty due to the Safe Drinking Water and Toxic Enforcement Fund within 30 days of receipt of the funds from the alleged violator.

(*l*) The notice required to be provided to an alleged violator pursuant to subdivision (k) shall be presented as follows:

Date: Page 1
Name of Noticing Party or attorney for Noticing Party:
Address:
Phone number:

SPECIAL COMPLIANCE PROCEDURE
PROOF OF COMPLIANCE

You are receiving this form because the Noticing Party listed above has alleged that you are violating California Health and Safety Code §25249.6 (Prop. 65).

The Noticing Party may not bring any legal proceedings against you for the alleged violation checked below if:

(1) You have actually taken the corrective steps that you have certified in this form.
(2) The Noticing Party has received this form at the address shown above, accurately completed by you, postmarked within 14 days of your receiving this notice.
(3) The Noticing Party receives the required $500 penalty payment from you at the address shown above postmarked within 30 days of your receiving this notice.
(4) This is the first time you have submitted a Proof of Compliance for a violation arising from the same exposure in the same facility on the same premises.

PART 1: TO BE COMPLETED BY THE NOTICING PARTY OR ATTORNEY FOR THE NOTICING PARTY

The alleged violation is for an exposure to: (check one)

___Alcoholic beverages that are consumed on the alleged violator's premises to the extent on-site consumption is permitted by law.

___A chemical known to the state to cause cancer or reproductive toxicity in a food or beverage prepared and sold on the alleged violator's premises for immediate consumption on or off premises to the extent: (1) the chemical was not intentionally added; and (2) the chemical was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination.

____Environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises.

___ Chemicals known to the State to cause cancer or reproductive toxicity in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking noncommercial vehicles.

IMPORTANT NOTES:

(1) You have no potential liability under California Health and Safety Code §25249.6 if your business has nine (9) or fewer employees.
(2) Using this form will NOT prevent the Attorney General, a district attorney, a city attorney, or a prosecutor in whose jurisdiction the violation is alleged to have occurred from filing an action over the same alleged violations. However, in any such action, the amount of civil penalty shall be reduced to reflect any payment made at this time.

Date: Page 2
Name of Noticing Party or attorney for Noticing Party:
Address:
Phone number:

PART 2: TO BE COMPLETED BY THE ALLEGED VIOLATOR OR AUTHORIZED REPRESENTATIVE

Certification of Compliance

Accurate completion of this form will demonstrate that you are now in compliance with California Health and Safety Code §25249.6 for the alleged violation listed above. You must complete and submit the form below to the Noticing Party at the address shown above, postmarked within 14 days of you receiving this notice.

I hereby agree to pay, within 30 days of completion of this notice, a civil penalty of $500 to the Noticing Party only and certify that I have complied with Health and Safety Code §25249.6 by (check only one of the following):

[ ] Posting a warning or warnings about the alleged exposure that complies with the law, and attaching a copy of that warning and a photograph accurately showing its placement on my premises;
[ ] Posting the warning or warnings demanded in writing by the Noticing Party, and attaching a copy of that warning and a photograph accurately showing its placement on my premises; OR
[ ] Eliminating the alleged exposure, and attaching a statement accurately describing how the alleged exposure has been eliminated.

Certification

My statements on this form, and on any attachments to it, are true, complete, and correct to the best of my knowledge and belief and are made in good faith. I have carefully read the instructions to complete this form. I understand that if I make a false statement on this form, I may be subject to additional penalties under the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65).

_____ _____
Signature of alleged violator or authorized representative Date

_____
Name and title of signatory

(m) An alleged violator may satisfy the conditions set forth in subdivision (k) only one time for a violation arising from the same exposure in the same facility or on the same premises.

(n) Subdivision (k) shall not prevent the Attorney General, a district attorney, a city attorney, or a prosecutor in whose jurisdiction the violation is alleged to have occurred from filing an action pursuant to subdivision (c) against an alleged violator. In any such action, the amount of any civil penalty for a violation shall be reduced to reflect any payment made by the alleged violator for the same alleged violation pursuant to subparagraph (B) of paragraph (2) of subdivision (k).

SEC. 91. Section 25269.1 of the Health and Safety Code is amended to read:

25269.1. For purposes of this chapter, the following terms have the following meaning:

(a) "Department" means the Department of Toxic Substances Control.

(b) "Direct oversight costs" means the costs to the department of overseeing a cleanup action, pursuant to the authority specified in subdivision (a) of Section 25269.2, that can be specifically attributed to a particular cost objective, including, but not limited to, sites, facilities, and activities.

(c) "Indirect oversight costs" means the costs to the department of activity that is of a common or joint purpose benefiting more than one cost objective and not readily assignable to a single case objective.

(d) "Pro rata" means the general administrative costs expended by central service agencies to provide centralized services to state agencies, as defined in the State Administrative Manual.

SEC. 92. Section 121022 of the Health and Safety Code is amended to read:

121022. (a) To ensure knowledge of current trends in the HIV epidemic and to ensure that California remains competitive for federal HIV and AIDS funding, health care providers and laboratories shall report cases of HIV infection to the local health officer using patient names on a form developed by the department. Both the local health officer and the department shall be authorized to access reports of HIV infection that are electronically submitted by laboratories pursuant to subdivision (g) of Section 120130.

Local health officers shall report unduplicated HIV cases by name to the department on a form developed by the department.

(b) (1) Health care providers and local health officers shall submit cases of HIV infection pursuant to subdivision (a) by courier service, United States Postal Service express mail or registered mail, other traceable mail, person-to-person transfer, facsimile, or electronically by a secure and confidential electronic reporting system established by the department.

(2) This subdivision shall be implemented using the existing resources of the department.

(c) The department and local health officers shall ensure continued reasonable access to anonymous HIV testing through alternative testing sites, as established by Section 120890, and in consultation with HIV planning groups and affected stakeholders, including representatives of persons living with HIV and health officers.

(d) The department shall promulgate emergency regulations to conform the relevant provisions of Article 3.5 (commencing with Section 2641.5) of Subchapter 1 of Chapter 4 of Division 1 of Title 17 of the California Code of Regulations, consistent with this chapter, by April 17, 2007. Notwithstanding the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), if the department revises the form used for reporting pursuant to subdivision (a) after consideration of the reporting guidelines published by the federal Centers for Disease Control and Prevention, the revised form shall be implemented without being adopted as a regulation, and shall be filed with the Secretary of State and printed in Title 17 of the California Code of Regulations.

(e) Pursuant to Section 121025, reported cases of HIV infection shall not be disclosed, discoverable, or compelled to be produced in any civil, criminal, administrative, or other proceeding.

(f) State and local health department employees and contractors shall be required to sign confidentiality agreements developed by the department that include information related to the penalties for a breach of confidentiality and the procedures for reporting a breach of confidentiality, prior to accessing confidential HIV-related public health records. Those agreements shall be reviewed annually by either the department or the appropriate local health department.

(g) A person shall not disclose identifying information reported pursuant to subdivision (a) to the federal government, including, but not limited to, any agency, employee, agent, contractor, or anyone else acting on behalf of the federal government, except as permitted under subdivision (b) of Section 121025.

(h) (1) Any potential or actual breach of confidentiality of HIV-related public health records shall be investigated by the local health officer, in coordination with the department, when appropriate. The local health officer shall immediately report any evidence of an actual breach of confidentiality of HIV-related public health records at a city or county level to the department and the appropriate law enforcement agency.

(2) The department shall investigate any potential or actual breach of confidentiality of HIV-related public health records at the state level, and shall report any evidence of such a breach of confidentiality to an appropriate law enforcement agency.

(i) Any willful, negligent, or malicious disclosure of cases of HIV infection reported pursuant to subdivision (a) shall be subject to the penalties prescribed in Section 121025.

(j) This section does not limit other remedies and protections available under state or federal law.

SEC. 93. Section 121026 of the Health and Safety Code is amended to read:

121026. (a) Notwithstanding subdivision (f) of Section 120980, Section 121010, subdivision (g) of Section 121022, subdivision (f) of Section 121025, Section 121115, and Section 121280, the State Department of Public Health and qualified entities may share with each other health records involving the diagnosis, care, and treatment of human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS) related to a beneficiary enrolled in federal Ryan White Act funded programs who may be eligible for services under the federal Patient Protection and Affordable Care Act (Public Law 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152). The qualified entities, who shall be covered entities under the federal Health Insurance Portability and Accountability Act (Public Law 104-191) and the final regulations issued pursuant to the act by the United States Department of Health and Human Services (45 C.F.R. Parts 160 and 164), may share records only for the purpose of enrolling the beneficiary in

Medi-Cal, the bridge programs, Medicaid expansion programs, and any insurance plan certified by the California Health Benefit Exchange established pursuant to Title 22 (commencing with Section 100500) of the Government Code, or any other programs authorized under the federal Patient Protection and Affordable Care Act (Public Law 111-148), and for the purpose of continuing his or her access to those programs and plans without disruption.

(b) The information provided by the State Department of Public Health pursuant to this section shall be limited to only the information necessary for the purposes of this section and shall not include HIV or AIDS surveillance data. This information shall not be further disclosed by a qualified entity, except to any or all of the following as necessary for the purposes of this section:

(1) The person who is the subject of the record or to his or her guardian or conservator.

(2) The provider of health care for the person with HIV or AIDS to whom the information pertains.

(3) The Office of AIDS within the State Department of Public Health.

(c) For purposes of this section, the following definitions shall apply:

(1) "Contractor" means any person or entity that is a medical group, independent practice association, pharmaceutical benefits manager, or a medical service organization and is not a health care service plan or provider of health care.

(2) "Provider of health care" means any person licensed or certified pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code; any person licensed pursuant to the Osteopathic Initiative Act or the Chiropractic Initiative Act; any person certified pursuant to Division 2.5 (commencing with Section 1797) of the Health and Safety Code; any clinic, health dispensary, or health facility licensed pursuant to Division 2 (commencing with Section 1200) of the Health and Safety Code.

(3) "Qualified entity" means any of the following:

(A) The State Department of Health Care Services.

(B) The California Health Benefit Exchange established pursuant to Title 22 (commencing with Section 100500) of the Government Code.

(C) Medi-Cal managed care plans.

(D) Health plans participating in the Bridge Program.

(E) Health plans offered through the Exchange.

(F) County health departments delivering HIV or AIDS health care services.

(d) Notwithstanding any other law, information shared pursuant to this section shall not be disclosed, discoverable, or compelled to be produced in any civil, criminal, administrative, or other proceeding.

(e) This section shall be implemented only to the extent permitted by federal law. All employees and contractors of a qualified entity who have access to confidential HIV-related medical records pursuant to this section shall be subject to, and all information shared pursuant to this section shall be protected in accordance with, the federal Health Insurance Portability and Accountability Act (Public Law 104-191) and the final regulations issued pursuant to that act by the United States Department of Health and Human Services (45 C.F.R. Parts 160 and 164), the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code), and the Insurance Information and Privacy Protection Act (Article 6.6 (commencing with Section 791) of Part 2 of Division 1 of the Insurance Code).

SEC. 94. Section 123367 of the Health and Safety Code is amended to read:

123367. (a) For the purposes of this section, the following definitions shall apply:

(1) "Baby-Friendly Hospital Initiative" means the program sponsored by the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) that recognizes hospitals that offer an optimal level of care for infant feeding.

(2) "Perinatal unit" means a maternity and newborn service of the hospital for the provision of care during pregnancy, labor, delivery, and postpartum and neonatal periods with appropriate staff, space, equipment, and supplies.

(b) All general acute care hospitals and special hospitals, as defined in subdivisions (a) and (f) of Section 1250, that have a perinatal unit shall, by January 1, 2025, adopt the "Ten Steps to Successful Breastfeeding," as adopted by Baby-Friendly USA, per the Baby-Friendly Hospital Initiative, or an alternate process adopted by a health care service plan that includes evidence-based policies and practices and targeted outcomes, or the Model Hospital

Policy Recommendations as defined in paragraph (3) of subdivision (b) of Section 123366.

SEC. 95. Section 130301 of the Health and Safety Code is amended to read:

130301. The Legislature finds and declares the following:

(a) The federal Health Insurance Portability and Accountability Act (Public Law 104-191), known as HIPAA, was enacted on August 21, 1996.

(b) HIPAA extends health coverage benefits to workers after they terminate or change employment by allowing the worker to participate in existing group coverage plans, thereby avoiding the additional expense associated with obtaining individual coverage as well as the potential loss of coverage because of a preexisting health condition.

(c) Administrative simplification is a key feature of HIPAA, requiring standard national identifiers for providers, employers, and health plans and the development of uniform standards for the coding and transmission of claims and health care information. Administration simplification is intended to promote the use of information technology, thereby reducing costs and increasing efficiency in the health care industry.

(d) HIPAA also contains new standards for safeguarding the privacy and security of health information. Therefore, the development of policies for safeguarding the privacy and security of health records is a fundamental and indispensable part of HIPAA implementation that must accompany or precede the expansion or standardization of technology for recording or transmitting health information.

(e) The federal Department of Health and Human Services has published, and continues to publish, rules pertaining to the implementation of HIPAA. Following a 60-day congressional concurrence period, health providers and insurers have 24 months in which to implement these rules.

(f) These federal rules directly apply to state and county departments that provide health coverage, health care, mental health services, and alcohol and drug treatment programs. Other state and county departments are subject to these rules to the extent they use or exchange information with the departments to which the federal rules directly apply.

(g) In view of the substantial changes that HIPAA will require in the practices of both private and public health entities and their business associates, the ability of California government to continue the delivery of vital health services will depend upon the implementation of HIPAA in a manner that is coordinated among state departments as well as our partners in county government and the private health sector.

(h) The implementation of HIPAA shall be accomplished as required by federal law and regulations and shall be a priority for state departments.

SEC. 96. Section 395 of the Insurance Code is amended to read:

395. After a covered loss, an insurer shall provide, free of charge, a complete copy of the insured's current insurance policy or certificate within 30 calendar days of receipt of a request from the insured. The period for providing the insurance policy or certificate may be extended by the commissioner. An insured who does not experience a covered loss shall, upon request, be entitled to one free copy of his or her current insurance policy or certificate annually. The insurance policy or certificate provided to the insured shall include, where applicable, the policy declarations page. This section shall not apply to commercial policies issued pursuant to Sections 675.5 and 676.6, and policies of workers' compensation insurance, as defined in Section 109.

SEC. 97. Section 791.29 of the Insurance Code is amended to read:

791.29. (a) Notwithstanding any other law, and to the extent permitted by federal law, a health insurer shall take the following steps to protect the confidentiality of an insured's medical information on and after January 1, 2015:

(1) A health insurer shall permit an insured to request, and shall accommodate requests for, communication in the form and format requested by the individual, if it is readily producible in the requested form and format, or at alternative locations, if the insured clearly states either that the communication discloses medical information or provider name and address relating to receipt of sensitive services or that disclosure of all or part of the medical information or provider name and address could endanger him or her.

(2) A health insurer may require the insured to make a request for a confidential communication described in paragraph (1) in writing or by electronic transmission.

(3) A health insurer may require that a confidential communications request contain a statement that the request pertains to either medical information related to the receipt of sensitive services or that disclosure of all or part of the medical information could endanger the insured. The health insurer shall not require an explanation as to the basis for a insured's statement that disclosure could endanger the insured.

(4) The confidential communication request shall be valid until the insured submits a revocation of the request, or a new confidential communication request is submitted.

(5) For the purposes of this section, a confidential communications request shall be implemented by the health insurer within seven calendar days of the receipt of an electronic transmission or telephonic request or within 14 calendar days of receipt by first-class mail. The health insurer shall acknowledge receipt of the confidential communications request and advise the insured of the status of implementation of the request if an insured contacts the insurer.

(b) Notwithstanding subdivision (a), a provider of health care may make arrangements with the insured for the payment of benefit cost sharing and communicate that arrangement with the insurer.

(c) A health insurer shall not condition coverage on the waiver of rights provided in this section.

SEC. 98. Section 935.8 of the Insurance Code is amended to read:

935.8. (a) Documents, materials, or other information, including the ORSA Summary Report, in the possession of or control of the Department of Insurance that are obtained by, created by, or disclosed to the commissioner or any other person under this article, are recognized by this state as being proprietary and contain trade secrets. These documents, materials, or other information shall be confidential by law and privileged, shall not be subject to disclosure pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), and shall not be subject to subpoena or discovery, or admissible in evidence, in any private civil action. However, the commissioner is authorized to use those

documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make those documents, materials, or other information public without the prior written consent of the insurer.

(b) Neither the commissioner nor any other person who received documents, materials, or other ORSA-related information, including the ORSA Summary Report, through examination or otherwise, while acting under the authority of the commissioner, or with whom those documents, materials, or other information are shared pursuant to this article, shall be permitted or required to testify in any private civil action concerning those confidential documents, materials, or information, subject to subdivision (a).

(c) In order to assist in the performance of the commissioner's regulatory duties, the commissioner:

(1) May, upon request, share documents, materials, or other ORSA-related information, including the confidential and privileged documents, materials, or information subject to subdivision (a), including proprietary and trade secret documents and materials, with other state, federal, and international financial regulatory agencies, including members of any supervisory college as described in Section 1215.7, with the NAIC, and with any third-party consultants designated by the commissioner, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the ORSA-related documents, materials, or other information and has verified in writing the legal authority to maintain confidentiality.

(2) May receive documents, materials, or other ORSA-related information, including otherwise confidential and privileged documents, materials, or information, including proprietary and trade secret information or documents, from regulatory officials of other foreign or domestic jurisdictions, including members of any supervisory college as described in Section 1215.7, and from the NAIC, and shall maintain as confidential or privileged any documents, materials, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

(3) Shall enter into a written agreement with the NAIC or a third-party consultant governing the sharing and the use of

information provided pursuant to this article, consistent with this subdivision that shall do all of the following:

(A) Specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC or a third-party consultant pursuant to this article, including procedures and protocols for sharing by the NAIC with other state regulators from states in which the insurance group has domiciled insurers. The agreement shall provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the ORSA-related documents, materials, or other information and has verified in writing the legal authority to maintain confidentiality.

(B) Specify that ownership of information shared with the NAIC or a third-party consultant pursuant to this article remains with the commissioner and that the NAIC's or a third-party consultant's use of the information is subject to the direction of the commissioner.

(C) Prohibit the NAIC or third-party consultant from storing the information shared pursuant to this article in a permanent database after the underlying analysis is completed.

(D) Require prompt notice to be given to an insurer whose confidential information in the possession of the NAIC or a third-party consultant pursuant to this article when that information is subject to a request or subpoena to the NAIC or a third-party consultant for disclosure or production.

(E) Require the NAIC or a third-party consultant to consent to intervention by an insurer in any judicial or administrative action in which the NAIC or a third-party consultant may be required to disclose confidential information about the insurer shared with the NAIC or a third-party consultant pursuant to this article.

(F) In the case of an agreement involving a third-party consultant, provide for the insurer's written consent.

(d) The sharing of information and documents by the commissioner pursuant to this article shall not constitute a delegation of regulatory authority or rulemaking, and the commissioner is solely responsible for the administration, execution, and enforcement of the provisions of this article.

(e) A waiver of any applicable privilege or claim of confidentiality in the documents, proprietary and trade secret materials, or other ORSA-related information shall not occur as a result of disclosure of the ORSA-related information or documents

to the commissioner under this section or as a result of sharing as authorized in this article.

(f) Documents, materials, or other information in the possession or control of the NAIC or a third-party consultant pursuant to this article shall be confidential by law and privileged, shall not be subject to disclosure pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), and shall not be subject to subpoena or discovery, or admissible in evidence, in any private civil action.

SEC. 99. Section 1216.1 of the Insurance Code is amended to read:

1216.1. As used in this article, the following terms have the following meanings:

(a) "Accredited state" means a state in which the insurance department or regulatory agency having jurisdiction over the business of insurance has qualified as meeting the minimum financial regulatory standards promulgated and established from time to time by the National Association of Insurance Commissioners' (NAIC) Financial Regulation Standards and Accreditation Program.

(b) "Control" or "controlled" has the meaning ascribed in Section 1215.

(c) "Controlled insurer" means an admitted insurer which is controlled, directly or indirectly, by a producer.

(d) "Controlling producer" means a producer who, directly or indirectly, controls an insurer.

(e) "Admitted insurer" or "insurer" means any person, firm, association, or corporation admitted to transact any property or casualty insurance business in this state. The following are not insurers for the purposes of this article:

(1) All residual market pools and joint underwriting authorities or associations.

(2) All captive insurers, other than risk retention groups as defined in the federal Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. Sec. 9671), the federal Liability Risk Retention Act of 1986 (15 U.S.C. Sec. 3901 et seq.), and the California Risk Retention Act of 1991 (Chapter 1.5 (commencing with Section 125) of Part 1). For the purposes of this article, captive insurers are either insurance companies which are owned by

another organization and whose exclusive purpose is to insure risks of the parent organization and affiliated companies, or in the case of groups and associations, insurance organizations which are owned by the insureds and whose exclusive purpose is to insure risks of member organizations and group or association members and their affiliates.

(f) "Producer" means a fire and casualty licensee or licensees or any other person, firm, association, or corporation, when, for any compensation, commission, or other thing of value, the person, firm, association, or corporation acts or aids in any manner in soliciting, negotiating, or procuring the making of any insurance contract on behalf of an insured other than the person, firm, association, or corporation.

SEC. 100. Section 10133.4 of the Insurance Code is amended to read:

10133.4. (a) For purposes of insurers that contract with providers for alternate rates pursuant to Section 10133, a primary care provider includes a "nonphysician medical practitioner," which is defined as a physician assistant performing services under the supervision of a primary care physician in compliance with Chapter 7.7 (commencing with Section 3500) of Division 2 of the Business and Professions Code or a nurse practitioner performing services in collaboration with a physician pursuant to Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code.

(b) This section shall not require a primary care provider to accept the assignment of a number of insureds that would exceed standards of good health care as provided in Section 10133.5.

(c) This section shall not be interpreted to modify subdivision (e) of Section 2836.1 of the Business and Professions Code or subdivision (b) of Section 3516 of the Business and Professions Code.

SEC. 101. Section 10232.8 of the Insurance Code is amended to read:

10232.8. (a) In every long-term care policy or certificate that is not intended to be a federally qualified long-term care insurance contract and provides home care benefits, the threshold establishing eligibility for home care benefits shall be at least as permissive as a provision that the insured will qualify if either one of two criteria are met:

(1) Impairment in two out of seven activities of daily living.

(2) Impairment of cognitive ability.

The policy or certificate may provide for lesser but not greater eligibility criteria. The commissioner, at his or her discretion, may approve other criteria or combinations of criteria to be substituted, if the insurer demonstrates that the interest of the insured is better served.

"Activities of daily living" in every policy or certificate that is not intended to be a federally qualified long-term care insurance contract and provides home care benefits shall include eating, bathing, dressing, ambulating, transferring, toileting, and continence; "impairment" means that the insured needs human assistance, or needs continual substantial supervision; and "impairment of cognitive ability" means deterioration or loss of intellectual capacity due to organic mental disease, including Alzheimer's disease or related illnesses, that requires continual supervision to protect oneself or others.

(b) In every long-term care policy approved or certificate issued after the effective date of the act adding this section, that is intended to be a federally qualified long-term care insurance contract as described in subdivision (a) of Section 10232.1, the threshold establishing eligibility for home care benefits shall provide that a chronically ill insured will qualify if either one of two criteria are met or if a third criterion, as provided by this subdivision, is met:

(1) Impairment in two out of six activities of daily living.

(2) Impairment of cognitive ability.

Other criteria shall be used in establishing eligibility for benefits if federal law or regulations allow other types of disability to be used applicable to eligibility for benefits under a long-term care insurance policy. If federal law or regulations allow other types of disability to be used, the commissioner shall promulgate emergency regulations to add those other criteria as a third threshold to establish eligibility for benefits. Insurers shall submit policies for approval within 60 days of the effective date of the regulations. With respect to policies previously approved, the department is authorized to review only the changes made to the policy. All new policies approved and certificates issued after the effective date of the regulation shall include the third criterion. A policy shall not be sold unless the policy includes the third criterion

after one year beyond the effective date of the regulations. An insured meeting this third criterion shall be eligible for benefits regardless of whether the individual meets the impairment requirements in paragraph (1) or (2) regarding activities of daily living and cognitive ability.

(c) A licensed health care practitioner, independent of the insurer, shall certify that the insured meets the definition of "chronically ill individual" as defined under Public Law 104-191. For the purposes of long-term care insurance as defined in Section 10231.2, an insurer shall not impose a certification requirement of longer than 90 days. If a health care practitioner makes a determination, pursuant to this section, that an insured does not meet the definition of "chronically ill individual," the insurer shall notify the insured that the insured shall be entitled to a second assessment by a licensed health care practitioner, upon request, who shall personally examine the insured. The requirement for a second assessment shall not apply if the initial assessment was performed by a practitioner who otherwise meets the requirements of this section and who personally examined the insured. The assessments conducted pursuant to this section shall be performed promptly with the certification completed as quickly as possible to ensure that an insured's benefits are not delayed. The written certification shall be renewed every 12 months. A licensed health care practitioner shall develop a written plan of care after personally examining the insured. The costs to have a licensed health care practitioner certify that an insured meets, or continues to meet, the definition of "chronically ill individual," or to prepare written plans of care shall not count against the lifetime maximum of the policy or certificate. In order to be considered "independent of the insurer," a licensed health care practitioner shall not be an employee of the insurer and shall not be compensated in any manner that is linked to the outcome of the certification. It is the intent of this subdivision that the practitioner's assessments be unhindered by financial considerations. This subdivision shall apply only to a policy or certificate intended to be a federally qualified long-term care insurance contract.

(d) "Activities of daily living" in every policy or certificate intended to be a federally qualified long-term care insurance contract as provided by Public Law 104-191 shall include eating, bathing, dressing, transferring, toileting, and continence;

"impairment in activities of daily living" means the insured needs "substantial assistance" either in the form of "hands-on assistance" or "standby assistance," due to a loss of functional capacity to perform the activity; "impairment of cognitive ability" means the insured needs substantial supervision due to severe cognitive impairment; "licensed health care practitioner" means a physician, registered nurse, licensed social worker, or other individual whom the United States Secretary of the Treasury may prescribe by regulation; and "plan of care" means a written description of the insured's needs and a specification of the type, frequency, and providers of all formal and informal long-term care services required by the insured, and the cost, if any.

(e) Until the time that these definitions may be superseded by federal law or regulation, the terms "substantial assistance," "hands-on assistance," "standby assistance," "severe cognitive impairment," and "substantial supervision" shall be defined according to the safe-harbor definitions contained in Internal Revenue Service Notice 97-31, issued May 6, 1997.

(f) The definitions of "activities of daily living" to be used in policies and certificates that are intended to be federally qualified long-term care insurance shall be the following until the time that these definitions may be superseded by federal law or regulations:

(1) Eating, which shall mean feeding oneself by getting food in the body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.

(2) Bathing, which shall mean washing oneself by sponge bath or in either a tub or shower, including the act of getting into or out of a tub or shower.

(3) Continence, which shall mean the ability to maintain control of bowel and bladder function; or when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag).

(4) Dressing, which shall mean putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.

(5) Toileting, which shall mean getting to and from the toilet, getting on or off the toilet, and performing associated personal hygiene.

(6) Transferring, which shall mean the ability to move into or out of bed, a chair, or wheelchair.

The commissioner may approve the use of definitions of "activities of daily living" that differ from the verbatim definitions of this subdivision if these definitions would result in more policy or certificate holders qualifying for long-term care benefits than would occur by the use of the verbatim definitions of this subdivision. In addition, the following definitions may be used without the approval of the commissioner: (1) the verbatim definitions of eating, bathing, dressing, toileting, transferring, and continence in subdivision (g); or (2) the verbatim definitions of eating, bathing, dressing, toileting, and continence in this subdivision and a substitute, verbatim definition of "transferring" as follows: "transferring," which shall mean the ability to move into and out of a bed, a chair, or wheelchair, or ability to walk or move around inside or outside the home, regardless of the use of a cane, crutches, or braces.

The definitions to be used in policies and certificates for impairment in activities of daily living, "impairment in cognitive ability," and any third eligibility criterion adopted by regulation pursuant to subdivision (b) shall be the verbatim definitions of these benefit eligibility triggers allowed by federal regulations. In addition to the verbatim definitions, the commissioner may approve additional descriptive language to be added to the definitions, if the additional language is (1) warranted based on federal or state laws, federal or state regulations, or other relevant federal decision, and (2) strictly limited to that language that is necessary to ensure that the definitions required by this section are not misleading to the insured.

(g) The definitions of "activities of daily living" to be used verbatim in policies and certificates that are not intended to qualify for favorable tax treatment under Public Law 104-191 shall be the following:

(1) Eating, which shall mean reaching for, picking up, and grasping a utensil and cup; getting food on a utensil, and bringing food, utensil, and cup to mouth; manipulating food on plate; and cleaning face and hands as necessary following meals.

(2) Bathing, which shall mean cleaning the body using a tub, shower, or sponge bath, including getting a basin of water,

managing faucets, getting in and out of tub or shower, and reaching head and body parts for soaping, rinsing, and drying.

(3) Dressing, which shall mean putting on, taking off, fastening, and unfastening garments and undergarments and special devices such as back or leg braces, corsets, elastic stockings or garments, and artificial limbs or splints.

(4) Toileting, which shall mean getting on and off a toilet or commode and emptying a commode, managing clothing and wiping and cleaning the body after toileting, and using and emptying a bedpan and urinal.

(5) Transferring, which shall mean moving from one sitting or lying position to another sitting or lying position; for example, from bed to or from a wheelchair or sofa, coming to a standing position, or repositioning to promote circulation and prevent skin breakdown.

(6) Continence, which shall mean the ability to control bowel and bladder as well as use ostomy or catheter receptacles, and apply diapers and disposable barrier pads.

(7) Ambulating, which shall mean walking or moving around inside or outside the home regardless of the use of a cane, crutches, or braces.

SEC. 102. Section 10234.93 of the Insurance Code is amended to read:

10234.93. (a) Every insurer of long-term care in California shall:

(1) Establish marketing procedures to ensure that any comparison of policies by its agents or other producers will be fair and accurate.

(2) Establish marketing procedures to ensure excessive insurance is not sold or issued.

(3) Submit to the commissioner within six months of the effective date of this act, a list of all agents or other insurer representatives authorized to solicit individual consumers for the sale of long-term care insurance. These submissions shall be updated at least semiannually.

(4) Provide the following training and require that each agent or other insurer representative authorized to solicit individual consumers for the sale of long-term care insurance shall satisfactorily complete the following training requirements that, for resident licensees, shall count toward the licensee's continuing

education requirement, but may still result in completing more than the minimum number of continuing education hours set forth in this section:

(A) For licensees issued a license after January 1, 1992, eight hours of training in each of the first four 12-month periods beginning from the date of original license issuance and thereafter eight hours of training prior to each license renewal.

(B) For licensees issued a license before January 1, 1992, eight hours of training prior to each license renewal.

(C) For nonresident licensees that are not otherwise subject to the continuing education requirements set forth in Section 1749.3, the evidence of training required by this section shall be filed with and approved by the commissioner as provided in subdivision (g) of Section 1749.4.

Licensees shall complete the initial training requirements of this section prior to being authorized to solicit individual consumers for the sale of long-term care insurance.

The training required by this section shall consist of topics related to long-term care services and long-term care insurance, including, but not limited to, California regulations and requirements, available long-term care services and facilities, changes or improvements in services or facilities, and alternatives to the purchase of private long-term care insurance. On or before July 1, 1998, the following additional training topics shall be required: differences in eligibility for benefits and tax treatment between policies intended to be federally qualified and those not intended to be federally qualified, the effect of inflation in eroding the value of benefits and the importance of inflation protection, and NAIC consumer suitability standards and guidelines.

(5) Display prominently on page one of the policy or certificate and the outline of coverage: "Notice to buyer: This policy may not cover all of the costs associated with long-term care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all policy limitations."

(6) Inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for long-term care insurance already has accident and sickness or long-term care insurance and the types and amounts of any such insurance.

(7) Every insurer or entity marketing long-term care insurance shall establish auditable procedures for verifying compliance with this subdivision.

(8) Every insurer shall provide to a prospective applicant, at the time of solicitation, written notice that the Health Insurance Counseling and Advocacy Program (HICAP) provides health insurance counseling to senior California residents free of charge. Every agent shall provide the name, address, and telephone number of the local HICAP program and the statewide HICAP number, 1-800-434-0222.

(9) Provide a copy of the long-term care insurance shoppers guide developed by the California Department of Aging to each prospective applicant prior to the presentation of an application or enrollment form for insurance.

(10) Clearly post on its Internet Web site and provide written notice at the time of solicitation that a specimen individual policy form or group master policy and certificate form for each policy form offered in this state is available to a prospective applicant upon request. The individual specimen policy form or group master policy and certificate form shall be provided to a requesting party within 15 calendar days of receipt of a request.

(b) In addition to other unfair trade practices, including those identified in this code, the following acts and practices are prohibited:

(1) Twisting. Knowingly making any misleading representation, incomplete, or fraudulent comparison of any insurance policies or insurers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy or to take out a policy of insurance with another insurer.

(2) High pressure tactics. Using any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance.

(3) Cold lead advertising. Making use directly or indirectly of any method of marketing that fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or insurance company.

SEC. 103. Section 10753.05 of the Insurance Code is amended to read:

10753.05. (a) No group or individual policy or contract or certificate of group insurance or statement of group coverage providing benefits to employees of small employers as defined in this chapter shall be issued or delivered by a carrier subject to the jurisdiction of the commissioner regardless of the situs of the contract or master policyholder or of the domicile of the carrier nor, except as otherwise provided in Sections 10270.91 and 10270.92, shall a carrier provide coverage subject to this chapter until a copy of the form of the policy, contract, certificate, or statement of coverage is filed with and approved by the commissioner in accordance with Sections 10290 and 10291, and the carrier has complied with the requirements of Section 10753.17.

(b) (1) On and after October 1, 2013, each carrier shall fairly and affirmatively offer, market, and sell all of the carrier's health benefit plans that are sold to, offered through, or sponsored by, small employers or associations that include small employers for plan years on or after January 1, 2014, to all small employers in each geographic region in which the carrier makes coverage available or provides benefits.

(2) A carrier that offers qualified health plans through the Exchange shall be deemed to be in compliance with paragraph (1) with respect to health benefit plans offered through the Exchange in those geographic regions in which the carrier offers plans through the Exchange.

(3) A carrier shall provide enrollment periods consistent with PPACA and described in Section 155.725 of Title 45 of the Code of Federal Regulations. Commencing January 1, 2014, a carrier shall provide special enrollment periods consistent with the special enrollment periods described in Section 10965.3, to the extent permitted by PPACA, except for the triggering events identified in paragraphs (d)(3) and (d)(6) of Section 155.420 of Title 45 of the Code of Federal Regulations with respect to health benefit plans offered through the Exchange.

(4) This section shall not be construed to require an association, or a trust established and maintained by an association to receive a master insurance policy issued by an admitted insurer and to administer the benefits thereof solely for association members, to offer, market, or sell a benefit plan design to those who are not

members of the association. However, if the association markets, offers, or sells a benefit plan design to those who are not members of the association it is subject to the requirements of this section. This shall apply to an association that otherwise meets the requirements of paragraph (8) formed by merger of two or more associations after January 1, 1992, if the predecessor organizations had been in active existence on January 1, 1992, and for at least five years prior to that date and met the requirements of paragraph (5).

(5) A carrier which (A) effective January 1, 1992, and at least 20 years prior to that date, markets, offers, or sells benefit plan designs only to all members of one association and (B) does not market, offer, or sell any other individual, selected group, or group policy or contract providing medical, hospital, and surgical benefits shall not be required to market, offer, or sell to those who are not members of the association. However, if the carrier markets, offers, or sells any benefit plan design or any other individual, selected group, or group policy or contract providing medical, hospital, and surgical benefits to those who are not members of the association it is subject to the requirements of this section.

(6) Each carrier that sells health benefit plans to members of one association pursuant to paragraph (5) shall submit an annual statement to the commissioner which states that the carrier is selling health benefit plans pursuant to paragraph (5) and which, for the one association, lists all the information required by paragraph (7).

(7) Each carrier that sells health benefit plans to members of any association shall submit an annual statement to the commissioner which lists each association to which the carrier sells health benefit plans, the industry or profession which is served by the association, the association's membership criteria, a list of officers, the state in which the association is organized, and the site of its principal office.

(8) For purposes of paragraphs (4) and (6), an association is a nonprofit organization comprised of a group of individuals or employers who associate based solely on participation in a specified profession or industry, accepting for membership any individual or small employer meeting its membership criteria, which do not condition membership directly or indirectly on the health or claims history of any person, which uses membership dues solely for and in consideration of the membership and

membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered by the association, which is organized and maintained in good faith for purposes unrelated to insurance, which has been in active existence on January 1, 1992, and at least five years prior to that date, which has a constitution and bylaws, or other analogous governing documents which provide for election of the governing board of the association by its members, which has contracted with one or more carriers to offer one or more health benefit plans to all individual members and small employer members in this state. Health coverage through an association that is not related to employment shall be considered individual coverage pursuant to Section 144.102(c) of Title 45 of the Code of Federal Regulations.

(c) On and after October 1, 2013, each carrier shall make available to each small employer all health benefit plans that the carrier offers or sells to small employers or to associations that include small employers for plan years on or after January 1, 2014. Notwithstanding subdivision (c) of Section 10753, for purposes of this subdivision, companies that are affiliated companies or that are eligible to file a consolidated income tax return shall be treated as one carrier.

(d) Each carrier shall do all of the following:

(1) Prepare a brochure that summarizes all of its health benefit plans and make this summary available to small employers, agents, and brokers upon request. The summary shall include for each plan information on benefits provided, a generic description of the manner in which services are provided, such as how access to providers is limited, benefit limitations, required copayments and deductibles, an explanation of how creditable coverage is calculated if a waiting period is imposed, and a telephone number that can be called for more detailed benefit information. Carriers are required to keep the information contained in the brochure accurate and up to date, and, upon updating the brochure, send copies to agents and brokers representing the carrier. Any entity that provides administrative services only with regard to a health benefit plan written or issued by another carrier shall not be required to prepare a summary brochure which includes that benefit plan.

(2) For each health benefit plan, prepare a more detailed evidence of coverage and make it available to small employers,

agents, and brokers upon request. The evidence of coverage shall contain all information that a prudent buyer would need to be aware of in making selections of benefit plan designs. An entity that provides administrative services only with regard to a health benefit plan written or issued by another carrier shall not be required to prepare an evidence of coverage for that health benefit plan.

(3) Provide copies of the current summary brochure to all agents or brokers who represent the carrier and, upon updating the brochure, send copies of the updated brochure to agents and brokers representing the carrier for the purpose of selling health benefit plans.

(4) Notwithstanding subdivision (c) of Section 10753, for purposes of this subdivision, companies that are affiliated companies or that are eligible to file a consolidated income tax return shall be treated as one carrier.

(e) Every agent or broker representing one or more carriers for the purpose of selling health benefit plans to small employers shall do all of the following:

(1) When providing information on a health benefit plan to a small employer but making no specific recommendations on particular benefit plan designs:

(A) Advise the small employer of the carrier's obligation to sell to any small employer any of the health benefit plans it offers to small employers, consistent with PPACA, and provide them, upon request, with the actual rates that would be charged to that employer for a given health benefit plan.

(B) Notify the small employer that the agent or broker will procure rate and benefit information for the small employer on any health benefit plan offered by a carrier for whom the agent or broker sells health benefit plans.

(C) Notify the small employer that, upon request, the agent or broker will provide the small employer with the summary brochure required in paragraph (1) of subdivision (d) for any benefit plan design offered by a carrier whom the agent or broker represents.

(D) Notify the small employer of the availability of coverage and the availability of tax credits for certain employers consistent with PPACA and state law, including any rules, regulations, or guidance issued in connection therewith.

(2) When recommending a particular benefit plan design or designs, advise the small employer that, upon request, the agent

will provide the small employer with the brochure required by paragraph (1) of subdivision (d) containing the benefit plan design or designs being recommended by the agent or broker.

(3) Prior to filing an application for a small employer for a particular health benefit plan:

(A) For each of the health benefit plans offered by the carrier whose health benefit plan the agent or broker is presenting, provide the small employer with the benefit summary required in paragraph (1) of subdivision (d) and the premium for that particular employer.

(B) Notify the small employer that, upon request, the agent or broker will provide the small employer with an evidence of coverage brochure for each health benefit plan the carrier offers.

(C) Obtain a signed statement from the small employer acknowledging that the small employer has received the disclosures required by this paragraph and Section 10753.16.

(f) A carrier, agent, or broker shall not induce or otherwise encourage a small employer to separate or otherwise exclude an eligible employee from a health benefit plan which, in the case of an eligible employee meeting the definition in paragraph (1) of subdivision (f) of Section 10753, is provided in connection with the employee's employment or which, in the case of an eligible employee as defined in paragraph (2) of subdivision (f) of Section 10753, is provided in connection with a guaranteed association.

(g) A carrier shall not reject an application from a small employer for a health benefit plan provided:

(1) The small employer as defined by subparagraph (A) of paragraph (1) of subdivision (q) of Section 10753 offers health benefits to 100 percent of its eligible employees as defined in paragraph (1) of subdivision (f) of Section 10753. Employees who waive coverage on the grounds that they have other group coverage shall not be counted as eligible employees.

(2) The small employer agrees to make the required premium payments.

(h) A carrier or agent or broker shall not, directly or indirectly, engage in the following activities:

(1) Encourage or direct small employers to refrain from filing an application for coverage with a carrier because of the health status, claims experience, industry, occupation, or geographic location within the carrier's approved service area of the small employer or the small employer's employees.

(2) Encourage or direct small employers to seek coverage from another carrier because of the health status, claims experience, industry, occupation, or geographic location within the carrier's approved service area of the small employer or the small employer's employees.

(3) Use marketing practices or benefit designs that will have the effect of discouraging the enrollment of individuals with significant health needs or discriminate based on the individual's race, color, national origin, present or predicted disability, age, sex, gender identity, sexual orientation, expected length of life, degree of medical dependency, quality of life, or other health conditions.

This subdivision shall be enforced in the same manner as Section 790.03, including through Sections 790.035 and 790.05.

(i) A carrier shall not, directly or indirectly, enter into any contract, agreement, or arrangement with an agent or broker that provides for or results in the compensation paid to an agent or broker for a health benefit plan to be varied because of the health status, claims experience, industry, occupation, or geographic location of the small employer or the small employer's employees. This subdivision shall not apply with respect to a compensation arrangement that provides compensation to an agent or broker on the basis of percentage of premium, provided that the percentage shall not vary because of the health status, claims experience, industry, occupation, or geographic area of the small employer.

(j) (1) A health benefit plan offered to a small employer, as defined in Section 1304(b) of PPACA and in Section 10753, shall not establish rules for eligibility, including continued eligibility, of an individual, or dependent of an individual, to enroll under the terms of the plan based on any of the following health status-related factors:

(A) Health status.

(B) Medical condition, including physical and mental illnesses.

(C) Claims experience.

(D) Receipt of health care.

(E) Medical history.

(F) Genetic information.

(G) Evidence of insurability, including conditions arising out of acts of domestic violence.

(H) Disability.

(I) Any other health status-related factor as determined by any federal regulations, rules, or guidance issued pursuant to Section 2705 of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-1).

(2) Notwithstanding Section 10291.5, a carrier shall not require an eligible employee or dependent to fill out a health assessment or medical questionnaire prior to enrollment under a health benefit plan. A carrier shall not acquire or request information that relates to a health status-related factor from the applicant or his or her dependent or any other source prior to enrollment of the individual.

(k) (1) A carrier shall consider as a single risk pool for rating purposes in the small employer market the claims experience of all insureds in all nongrandfathered small employer health benefit plans offered by the carrier in this state, whether offered as health care service plan contracts or health insurance policies, including those insureds and enrollees who enroll in coverage through the Exchange and insureds and enrollees covered by the carrier outside of the Exchange.

(2) At least each calendar year, and no more frequently than each calendar quarter, a carrier shall establish an index rate for the small employer market in the state based on the total combined claims costs for providing essential health benefits, as defined pursuant to Section 1302 of PPACA and Section 10112.27, within the single risk pool required under paragraph (1). The index rate shall be adjusted on a marketwide basis based on the total expected marketwide payments and charges under the risk adjustment and reinsurance programs established for the state pursuant to Sections 1343 and 1341 of PPACA. The premium rate for all of the carrier's nongrandfathered health benefit plans shall use the applicable index rate, as adjusted for total expected marketwide payments and charges under the risk adjustment and reinsurance programs established for the state pursuant to Sections 1343 and 1341 of PPACA, subject only to the adjustments permitted under paragraph (3).

(3) A carrier may vary premium rates for a particular nongrandfathered health benefit plan from its index rate based only on the following actuarially justified plan-specific factors:

(A) The actuarial value and cost-sharing design of the health benefit plan.

(B) The health benefit plan's provider network, delivery system characteristics, and utilization management practices.

(C) The benefits provided under the health benefit plan that are in addition to the essential health benefits, as defined pursuant to Section 1302 of PPACA. These additional benefits shall be pooled with similar benefits within the single risk pool required under paragraph (1) and the claims experience from those benefits shall be used to determine rate variations for health benefit plans that offer those benefits in addition to essential health benefits.

(D) Administrative costs, excluding any user fees required by the Exchange.

(E) With respect to catastrophic plans, as described in subsection (e) of Section 1302 of PPACA, the expected impact of the specific eligibility categories for those plans.

(*l*) If a carrier enters into a contract, agreement, or other arrangement with a third-party administrator or other entity to provide administrative, marketing, or other services related to the offering of health benefit plans to small employers in this state, the third-party administrator shall be subject to this chapter.

(m) (1) Except as provided in paragraph (2), this section shall become inoperative if Section 2702 of the federal Public Health Service Act (42 U.S.C. Sec. 300gg-1), as added by Section 1201 of PPACA, is repealed, in which case, 12 months after the repeal, carriers subject to this section shall instead be governed by Section 10705 to the extent permitted by federal law, and all references in this chapter to this section shall instead refer to Section 10705, except for purposes of paragraph (2).

(2) Paragraph (3) of subdivision (b) of this section shall remain operative as it relates to health benefit plans offered through the Exchange.

SEC. 104. Section 10961 of the Insurance Code is amended to read:

10961. (a) For purposes of this chapter, a bridge plan product shall mean an individual health benefit plan that is offered by a health insurer licensed under this chapter that contracts with the Exchange pursuant to Title 22 (commencing with Section 100500) of the Government Code.

(b) On and after September 30, 2013, if a health insurance policy has not been filed with the commissioner, a health insurer that contracts with the California Health Benefit Exchange to offer a

qualified bridge plan product pursuant to Section 100504.5 of the Government Code shall file the policy form with the commissioner pursuant to Section 10290.

(c) (1) Notwithstanding subdivision (a) of Section 10965.3, a health insurer selling a bridge plan product shall not be required to fairly and affirmatively offer, market, and sell the health insurer's bridge plan product except to individuals eligible for the bridge plan product pursuant to the State Department of Health Care Services and the Medi-Cal managed care plan's contract entered into pursuant to Section 14005.70 of the Welfare and Institutions Code, provided the health care service plan meets the requirements of subdivision (b) of Section 14005.70 of the Welfare and Institutions Code.

(2) Notwithstanding subdivision (c) of Section 10965.3, a health insurer selling a bridge plan product shall provide an initial open enrollment period of six months, and an annual enrollment period and a special enrollment period consistent with the annual enrollment and special enrollment periods of the Exchange.

(d) A health insurer that contracts with the California Health Benefit Exchange to offer a qualified bridge plan product pursuant to Section 100504 of the Government Code shall maintain a medical loss ratio of 85 percent for the bridge plan product. A health insurer shall use, to the extent possible, the same methodology for calculating the medical loss ratio for the bridge plan product that is used for calculating the health insurer's medical loss ratio pursuant to Section 10112.25 and shall report its medical loss ratio for the bridge plan product to the department as provided in Section 10112.25.

(e) This section shall become inoperative on the October 1 that is five years after the date that federal approval of the bridge plan option occurs, and, as of the second January 1 thereafter, is repealed, unless a later enacted statute that is enacted before that date deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 105. Section 10965.11 of the Insurance Code is amended to read:

10965.11. (a) A health insurer shall not be required to offer an individual health benefit plan or accept applications for the plan pursuant to Section 10965.3 in the case of any of the following:

(1) To an individual who does not live or reside within the insurer's approved service areas.

(2) (A) Within a specific service area or portion of a service area, if the insurer reasonably anticipates and demonstrates to the satisfaction of the commissioner both of the following:

(i) It will not have sufficient health care delivery resources to ensure that health care services will be available and accessible to the individual because of its obligations to existing insureds.

(ii) It is applying this subparagraph uniformly to all individuals without regard to the claims experience of those individuals or any health status-related factor relating to those individuals.

(B) A health insurer that cannot offer an individual health benefit plan to individuals because it is lacking in sufficient health care delivery resources within a service area or a portion of a service area pursuant to subparagraph (A) shall not offer an individual health benefit plan in that area until the later of the following dates:

(i) The 181st day after the date coverage is denied pursuant to this paragraph.

(ii) The date the insurer notifies the commissioner that it has the ability to deliver services to individuals, and certifies to the commissioner that from the date of the notice it will enroll all individuals requesting coverage in that area from the insurer.

(C) Subparagraph (B) shall not limit the insurer's ability to renew coverage already in force or relieve the insurer of the responsibility to renew that coverage as described in Section 10273.6.

(D) Coverage offered within a service area after the period specified in subparagraph (B) shall be subject to this section.

(b) (1) A health insurer may decline to offer an individual health benefit plan to an individual if the insurer demonstrates to the satisfaction of the commissioner both of the following:

(A) It does not have the financial reserves necessary to underwrite additional coverage. In determining whether this subparagraph has been satisfied, the commissioner shall consider, but not be limited to, the insurer's compliance with the requirements of this part and the rules adopted thereunder.

(B) It is applying this subdivision uniformly to all individuals without regard to the claims experience of those individuals or any health status-related factor relating to those individuals.

(2) A health insurer that denies coverage to an individual under paragraph (1) shall not offer coverage before the later of the following dates:

(A) The 181st day after the date coverage is denied pursuant to this subdivision.

(B) The date the insurer demonstrates to the satisfaction of the commissioner that the insurer has sufficient financial reserves necessary to underwrite additional coverage.

(3) Paragraph (2) shall not limit the insurer's ability to renew coverage already in force or relieve the insurer of the responsibility to renew that coverage as described in Section 10273.6. Coverage offered within a service area after the period specified in paragraph (2) shall be subject to this section.

(c) This chapter shall not be construed to limit the commissioner's authority to develop and implement a plan of rehabilitation for a health insurer whose financial viability or organizational and administrative capacity has become impaired, to the extent permitted by PPACA.

(d) This section shall not apply to an individual health benefit plan that is a grandfathered plan.

SEC. 106. Section 139.2 of the Labor Code is amended to read:

139.2. (a) The administrative director shall appoint qualified medical evaluators in each of the respective specialties as required for the evaluation of medical-legal issues. The appointments shall be for two-year terms.

(b) The administrative director shall appoint or reappoint as a qualified medical evaluator a physician, as defined in Section 3209.3, who is licensed to practice in this state and who demonstrates that he or she meets the requirements in paragraphs (1), (2), (6), and (7), and, if the physician is a medical doctor, doctor of osteopathy, doctor of chiropractic, or a psychologist, that he or she also meets the applicable requirements in paragraph (3), (4), or (5).

(1) Prior to his or her appointment as a qualified medical evaluator, passes an examination written and administered by the administrative director for the purpose of demonstrating competence in evaluating medical-legal issues in the workers' compensation system. Physicians shall not be required to pass an additional examination as a condition of reappointment. A physician seeking appointment as a qualified medical evaluator

on or after January 1, 2001, shall also complete prior to appointment, a course on disability evaluation report writing approved by the administrative director. The administrative director shall specify the curriculum to be covered by disability evaluation report writing courses, which shall include, but is not limited to, 12 or more hours of instruction.

(2) Devotes at least one-third of total practice time to providing direct medical treatment, or has served as an agreed medical evaluator on eight or more occasions in the 12 months prior to applying to be appointed as a qualified medical evaluator.

(3) Is a medical doctor or doctor of osteopathy and meets one of the following requirements:

(A) Is board certified in a specialty by a board recognized by the administrative director and either the Medical Board of California or the Osteopathic Medical Board of California.

(B) Has successfully completed a residency training program accredited by the Accreditation Council for Graduate Medical Education or the osteopathic equivalent.

(C) Was an active qualified medical evaluator on June 30, 2000.

(D) Has qualifications that the administrative director and either the Medical Board of California or the Osteopathic Medical Board of California, as appropriate, both deem to be equivalent to board certification in a specialty.

(4) Is a doctor of chiropractic and has been certified in California workers' compensation evaluation by a provider recognized by the administrative director. The certification program shall include instruction on disability evaluation report writing that meets the standards set forth in paragraph (1).

(5) Is a psychologist and meets one of the following requirements:

(A) Is board certified in clinical psychology by a board recognized by the administrative director.

(B) Holds a doctoral degree in psychology, or a doctoral degree deemed equivalent for licensure by the Board of Psychology pursuant to Section 2914 of the Business and Professions Code, from a university or professional school recognized by the administrative director and has not less than five years' postdoctoral experience in the diagnosis and treatment of emotional and mental disorders.

(C) Has not less than five years' postdoctoral experience in the diagnosis and treatment of emotional and mental disorders, and has served as an agreed medical evaluator on eight or more occasions prior to January 1, 1990.

(6) Does not have a conflict of interest as determined under the regulations adopted by the administrative director pursuant to subdivision (o).

(7) Meets any additional medical or professional standards adopted pursuant to paragraph (6) of subdivision (j).

(c) The administrative director shall adopt standards for appointment of physicians who are retired or who hold teaching positions who are exceptionally well qualified to serve as a qualified medical evaluator even though they do not otherwise qualify under paragraph (2) of subdivision (b). A physician whose full-time practice is limited to the forensic evaluation of disability shall not be appointed as a qualified medical evaluator under this subdivision.

(d) The qualified medical evaluator, upon request, shall be reappointed if he or she meets the qualifications of subdivision (b) and meets all of the following criteria:

(1) Is in compliance with all applicable regulations and evaluation guidelines adopted by the administrative director.

(2) Has not had more than five of his or her evaluations that were considered by a workers' compensation administrative law judge at a contested hearing rejected by the workers' compensation administrative law judge or the appeals board pursuant to this section during the most recent two-year period during which the physician served as a qualified medical evaluator. If the workers' compensation administrative law judge or the appeals board rejects the qualified medical evaluator's report on the basis that it fails to meet the minimum standards for those reports established by the administrative director or the appeals board, the workers' compensation administrative law judge or the appeals board, as the case may be, shall make a specific finding to that effect, and shall give notice to the medical evaluator and to the administrative director. Any rejection shall not be counted as one of the five qualifying rejections until the specific finding has become final and time for appeal has expired.

(3) Has completed within the previous 24 months at least 12 hours of continuing education in impairment evaluation or workers'

compensation-related medical dispute evaluation approved by the administrative director.

(4) Has not been terminated, suspended, placed on probation, or otherwise disciplined by the administrative director during his or her most recent term as a qualified medical evaluator.

If the evaluator does not meet any one of these criteria, the administrative director may in his or her discretion reappoint or deny reappointment according to regulations adopted by the administrative director. A physician who does not currently meet the requirements for initial appointment or who has been terminated under subdivision (e) because his or her license has been revoked or terminated by the licensing authority shall not be reappointed.

(e) The administrative director may, in his or her discretion, suspend or terminate a qualified medical evaluator during his or her term of appointment without a hearing as provided under subdivision (k) or (*l*) whenever either of the following conditions occurs:

(1) The evaluator's license to practice in California has been suspended by the relevant licensing authority so as to preclude practice, or has been revoked or terminated by the licensing authority.

(2) The evaluator has failed to timely pay the fee required by the administrative director pursuant to subdivision (n).

(f) The administrative director shall furnish a physician, upon request, with a written statement of its reasons for termination of, or for denying appointment or reappointment as, a qualified medical evaluator. Upon receipt of a specific response to the statement of reasons, the administrative director shall review his or her decision not to appoint or reappoint the physician or to terminate the physician and shall notify the physician of its final decision within 60 days after receipt of the physician's response.

(g) The administrative director shall establish agreements with qualified medical evaluators to ensure the expeditious evaluation of cases assigned to them for comprehensive medical evaluations.

(h) (1) When requested by an employee or employer pursuant to Section 4062.1, the medical director appointed pursuant to Section 122 shall assign three-member panels of qualified medical evaluators within five working days after receiving a request for a panel. Preference in assigning panels shall be given to cases in which the employee is not represented. If a panel is not assigned

within 20 working days, the employee shall have the right to obtain a medical evaluation from any qualified medical evaluator of his or her choice within a reasonable geographic area. The medical director shall use a random selection method for assigning panels of qualified medical evaluators. The medical director shall select evaluators who are specialists of the type requested by the employee. The medical director shall advise the employee that he or she should consult with his or her treating physician prior to deciding which type of specialist to request.

(2) The administrative director shall promulgate a form that shall notify the employee of the physicians selected for his or her panel after a request has been made pursuant to Section 4062.1 or 4062.2. The form shall include, for each physician on the panel, the physician's name, address, telephone number, specialty, number of years in practice, and a brief description of his or her education and training, and shall advise the employee that he or she is entitled to receive transportation expenses and temporary disability for each day necessary for the examination. The form shall also state in a clear and conspicuous location and type: "You have the right to consult with an information and assistance officer at no cost to you prior to selecting the doctor to prepare your evaluation, or you may consult with an attorney. If your claim eventually goes to court, the workers' compensation administrative law judge will consider the evaluation prepared by the doctor you select to decide your claim."

(3) When compiling the list of evaluators from which to select randomly, the medical director shall include all qualified medical evaluators who meet all of the following criteria:

(A) He or she does not have a conflict of interest in the case, as defined by regulations adopted pursuant to subdivision (o).

(B) He or she is certified by the administrative director to evaluate in an appropriate specialty and at locations within the general geographic area of the employee's residence. An evaluator shall not conduct qualified medical evaluations at more than 10 locations.

(C) He or she has not been suspended or terminated as a qualified medical evaluator for failure to pay the fee required by the administrative director pursuant to subdivision (n) or for any other reason.

(4) When the medical director determines that an employee has requested an evaluation by a type of specialist that is appropriate for the employee's injury, but there are not enough qualified medical evaluators of that type within the general geographic area of the employee's residence to establish a three-member panel, the medical director shall include sufficient qualified medical evaluators from other geographic areas and the employer shall pay all necessary travel costs incurred in the event the employee selects an evaluator from another geographic area.

(i) The medical director appointed pursuant to Section 122 shall continuously review the quality of comprehensive medical evaluations and reports prepared by agreed and qualified medical evaluators and the timeliness with which evaluation reports are prepared and submitted. The review shall include, but not be limited to, a review of a random sample of reports submitted to the division, and a review of all reports alleged to be inaccurate or incomplete by a party to a case for which the evaluation was prepared. The medical director shall submit to the administrative director an annual report summarizing the results of the continuous review of medical evaluations and reports prepared by agreed and qualified medical evaluators and make recommendations for the improvement of the system of medical evaluations and determinations.

(j) After public hearing pursuant to Section 5307.3, the administrative director shall adopt regulations concerning the following issues:

(1) (A) Standards governing the timeframes within which medical evaluations shall be prepared and submitted by agreed and qualified medical evaluators. Except as provided in this subdivision, the timeframe for initial medical evaluations to be prepared and submitted shall be no more than 30 days after the evaluator has seen the employee or otherwise commenced the medical evaluation procedure. The administrative director shall develop regulations governing the provision of extensions of the 30-day period in both of the following cases:

(i) When the evaluator has not received test results or consulting physician's evaluations in time to meet the 30-day deadline.

(ii) To extend the 30-day period by not more than 15 days when the failure to meet the 30-day deadline was for good cause.

(B) For purposes of subparagraph (A), "good cause" means any of the following:

(i) Medical emergencies of the evaluator or evaluator's family.

(ii) Death in the evaluator's family.

(iii) Natural disasters or other community catastrophes that interrupt the operation of the evaluator's business.

(C) The administrative director shall develop timeframes governing availability of qualified medical evaluators for unrepresented employees under Section 4062.1. These timeframes shall give the employee the right to the addition of a new evaluator to his or her panel, selected at random, for each evaluator not available to see the employee within a specified period of time, but shall also permit the employee to waive this right for a specified period of time thereafter.

(2) Procedures to be followed by all physicians in evaluating the existence and extent of permanent impairment and limitations resulting from an injury in a manner consistent with Sections 4660 and 4660.1.

(3) Procedures governing the determination of any disputed medical treatment issues in a manner consistent with Section 5307.27.

(4) Procedures to be used in determining the compensability of psychiatric injury. The procedures shall be in accordance with Section 3208.3 and shall require that the diagnosis of a mental disorder be expressed using the terminology and criteria of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, Third Edition-Revised, or the terminology and diagnostic criteria of other psychiatric diagnostic manuals generally approved and accepted nationally by practitioners in the field of psychiatric medicine.

(5) Guidelines for the range of time normally required to perform the following:

(A) A medical-legal evaluation that has not been defined and valued pursuant to Section 5307.6. The guidelines shall establish minimum times for patient contact in the conduct of the evaluations, and shall be consistent with regulations adopted pursuant to Section 5307.6.

(B) Any treatment procedures that have not been defined and valued pursuant to Section 5307.1.

(C) Any other evaluation procedure requested by the Insurance Commissioner, or deemed appropriate by the administrative director.

(6) Any additional medical or professional standards that a medical evaluator shall meet as a condition of appointment, reappointment, or maintenance in the status of a medical evaluator.

(k) Except as provided in this subdivision, the administrative director may, in his or her discretion, suspend or terminate the privilege of a physician to serve as a qualified medical evaluator if the administrative director, after hearing pursuant to subdivision (*l*), determines, based on substantial evidence, that a qualified medical evaluator:

(1) Has violated any material statutory or administrative duty.

(2) Has failed to follow the medical procedures or qualifications established pursuant to paragraph (2), (3), (4), or (5) of subdivision (j).

(3) Has failed to comply with the timeframe standards established pursuant to subdivision (j).

(4) Has failed to meet the requirements of subdivision (b) or (c).

(5) Has prepared medical-legal evaluations that fail to meet the minimum standards for those reports established by the administrative director or the appeals board.

(6) Has made material misrepresentations or false statements in an application for appointment or reappointment as a qualified medical evaluator.

A hearing shall not be required prior to the suspension or termination of a physician's privilege to serve as a qualified medical evaluator when the physician has done either of the following:

(A) Failed to timely pay the fee required pursuant to subdivision (n).

(B) Had his or her license to practice in California suspended by the relevant licensing authority so as to preclude practice, or had the license revoked or terminated by the licensing authority.

(*l*) The administrative director shall cite the qualified medical evaluator for a violation listed in subdivision (k) and shall set a hearing on the alleged violation within 30 days of service of the citation on the qualified medical evaluator. In addition to the authority to terminate or suspend the qualified medical evaluator

upon finding a violation listed in subdivision (k), the administrative director may, in his or her discretion, place a qualified medical evaluator on probation subject to appropriate conditions, including ordering continuing education or training. The administrative director shall report to the appropriate licensing board the name of any qualified medical evaluator who is disciplined pursuant to this subdivision.

(m) The administrative director shall terminate from the list of medical evaluators any physician where licensure has been terminated by the relevant licensing board, or who has been convicted of a misdemeanor or felony related to the conduct of his or her medical practice, or of a crime of moral turpitude. The administrative director shall suspend or terminate as a medical evaluator any physician who has been suspended or placed on probation by the relevant licensing board. If a physician is suspended or terminated as a qualified medical evaluator under this subdivision, a report prepared by the physician that is not complete, signed, and furnished to one or more of the parties prior to the date of conviction or action of the licensing board, whichever is earlier, shall not be admissible in any proceeding before the appeals board nor shall there be any liability for payment for the report and any expense incurred by the physician in connection with the report.

(n) A qualified medical evaluator shall pay a fee, as determined by the administrative director, for appointment or reappointment. These fees shall be based on a sliding scale as established by the administrative director. All revenues from fees paid under this subdivision shall be deposited into the Workers' Compensation Administration Revolving Fund and are available for expenditure upon appropriation by the Legislature, and shall not be used by any other department or agency or for any purpose other than administration of the programs of the Division of Workers' Compensation related to the provision of medical treatment to injured employees.

(o) An evaluator shall not request or accept any compensation or other thing of value from any source that does or could create a conflict with his or her duties as an evaluator under this code. The administrative director, after consultation with the Commission on Health and Safety and Workers' Compensation, shall adopt regulations to implement this subdivision.

SEC. 107. Section 139.5 of the Labor Code is amended to read:

139.5. (a) (1) The administrative director shall contract with one or more independent medical review organizations and one or more independent bill review organizations to conduct reviews pursuant to Article 2 (commencing with Section 4600) of Chapter 2 of Part 2 of Division 4. The independent review organizations shall be independent of any workers' compensation insurer or workers' compensation claims administrator doing business in this state. The administrative director may establish additional requirements, including conflict-of-interest standards, consistent with the purposes of Article 2 (commencing with Section 4600) of Chapter 2 of Part 2 of Division 4, that an organization shall be required to meet in order to qualify as an independent review organization and to assist the division in carrying out its responsibilities.

(2) To enable the independent review program to go into effect for injuries occurring on or after January 1, 2013, and until the administrative director establishes contracts as otherwise specified by this section, independent review organizations under contract with the Department of Managed Health Care pursuant to Section 1374.32 of the Health and Safety Code may be designated by the administrative director to conduct reviews pursuant to Article 2 (commencing with Section 4600) of Chapter 2 of Part 2 of Division 4. The administrative director may use an interagency agreement to implement the independent review process beginning January 1, 2013. The administrative director may initially contract directly with the same organizations that are under contract with the Department of Managed Health Care on substantially the same terms without competitive bidding until January 1, 2015.

(b) (1) The independent medical review organizations and the medical professionals retained to conduct reviews shall be deemed to be consultants for purposes of this section.

(2) There shall be no monetary liability on the part of, and no cause of action shall arise against, any consultant on account of any communication by that consultant to the administrative director or any other officer, employee, agent, contractor, or consultant of the Division of Workers' Compensation, or on account of any communication by that consultant to any person when that communication is required by the terms of a contract with the

administrative director pursuant to this section and the consultant does all of the following:

(A) Acts without malice.

(B) Makes a reasonable effort to determine the facts of the matter communicated.

(C) Acts with a reasonable belief that the communication is warranted by the facts actually known to the consultant after a reasonable effort to determine the facts.

(3) The immunities afforded by this section shall not affect the availability of any other privilege or immunity which may be afforded by law. This section shall not be construed to alter the laws regarding the confidentiality of medical records.

(c) (1) An organization contracted to perform independent medical review or independent bill review shall be required to employ a medical director who shall be responsible for advising the contractor on clinical issues. The medical director shall be a physician and surgeon licensed by the Medical Board of California or the Osteopathic Medical Board of California.

(2) The independent review organization, any experts it designates to conduct a review, or any officer, director, or employee of the independent review organization shall not have any material professional, familial, or financial affiliation, as determined by the administrative director, with any of the following:

(A) The employer, insurer or claims administrator, or utilization review organization.

(B) Any officer, director, employee of the employer, or insurer or claims administrator.

(C) A physician, the physician's medical group, the physician's independent practice association, or other provider involved in the medical treatment in dispute.

(D) The facility or institution at which either the proposed health care service, or the alternative service, if any, recommended by the employer, would be provided.

(E) The development or manufacture of the principal drug, device, procedure, or other therapy proposed by the employee whose treatment is under review, or the alternative therapy, if any, recommended by the employer.

(F) The employee or the employee's immediate family, or the employee's attorney.

(d) The independent review organizations shall meet all of the following requirements:

(1) The organization shall not be an affiliate or a subsidiary of, nor in any way be owned or controlled by, a workers' compensation insurer, claims administrator, or a trade association of workers' compensation insurers or claims administrators. A board member, director, officer, or employee of the independent review organization shall not serve as a board member, director, or employee of a workers' compensation insurer or claims administrator. A board member, director, or officer of a workers' compensation insurer or claims administrator or a trade association of workers' compensation insurers or claims administrators shall not serve as a board member, director, officer, or employee of an independent review organization.

(2) The organization shall submit to the division the following information upon initial application to contract under this section and, except as otherwise provided, annually thereafter upon any change to any of the following information:

(A) The names of all stockholders and owners of more than 5 percent of any stock or options, if a publicly held organization.

(B) The names of all holders of bonds or notes in excess of one hundred thousand dollars ($100,000), if any.

(C) The names of all corporations and organizations that the independent review organization controls or is affiliated with, and the nature and extent of any ownership or control, including the affiliated organization's type of business.

(D) The names and biographical sketches of all directors, officers, and executives of the independent review organization, as well as a statement regarding any past or present relationships the directors, officers, and executives may have with any employer, workers' compensation insurer, claims administrator, medical provider network, managed care organization, provider group, or board or committee of an employer, workers' compensation insurer, claims administrator, medical provider network, managed care organization, or provider group.

(E) (i) The percentage of revenue the independent review organization receives from expert reviews, including, but not limited to, external medical reviews, quality assurance reviews, utilization reviews, and bill reviews.

(ii) The names of any workers' compensation insurer, claims administrator, or provider group for which the independent review organization provides review services, including, but not limited to, utilization review, bill review, quality assurance review, and external medical review. Any change in this information shall be reported to the department within five business days of the change.

(F) A description of the review process, including, but not limited to, the method of selecting expert reviewers and matching the expert reviewers to specific cases.

(G) A description of the system the independent medical review organization uses to identify and recruit medical professionals to review treatment and treatment recommendation decisions, the number of medical professionals credentialed, and the types of cases and areas of expertise that the medical professionals are credentialed to review.

(H) A description of how the independent review organization ensures compliance with the conflict-of-interest requirements of this section.

(3) The organization shall demonstrate that it has a quality assurance mechanism in place that does all of the following:

(A) Ensures that any medical professionals retained are appropriately credentialed and privileged.

(B) Ensures that the reviews provided by the medical professionals or bill reviewers are timely, clear, and credible, and that reviews are monitored for quality on an ongoing basis.

(C) Ensures that the method of selecting medical professionals for individual cases achieves a fair and impartial panel of medical professionals who are qualified to render recommendations regarding the clinical conditions and the medical necessity of treatments or therapies in question.

(D) Ensures the confidentiality of medical records and the review materials, consistent with the requirements of this section and applicable state and federal law.

(E) Ensures the independence of the medical professionals or bill reviewers retained to perform the reviews through conflict-of-interest policies and prohibitions, and ensures adequate screening for conflicts of interest, pursuant to paragraph (5).

(4) Medical professionals selected by independent medical review organizations to review medical treatment decisions shall

be licensed physicians, as defined by Section 3209.3, in good standing, who meet the following minimum requirements:

(A) The physician shall be a clinician knowledgeable in the treatment of the employee's medical condition, knowledgeable about the proposed treatment, and familiar with guidelines and protocols in the area of treatment under review.

(B) Notwithstanding any other law, the physician shall hold a nonrestricted license in any state of the United States, and for physicians and surgeons holding an M.D. or D.O. degree, a current certification by a recognized American medical specialty board in the area or areas appropriate to the condition or treatment under review. The independent medical review organization shall give preference to the use of a physician licensed in California as the reviewer.

(C) The physician shall have no history of disciplinary action or sanctions, including, but not limited to, loss of staff privileges or participation restrictions, taken or pending by any hospital, government, or regulatory body.

(D) Commencing January 1, 2014, the physician shall not hold an appointment as a qualified medical evaluator pursuant to Section 139.2.

(5) Neither the expert reviewer, nor the independent review organization, shall have any material professional, material familial, or material financial affiliation with any of the following:

(A) The employer, workers' compensation insurer or claims administrator, or a medical provider network of the insurer or claims administrator, except that an academic medical center under contract to the insurer or claims administrator to provide services to employees may qualify as an independent medical review organization provided it will not provide the service and provided the center is not the developer or manufacturer of the proposed treatment.

(B) Any officer, director, or management employee of the employer or workers' compensation insurer or claims administrator.

(C) The physician, the physician's medical group, or the independent practice association proposing the treatment.

(D) The institution at which the treatment would be provided.

(E) The development or manufacture of the treatment proposed for the employee whose condition is under review.

(F) The employee or the employee's immediate family.

(6) For purposes of this subdivision, the following terms shall have the following meanings:

(A) "Material familial affiliation" means any relationship as a spouse, child, parent, sibling, spouse's parent, or child's spouse.

(B) "Material financial affiliation" means any financial interest of more than 5 percent of total annual revenue or total annual income of an independent review organization or individual to which this subdivision applies. "Material financial affiliation" does not include payment by the employer to the independent review organization for the services required by the administrative director's contract with the independent review organization, nor does "material financial affiliation" include an expert's participation as a contracting medical provider where the expert is affiliated with an academic medical center or a National Cancer Institute-designated clinical cancer research center.

(C) "Material professional affiliation" means any physician-patient relationship, any partnership or employment relationship, a shareholder or similar ownership interest in a professional corporation, or any independent contractor arrangement that constitutes a material financial affiliation with any expert or any officer or director of the independent review organization. "Material professional affiliation" does not include affiliations that are limited to staff privileges at a health facility.

(e) The division shall provide, upon the request of any interested person, a copy of all nonproprietary information, as determined by the administrative director, filed with it by an independent review organization under contract pursuant to this section. The division may charge a fee to the interested person for copying the requested information.

(f) The Legislature finds and declares that the services described in this section are of such a special and unique nature that they must be contracted out pursuant to paragraph (3) of subdivision (b) of Section 19130 of the Government Code. The Legislature further finds and declares that the services described in this section are a new state function pursuant to paragraph (2) of subdivision (b) of Section 19130 of the Government Code.

SEC. 108. Section 230.4 of the Labor Code is amended to read:

230.4. (a) An employee who performs duty as a volunteer firefighter, a reserve peace officer, or as emergency rescue personnel, as defined in Section 230.3, and who works for an

employer employing 50 or more employees, shall be permitted to take temporary leaves of absence, not to exceed an aggregate of 14 days per calendar year, for the purpose of engaging in fire, law enforcement, or emergency rescue training.

(b) An employee who works for an employer employing 50 or more employees who is discharged, threatened with discharge, demoted, suspended, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because the employee has taken time off to engage in fire, law enforcement, or emergency rescue training as provided in subdivision (a), is entitled to reinstatement and reimbursement for lost wages and work benefits caused by the acts of the employer.

(c) An employee seeking reinstatement and reimbursement pursuant to this section may file a complaint with the Division of Labor Standards Enforcement in accordance with Section 98.7 and, upon receipt of this type of complaint, the Labor Commissioner shall proceed as provided in that section.

SEC. 109. Section 1773.1 of the Labor Code is amended to read:

1773.1. (a) Per diem wages, as the term is used in this chapter or in any other statute applicable to public works, includes employer payments for the following:

(1) Health and welfare.

(2) Pension.

(3) Vacation.

(4) Travel.

(5) Subsistence.

(6) Apprenticeship or other training programs authorized by Section 3093, to the extent that the cost of training is reasonably related to the amount of the contributions.

(7) Worker protection and assistance programs or committees established under the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a), to the extent that the activities of the programs or committees are directed to the monitoring and enforcement of laws related to public works.

(8) Industry advancement and collective bargaining agreements administrative fees, provided that these payments are required under a collective bargaining agreement pertaining to the particular craft, classification, or type of work within the locality or the nearest labor market area at issue.

(9) Other purposes similar to those specified in paragraphs (1) to (8), inclusive.

(b) Employer payments include all of the following:

(1) The rate of contribution irrevocably made by the employer to a trustee or third person pursuant to a plan, fund, or program.

(2) The rate of actual costs to the employer reasonably anticipated in providing benefits to workers pursuant to an enforceable commitment to carry out a financially responsible plan or program communicated in writing to the workers affected.

(3) Payments to the California Apprenticeship Council pursuant to Section 1777.5.

(c) Employer payments are a credit against the obligation to pay the general prevailing rate of per diem wages. However, credit shall not be granted for benefits required to be provided by other state or federal law, or for payments made to monitor and enforce laws related to public works if those payments are not made to a program or committee established under the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a). Credits for employer payments also shall not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing. However, an increased employer payment contribution that results in a lower hourly straight time or overtime wage shall not be considered a violation of the applicable prevailing wage determination if all of the following conditions are met:

(1) The increased employer payment is made pursuant to criteria set forth in a collective bargaining agreement.

(2) The basic hourly rate and increased employer payment are no less than the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the director's general prevailing wage determination.

(3) The employer payment contribution is irrevocable unless made in error.

(d) An employer may take credit for an employer payment specified in subdivision (b), even if contributions are not made, or costs are not paid, during the same pay period for which credit is taken, if the employer regularly makes the contributions, or regularly pays the costs, for the plan, fund, or program on no less than a quarterly basis.

(e) The credit for employer payments shall be computed on an annualized basis when the employer seeks credit for employer

payments that are higher for public works projects than for private construction performed by the same employer, unless one or more of the following occur:

(1) The employer has an enforceable obligation to make the higher rate of payments on future private construction performed by the employer.

(2) The higher rate of payments is required by a project labor agreement.

(3) The payments are made to the California Apprenticeship Council pursuant to Section 1777.5.

(4) The director determines that annualization would not serve the purposes of this chapter.

(f) (1) For the purpose of determining those per diem wages for contracts, the representative of any craft, classification, or type of worker needed to execute contracts shall file with the Department of Industrial Relations fully executed copies of the collective bargaining agreements for the particular craft, classification, or type of work involved. The collective bargaining agreements shall be filed after their execution and thereafter may be taken into consideration pursuant to Section 1773 whenever they are filed 30 days prior to the call for bids. If the collective bargaining agreement has not been formalized, a typescript of the final draft may be filed temporarily, accompanied by a statement under penalty of perjury as to its effective date.

(2) When a copy of the collective bargaining agreement has previously been filed, fully executed copies of all modifications and extensions of the agreement that affect per diem wages or holidays shall be filed.

(3) The failure to comply with filing requirements of this subdivision shall not be grounds for setting aside a prevailing wage determination if the information taken into consideration is correct.

SEC. 110. Section 2055 of the Labor Code is amended to read:

2055. The commissioner shall not permit any employer to register, or to renew registration, until all of the following conditions are satisfied:

(a) The employer has applied for registration to the commissioner by presenting proof of compliance with the local government's business licensing or regional regulatory requirements.

(b) The employer has obtained a surety bond issued by a surety company admitted to do business in this state. The principal sum of the bond shall not be less than one hundred fifty thousand dollars ($150,000). The employer shall file a copy of the bond with the commissioner.

(1) The bond required by this section shall be in favor of, and payable to, the people of the State of California, and shall be for the benefit of any employee damaged by his or her employer's failure to pay wages, interest on wages, or fringe benefits, or damaged by violation of Section 351 or 353.

(2) Thirty days prior to the cancellation or termination of any surety bond required by this section, the surety shall send written notice to both the employer and the commissioner, identifying the bond and the date of the cancellation or termination.

(3) An employer shall not conduct any business until the employer obtains a new surety bond and files a copy of it with the commissioner.

(4) This subdivision shall not apply to an employer covered by a valid collective bargaining agreement, if the agreement expressly provides for all of the following:

(A) Wages.

(B) Hours of work.

(C) Working conditions.

(D) An expeditious process to resolve disputes concerning nonpayment of wages.

(c) The employer has documented that a current workers' compensation insurance policy is in effect for the employees.

(d) The employer has paid the fees established pursuant to Section 2059.

SEC. 111. Section 4600 of the Labor Code is amended to read:

4600. (a) Medical, surgical, chiropractic, acupuncture, and hospital treatment, including nursing, medicines, medical and surgical supplies, crutches, and apparatuses, including orthotic and prosthetic devices and services, that is reasonably required to cure or relieve the injured worker from the effects of his or her injury shall be provided by the employer. In the case of his or her neglect or refusal reasonably to do so, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing treatment.

(b) As used in this division and notwithstanding any other law, medical treatment that is reasonably required to cure or relieve the injured worker from the effects of his or her injury means treatment that is based upon the guidelines adopted by the administrative director pursuant to Section 5307.27.

(c) Unless the employer or the employer's insurer has established or contracted with a medical provider network as provided for in Section 4616, after 30 days from the date the injury is reported, the employee may be treated by a physician of his or her own choice or at a facility of his or her own choice within a reasonable geographic area. A chiropractor shall not be a treating physician after the employee has received the maximum number of chiropractic visits allowed by subdivision (c) of Section 4604.5.

(d) (1) If an employee has notified his or her employer in writing prior to the date of injury that he or she has a personal physician, the employee shall have the right to be treated by that physician from the date of injury if the employee has health care coverage for nonoccupational injuries or illnesses on the date of injury in a plan, policy, or fund as described in subdivisions (b), (c), and (d) of Section 4616.7.

(2) For purposes of paragraph (1), a personal physician shall meet all of the following conditions:

(A) Be the employee's regular physician and surgeon, licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code.

(B) Be the employee's primary care physician and has previously directed the medical treatment of the employee, and who retains the employee's medical records, including his or her medical history. "Personal physician" includes a medical group, if the medical group is a single corporation or partnership composed of licensed doctors of medicine or osteopathy, which operates an integrated multispecialty medical group providing comprehensive medical services predominantly for nonoccupational illnesses and injuries.

(C) The physician agrees to be predesignated.

(3) If the employee has health care coverage for nonoccupational injuries or illnesses on the date of injury in a health care service plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code, and the employer is notified pursuant to paragraph (1), all medical

treatment, utilization review of medical treatment, access to medical treatment, and other medical treatment issues shall be governed by Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code. Disputes regarding the provision of medical treatment shall be resolved pursuant to Article 5.55 (commencing with Section 1374.30) of Chapter 2.2 of Division 2 of the Health and Safety Code.

(4) If the employee has health care coverage for nonoccupational injuries or illnesses on the date of injury in a group health insurance policy as described in Section 4616.7, all medical treatment, utilization review of medical treatment, access to medical treatment, and other medical treatment issues shall be governed by the applicable provisions of the Insurance Code.

(5) The insurer may require prior authorization of any nonemergency treatment or diagnostic service and may conduct reasonably necessary utilization review pursuant to Section 4610.

(6) An employee shall be entitled to all medically appropriate referrals by the personal physician to other physicians or medical providers within the nonoccupational health care plan. An employee shall be entitled to treatment by physicians or other medical providers outside of the nonoccupational health care plan pursuant to standards established in Article 5 (commencing with Section 1367) of Chapter 2.2 of Division 2 of the Health and Safety Code.

(e) (1) When at the request of the employer, the employer's insurer, the administrative director, the appeals board, or a workers' compensation administrative law judge, the employee submits to examination by a physician, he or she shall be entitled to receive, in addition to all other benefits herein provided, all reasonable expenses of transportation, meals, and lodging incident to reporting for the examination, together with one day of temporary disability indemnity for each day of wages lost in submitting to the examination.

(2) Regardless of the date of injury, "reasonable expenses of transportation" includes mileage fees from the employee's home to the place of the examination and back at the rate of twenty-one cents ($0.21) a mile or the mileage rate adopted by the Director of Human Resources pursuant to Section 19820 of the Government Code, whichever is higher, plus any bridge tolls. The mileage and

tolls shall be paid to the employee at the time he or she is given notification of the time and place of the examination.

(f) When at the request of the employer, the employer's insurer, the administrative director, the appeals board, or a workers' compensation administrative law judge, an employee submits to examination by a physician and the employee does not proficiently speak or understand the English language, he or she shall be entitled to the services of a qualified interpreter in accordance with conditions and a fee schedule prescribed by the administrative director. These services shall be provided by the employer. For purposes of this section, "qualified interpreter" means a language interpreter certified, or deemed certified, pursuant to Article 8 (commencing with Section 11435.05) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of, or Section 68566 of, the Government Code.

(g) If the injured employee cannot effectively communicate with his or her treating physician because he or she cannot proficiently speak or understand the English language, the injured employee is entitled to the services of a qualified interpreter during medical treatment appointments. To be a qualified interpreter for purposes of medical treatment appointments, an interpreter is not required to meet the requirements of subdivision (f), but commencing March 1, 2014, shall meet any requirements established by rule by the administrative director that are substantially similar to the requirements set forth in Section 1367.04 of the Health and Safety Code, notwithstanding any other effective date established in regulations. The administrative director shall adopt a fee schedule for qualified interpreter fees in accordance with this section. Upon request of the injured employee, the employer or insurance carrier shall pay for interpreter services. An employer shall not be required to pay for the services of an interpreter who is not certified or is provisionally certified by the person conducting the medical treatment or examination unless either the employer consents in advance to the selection of the individual who provides the interpreting service or the injured worker requires interpreting service in a language other than the languages designated pursuant to Section 11435.40 of the Government Code.

(h) Home health care services shall be provided as medical treatment only if reasonably required to cure or relieve the injured

employee from the effects of his or her injury and prescribed by a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, and subject to Section 5307.1 or 5307.8. The employer shall not be liable for home health care services that are provided more than 14 days prior to the date of the employer's receipt of the physician's prescription.

SEC. 112. Section 5502 of the Labor Code is amended to read:

5502. (a) Except as provided in subdivisions (b) and (d), the hearing shall be held not less than 10 days, and not more than 60 days, after the date a declaration of readiness to proceed, on a form prescribed by the appeals board, is filed. If a claim form has been filed for an injury occurring on or after January 1, 1990, and before January 1, 1994, an application for adjudication shall accompany the declaration of readiness to proceed.

(b) The administrative director shall establish a priority calendar for issues requiring an expedited hearing and decision. A hearing shall be held and a determination as to the rights of the parties shall be made and filed within 30 days after the declaration of readiness to proceed is filed if the issues in dispute are any of the following, provided that if an expedited hearing is requested, no other issue may be heard until the medical provider network dispute is resolved:

(1) The employee's entitlement to medical treatment pursuant to Section 4600, except for treatment issues determined pursuant to Sections 4610 and 4610.5.

(2) Whether the injured employee is required to obtain treatment within a medical provider network.

(3) A medical treatment appointment or medical-legal examination.

(4) The employee's entitlement to, or the amount of, temporary disability indemnity payments.

(5) The employee's entitlement to compensation from one or more responsible employers when two or more employers dispute liability as among themselves.

(6) Any other issues requiring an expedited hearing and determination as prescribed in rules and regulations of the administrative director.

(c) The administrative director shall establish a priority conference calendar for cases in which the employee is represented

by an attorney and the issues in dispute are employment or injury arising out of employment or in the course of employment. The conference shall be conducted by a workers' compensation administrative law judge within 30 days after the declaration of readiness to proceed. If the dispute cannot be resolved at the conference, a trial shall be set as expeditiously as possible, unless good cause is shown why discovery is not complete, in which case status conferences shall be held at regular intervals. The case shall be set for trial when discovery is complete, or when the workers' compensation administrative law judge determines that the parties have had sufficient time in which to complete reasonable discovery. A determination as to the rights of the parties shall be made and filed within 30 days after the trial.

(d) (1) In all cases, a mandatory settlement conference, except a lien conference or a mandatory settlement lien conference, shall be conducted not less than 10 days, and not more than 30 days, after the filing of a declaration of readiness to proceed. If the dispute is not resolved, the regular hearing, except a lien trial, shall be held within 75 days after the declaration of readiness to proceed is filed.

(2) The settlement conference shall be conducted by a workers' compensation administrative law judge or by a referee who is eligible to be a workers' compensation administrative law judge or eligible to be an arbitrator under Section 5270.5. At the mandatory settlement conference, the referee or workers' compensation administrative law judge shall have the authority to resolve the dispute, including the authority to approve a compromise and release or issue a stipulated finding and award, and if the dispute cannot be resolved, to frame the issues and stipulations for trial. The appeals board shall adopt any regulations needed to implement this subdivision. The presiding workers' compensation administrative law judge shall supervise settlement conference referees in the performance of their judicial functions under this subdivision.

(3) If the claim is not resolved at the mandatory settlement conference, the parties shall file a pretrial conference statement noting the specific issues in dispute, each party's proposed permanent disability rating, and listing the exhibits, and disclosing witnesses. Discovery shall close on the date of the mandatory settlement conference. Evidence not disclosed or obtained

thereafter shall not be admissible unless the proponent of the evidence can demonstrate that it was not available or could not have been discovered by the exercise of due diligence prior to the settlement conference.

(e) In cases involving the Director of Industrial Relations in his or her capacity as administrator of the Uninsured Employers Benefits Trust Fund, this section shall not apply unless proof of service, as specified in paragraph (1) of subdivision (d) of Section 3716, has been filed with the appeals board and provided to the Director of Industrial Relations, valid jurisdiction has been established over the employer, and the fund has been joined.

(f) Except as provided in subdivision (a), the provisions of this section shall apply irrespective of the date of injury.

SEC. 113. Section 935 of the Military and Veterans Code is amended to read:

935. The governing board of any county may grant financial assistance, relief, and support to a disabled veteran, as defined in Section 999.

SEC. 114. Section 952 of the Military and Veterans Code is amended to read:

952. (a) A cemetery corporation or association, or other entity in possession of the cremated remains of a veteran or dependent of a veteran, shall, upon request of a veterans' remains organization and after verifying the status of the veterans' remains organization as an organization currently authorized by the United States Department of Veterans Affairs and the National Personnel Records Center or as an organization authorized by the local county board of supervisors to verify and inter unclaimed cremated remains of American veterans, release veteran status information to the veterans' remains organization.

(b) The use or disclosure of veteran status information obtained by a veterans' remains organization pursuant to subdivision (a) shall be permitted only for the purpose of verifying veteran interment benefits of the deceased veteran or a dependent of a veteran with the California Department of Veterans Affairs and shall not be used or disclosed for any other purpose.

(c) The cemetery authority, cemetery corporation or association, or other entity in possession of the cremated remains of a veteran or dependent of a veteran may, upon request of a veterans' remains organization and after verifying the status of the veterans' remains

organization as an organization currently authorized by the United States Department of Veterans Affairs and the National Personnel Records Center or as an organization authorized by the local county board of supervisors to verify and inter unclaimed cremated remains of American veterans, release the cremated remains of the veteran or dependent of a veteran to a veterans' remains organization for the sole purpose of interment, subject to Section 943 of this code and Sections 7110 and 7208 of the Health and Safety Code, when all of the following conditions have been met:

(1) The veterans' remains organization has verified the interment benefits of the deceased veteran or dependent of a veteran with the California Department of Veterans Affairs and provided documentation of the verification to the cemetery authority, cemetery corporation or association, or other entity that the decedent is a veteran or a dependent of a veteran eligible for burial in a national or state cemetery.

(2) The veterans' remains organization has made a reasonable effort to locate the agent or family member who has the right to control the cremated remains of the veteran or dependent of a veteran.

(3) The veterans' remains organization has provided notice to all known agents or family members who have the right to control the cremated remains of the veteran or dependent of a veteran of the veteran's remains organization's intent to claim the cremated remains of the veteran or dependent of a veteran for the purpose of providing a proper burial of the cremated remains of the veteran or dependent of a veteran in accordance with Section 943 of this code and Sections 7110 and 7208 of the Health and Safety Code.

(4) An agent or family member who has the right to control the cremated remains of the veteran or dependent of a veteran has made no attempt to claim the cremated remains.

(5) The cremated remains have been in the possession of the cemetery authority, cemetery corporation or association, or other entity for a period of at least one year.

(d) The cemetery authority, cemetery corporation or association, or other entity that releases veteran status information or cremated remains of the veteran or dependent of a veteran pursuant to this section shall not be subject to civil liability, except for gross negligence, if all of the conditions of this section are met.

SEC. 115. Section 136.2 of the Penal Code, as amended by Section 1.5 of Chapter 291 of the Statutes of 2013, is amended to read:

136.2. (a) Upon a good cause belief that harm to, or intimidation or dissuasion of, a victim or witness has occurred or is reasonably likely to occur, a court with jurisdiction over a criminal matter may issue orders, including, but not limited to, the following:

(1) An order issued pursuant to Section 6320 of the Family Code.

(2) An order that a defendant shall not violate any provision of Section 136.1.

(3) An order that a person before the court other than a defendant, including, but not limited to, a subpoenaed witness or other person entering the courtroom of the court, shall not violate any provisions of Section 136.1.

(4) An order that a person described in this section shall have no communication whatsoever with a specified witness or a victim, except through an attorney under reasonable restrictions that the court may impose.

(5) An order calling for a hearing to determine if an order as described in paragraphs (1) to (4), inclusive, should be issued.

(6) (A) An order that a particular law enforcement agency within the jurisdiction of the court provide protection for a victim or a witness, or both, or for immediate family members of a victim or a witness who reside in the same household as the victim or witness or within reasonable proximity of the victim's or witness' household, as determined by the court. The order shall not be made without the consent of the law enforcement agency except for limited and specified periods of time and upon an express finding by the court of a clear and present danger of harm to the victim or witness or immediate family members of the victim or witness.

(B) For purposes of this paragraph, "immediate family members" include the spouse, children, or parents of the victim or witness.

(7) (A) An order protecting victims of violent crime from all contact by the defendant, or contact, with the intent to annoy, harass, threaten, or commit acts of violence, by the defendant. The court or its designee shall transmit orders made under this paragraph to law enforcement personnel within one business day

of the issuance, modification, extension, or termination of the order, pursuant to subdivision (a) of Section 6380 of the Family Code. It is the responsibility of the court to transmit the modification, extension, or termination orders made under this paragraph to the same agency that entered the original protective order into the Domestic Violence Restraining Order System.

(B) (i) If a court does not issue an order pursuant to subparagraph (A) in a case in which the defendant is charged with a crime of domestic violence as defined in Section 13700, the court on its own motion shall consider issuing a protective order upon a good cause belief that harm to, or intimidation or dissuasion of, a victim or witness has occurred or is reasonably likely to occur, that provides as follows:

(I) The defendant shall not own, possess, purchase, receive, or attempt to purchase or receive, a firearm while the protective order is in effect.

(II) The defendant shall relinquish any firearms that he or she owns or possesses pursuant to Section 527.9 of the Code of Civil Procedure.

(ii) Every person who owns, possesses, purchases, or receives, or attempts to purchase or receive, a firearm while this protective order is in effect is punishable pursuant to Section 29825.

(C) An order issued, modified, extended, or terminated by a court pursuant to this paragraph shall be issued on forms adopted by the Judicial Council of California and that have been approved by the Department of Justice pursuant to subdivision (i) of Section 6380 of the Family Code. However, the fact that an order issued by a court pursuant to this section was not issued on forms adopted by the Judicial Council and approved by the Department of Justice shall not, in and of itself, make the order unenforceable.

(D) A protective order issued under this paragraph may require the defendant to be placed on electronic monitoring if the local government, with the concurrence of the county sheriff or the chief probation officer with jurisdiction, adopts a policy to authorize electronic monitoring of defendants and specifies the agency with jurisdiction for this purpose. If the court determines that the defendant has the ability to pay for the monitoring program, the court shall order the defendant to pay for the monitoring. If the court determines that the defendant does not have the ability to pay for the electronic monitoring, the court may order electronic

monitoring to be paid for by the local government that adopted the policy to authorize electronic monitoring. The duration of electronic monitoring shall not exceed one year from the date the order is issued. At no time shall the electronic monitoring be in place if the protective order is not in place.

(b) A person violating an order made pursuant to paragraphs (1) to (7), inclusive, of subdivision (a) may be punished for any substantive offense described in Section 136.1, or for a contempt of the court making the order. A finding of contempt shall not be a bar to prosecution for a violation of Section 136.1. However, a person so held in contempt shall be entitled to credit for punishment imposed therein against a sentence imposed upon conviction of an offense described in Section 136.1. A conviction or acquittal for a substantive offense under Section 136.1 shall be a bar to a subsequent punishment for contempt arising out of the same act.

(c) (1) (A) Notwithstanding subdivision (e), an emergency protective order issued pursuant to Chapter 2 (commencing with Section 6250) of Part 3 of Division 10 of the Family Code or Section 646.91 shall have precedence in enforcement over any other restraining or protective order, provided the emergency protective order meets all of the following requirements:

(i) The emergency protective order is issued to protect one or more individuals who are already protected persons under another restraining or protective order.

(ii) The emergency protective order restrains the individual who is the restrained person in the other restraining or protective order specified in subparagraph (A).

(iii) The provisions of the emergency protective order are more restrictive in relation to the restrained person than are the provisions of the other restraining or protective order specified in subparagraph (A).

(B) An emergency protective order that meets the requirements of paragraph (1) shall have precedence in enforcement over the provisions of any other restraining or protective order only with respect to those provisions of the emergency protective order that are more restrictive in relation to the restrained person.

(2) Except as described in paragraph (1), a no-contact order, as described in Section 6320 of the Family Code, shall have precedence in enforcement over any other restraining or protective order.

(d) (1) A person subject to a protective order issued under this section shall not own, possess, purchase, receive, or attempt to purchase or receive a firearm while the protective order is in effect.

(2) The court shall order a person subject to a protective order issued under this section to relinquish any firearms he or she owns or possesses pursuant to Section 527.9 of the Code of Civil Procedure.

(3) A person who owns, possesses, purchases, or receives, or attempts to purchase or receive a firearm while the protective order is in effect is punishable pursuant to Section 29825.

(e) (1) In all cases where the defendant is charged with a crime of domestic violence, as defined in Section 13700, the court shall consider issuing the above-described orders on its own motion. All interested parties shall receive a copy of those orders. In order to facilitate this, the court's records of all criminal cases involving domestic violence shall be marked to clearly alert the court to this issue.

(2) In those cases in which a complaint, information, or indictment charging a crime of domestic violence, as defined in Section 13700, has been issued, except as described in subdivision (c), a restraining order or protective order against the defendant issued by the criminal court in that case has precedence in enforcement over a civil court order against the defendant.

(3) Custody and visitation with respect to the defendant and his or her minor children may be ordered by a family or juvenile court consistent with the protocol established pursuant to subdivision (f), but if ordered after a criminal protective order has been issued pursuant to this section, the custody and visitation order shall make reference to, and, if there is not an emergency protective order that has precedence in enforcement pursuant to paragraph (1) of subdivision (c), or a no-contact order, as described in Section 6320 of the Family Code, acknowledge the precedence of enforcement of, an appropriate criminal protective order. On or before July 1, 2014, the Judicial Council shall modify the criminal and civil court forms consistent with this subdivision.

(f) On or before January 1, 2003, the Judicial Council shall promulgate a protocol, for adoption by each local court in substantially similar terms, to provide for the timely coordination of all orders against the same defendant and in favor of the same named victim or victims. The protocol shall include, but shall not

be limited to, mechanisms for ensuring appropriate communication and information sharing between criminal, family, and juvenile courts concerning orders and cases that involve the same parties, and shall permit a family or juvenile court order to coexist with a criminal court protective order subject to the following conditions:

(1) An order that permits contact between the restrained person and his or her children shall provide for the safe exchange of the children and shall not contain language either printed or handwritten that violates a "no-contact order" issued by a criminal court.

(2) Safety of all parties shall be the courts' paramount concern. The family or juvenile court shall specify the time, day, place, and manner of transfer of the child, as provided in Section 3100 of the Family Code.

(g) On or before January 1, 2003, the Judicial Council shall modify the criminal and civil court protective order forms consistent with this section.

(h) In any case in which a complaint, information, or indictment charging a crime of domestic violence, as defined in Section 13700, has been filed, the court may consider, in determining whether good cause exists to issue an order under paragraph (1) of subdivision (a), the underlying nature of the offense charged, and the information provided to the court pursuant to Section 273.75.

(i) (1) In all cases in which a criminal defendant has been convicted of a crime of domestic violence as defined in Section 13700, a violation of Section 261, 261.5, or 262, or any crime that requires the defendant to register pursuant to subdivision (c) of Section 290, the court, at the time of sentencing, shall consider issuing an order restraining the defendant from any contact with the victim. The order may be valid for up to 10 years, as determined by the court. This protective order may be issued by the court regardless of whether the defendant is sentenced to the state prison or a county jail, or whether imposition of sentence is suspended and the defendant is placed on probation. It is the intent of the Legislature in enacting this subdivision that the duration of any restraining order issued by the court be based upon the seriousness of the facts before the court, the probability of future violations, and the safety of the victim and his or her immediate family.

(2) An order under this subdivision may include provisions for electronic monitoring if the local government, upon receiving the

concurrence of the county sheriff or the chief probation officer with jurisdiction, adopts a policy authorizing electronic monitoring of defendants and specifies the agency with jurisdiction for this purpose. If the court determines that the defendant has the ability to pay for the monitoring program, the court shall order the defendant to pay for the monitoring. If the court determines that the defendant does not have the ability to pay for the electronic monitoring, the court may order the electronic monitoring to be paid for by the local government that adopted the policy authorizing electronic monitoring. The duration of the electronic monitoring shall not exceed one year from the date the order is issued.

(j) For purposes of this section, "local government" means the county that has jurisdiction over the protective order.

SEC. 116. Section 145.5 of the Penal Code is amended to read:

145.5. (a) (1) Subject to paragraph (2), notwithstanding any law to the contrary, no agency of the State of California, no political subdivision of this state, no employee of an agency, or a political subdivision, of this state acting in his or her official capacity, and no member of the California National Guard on official state duty shall knowingly aid an agency of the armed forces of the United States in any investigation, prosecution, or detention of a person within California pursuant to (A) Sections 1021 and 1022 of the National Defense Authorization Act for Fiscal Year 2012 (NDAA), (B) the federal law known as the Authorization for Use of Military Force (Public Law 107-40), enacted in 2001, or (C) any other federal law, if the state agency, political subdivision, employee, or member of the California National Guard would violate the United States Constitution, the California Constitution, or any law of this state by providing that aid.

(2) Paragraph (1) does not apply to participation by state or local law enforcement or the California National Guard in a joint task force, partnership, or other similar cooperative agreement with federal law enforcement if that joint task force, partnership, or similar cooperative agreement is not for the purpose of investigating, prosecuting, or detaining any person pursuant to (A) Sections 1021 and 1022 of the NDAA, (B) the federal law known as the Authorization for Use of Military Force (Public Law 107-40), enacted in 2001, or (C) any other federal law, if the state agency, political subdivision, employee, or member of the

California National Guard would violate the United States Constitution, the California Constitution, or any law of this state by providing that aid.

(b) It is the policy of this state to refuse to provide material support for or to participate in any way with the implementation within this state of any federal law that purports to authorize indefinite detention of a person within California. Notwithstanding any other law, no local law enforcement agency or local or municipal government, or the employee of that agency or government acting in his or her official capacity, shall knowingly use state funds or funds allocated by the state to local entities on or after January 1, 2013, in whole or in part, to engage in any activity that aids an agency of the armed forces of the United States in the detention of any person within California for purposes of implementing Sections 1021 and 1022 of the NDAA or the federal law known as the Authorization for Use of Military Force (Public Law 107-40), enacted in 2001, if that activity would violate the United States Constitution, the California Constitution, or any law of this state.

SEC. 117. Section 273.5 of the Penal Code is amended to read:

273.5. (a) Any person who willfully inflicts corporal injury resulting in a traumatic condition upon a victim described in subdivision (b) is guilty of a felony, and upon conviction thereof shall be punished by imprisonment in the state prison for two, three, or four years, or in a county jail for not more than one year, or by a fine of up to six thousand dollars ($6,000), or by both that fine and imprisonment.

(b) Subdivision (a) shall apply if the victim is or was one or more of the following:

(1) The offender's spouse or former spouse.

(2) The offender's cohabitant or former cohabitant.

(3) The offender's fiancé or fiancée, or someone with whom the offender has, or previously had, an engagement or dating relationship, as defined in paragraph (10) of subdivision (f) of Section 243.

(4) The mother or father of the offender's child.

(c) Holding oneself out to be the husband or wife of the person with whom one is cohabiting is not necessary to constitute cohabitation as the term is used in this section.

(d) As used in this section, "traumatic condition" means a condition of the body, such as a wound, or external or internal injury, including, but not limited to, injury as a result of strangulation or suffocation, whether of a minor or serious nature, caused by a physical force. For purposes of this section, "strangulation" and "suffocation" include impeding the normal breathing or circulation of the blood of a person by applying pressure on the throat or neck.

(e) For the purpose of this section, a person shall be considered the father or mother of another person's child if the alleged male parent is presumed the natural father under Sections 7611 and 7612 of the Family Code.

(f) (1) Any person convicted of violating this section for acts occurring within seven years of a previous conviction under subdivision (a), or subdivision (d) of Section 243, or Section 243.4, 244, 244.5, or 245, shall be punished by imprisonment in a county jail for not more than one year, or by imprisonment in the state prison for two, four, or five years, or by both imprisonment and a fine of up to ten thousand dollars ($10,000).

(2) Any person convicted of a violation of this section for acts occurring within seven years of a previous conviction under subdivision (e) of Section 243 shall be punished by imprisonment in the state prison for two, three, or four years, or in a county jail for not more than one year, or by a fine of up to ten thousand dollars ($10,000), or by both that imprisonment and fine.

(g) If probation is granted to any person convicted under subdivision (a), the court shall impose probation consistent with the provisions of Section 1203.097.

(h) If probation is granted, or the execution or imposition of a sentence is suspended, for any defendant convicted under subdivision (a) who has been convicted of any prior offense specified in subdivision (f), the court shall impose one of the following conditions of probation:

(1) If the defendant has suffered one prior conviction within the previous seven years for a violation of any offense specified in subdivision (f), it shall be a condition of probation, in addition to the provisions contained in Section 1203.097, that he or she be imprisoned in a county jail for not less than 15 days.

(2) If the defendant has suffered two or more prior convictions within the previous seven years for a violation of any offense

specified in subdivision (f), it shall be a condition of probation, in addition to the provisions contained in Section 1203.097, that he or she be imprisoned in a county jail for not less than 60 days.

(3) The court, upon a showing of good cause, may find that the mandatory imprisonment required by this subdivision shall not be imposed and shall state on the record its reasons for finding good cause.

(i) If probation is granted upon conviction of a violation of subdivision (a), the conditions of probation may include, consistent with the terms of probation imposed pursuant to Section 1203.097, in lieu of a fine, one or both of the following requirements:

(1) That the defendant make payments to a battered women's shelter, up to a maximum of five thousand dollars ($5,000), pursuant to Section 1203.097.

(2) (A) That the defendant reimburse the victim for reasonable costs of counseling and other reasonable expenses that the court finds are the direct result of the defendant's offense.

(B) For any order to pay a fine, make payments to a battered women's shelter, or pay restitution as a condition of probation under this subdivision, the court shall make a determination of the defendant's ability to pay. An order to make payments to a battered women's shelter shall not be made if it would impair the ability of the defendant to pay direct restitution to the victim or court-ordered child support. If the injury to a married person is caused in whole or in part by the criminal acts of his or her spouse in violation of this section, the community property may not be used to discharge the liability of the offending spouse for restitution to the injured spouse, required by Section 1203.04, as operative on or before August 2, 1995, or Section 1202.4, or to a shelter for costs with regard to the injured spouse and dependents, required by this section, until all separate property of the offending spouse is exhausted.

(j) Upon conviction under subdivision (a), the sentencing court shall also consider issuing an order restraining the defendant from any contact with the victim, which may be valid for up to 10 years, as determined by the court. It is the intent of the Legislature that the length of any restraining order be based upon the seriousness of the facts before the court, the probability of future violations, and the safety of the victim and his or her immediate family. This protective order may be issued by the court whether the defendant

is sentenced to state prison or county jail, or if imposition of sentence is suspended and the defendant is placed on probation.

(k) If a peace officer makes an arrest for a violation of this section, the peace officer is not required to inform the victim of his or her right to make a citizen's arrest pursuant to subdivision (b) of Section 836.

SEC. 118. Section 289.6 of the Penal Code is amended to read:

289.6. (a) (1) An employee or officer of a public entity health facility, or an employee, officer, or agent of a private person or entity that provides a health facility or staff for a health facility under contract with a public entity, who engages in sexual activity with a consenting adult who is confined in a health facility is guilty of a public offense. As used in this paragraph, "health facility" means a health facility as defined in subdivisions (b), (e), (g), (h), and (j) of, and subparagraph (C) of paragraph (2) of subdivision (i) of, Section 1250 of the Health and Safety Code, in which the victim has been confined involuntarily.

(2) An employee or officer of a public entity detention facility, or an employee, officer, agent of a private person or entity that provides a detention facility or staff for a detention facility, a person or agent of a public or private entity under contract with a detention facility, a volunteer of a private or public entity detention facility, or a peace officer who engages in sexual activity with a consenting adult who is confined in a detention facility is guilty of a public offense.

(3) An employee with a department, board, or authority under the Department of Corrections and Rehabilitation or a facility under contract with a department, board, or authority under the Department of Corrections and Rehabilitation, who, during the course of his or her employment directly provides treatment, care, control, or supervision of inmates, wards, or parolees, and who engages in sexual activity with a consenting adult who is an inmate, ward, or parolee, is guilty of a public offense.

(b) As used in this section, the term "public entity" means the state, federal government, a city, a county, a city and county, a joint county jail district, or any entity created as a result of a joint powers agreement between two or more public entities.

(c) As used in this section, the term "detention facility" means:

(1) A prison, jail, camp, or other correctional facility used for the confinement of adults or both adults and minors.

(2) A building or facility used for the confinement of adults or adults and minors pursuant to a contract with a public entity.

(3) A room that is used for holding persons for interviews, interrogations, or investigations and that is separate from a jail or located in the administrative area of a law enforcement facility.

(4) A vehicle used to transport confined persons during their period of confinement, including transporting a person after he or she has been arrested but has not been booked.

(5) A court holding facility located within or adjacent to a court building that is used for the confinement of persons for the purpose of court appearances.

(d) As used in this section, "sexual activity" means:

(1) Sexual intercourse.

(2) Sodomy, as defined in subdivision (a) of Section 286.

(3) Oral copulation, as defined in subdivision (a) of Section 288a.

(4) Sexual penetration, as defined in subdivision (k) of Section 289.

(5) The rubbing or touching of the breasts or sexual organs of another, or of oneself in the presence of and with knowledge of another, with the intent of arousing, appealing to, or gratifying the lust, passions, or sexual desires of oneself or another.

(e) Consent by a confined person or parolee to sexual activity proscribed by this section is not a defense to a criminal prosecution for violation of this section.

(f) This section does not apply to sexual activity between consenting adults that occurs during an overnight conjugal visit that takes place pursuant to a court order or with the written approval of an authorized representative of the public entity that operates or contracts for the operation of the detention facility where the conjugal visit takes place, to physical contact or penetration made pursuant to a lawful search, or bona fide medical examinations or treatments, including clinical treatments.

(g) Any violation of paragraph (1) of subdivision (a), or a violation of paragraph (2) or (3) of subdivision (a) as described in paragraph (5) of subdivision (d), is a misdemeanor.

(h) Any violation of paragraph (2) or (3) of subdivision (a), as described in paragraph (1), (2), (3), or (4) of subdivision (d), shall be punished by imprisonment in a county jail not exceeding one

year, or in the state prison, or by a fine of not more than ten thousand dollars ($10,000) or by both that fine and imprisonment.

(i) Any person previously convicted of a violation of this section shall, upon a subsequent violation, be guilty of a felony.

(j) Anyone who is convicted of a felony violation of this section who is employed by a department, board, or authority within the Department of Corrections and Rehabilitation shall be terminated in accordance with the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code). Anyone who has been convicted of a felony violation of this section shall not be eligible to be hired or reinstated by a department, board, or authority within the Department of Corrections and Rehabilitation.

SEC. 119. Section 311.11 of the Penal Code is amended to read:

311.11. (a) Every person who knowingly possesses or controls any matter, representation of information, data, or image, including, but not limited to, any film, filmstrip, photograph, negative, slide, photocopy, videotape, video laser disc, computer hardware, computer software, computer floppy disc, data storage media, CD-ROM, or computer-generated equipment or any other computer-generated image that contains or incorporates in any manner, any film or filmstrip, the production of which involves the use of a person under 18 years of age, knowing that the matter depicts a person under 18 years of age personally engaging in or simulating sexual conduct, as defined in subdivision (d) of Section 311.4, is guilty of a felony and shall be punished by imprisonment in the state prison, or a county jail for up to one year, or by a fine not exceeding two thousand five hundred dollars ($2,500), or by both the fine and imprisonment.

(b) Every person who commits a violation of subdivision (a), and who has been previously convicted of a violation of this section, an offense requiring registration under the Sex Offender Registration Act, or an attempt to commit any of the above-mentioned offenses, is guilty of a felony and shall be punished by imprisonment in the state prison for two, four, or six years.

(c) Each person who commits a violation of subdivision (a) shall be punished by imprisonment in the state prison for 16 months, or two or five years, or shall be punished by imprisonment

in a county jail for up to one year, or by a fine not exceeding two thousand five hundred dollars ($2,500), or by both the fine and imprisonment, if one of the following factors exists:

(1) The matter contains more than 600 images that violate subdivision (a), and the matter contains 10 or more images involving a prepubescent minor or a minor who has not attained 12 years of age.

(2) The matter portrays sexual sadism or sexual masochism involving a person under 18 years of age. For purposes of this section, "sexual sadism" means the intentional infliction of pain for purposes of sexual gratification or stimulation. For purposes of this section, "sexual masochism" means intentionally experiencing pain for purposes of sexual gratification or stimulation.

(d) It is not necessary to prove that the matter is obscene in order to establish a violation of this section.

(e) This section does not apply to drawings, figurines, statues, or any film rated by the Motion Picture Association of America, nor does it apply to live or recorded telephone messages when transmitted, disseminated, or distributed as part of a commercial transaction.

(f) For purposes of determining the number of images under paragraph (1) of subdivision (c), the following shall apply:

(1) Each photograph, picture, computer or computer-generated image, or any similar visual depiction shall be considered to be one image.

(2) Each video, video-clip, movie, or similar visual depiction shall be considered to have 50 images.

SEC. 120. Section 311.12 of the Penal Code is amended to read:

311.12. (a) (1) Every person who is convicted of a violation of Section 311.1, 311.2, 311.3, 311.10, or 311.11 in which the offense involves the production, use, possession, control, or advertising of matter or image that depicts a person under 18 years of age personally engaging in or simulating sexual conduct, as defined in subdivision (d) of Section 311.4, in which the violation is committed on, or via, a government-owned computer or via a government-owned computer network, shall, in addition to any imprisonment or fine imposed for the commission of the underlying offense, be punished by a fine not exceeding two thousand dollars

($2,000), unless the court determines that the defendant does not have the ability to pay.

(2) Every person who is convicted of a violation of Section 311.1, 311.2, 311.3, 311.10, or 311.11 in which the offense involves the production, use, possession, control, or advertising of matter or image that depicts a person under 18 years of age personally engaging in or simulating sexual conduct, as defined in subdivision (d) of Section 311.4, in which the production, transportation, or distribution of which involves the use, possession, or control of government-owned property shall, in addition to any imprisonment or fine imposed for the commission of the underlying offense, be punished by a fine not exceeding two thousand dollars ($2,000), unless the court determines that the defendant does not have the ability to pay.

(b) The fines in subdivision (a) shall not be subject to the provisions of Sections 70372, 76000, 76000.5, and 76104.6 of the Government Code, or Sections 1464 and 1465.7 of this code.

(c) Revenue from any fines collected pursuant to this section shall be deposited into a county fund established for that purpose and allocated as follows, and a county may transfer all or part of any of those allocations to another county for the allocated use:

(1) One-third for sexual assault investigator training.

(2) One-third for public agencies and nonprofit corporations that provide shelter, counseling, or other direct services for victims of human trafficking.

(3) One-third for multidisciplinary teams.

(d) As used in this section:

(1) "Computer" includes any computer hardware, computer software, computer floppy disk, data storage medium, or CD-ROM.

(2) "Government-owned" includes property and networks owned or operated by state government, city government, city and county government, county government, a public library, or a public college or university.

(3) "Multidisciplinary teams" means a child-focused, facility-based program in which representatives from many disciplines, including law enforcement, child protection, prosecution, medical and mental health, and victim and child advocacy work together to conduct interviews and make team decisions about the investigation, treatment, management, and prosecution of child abuse cases, including child sexual abuse

cases. It is the intent of the Legislature that this multidisciplinary team approach will protect victims of child abuse from multiple interviews, result in a more complete understanding of case issues, and provide the most effective child- and family-focused system response possible.

(e) This section shall not be construed to require any government or government entity to retain data in violation of any provision of state or federal law.

SEC. 121. Section 326.3 of the Penal Code is amended to read:

326.3. (a) The Legislature finds and declares all of the following:

(1) Nonprofit organizations provide important and essential educational, philanthropic, and social services to the people of the state.

(2) One of the great strengths of California is a vibrant nonprofit sector.

(3) Nonprofit and philanthropic organizations touch the lives of every Californian through service and employment.

(4) Many of these services would not be available if nonprofit organizations did not provide them.

(5) There is a need to provide methods of fundraising to nonprofit organizations to enable them to provide these essential services.

(6) Historically, many nonprofit organizations have used charitable bingo as one of their key fundraising strategies to promote the mission of the charity.

(7) Legislation is needed to provide greater revenues for nonprofit organizations to enable them to fulfill their charitable purposes, and especially to meet their increasing social service obligations.

(8) Legislation is also needed to clarify that existing law requires that all charitable bingo must be played using a tangible card and that the only permissible electronic devices to be used by charitable bingo players are card-minding devices.

(b) Neither the prohibition on gambling in this chapter nor in Chapter 10 (commencing with Section 330) applies to any remote caller bingo game that is played or conducted in a city, county, or city and county pursuant to an ordinance enacted under Section 19 of Article IV of the California Constitution, if the ordinance allows a remote caller bingo game to be played or conducted only

in accordance with this section, including the following requirements:

(1) The game may be conducted only by the following organizations:

(A) An organization that is exempted from the payment of the taxes imposed under the Corporation Tax Law by Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701*l*, or 23701w of the Revenue and Taxation Code.

(B) A mobilehome park association.

(C) A senior citizens' organization.

(D) Charitable organizations affiliated with a school district.

(2) The organization conducting the game shall have been incorporated or in existence for three years or more.

(3) The organization conducting the game shall be licensed pursuant to subdivision (*l*) of Section 326.5.

(4) The receipts of the game shall be used only for charitable purposes. The organization conducting the game shall determine the disbursement of the net receipts of the game.

(5) The operation of bingo may not be the primary purpose for which the organization is organized.

(c) A city, county, or city and county may adopt an ordinance in substantially the following form to authorize remote caller bingo in accordance with the requirements of subdivision (b):

Sec. _.01. Legislative Authorization.

This chapter is adopted pursuant to Section 19 of Article IV of the California Constitution, as implemented by Sections 326.3 and 326.4 of the Penal Code.

Sec. _.02. Remote Caller Bingo Authorized.

Remote Caller Bingo may be lawfully played in the [City, County, or City and County] pursuant to the provisions of Sections 326.3 and 326.4 of the Penal Code, and this chapter, and not otherwise.

Sec. _.03. Qualified Applicants: Applicants for Licensure.

(a) The following organizations are qualified to apply to the License Official for a license to operate a bingo game if the receipts of those games are used only for charitable purposes:

(1) An organization exempt from the payment of the taxes imposed under the Corporation Tax Law by Section 23701a,

23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701*l*, or 23701w of the Revenue and Taxation Code.

(2) A mobilehome park association of a mobilehome park that is situated in the [City, County, or City and County].

(3) Senior citizen organizations.

(4) Charitable organizations affiliated with a school district.

(b) The application shall be in a form prescribed by the License Official and shall be accompanied by a nonrefundable filing fee in an amount determined by resolution of the [Governing Body of the City, County, or City and County] from time to time. The following documentation shall be attached to the application, as applicable:

(1) A certificate issued by the Franchise Tax Board certifying that the applicant is exempt from the payment of the taxes imposed under the Corporation Tax Law pursuant to Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701*l*, or 23701w of the Revenue and Taxation Code. In lieu of a certificate issued by the Franchise Tax Board, the License Official may refer to the Franchise Tax Board's Internet Web site to verify that the applicant is exempt from the payment of the taxes imposed under the Corporation Tax Law.

(2) Other evidence as the License Official determines is necessary to verify that the applicant is a duly organized mobilehome park association of a mobilehome park situated in the [City, County, or City and County].

Sec. _.04. License Application: Verification.

The license shall not be issued until the License Official has verified the facts stated in the application and determined that the applicant is qualified.

Sec. _.05. Annual Licenses.

A license issued pursuant to this chapter shall be valid until the end of the calendar year, at which time the license shall expire. A new license shall only be obtained upon filing a new application and payment of the license fee. The fact that a license has been issued to an applicant creates no vested right on the part of the licensee to continue to offer bingo for play. The [Governing Body of the City, County, or City and County] expressly reserves the right to amend or repeal this chapter at any time by resolution. If this chapter is repealed, all licenses issued pursuant to this chapter

shall cease to be effective for any purpose on the effective date of the repealing resolution.

Sec. _.06. Conditions of Licensure.

(a) Any license issued pursuant to this chapter shall be subject to the conditions contained in Sections 326.3 and 326.4 of the Penal Code, and each licensee shall comply with the requirements of those provisions.

(b) Each license issued pursuant to this chapter shall be subject to the following additional conditions:

(1) Bingo games shall not be conducted by any licensee on more than two days during any week, except that a licensee may hold one additional game, at its election, in each calendar quarter.

(2) The licensed organization is responsible for ensuring that the conditions of this chapter and Sections 326.3 and 326.4 of the Penal Code are complied with by the organization and its officers and members. A violation of any one or more of those conditions or provisions shall constitute cause for the revocation of the organization's license. At the request of the organization, the [Governing Body of the City, County, or City and County] shall hold a public hearing before revoking any license issued pursuant to this chapter.

(3) This section shall not require a city, county, or city and county to use this model ordinance in order to authorize remote caller bingo.

(d) It is a misdemeanor for any person to receive or pay a profit, wage, or salary from any remote caller bingo game, provided that administrative, managerial, technical, financial, and security personnel employed by the organization conducting the bingo game may be paid reasonable fees for services rendered from the revenues of bingo games, as provided in subdivision (*l*), except that fees paid under those agreements shall not be determined as a percentage of receipts or other revenues from, or be dependent on the outcome of, the game.

(e) A violation of subdivision (d) shall be punishable by a fine not to exceed ten thousand dollars ($10,000), which fine shall be deposited in the general fund of the city, county, or city and county that enacted the ordinance authorizing the remote caller bingo game. A violation of any provision of this section, other than subdivision (d), is a misdemeanor.

(f) The city, county, or city and county that enacted the ordinance authorizing the remote caller bingo game, or the Attorney General, may bring an action to enjoin a violation of this section.

(g) A minor shall not be allowed to participate in any remote caller bingo game.

(h) A remote caller bingo game shall include only sites that are located within this state.

(i) An organization authorized to conduct a remote caller bingo game pursuant to subdivision (b) shall conduct the game only on property that is owned or leased by the organization, or the use of which is donated to the organization. This subdivision shall not be construed to require that the property that is owned or leased by, or the use of which is donated to, the organization be used or leased exclusively by, or donated exclusively to, that organization.

(j) (1) All remote caller bingo games shall be open to the public, and shall not be limited to the members of the authorized organization.

(2) No more than 750 players may participate in a remote caller bingo game in a single location.

(3) If the Governor or the President declares a state of emergency in response to a natural disaster or other public catastrophe occurring in California, an organization authorized to conduct remote caller bingo games may, while that declaration is in effect, conduct a remote caller bingo game pursuant to this section with more than 750 participants in a single venue if the net proceeds of the game, after deduction of prizes and overhead expenses, are donated to or expended exclusively for the relief of the victims of the disaster or catastrophe, and the organization gives, for each participating remote caller bingo site, the department and local law enforcement at least 10 days' written notice of the intent to conduct that game.

(4) For each participating remote caller bingo site, an organization authorized by the commission to conduct remote caller bingo games shall provide the department and local law enforcement with at least 30 days' advance written notice of its intent to conduct a remote caller bingo game. That notice shall include all of the following:

(A) The legal name of the organization and the address of record of the agent upon whom legal notice may be served.

(B) The locations of the caller and remote players, whether the property is owned by the organization or donated, and if donated, by whom.

(C) The name of the licensed caller and site manager.

(D) The names of administrative, managerial, technical, financial, and security personnel employed.

(E) The name of the vendor and any person or entity maintaining the equipment used to operate and transmit the game.

(F) The name of the person designated as having a fiduciary responsibility for the game pursuant to paragraph (2) of subdivision (k).

(G) The license numbers of all persons specified in subparagraphs (A) to (F), inclusive, who are required to be licensed.

(H) A copy of the local ordinance for any city, county, or city and county in which the game will be played. The department shall post the ordinance on its Internet Web site.

(I) A copy of the license issued to the organization by the governing body of the city, county, or city and county pursuant to subdivision (b).

(k) (1) A remote caller bingo game shall be operated and staffed only by members of the authorized organization that organized it. Those members shall not receive a profit, wage, or salary from any remote caller bingo game. Only the organization authorized to conduct a remote caller bingo game shall operate that game, or participate in the promotion, supervision, or any other phase of a remote caller bingo game. Subject to subdivision (m), this subdivision shall not preclude the employment of administrative, managerial, technical, financial, or security personnel who are not members of the authorized organization at a location participating in the remote caller bingo game by the organization conducting the game. Notwithstanding any other law, exclusive or other agreements between the authorized organization and other entities or persons to provide services in the administration, management, or conduct of the game shall not be considered a violation of the prohibition against holding a legally cognizable financial interest in the conduct of the remote caller bingo game by persons or entities other than the charitable organization, or other entity authorized to conduct the remote caller bingo games, if those persons or entities obtain the gambling licenses, the key employee licenses, or the work permits required by, and otherwise comply

with, Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code. Fees to be paid under those agreements shall be reasonable and shall not be determined as a percentage of receipts or other revenues from, or be dependent on the outcome of, the game.

(2) An organization that conducts a remote caller bingo game shall designate a person as having fiduciary responsibility for the game.

(*l*) An individual, corporation, partnership, or other legal entity, except the organization authorized to conduct or participate in a remote caller bingo game, shall not hold a legally cognizable financial interest in the conduct of that game.

(m) An organization authorized to conduct a remote caller bingo game pursuant to this section shall not have overhead costs exceeding 20 percent of gross sales, except that the limitations of this section shall not apply to one-time, nonrecurring capital acquisitions. For purposes of this subdivision, "overhead costs" includes, but is not limited to, amounts paid for rent and equipment leasing and the reasonable fees authorized to be paid to administrative, managerial, technical, financial, and security personnel employed by the organization pursuant to subdivision (d). For the purpose of keeping its overhead costs below 20 percent of gross sales, an authorized organization may elect to deduct all or a portion of the fees paid to financial institutions for the use and processing of credit card sales from the amount of gross revenues awarded for prizes. In that case, the redirected fees for the use and processing of credit card sales shall not be included in "overhead costs" as defined in the California Remote Caller Bingo Act. Additionally, fees paid to financial institutions for the use and processing of credit card sales shall not be deducted from the proceeds retained by the charitable organization.

(n) A person shall not be allowed to participate in a remote caller bingo game unless the person is physically present at the time and place where the remote caller bingo game is being conducted. A person shall be deemed to be physically present at the place where the remote caller bingo game is being conducted if he or she is present at any of the locations participating in the remote caller bingo game in accordance with this section.

(o) (1) An organization shall not cosponsor a remote caller bingo game with one or more other organizations unless one of the following is true:

(A) All of the cosponsors are affiliated under the master charter or articles and bylaws of a single organization.

(B) All of the cosponsors are affiliated through an organization described in paragraph (1) of subdivision (b), and have the same Internal Revenue Service activity code.

(2) Notwithstanding paragraph (1), a maximum of 10 unaffiliated organizations described in paragraph (1) of subdivision (b) may enter into an agreement to cosponsor a remote caller game, but that game shall have no more than 10 locations.

(3) An organization shall not conduct remote caller bingo more than two days per week.

(4) Before sponsoring or operating any game authorized under paragraph (1) or (2), each of the cosponsoring organizations shall have entered into a written agreement, a copy of which shall be provided to the department, setting forth how the expenses and proceeds of the game are to be allocated among the participating organizations, the bank accounts into which all receipts are to be deposited and from which all prizes are to be paid, and how game records are to be maintained and subjected to annual audit.

(p) The value of prizes awarded during the conduct of any remote caller bingo game shall not exceed 37 percent of the gross receipts for that game. When an authorized organization elects to deduct fees paid for the use and processing of credit card sales from the amount of gross revenues for that game awarded for prizes, the maximum amount of gross revenues that may be awarded for prizes shall not exceed 37 percent of the gross receipts for that game, less the amount of redirected fees paid for the use and processing of credit card sales. Every remote caller bingo game shall be played until a winner is declared. Progressive prizes are prohibited. The declared winner of a remote caller bingo game shall provide his or her identifying information and a mailing address to the onsite manager of the remote caller bingo game. Prizes shall be paid only by check; no cash prizes shall be paid. The organization conducting the remote caller bingo game may issue a check to the winner at the time of the game, or may send a check to the declared winner by United States Postal Service certified mail, return receipt requested. All prize money exceeding

state and federal exemption limits on prize money shall be subject to income tax reporting and withholding requirements under applicable state and federal laws and regulations and those reports and withholding shall be forwarded, within 10 business days, to the appropriate state or federal agency on behalf of the winner. A report shall accompany the amount withheld identifying the person on whose behalf the money is being sent. Any game interrupted by a transmission failure, electrical outage, or act of God shall be considered void in the location that was affected. A refund for a canceled game or games shall be provided to the purchasers.

(q) (1) The commission shall require the licensure of the following:

(A) Any person who contracts to conduct remote caller bingo on behalf of an organization described in subdivision (b) or who is identified as having fiduciary responsibility for the game pursuant to subdivision (k).

(B) Any person who directly or indirectly manufactures, distributes, supplies, vends, leases, or otherwise provides supplies, devices, services, or other equipment designed for use in the playing of a remote caller bingo game by any organization described in subdivision (b).

(C) Beginning January 31, 2009, or a later date as may be established by the commission, all persons described in subparagraph (A) or (B) may submit to the commission a letter of intent to submit an application for licensure. The letter shall clearly identify the principal applicant, all categories under which the application will be filed, and the names of all those particular individuals who are applying. Each charitable organization shall provide an estimate of the frequency with which it plans to conduct remote caller bingo operations, including the number of locations. The letter of intent may be withdrawn or updated at any time.

(2) (A) Background investigations related to remote caller bingo conducted by the department shall be in accordance with the Gambling Control Act (Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code) and as specified in regulations promulgated by the commission or the department.

(B) Fees to cover background investigation costs shall be paid and accounted for in accordance with Section 19867 of the Business and Professions Code.

(3) (A) Every application for a license or approval by a person described in subparagraph (A) of paragraph (1) shall be submitted to the department and accompanied by a nonrefundable fee.

(B) Fees and revenue collected pursuant to this paragraph shall be deposited in the California Bingo Fund, which is hereby created in the State Treasury. The funds deposited in the California Bingo Fund shall be available, upon appropriation by the Legislature, for expenditure by the commission and the department exclusively for the support of the commission and department in carrying out their duties and responsibilities under this section and Section 326.5.

(C) A loan is hereby authorized from the Gambling Control Fund to the California Bingo Fund on or after January 1, 2009, in an amount of up to five hundred thousand dollars ($500,000) to fund operating, personnel, and other startup costs incurred by the commission and department relating to this section. Funds from the California Bingo Fund shall be available to the commission and department upon appropriation by the Legislature in the annual Budget Act. The loan shall be subject to all of the following conditions:

(i) The loan shall be repaid to the Gambling Control Fund as soon as there is sufficient money in the California Bingo Fund to repay the amount loaned, but no later than July 1, 2019.

(ii) Interest on the loan shall be paid from the California Bingo Fund at the rate accruing to moneys in the Pooled Money Investment Account.

(iii) The terms and conditions of the loan are approved, prior to the transfer of funds, by the Department of Finance pursuant to appropriate fiscal standards.

The commission and department may assess and collect reasonable fees and deposits as necessary to defray the costs of regulation and oversight.

(D) Notwithstanding any other law, the loan authorized by Provision 1 of Item 0855-001-0567 of the Budget Act of 2009, in the amount of four hundred fifty-seven thousand dollars ($457,000), shall be repaid no later than July 1, 2019.

(E) The licensing fee for any person or entity that directly or indirectly manufactures, distributes, supplies, vends, leases, or otherwise provides supplies, devices, services, or other equipment designed for use in the playing of a remote caller bingo game by

any nonprofit organization shall be in an amount determined by the department, not to exceed the reasonable regulatory costs to the department and in accordance with regulations adopted pursuant to this chapter. Prior to the adoption of the regulations, the nonrefundable license fee shall be the amount of the reasonable regulatory costs to the department, not to exceed three thousand dollars ($3,000) per year.

(r) The administrative, managerial, technical, financial, and security personnel employed by an organization that conducts remote caller bingo games shall apply for, obtain, and thereafter maintain valid work permits, as defined in Section 19805 of the Business and Professions Code.

(s) An organization that conducts remote caller bingo games shall retain records in connection with the remote caller bingo game for five years.

(t) (1) All equipment used for remote caller bingo shall be certified as compliant with regulations adopted by the department by a manufacturing expert recognized by the department. Certifications shall be submitted to the department prior to the use of any equipment subject to this subdivision.

(2) The department may monitor operation of the transmission and other equipment used for remote caller bingo, and monitor the game.

(u) (1) As used in this section, "remote caller bingo game" means a game of bingo, as defined in subdivision (o) of Section 326.5, in which the numbers or symbols on randomly drawn plastic balls are announced by a natural person present at the site at which the live game is conducted, and the organization conducting the bingo game uses audio and video technology to link any of its in-state facilities for the purpose of transmitting the remote calling of a live bingo game from a single location to multiple locations owned, leased, or rented by that organization, or as described in subdivision (o) of this section. The audio or video technology used to link the facilities may include cable, Internet, satellite, broadband, or telephone technology, or any other means of electronic transmission that ensures the secure, accurate, and simultaneous transmission of the announcement of numbers or symbols in the game from the location at which the game is called by a natural person to the remote location or locations at which players may participate in the game. The drawing of each ball

bearing a number or symbol by the natural person calling the game shall be visible to all players as the ball is drawn, including through a simultaneous live video feed at remote locations at which players may participate in the game.

(2) The caller in the live game must be licensed by the California Gambling Control Commission. A game may be called by a nonlicensed caller if the drawing of balls and calling of numbers or symbols by that person is observed and personally supervised by a licensed caller.

(3) Remote caller bingo games shall be played using traditional paper or other tangible bingo cards and daubers, and shall not be played by using electronic devices, except card-minding devices, as described in paragraph (1) of subdivision (p) of Section 326.5.

(4) Prior to conducting a remote caller bingo game, the organization that conducts remote caller bingo shall submit to the department the controls, methodology, and standards of game play, which shall include, but not be limited to, the equipment used to select bingo numbers and create or originate cards, control or maintenance, distribution to participating locations, and distribution to players. Those controls, methodologies, and standards shall be subject to prior approval by the department, provided that the controls shall be deemed approved by the department after 90 days from the date of submission unless disapproved.

(v) A location shall not be eligible to participate in a remote caller bingo game if bingo games are conducted at that location in violation of Section 326.5 or any regulation adopted by the commission pursuant to Section 19841 of the Business and Professions Code, including, but not limited to, a location at which unlawful electronic devices are used.

(w) (1) The vendor of the equipment used in a remote caller bingo game shall have its books and records audited at least annually by an independent California certified public accountant and shall submit the results of that audit to the department within 120 days after the close of the vendor's fiscal year. In addition, the department may audit the books and records of the vendor at any time.

(2) An authorized organization that conducts remote caller bingo games shall be audited by an independent California certified public accountant at least annually and copies of the audit reports shall be provided to the department within 60 days of completion

of the audit report. A city, county, or city and county shall be provided a full copy of the audit or an audit report upon request. The audit report shall account for the annual amount of fees paid to financial institutions for the use and processing of credit card sales by the authorized organization and the amount of fees for the use and processing of credit card sales redirected from "overhead costs" and deducted from the amount of gross revenues awarded for prizes.

(3) The costs of the licensing and audits required by this section shall be borne by the person or entity required to be licensed or audited. The audit shall enumerate the receipts for remote caller bingo, the prizes disbursed, the overhead costs, and the amount retained by the nonprofit organization. The department may audit the books and records of an organization that conducts remote caller bingo games at any time.

(4) If the department identifies practices in violation of this section, the license for the audited entity may be suspended pending review and hearing before the commission for a final determination.

(x) (1) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(2) Notwithstanding paragraph (1), if paragraph (1) or (3) of subdivision (u), or the application of either of those provisions, is held invalid, this entire section shall be invalid.

(y) The department shall submit a report to the Legislature, on or before January 1, 2016, on the fundraising effectiveness and regulation of remote caller bingo, and other matters that are relevant to the public interest regarding remote caller bingo.

(z) The following definitions apply for purposes of this section:

(1) "Commission" means the California Gambling Control Commission.

(2) "Department" means the Department of Justice.

(3) "Person" includes a natural person, corporation, limited liability company, partnership, trust, joint venture, association, or any other business organization.

(aa) This section shall become inoperative on July 1, 2016, and, as of January 1, 2017, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2017, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 122. Section 487a of the Penal Code is amended to read:

487a. (a) Every person who feloniously steals, takes, carries, leads, or drives away any horse, mare, gelding, any bovine animal, any caprine animal, mule, jack, jenny, sheep, lamb, hog, sow, boar, gilt, barrow, or pig, which is the personal property of another, or who fraudulently appropriates that same property which has been entrusted to him or her, or who knowingly and designedly, by any false or fraudulent representation or pretense, defrauds any other person of that same property, or who causes or procures others to report falsely of his or her wealth or mercantile character and by thus imposing upon any person, obtains credit and thereby fraudulently gets or obtains possession of that same property, is guilty of grand theft.

(b) Every person who shall feloniously steal, take, transport or carry the carcass of any bovine, caprine, equine, ovine, or suine animal or of any mule, jack or jenny, which is the personal property of another, or who shall fraudulently appropriate such property which has been entrusted to him or her, is guilty of grand theft.

(c) Every person who shall feloniously steal, take, transport, or carry any portion of the carcass of any bovine, caprine, equine, ovine, or suine animal or of any mule, jack, or jenny, which has been killed without the consent of the owner thereof, is guilty of grand theft.

SEC. 123. Section 519 of the Penal Code is amended to read:

519. Fear, such as will constitute extortion, may be induced by a threat of any of the following:

1. To do an unlawful injury to the person or property of the individual threatened or of a third person.

2. To accuse the individual threatened, or a relative of his or her, or a member of his or her family, of a crime.

3. To expose, or to impute to him, her, or them a deformity, disgrace, or crime.

4. To expose a secret affecting him, her, or them.

5. To report his, her, or their immigration status or suspected immigration status.

SEC. 124. Section 646.91 of the Penal Code is amended to read:

646.91. (a) Notwithstanding any other law, a judicial officer may issue an ex parte emergency protective order if a peace officer, as defined in Section 830.1, 830.2, or 830.32, asserts reasonable

grounds to believe that a person is in immediate and present danger of stalking based upon the person's allegation that he or she has been willfully, maliciously, and repeatedly followed or harassed by another person who has made a credible threat with the intent of placing the person who is the target of the threat in reasonable fear for his or her safety, or the safety of his or her immediate family, within the meaning of Section 646.9.

(b) A peace officer who requests an emergency protective order shall reduce the order to writing and sign it.

(c) An emergency protective order shall include all of the following:

(1) A statement of the grounds asserted for the order.

(2) The date and time the order expires.

(3) The address of the superior court for the district or county in which the protected party resides.

(4) The following statements, which shall be printed in English and Spanish:

(A) "To the protected person: This order will last until the date and time noted above. If you wish to seek continuing protection, you will have to apply for an order from the court at the address noted above. You may seek the advice of an attorney as to any matter connected with your application for any future court orders. The attorney should be consulted promptly so that the attorney may assist you in making your application."

(B) "To the restrained person: This order will last until the date and time noted above. The protected party may, however, obtain a more permanent restraining order from the court. You may seek the advice of an attorney as to any matter connected with the application. The attorney should be consulted promptly so that the attorney may assist you in responding to the application. You shall not own, possess, purchase, or receive, or attempt to purchase or receive, a firearm while this order is in effect."

(d) An emergency protective order may be issued under this section only if the judicial officer finds both of the following:

(1) That reasonable grounds have been asserted to believe that an immediate and present danger of stalking, as defined in Section 646.9, exists.

(2) That an emergency protective order is necessary to prevent the occurrence or reoccurrence of the stalking activity.

(e) An emergency protective order may include either of the following specific orders as appropriate:

(1) A harassment protective order as described in Section 527.6 of the Code of Civil Procedure.

(2) A workplace violence protective order as described in Section 527.8 of the Code of Civil Procedure.

(f) An emergency protective order shall be issued without prejudice to any person.

(g) An emergency protective order expires at the earlier of the following times:

(1) The close of judicial business on the fifth court day following the day of its issuance.

(2) The seventh calendar day following the day of its issuance.

(h) A peace officer who requests an emergency protective order shall do all of the following:

(1) Serve the order on the restrained person, if the restrained person can reasonably be located.

(2) Give a copy of the order to the protected person, or, if the protected person is a minor child, to a parent or guardian of the protected child if the parent or guardian can reasonably be located, or to a person having temporary custody of the child.

(3) File a copy of the order with the court as soon as practicable after issuance.

(4) Have the order entered into the computer database system for protective and restraining orders maintained by the Department of Justice.

(i) A peace officer shall use every reasonable means to enforce an emergency protective order.

(j) A peace officer who acts in good faith to enforce an emergency protective order is not civilly or criminally liable.

(k) A peace officer described in subdivision (a) or (b) of Section 830.32 who requests an emergency protective order pursuant to this section shall also notify the sheriff or police chief of the city in whose jurisdiction the peace officer's college or school is located after issuance of the order.

(*l*) "Judicial officer," as used in this section, means a judge, commissioner, or referee.

(m) A person subject to an emergency protective order under this section shall not own, possess, purchase, or receive a firearm while the order is in effect.

(n) This section shall not be construed to permit a court to issue an emergency protective order prohibiting speech or other activities that are constitutionally protected or protected by the laws of this state or by the United States or activities occurring during a labor dispute, as defined by Section 527.3 of the Code of Civil Procedure, including, but not limited to, picketing and hand billing.

(o) The Judicial Council shall develop forms, instructions, and rules for the scheduling of hearings and other procedures established pursuant to this section.

(p) Any intentional disobedience of any emergency protective order granted under this section is punishable pursuant to Section 166. This subdivision shall not be construed to prevent punishment under Section 646.9, in lieu of punishment under this section, if a violation of Section 646.9 is also pled and proven.

SEC. 125. Section 647 of the Penal Code is amended to read:

647. Except as provided in subdivision (*l*), every person who commits any of the following acts is guilty of disorderly conduct, a misdemeanor:

(a) Who solicits anyone to engage in or who engages in lewd or dissolute conduct in any public place or in any place open to the public or exposed to public view.

(b) Who solicits or who agrees to engage in or who engages in any act of prostitution. A person agrees to engage in an act of prostitution when, with specific intent to so engage, he or she manifests an acceptance of an offer or solicitation to so engage, regardless of whether the offer or solicitation was made by a person who also possessed the specific intent to engage in prostitution. An agreement to engage in an act of prostitution shall not constitute a violation of this subdivision unless some act, in addition to the agreement, is done within this state in furtherance of the commission of an act of prostitution by the person agreeing to engage in that act. As used in this subdivision, "prostitution" includes any lewd act between persons for money or other consideration.

(c) Who accosts other persons in any public place or in any place open to the public for the purpose of begging or soliciting alms.

(d) Who loiters in or about any toilet open to the public for the purpose of engaging in or soliciting any lewd or lascivious or any unlawful act.

(e) Who lodges in any building, structure, vehicle, or place, whether public or private, without the permission of the owner or person entitled to the possession or in control of it.

(f) Who is found in any public place under the influence of intoxicating liquor, any drug, controlled substance, toluene, or any combination of any intoxicating liquor, drug, controlled substance, or toluene, in a condition that he or she is unable to exercise care for his or her own safety or the safety of others, or by reason of his or her being under the influence of intoxicating liquor, any drug, controlled substance, toluene, or any combination of any intoxicating liquor, drug, or toluene, interferes with or obstructs or prevents the free use of any street, sidewalk, or other public way.

(g) When a person has violated subdivision (f), a peace officer, if he or she is reasonably able to do so, shall place the person, or cause him or her to be placed, in civil protective custody. The person shall be taken to a facility, designated pursuant to Section 5170 of the Welfare and Institutions Code, for the 72-hour treatment and evaluation of inebriates. A peace officer may place a person in civil protective custody with that kind and degree of force which would be lawful were he or she effecting an arrest for a misdemeanor without a warrant. A person who has been placed in civil protective custody shall not thereafter be subject to any criminal prosecution or juvenile court proceeding based on the facts giving rise to this placement. This subdivision shall not apply to the following persons:

(1) Any person who is under the influence of any drug, or under the combined influence of intoxicating liquor and any drug.

(2) Any person who a peace officer has probable cause to believe has committed any felony, or who has committed any misdemeanor in addition to subdivision (f).

(3) Any person who a peace officer in good faith believes will attempt escape or will be unreasonably difficult for medical personnel to control.

(h) Who loiters, prowls, or wanders upon the private property of another, at any time, without visible or lawful business with the owner or occupant. As used in this subdivision, "loiter" means to delay or linger without a lawful purpose for being on the property and for the purpose of committing a crime as opportunity may be discovered.

(i) Who, while loitering, prowling, or wandering upon the private property of another, at any time, peeks in the door or window of any inhabited building or structure, without visible or lawful business with the owner or occupant.

(j) (1) Any person who looks through a hole or opening, into, or otherwise views, by means of any instrumentality, including, but not limited to, a periscope, telescope, binoculars, camera, motion picture camera, camcorder, or mobile phone, the interior of a bedroom, bathroom, changing room, fitting room, dressing room, or tanning booth, or the interior of any other area in which the occupant has a reasonable expectation of privacy, with the intent to invade the privacy of a person or persons inside. This subdivision shall not apply to those areas of a private business used to count currency or other negotiable instruments.

(2) Any person who uses a concealed camcorder, motion picture camera, or photographic camera of any type, to secretly videotape, film, photograph, or record by electronic means, another, identifiable person under or through the clothing being worn by that other person, for the purpose of viewing the body of, or the undergarments worn by, that other person, without the consent or knowledge of that other person, with the intent to arouse, appeal to, or gratify the lust, passions, or sexual desires of that person and invade the privacy of that other person, under circumstances in which the other person has a reasonable expectation of privacy.

(3) (A) Any person who uses a concealed camcorder, motion picture camera, or photographic camera of any type, to secretly videotape, film, photograph, or record by electronic means, another, identifiable person who may be in a state of full or partial undress, for the purpose of viewing the body of, or the undergarments worn by, that other person, without the consent or knowledge of that other person, in the interior of a bedroom, bathroom, changing room, fitting room, dressing room, or tanning booth, or the interior of any other area in which that other person has a reasonable expectation of privacy, with the intent to invade the privacy of that other person.

(B) Neither of the following is a defense to the crime specified in this paragraph:

(i) The defendant was a cohabitant, landlord, tenant, cotenant, employer, employee, or business partner or associate of the victim, or an agent of any of these.

(ii) The victim was not in a state of full or partial undress.

(4) (A) Any person who photographs or records by any means the image of the intimate body part or parts of another identifiable person, under circumstances where the parties agree or understand that the image shall remain private, and the person subsequently distributes the image taken, with the intent to cause serious emotional distress, and the depicted person suffers serious emotional distress.

(B) As used in this paragraph, "intimate body part" means any portion of the genitals, and in the case of a female, also includes any portion of the breasts below the top of the areola, that is either uncovered or visible through less than fully opaque clothing.

(C) This subdivision shall not preclude punishment under any section of law providing for greater punishment.

(k) In any accusatory pleading charging a violation of subdivision (b), if the defendant has been once previously convicted of a violation of that subdivision, the previous conviction shall be charged in the accusatory pleading. If the previous conviction is found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or is admitted by the defendant, the defendant shall be imprisoned in a county jail for a period of not less than 45 days and shall not be eligible for release upon completion of sentence, on probation, on parole, on work furlough or work release, or on any other basis until he or she has served a period of not less than 45 days in a county jail. In all cases in which probation is granted, the court shall require as a condition thereof that the person be confined in a county jail for at least 45 days. In no event does the court have the power to absolve a person who violates this subdivision from the obligation of spending at least 45 days in confinement in a county jail.

In any accusatory pleading charging a violation of subdivision (b), if the defendant has been previously convicted two or more times of a violation of that subdivision, each of these previous convictions shall be charged in the accusatory pleading. If two or more of these previous convictions are found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or are admitted by the defendant, the defendant shall be imprisoned in a county jail for a period of not less than 90 days and shall not be eligible for release upon completion of sentence, on probation, on parole, on work furlough or work release, or on any other basis until he

or she has served a period of not less than 90 days in a county jail. In all cases in which probation is granted, the court shall require as a condition thereof that the person be confined in a county jail for at least 90 days. In no event does the court have the power to absolve a person who violates this subdivision from the obligation of spending at least 90 days in confinement in a county jail.

In addition to any punishment prescribed by this section, a court may suspend, for not more than 30 days, the privilege of the person to operate a motor vehicle pursuant to Section 13201.5 of the Vehicle Code for any violation of subdivision (b) that was committed within 1,000 feet of a private residence and with the use of a vehicle. In lieu of the suspension, the court may order a person's privilege to operate a motor vehicle restricted, for not more than six months, to necessary travel to and from the person's place of employment or education. If driving a motor vehicle is necessary to perform the duties of the person's employment, the court may also allow the person to drive in that person's scope of employment.

(*l*) (1) A second or subsequent violation of subdivision (j) is punishable by imprisonment in a county jail not exceeding one year, or by a fine not exceeding two thousand dollars ($2,000), or by both that fine and imprisonment.

(2) If the victim of a violation of subdivision (j) was a minor at the time of the offense, the violation is punishable by imprisonment in a county jail not exceeding one year, or by a fine not exceeding two thousand dollars ($2,000), or by both that fine and imprisonment.

SEC. 126. Section 830.3 of the Penal Code, as added by Section 38 of Chapter 515 of the Statutes of 2013, is amended to read:

830.3. The following persons are peace officers whose authority extends to any place in the state for the purpose of performing their primary duty or when making an arrest pursuant to Section 836 as to any public offense with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of that offense, or pursuant to Section 8597 or 8598 of the Government Code. These peace officers may carry firearms only if authorized and under those terms and conditions as specified by their employing agencies:

(a) Persons employed by the Division of Investigation of the Department of Consumer Affairs and investigators of the Board

of Dental Examiners, who are designated by the Director of Consumer Affairs, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 160 of the Business and Professions Code.

(b) Voluntary fire wardens designated by the Director of Forestry and Fire Protection pursuant to Section 4156 of the Public Resources Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 4156 of that code.

(c) Employees of the Department of Motor Vehicles designated in Section 1655 of the Vehicle Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 1655 of that code.

(d) Investigators of the California Horse Racing Board designated by the board, provided that the primary duty of these peace officers shall be the enforcement of Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code and Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of this code.

(e) The State Fire Marshal and assistant or deputy state fire marshals appointed pursuant to Section 13103 of the Health and Safety Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 13104 of that code.

(f) Inspectors of the food and drug section designated by the chief pursuant to subdivision (a) of Section 106500 of the Health and Safety Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 106500 of that code.

(g) All investigators of the Division of Labor Standards Enforcement designated by the Labor Commissioner, provided that the primary duty of these peace officers shall be the enforcement of the law as prescribed in Section 95 of the Labor Code.

(h) All investigators of the State Departments of Health Care Services, Public Health, Social Services, State Hospitals, and Alcohol and Drug Programs, the Department of Toxic Substances Control, the Office of Statewide Health Planning and Development, and the Public Employees' Retirement System, provided that the primary duty of these peace officers shall be the enforcement of

the law relating to the duties of his or her department or office. Notwithstanding any other law, investigators of the Public Employees' Retirement System shall not carry firearms.

(i) The Chief of the Bureau of Fraudulent Claims of the Department of Insurance and those investigators designated by the chief, provided that the primary duty of those investigators shall be the enforcement of Section 550.

(j) Employees of the Department of Housing and Community Development designated under Section 18023 of the Health and Safety Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 18023 of that code.

(k) Investigators of the office of the Controller, provided that the primary duty of these investigators shall be the enforcement of the law relating to the duties of that office. Notwithstanding any other law, except as authorized by the Controller, the peace officers designated pursuant to this subdivision shall not carry firearms.

(*l*) Investigators of the Department of Business Oversight designated by the Commissioner of Business Oversight, provided that the primary duty of these investigators shall be the enforcement of the provisions of law administered by the Department of Business Oversight. Notwithstanding any other law, the peace officers designated pursuant to this subdivision shall not carry firearms.

(m) Persons employed by the Contractors' State License Board designated by the Director of Consumer Affairs pursuant to Section 7011.5 of the Business and Professions Code, provided that the primary duty of these persons shall be the enforcement of the law as that duty is set forth in Section 7011.5, and in Chapter 9 (commencing with Section 7000) of Division 3, of that code. The Director of Consumer Affairs may designate as peace officers not more than 12 persons who shall at the time of their designation be assigned to the special investigations unit of the board. Notwithstanding any other law, the persons designated pursuant to this subdivision shall not carry firearms.

(n) The Chief and coordinators of the Law Enforcement Branch of the Office of Emergency Services.

(o) Investigators of the office of the Secretary of State designated by the Secretary of State, provided that the primary duty of these peace officers shall be the enforcement of the law as prescribed

in Chapter 3 (commencing with Section 8200) of Division 1 of Title 2 of, and Section 12172.5 of, the Government Code. Notwithstanding any other law, the peace officers designated pursuant to this subdivision shall not carry firearms.

(p) The Deputy Director for Security designated by Section 8880.38 of the Government Code, and all lottery security personnel assigned to the California State Lottery and designated by the director, provided that the primary duty of any of those peace officers shall be the enforcement of the laws related to ensuring the integrity, honesty, and fairness of the operation and administration of the California State Lottery.

(q) Investigators employed by the Investigation Division of the Employment Development Department designated by the director of the department, provided that the primary duty of those peace officers shall be the enforcement of the law as that duty is set forth in Section 317 of the Unemployment Insurance Code.

Notwithstanding any other law, the peace officers designated pursuant to this subdivision shall not carry firearms.

(r) The chief and assistant chief of museum security and safety of the California Science Center, as designated by the executive director pursuant to Section 4108 of the Food and Agricultural Code, provided that the primary duty of those peace officers shall be the enforcement of the law as that duty is set forth in Section 4108 of the Food and Agricultural Code.

(s) Employees of the Franchise Tax Board designated by the board, provided that the primary duty of these peace officers shall be the enforcement of the law as set forth in Chapter 9 (commencing with Section 19701) of Part 10.2 of Division 2 of the Revenue and Taxation Code.

(t) Notwithstanding any other provision of this section, a peace officer authorized by this section shall not be authorized to carry firearms by his or her employing agency until that agency has adopted a policy on the use of deadly force by those peace officers, and until those peace officers have been instructed in the employing agency's policy on the use of deadly force.

Every peace officer authorized pursuant to this section to carry firearms by his or her employing agency shall qualify in the use of the firearms at least every six months.

(u) Investigators of the Department of Managed Health Care designated by the Director of the Department of Managed Health

Care, provided that the primary duty of these investigators shall be the enforcement of the provisions of laws administered by the Director of the Department of Managed Health Care. Notwithstanding any other law, the peace officers designated pursuant to this subdivision shall not carry firearms.

(v) The Chief, Deputy Chief, supervising investigators, and investigators of the Office of Protective Services of the State Department of Developmental Services, provided that the primary duty of each of those persons shall be the enforcement of the law relating to the duties of his or her department or office.

(w) This section shall become operative July 1, 2014.

SEC. 127. Section 1208 of the Penal Code is amended to read:

1208. (a) (1) The provisions of this section, insofar as they relate to employment, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of employment conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to employment, in that county is feasible. The provisions of this section, insofar as they relate to job training, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of job training conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to job training, in that county is feasible. The provisions of this section, insofar as they relate to education, shall be operative in any county in which the board of supervisors by ordinance finds, on the basis of education conditions, the state of the county jail facilities, and other pertinent circumstances, that the operation of this section, insofar as it relates to education, in that county is feasible. In any ordinance the board shall prescribe whether the sheriff, the probation officer, the director of the county department of corrections, or the superintendent of a county industrial farm or industrial road camp in the county shall perform the functions of the work furlough administrator. The board may, in that ordinance, provide for the performance of any or all functions of the work furlough administrator by any one or more of those persons, acting separately or jointly as to any of the functions; and may, by a subsequent ordinance, revise the provisions within the authorization of this section. The board of supervisors may also terminate the operation of this section, either with respect to employment, job

training, or education in the county, if the board finds by ordinance that because of changed circumstances, the operation of this section, either with respect to employment, job training, or education in that county, is no longer feasible.

(2) Notwithstanding any other law, the board of supervisors may by ordinance designate a facility for confinement of prisoners classified for the work furlough program and designate the work furlough administrator as the custodian of the facility. The work furlough administrator may operate the work furlough facility or, with the approval of the board of supervisors, administer the work furlough facility pursuant to written contracts with appropriate public or private agencies or private entities. No agency or private entity may operate a work furlough program or facility without a written contract with the work furlough administrator, and no agency or private entity entering into a written contract may itself employ any person who is in the work furlough program. The sheriff or director of the county department of corrections, as the case may be, is authorized to transfer custody of prisoners to the work furlough administrator to be confined in a facility for the period during which they are in the work furlough program.

(3) All privately operated local work furlough facilities and programs shall be under the jurisdiction of, and subject to the terms of a written contract entered into with, the work furlough administrator. Each contract shall include, but not be limited to, a provision whereby the private agency or entity agrees to operate in compliance with all appropriate state and local building, zoning, health, safety, and fire statutes, ordinances, and regulations and the minimum jail standards for Type IV facilities as established by regulations adopted by the Board of State and Community Corrections, and a provision whereby the private agency or entity agrees to operate in compliance with Section 1208.2, which provides that no eligible person shall be denied consideration for, or be removed from, participation in a work furlough program because of an inability to pay all or a portion of the program fees. The private agency or entity shall select and train its personnel in accordance with selection and training requirements adopted by the Board of State and Community Corrections as set forth in Subchapter 1 (commencing with Section 100) of Chapter 1 of Division 1 of Title 15 of the California Code of Regulations. Failure to comply with the appropriate health, safety, and fire laws

or minimum jail standards adopted by the board may be cause for termination of the contract. Upon discovery of a failure to comply with these requirements, the work furlough administrator shall notify the privately operated program director that the contract may be canceled if the specified deficiencies are not corrected within 60 days.

(4) All private work furlough facilities and programs shall be inspected biennially by the Board of State and Community Corrections unless the work furlough administrator requests an earlier inspection pursuant to Section 6031.1. Each private agency or entity shall pay a fee to the Board of State and Community Corrections commensurate with the cost of those inspections and a fee commensurate with the cost of the initial review of the facility.

(b) When a person is convicted and sentenced to the county jail, or is imprisoned in the county jail for nonpayment of a fine, for contempt, or as a condition of probation for any criminal offense, the work furlough administrator may, if he or she concludes that the person is a fit subject to continue in his or her regular employment, direct that the person be permitted to continue in that employment, if that is compatible with the requirements of subdivision (c), or may authorize the person to secure employment for himself or herself, unless the court at the time of sentencing or committing has ordered that the person not be granted work furloughs. The work furlough administrator may, if he or she concludes that the person is a fit subject to continue in his or her job training program, direct that the person be permitted to continue in that job training program, if that is compatible with the requirements of subdivision (c), or may authorize the person to secure local job training for himself or herself, unless the court at the time of sentencing has ordered that person not be granted work furloughs. The work furlough administrator may, if he or she concludes that the person is a fit subject to continue in his or her regular educational program, direct that the person be permitted to continue in that educational program, if that is compatible with the requirements of subdivision (c), or may authorize the person to secure education for himself or herself, unless the court at the time of sentencing has ordered that person not be granted work furloughs.

(c) If the work furlough administrator so directs that the prisoner be permitted to continue in his or her regular employment, job training, or educational program, the administrator shall arrange for a continuation of that employment or for that job training or education, so far as possible without interruption. If the prisoner does not have regular employment or a regular job training or educational program, and the administrator has authorized the prisoner to secure employment, job training, or education for himself or herself, the prisoner may do so, and the administrator may assist the prisoner in doing so. Any employment, job training, or education so secured shall be suitable for the prisoner. The employment, and the job training or educational program if it includes earnings by the prisoner, shall be at a wage at least as high as the prevailing wage for similar work in the area where the work is performed and in accordance with the prevailing working conditions in that area. In no event may any employment, job training, or educational program involving earnings by the prisoner be permitted where there is a labor dispute in the establishment in which the prisoner is, or is to be, employed, trained, or educated.

(d) (1) Whenever the prisoner is not employed or being trained or educated and between the hours or periods of employment, training, or education, the prisoner shall be confined in the facility designated by the board of supervisors for work furlough confinement unless the work furlough administrator directs otherwise. If the prisoner is injured during a period of employment, job training, or education, the work furlough administrator shall have the authority to release him or her from the facility for continued medical treatment by private physicians or at medical facilities at the expense of the employer, workers' compensation insurer, or the prisoner. The release shall not be construed as assumption of liability by the county or work furlough administrator for medical treatment obtained.

(2) The work furlough administrator may release any prisoner classified for the work furlough program for a period not to exceed 72 hours for medical, dental, or psychiatric care, or for family emergencies or pressing business which would result in severe hardship if the release were not granted, or to attend those activities as the administrator deems may effectively promote the prisoner's successful return to the community, including, but not limited to,

an attempt to secure housing, employment, entry into educational programs, or participation in community programs.

(e) The earnings of the prisoner may be collected by the work furlough administrator, and it shall be the duty of the prisoner's employer to transmit the wages to the administrator at the latter's request. Earnings levied upon pursuant to writ of execution or in other lawful manner shall not be transmitted to the administrator. If the administrator has requested transmittal of earnings prior to levy, that request shall have priority. In a case in which the functions of the administrator are performed by a sheriff, and the sheriff receives a writ of execution for the earnings of a prisoner subject to this section but has not yet requested transmittal of the prisoner's earnings pursuant to this section, the sheriff shall first levy on the earnings pursuant to the writ. When an employer or educator transmits earnings to the administrator pursuant to this subdivision, the sheriff shall have no liability to the prisoner for those earnings. From the earnings the administrator shall pay the prisoner's board and personal expenses, both inside and outside the jail, and shall deduct so much of the costs of administration of this section as is allocable to the prisoner or if the prisoner is unable to pay that sum, a lesser sum as is reasonable, and, in an amount determined by the administrator, shall pay the support of the prisoner's dependents, if any. If sufficient funds are available after making the foregoing payments, the administrator may, with the consent of the prisoner, pay, in whole or in part, the preexisting debts of the prisoner. Any balance shall be retained until the prisoner's discharge. Upon discharge the balance shall be paid to the prisoner.

(f) The prisoner shall be eligible for time credits pursuant to Sections 4018 and 4019.

(g) If the prisoner violates the conditions laid down for his or her conduct, custody, job training, education, or employment, the work furlough administrator may order the balance of the prisoner's sentence to be spent in actual confinement.

(h) Willful failure of the prisoner to return to the place of confinement not later than the expiration of any period during which he or she is authorized to be away from the place of confinement pursuant to this section is punishable as provided in Section 4532.

(i) The court may recommend or refer a person to the work furlough administrator for consideration for placement in the work furlough program or a particular work furlough facility. The recommendation or referral of the court shall be given great weight in the determination of acceptance or denial for placement in the work furlough program or a particular work furlough facility.

(j) As used in this section, the following definitions apply:

(1) "Education" includes vocational and educational training and counseling, and psychological, drug abuse, alcoholic, and other rehabilitative counseling.

(2) "Educator" includes a person or institution providing that training or counseling.

(3) "Employment" includes care of children, including the daytime care of children of the prisoner.

(4) "Job training" may include, but shall not be limited to, job training assistance.

(k) This section shall be known and may be cited as the "Cobey Work Furlough Law."

SEC. 128. Section 1275 of the Penal Code is amended to read:

1275. (a) (1) In setting, reducing, or denying bail, a judge or magistrate shall take into consideration the protection of the public, the seriousness of the offense charged, the previous criminal record of the defendant, and the probability of his or her appearing at trial or at a hearing of the case. The public safety shall be the primary consideration. In setting bail, a judge or magistrate may consider factors such as the information included in a report prepared in accordance with Section 1318.1.

(2) In considering the seriousness of the offense charged, a judge or magistrate shall include consideration of the alleged injury to the victim, and alleged threats to the victim or a witness to the crime charged, the alleged use of a firearm or other deadly weapon in the commission of the crime charged, and the alleged use or possession of controlled substances by the defendant.

(b) In considering offenses wherein a violation of Chapter 6 (commencing with Section 11350) of Division 10 of the Health and Safety Code is alleged, a judge or magistrate shall consider the following: (1) the alleged amounts of controlled substances involved in the commission of the offense, and (2) whether the defendant is currently released on bail for an alleged violation of

Chapter 6 (commencing with Section 11350) of Division 10 of the Health and Safety Code.

(c) Before a court reduces bail to below the amount established by the bail schedule approved for the county, in accordance with subdivisions (b) and (c) of Section 1269b, for a person charged with a serious felony, as defined in subdivision (c) of Section 1192.7, or a violent felony, as defined in subdivision (c) of Section 667.5, the court shall make a finding of unusual circumstances and shall set forth those facts on the record. For purposes of this subdivision, "unusual circumstances" does not include the fact that the defendant has made all prior court appearances or has not committed any new offenses.

SEC. 129. Section 2053.1 of the Penal Code is amended to read:

2053.1. (a) The Secretary of the Department of Corrections and Rehabilitation shall implement in every state prison literacy programs that are designed to ensure that upon parole inmates are able to achieve the goals contained in this section. The department shall prepare an implementation plan for this program, and shall request the necessary funds to implement this program as follows:

(1) The department shall offer academic programming throughout an inmate's incarceration that shall focus on increasing the reading ability of an inmate to at least a 9th grade level.

(2) For an inmate reading at a 9th grade level or higher, the department shall focus on helping the inmate obtain a general education development certificate, or its equivalent, or a high school diploma.

(3) The department shall offer college programs through voluntary education programs or their equivalent.

(4) While the department shall offer education to target populations, priority shall be given to those with a criminogenic need for education, those who have a need based on their educational achievement level, or other factors as determined by the department.

(b) In complying with the requirements of this section, the department shall give strong consideration to computer-assisted training and other innovations that have proven to be effective in reducing illiteracy among disadvantaged adults.

SEC. 130. Section 6027 of the Penal Code is amended to read:

6027. (a) It shall be the duty of the Board of State and Community Corrections to collect and maintain available information and data about state and community correctional policies, practices, capacities, and needs, including, but not limited to, prevention, intervention, suppression, supervision, and incapacitation, as they relate to both adult corrections, juvenile justice, and gang problems. The board shall seek to collect and make publicly available up-to-date data and information reflecting the impact of state and community correctional, juvenile justice, and gang-related policies and practices enacted in the state, as well as information and data concerning promising and evidence-based practices from other jurisdictions.

(b) Consistent with subdivision (c) of Section 6024, the board shall also:

(1) Develop recommendations for the improvement of criminal justice and delinquency and gang prevention activity throughout the state.

(2) Identify, promote, and provide technical assistance relating to evidence-based programs, practices, and promising and innovative projects consistent with the mission of the board.

(3) Develop definitions of key terms, including, but not limited to, "recidivism," "average daily population," "treatment program completion rates," and any other terms deemed relevant in order to facilitate consistency in local data collection, evaluation, and implementation of evidence-based practices, promising evidence-based practices, and evidence-based programs. In developing these definitions, the board shall consult with the following stakeholders and experts:

(A) A county supervisor or county administrative officer, selected after conferring with the California State Association of Counties.

(B) A county sheriff, selected after conferring with the California State Sheriffs' Association.

(C) A chief probation officer, selected after conferring with the Chief Probation Officers of California.

(D) A district attorney, selected after conferring with the California District Attorneys Association.

(E) A public defender, selected after conferring with the California Public Defenders Association.

(F) The Secretary of the Department of Corrections and Rehabilitation.

(G) A representative from the Administrative Office of the Courts.

(H) A representative from a nonpartisan, nonprofit policy institute with experience and involvement in research and data relating to California's criminal justice system.

(I) A representative from a nonprofit agency providing comprehensive reentry services.

(4) Receive and disburse federal funds, and perform all necessary and appropriate services in the performance of its duties as established by federal acts.

(5) Develop comprehensive, unified, and orderly procedures to ensure that applications for grants are processed fairly, efficiently, and in a manner consistent with the mission of the board.

(6) Identify delinquency and gang intervention and prevention grants that have the same or similar program purpose, are allocated to the same entities, serve the same target populations, and have the same desired outcomes for the purpose of consolidating grant funds and programs and moving toward a single, unified delinquency intervention and prevention grant application process in adherence with all applicable federal guidelines and mandates.

(7) Cooperate with and render technical assistance to the Legislature, state agencies, units of general local government, combinations of those units, or other public or private agencies, organizations, or institutions in matters relating to criminal justice and delinquency prevention.

(8) Develop incentives for units of local government to develop comprehensive regional partnerships whereby adjacent jurisdictions pool grant funds in order to deliver services to a broader target population and maximize the impact of state funds at the local level.

(9) Conduct evaluation studies of the programs and activities assisted by the federal acts.

(10) Identify and evaluate state, local, and federal gang and youth violence suppression, intervention, and prevention programs and strategies, along with funding for those efforts. The board shall assess and make recommendations for the coordination of the state's programs, strategies, and funding that address gang and youth violence in a manner that maximizes the effectiveness and

coordination of those programs, strategies, and resources. By January 1, 2014, the board shall develop funding allocation policies to ensure that within three years no less than 70 percent of funding for gang and youth violence suppression, intervention, and prevention programs and strategies is used in programs that use promising and proven evidence-based principles and practices. The board shall communicate with local agencies and programs in an effort to promote the best evidence-based principles and practices for addressing gang and youth violence through suppression, intervention, and prevention.

(11) The board shall collect from each county the plan submitted pursuant to Section 1230.1 within two months of adoption by the county boards of supervisors. Commencing January 1, 2013, and annually thereafter, the board shall collect and analyze available data regarding the implementation of the local plans and other outcome-based measures, as defined by the board in consultation with the Administrative Office of the Courts, the Chief Probation Officers of California, and the California State Sheriffs' Association. By July 1, 2013, and annually thereafter, the board shall provide to the Governor and the Legislature a report on the implementation of the plans described above.

(12) Commencing on and after July 1, 2012, the board, in consultation with the Administrative Office of the Courts, the California State Association of Counties, the California State Sheriffs' Association, and the Chief Probation Officers of California, shall support the development and implementation of first phase baseline and ongoing data collection instruments to reflect the local impact of Chapter 15 of the Statutes of 2011, specifically related to dispositions for felony offenders and postrelease community supervision. The board shall make any data collected pursuant to this paragraph available on the board's Internet Web site. It is the intent of the Legislature that the board promote collaboration and the reduction of duplication of data collection and reporting efforts where possible.

(c) The board may do either of the following:

(1) Collect, evaluate, publish, and disseminate statistics and other information on the condition and progress of criminal justice in the state.

(2) Perform other functions and duties as required by federal acts, rules, regulations, or guidelines in acting as the administrative office of the state planning agency for distribution of federal grants.

(d) This chapter shall not be construed to include, in the provisions set forth in this section, funds already designated to the Local Revenue Fund 2011 pursuant to Section 30025 of the Government Code.

SEC. 131. Section 7442 of the Penal Code is amended to read:

7442. (a) The purpose of the review of local agency records, in a representative sample of California counties, is to obtain outcome information about the status of a sample of the children of incarcerated parents and their caregivers.

(b) Women prisoners who participate in the survey sample of state prisoners shall provide written permission allowing the California Research Bureau access to their children's records in regard to school performance, identity of the caretaker responsible for the child, child protective services records, public assistance records, juvenile justice records, and medical records including drug or alcohol use, and mental health. The California Research Bureau shall follow appropriate procedures to ensure confidentiality of the records and to protect the privacy of the survey participants and their children.

(c) County agencies, including members of multidisciplinary teams, and school districts shall permit the California Research Bureau to have reasonable access to records, pursuant to subdivision (b), to the extent permitted by federal law.

(d) Notwithstanding Section 10850 of the Welfare and Institutions Code, the survey required by this section is deemed to meet the research criteria identified in paragraph (3) of subdivision (c) of Section 11845.5 of the Health and Safety Code, and subdivision (e) of Section 5328 of the Welfare and Institutions Code. For purposes of this study, the research is deemed not to be harmful for the at-risk and vulnerable population of children of women prisoners.

(e) For purposes of the study only, the California Research Bureau is authorized to survey records, reports, and documents described in Section 827 and in paragraph (3) of subdivision (h) of Section 18986.4 of the Welfare and Institutions Code, and information relative to the incidence of child abuse, as provided by Section 11167, among children in the study sample.

(f) School districts shall permit reasonable access to directory information by the California Research Bureau for purposes of this study. The California Research Bureau is deemed an appropriate organization to conduct studies for legitimate educational interests, including improving instruction, for purposes of paragraph (4) of subdivision (b) of Section 4906 of the Education Code. School variables that the California Research Bureau shall survey shall include, but not be limited to, attendance patterns, truancy rates, achievement level, suspension and expulsion rates, and special education referrals.

SEC. 132. Section 11165.15 of the Penal Code is amended to read:

11165.15. For the purposes of this article, the fact that a child is homeless or is classified as an unaccompanied youth, as defined in Section 11434a of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.), is not, in and of itself, a sufficient basis for reporting child abuse or neglect. This section shall not limit a mandated reporter, as defined in Section 11165.7, from making a report pursuant to Section 11166 whenever the mandated reporter has knowledge of or observes an unaccompanied minor whom the mandated reporter knows or reasonably suspects to be the victim of abuse or neglect.

SEC. 133. Section 13701 of the Penal Code is amended to read:

13701. (a) Every law enforcement agency in this state shall develop, adopt, and implement written policies and standards for officers' responses to domestic violence calls by January 1, 1986. These policies shall reflect that domestic violence is alleged criminal conduct. Further, they shall reflect existing policy that a request for assistance in a situation involving domestic violence is the same as any other request for assistance where violence has occurred.

(b) The written policies shall encourage the arrest of domestic violence offenders if there is probable cause that an offense has been committed. These policies also shall require the arrest of an offender, absent exigent circumstances, if there is probable cause that a protective order issued under Chapter 4 (commencing with Section 2040) of Part 1 of Division 6, Division 10 (commencing with Section 6200), or Chapter 6 (commencing with Section 7700) of Part 3 of Division 12, of the Family Code, or Section 136.2 of this code, or by a court of any other state, a commonwealth,

territory, or insular possession subject to the jurisdiction of the United States, a military tribunal, or a tribe has been violated. These policies shall discourage, when appropriate, but not prohibit, dual arrests. Peace officers shall make reasonable efforts to identify the dominant aggressor in any incident. The dominant aggressor is the person determined to be the most significant, rather than the first, aggressor. In identifying the dominant aggressor, an officer shall consider the intent of the law to protect victims of domestic violence from continuing abuse, the threats creating fear of physical injury, the history of domestic violence between the persons involved, and whether either person acted in self-defense. These arrest policies shall be developed, adopted, and implemented by July 1, 1996. Notwithstanding subdivision (d), law enforcement agencies shall develop these policies with the input of local domestic violence agencies.

(c) These existing local policies and those developed shall be in writing and shall be available to the public upon request and shall include specific standards for the following:

(1) Felony arrests.

(2) Misdemeanor arrests.

(3) Use of citizen arrests.

(4) Verification and enforcement of temporary restraining orders when (A) the suspect is present and (B) the suspect has fled.

(5) Verification and enforcement of stay-away orders.

(6) Cite and release policies.

(7) Emergency assistance to victims, such as medical care, transportation to a shelter, or a hospital for treatment when necessary, and police standbys for removing personal property and assistance in safe passage out of the victim's residence.

(8) Assisting victims in pursuing criminal options, such as giving the victim the report number and directing the victim to the proper investigation unit.

(9) Furnishing written notice to victims at the scene, including, but not limited to, all of the following information:

(A) A statement informing the victim that despite official restraint of the person alleged to have committed domestic violence, the restrained person may be released at any time.

(B) A statement that, "For further information about a shelter you may contact ____."

(C) A statement that, "For information about other services in the community, where available, you may contact ____."

(D) A statement that, "For information about the California Victims' Compensation Program, you may contact 1-800-777-9229."

(E) A statement informing the victim of domestic violence that he or she may ask the district attorney to file a criminal complaint.

(F) A statement informing the victim of the right to go to the superior court and file a petition requesting any of the following orders for relief:

(i) An order restraining the attacker from abusing the victim and other family members.

(ii) An order directing the attacker to leave the household.

(iii) An order preventing the attacker from entering the residence, school, business, or place of employment of the victim.

(iv) An order awarding the victim or the other parent custody of or visitation with a minor child or children.

(v) An order restraining the attacker from molesting or interfering with minor children in the custody of the victim.

(vi) An order directing the party not granted custody to pay support of minor children, if that party has a legal obligation to do so.

(vii) An order directing the defendant to make specified debit payments coming due while the order is in effect.

(viii) An order directing that either or both parties participate in counseling.

(G) A statement informing the victim of the right to file a civil suit for losses suffered as a result of the abuse, including medical expenses, loss of earnings, and other expenses for injuries sustained and damage to property, and any other related expenses incurred by the victim or any agency that shelters the victim.

(H) In the case of an alleged violation of subdivision (e) of Section 243 or Section 261, 261.5, 262, 273.5, 286, 288a, or 289, a "Victims of Domestic Violence" card which shall include, but is not limited to, the following information:

(i) The names and phone numbers of or local county hotlines for, or both the phone numbers of and local county hotlines for, local shelters for battered women and rape victim counseling centers within the county, including those centers specified in

Section 13837, and their 24-hour counseling service telephone numbers.

(ii) A simple statement on the proper procedures for a victim to follow after a sexual assault.

(iii) A statement that sexual assault by a person who is known to the victim, including sexual assault by a person who is the spouse of the victim, is a crime.

(iv) A statement that domestic violence or assault by a person who is known to the victim, including domestic violence or assault by a person who is the spouse of the victim, is a crime.

(10) Writing of reports.

(d) In the development of these policies and standards, each local department is encouraged to consult with domestic violence experts, such as the staff of the local shelter for battered women and their children. Departments may use the response guidelines developed by the commission in developing local policies.

SEC. 134. Section 16970 of the Penal Code is amended to read:

16970. (a) As used in Sections 16790, 17505, and 30600, "person" means an individual, partnership, corporation, limited liability company, association, or any other group or entity, regardless of how it was created.

(b) As used in Chapter 2 (commencing with Section 30500) of Division 10 of Title 4, except for Section 30600, "person" means an individual.

SEC. 135. Section 215 of the Probate Code is amended to read:

215. Where a deceased person has received or may have received health care under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, or was the surviving spouse of a person who received that health care, the estate attorney, or if there is no estate attorney, the beneficiary, the personal representative, or the person in possession of property of the decedent shall give the Director of Health Care Services notice of the decedent's death not later than 90 days after the date of death. The notice shall include a copy of the decedent's death certificate. The notice shall be given as provided in Section 1215, addressed to the director at the Sacramento office of the director.

SEC. 136. Section 2574 of the Probate Code is amended to read:

2574. (a) Subject to subdivision (b), the guardian or conservator, without authorization of the court, may invest funds of the estate pursuant to this section in:

(1) Direct obligations of the United States, or of the State of California, maturing not later than five years from the date of making the investment.

(2) United States Treasury bonds redeemable at par value on the death of the holder for payment of federal estate taxes, regardless of maturity date.

(3) Securities listed on an established stock or bond exchange in the United States which are purchased on such exchange.

(4) Eligible securities for the investment of surplus state moneys as provided for in Section 16430 of the Government Code.

(5) An interest in a money market mutual fund registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.) or an investment vehicle authorized for the collective investment of trust funds pursuant to Section 9.18 of Part 9 of Title 12 of the Code of Federal Regulations, the portfolios of which are limited to United States government obligations maturing not later than five years from the date of investment and to repurchase agreements fully collateralized by United States government obligations.

(6) Units of a common trust fund described in Section 1585 of the Financial Code. The common trust fund shall have as its objective investment primarily in short-term fixed income obligations and shall be permitted to value investments at cost pursuant to regulations of the appropriate regulatory authority.

(b) In making and retaining investments made under this section, the guardian or conservator shall take into consideration the circumstances of the estate, indicated cash needs, and, if reasonably ascertainable, the date of the prospective termination of the guardianship or conservatorship.

(c) This section shall not limit the authority of the guardian or conservator to seek court authorization for any investment, or to make other investments with court authorization, as provided in this division.

SEC. 137. The heading of Chapter 4 (commencing with Section 3600) of Part 8 of Division 4 of the Probate Code is amended to read:

Chapter 4. Money or Property Paid or Delivered Pursuant to Compromise or Judgment for Minor or Disabled Person

SEC. 138. Section 6325 of the Probate Code is amended to read:

6325. (a) The court in which the proceedings are pending for administration of the estate of the decedent has jurisdiction, before or after payment or transfer of benefits and rights or their proceeds to the trustee, to:

(1) Determine the validity of the trust.

(2) Determine the terms of the trust.

(3) Fill vacancies in the office of trustee.

(4) Require a bond of a trustee in its discretion and in such amount as the court may determine for the faithful performance of duties as trustee, subject to the provisions of Article 3 (commencing with Section 1570) of Chapter 16 of Division 1.1 of the Financial Code and Section 15602 of this code.

(5) Grant additional powers to the trustee, as provided in Section 16201.

(6) Instruct the trustee.

(7) Fix or allow payment of compensation of a trustee as provided in Sections 15680 to 15683, inclusive.

(8) Hear and determine adverse claims to the trust property by the personal representative, surviving spouse, or other third person.

(9) Determine the identity of the trustee and the trustee's acceptance or rejection of the office and, upon request, furnish evidence of trusteeship to a trustee.

(10) Order postponement of the payment or transfer of the benefits and rights or their proceeds.

(11) Authorize or direct removal of the trust or trust property to another jurisdiction pursuant to the procedure provided in Chapter 5 (commencing with Section 17400) of Part 5 of Division 9.

(12) Make any order incident to the foregoing or to the accomplishment of the purposes of this chapter.

(b) The personal representative of the designator's estate, any trustee named in the will or designation or successor to such trustee, or any person interested in the estate or trust may petition the court for an order under this section. Notice of hearing of the petition

shall be given in the manner provided in Section 17203, except as the court may otherwise order.

SEC. 139. Section 9702 of the Probate Code is amended to read:

9702. (a) A trust company serving as personal representative may deposit securities that constitute all or part of the estate in a securities depository, as provided in Section 1612 of the Financial Code.

(b) If securities have been deposited with a trust company by a personal representative pursuant to Section 9701, the trust company may deposit the securities in a securities depository, as provided in Section 1612 of the Financial Code.

(c) The securities depository may hold securities deposited with it in the manner authorized by Section 1612 of the Financial Code.

SEC. 140. Section 9730 of the Probate Code is amended to read:

9730. Pending distribution of the estate, the personal representative may invest money of the estate in possession of the personal representative in any one or more of the following:

(a) Direct obligations of the United States, or of the State of California, maturing not later than one year from the date of making the investment.

(b) An interest in a money market mutual fund registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.) or an investment vehicle authorized for the collective investment of trust funds pursuant to Section 9.18 of Part 9 of Title 12 of the Code of Federal Regulations, the portfolios of which are limited to United States government obligations maturing not later than five years from the date of investment and to repurchase agreements fully collateralized by United States government obligations.

(c) Units of a common trust fund described in Section 1585 of the Financial Code. The common trust fund shall have as its objective investment primarily in short term fixed income obligations and shall be permitted to value investments at cost pursuant to regulations of the appropriate regulatory authority.

SEC. 141. Section 20133 of the Public Contract Code is amended to read:

20133. (a) A county, with approval of the board of supervisors, may use an alternative procedure for bidding on construction

projects in the county in excess of two million five hundred thousand dollars ($2,500,000) and may award the project using either the lowest responsible bidder or by best value.

(b) (1) It is the intent of the Legislature to enable counties to use design-build for buildings and county sanitation wastewater treatment facilities. It is not the intent of the Legislature to authorize this procedure for other infrastructure, including, but not limited to, streets and highways, public rail transit, or water resources facilities and infrastructures.

(2) The Legislature also finds and declares that utilizing a design-build contract requires a clear understanding of the roles and responsibilities of each participant in the design-build process.

(3) (A) For contracts for public works projects awarded prior to the effective date of regulations adopted by the Department of Industrial Relations pursuant to subdivision (g) of Section 1771.5 of the Labor Code, if the board of supervisors elects to proceed under this section, the board of supervisors shall establish and enforce a labor compliance program containing the requirements outlined in Section 1771.5 of the Labor Code, or it shall contract with a third party to operate a labor compliance program containing the requirements outlined in Section 1771.5 of the Labor Code. This requirement shall not apply to any projects where the county or the design-build entity has entered into a collective bargaining agreement that binds all of the contractors performing work on the projects.

(B) For contracts for public works projects awarded on or after the effective date of regulations adopted by the Department of Industrial Relations pursuant to subdivision (g) of Section 1771.5 of the Labor Code, the board of supervisors shall reimburse the department for its reasonable and directly related costs of performing prevailing wage monitoring and enforcement on public works projects pursuant to rates established by the department as set forth in subdivision (h) of Section 1771.5 of the Labor Code. All moneys collected pursuant to this paragraph shall be deposited in the State Public Works Enforcement Fund created by Section 1771.3 of the Labor Code, and shall be used only for enforcement of prevailing wage requirements on those projects.

(C) In lieu of reimbursing the Department of Industrial Relations for its reasonable and directly related costs of performing monitoring and enforcement on public works projects, the board

of supervisors may elect to continue operating an existing previously approved labor compliance program to monitor and enforce prevailing wage requirements on the project if it has either not contracted with a third party to conduct its labor compliance program and requests and receives approval from the department to continue its existing program or it enters into a collective bargaining agreement that binds all of the contractors performing work on the project and that includes a mechanism for resolving disputes about the payment of wages.

(c) As used in this section:

(1) "Best value" means a value determined by objective criteria related to price, features, functions, and life-cycle costs.

(2) "Design-build" means a procurement process in which both the design and construction of a project are procured from a single entity.

(3) "Design-build entity" means a partnership, corporation, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed pursuant to a design-build contract.

(4) "Project" means the construction of a building and improvements directly related to the construction of a building, and county sanitation wastewater treatment facilities, but does not include the construction of other infrastructure, including, but not limited to, streets and highways, public rail transit, or water resources facilities and infrastructure.

(d) Design-build projects shall progress in a four-step process, as follows:

(1) (A) The county shall prepare a set of documents setting forth the scope of the project. The documents may include, but are not limited to, the size, type, and desired design character of the public improvement, performance specifications covering the quality of materials, equipment, and workmanship, preliminary plans or building layouts, or any other information deemed necessary to describe adequately the county's needs. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

(B) Any architect or engineer retained by the county to assist in the development of the project-specific documents shall not be

eligible to participate in the preparation of a bid with any design-build entity for that project.

(2) (A) Based on the documents prepared in paragraph (1), the county shall prepare a request for proposals that invites interested parties to submit competitive sealed proposals in the manner prescribed by the county. The request for proposals shall include, but is not limited to, the following elements:

(i) Identification of the basic scope and needs of the project or contract, the expected cost range, and other information deemed necessary by the county to inform interested parties of the contracting opportunity, to include the methodology that will be used by the county to evaluate proposals and specifically if the contract will be awarded to the lowest responsible bidder.

(ii) Significant objective factors that the county reasonably expects to consider in evaluating proposals, including cost or price and all nonprice-related factors.

(iii) The relative importance of weight assigned to each of the factors identified in the request for proposals.

(B) With respect to clause (iii) of subparagraph (A), if a nonweighted system is used, the agency shall specifically disclose whether all evaluation factors other than cost or price when combined are:

(i) Significantly more important than cost or price.

(ii) Approximately equal in importance to cost or price.

(iii) Significantly less important than cost or price.

(C) If the county chooses to reserve the right to hold discussions or negotiations with responsive bidders, it shall so specify in the request for proposal and shall publish separately or incorporate into the request for proposal applicable rules and procedures to be observed by the county to ensure that any discussions or negotiations are conducted in good faith.

(3) (A) The county shall establish a procedure to prequalify design-build entities using a standard questionnaire developed by the county. In preparing the questionnaire, the county shall consult with the construction industry, including representatives of the building trades and surety industry. This questionnaire shall require information, including, but not limited to, all of the following:

(i) If the design-build entity is a partnership, limited partnership, or other association, a listing of all of the partners, general partners, or association members known at the time of bid submission who

will participate in the design-build contract, including, but not limited to, mechanical subcontractors.

(ii) Evidence that the members of the design-build entity have completed, or demonstrated the experience, competency, capability, and capacity to complete, projects of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project, as well as a financial statement that assures the county that the design-build entity has the capacity to complete the project.

(iii) The licenses, registration, and credentials required to design and construct the project, including information on the revocation or suspension of any license, credential, or registration.

(iv) Evidence that establishes that the design-build entity has the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.

(v) Any prior serious or willful violation of the California Occupational Safety and Health Act of 1973, contained in Part 1 (commencing with Section 6300) of Division 5 of the Labor Code, or the federal Occupational Safety and Health Act of 1970 (Public Law 91-596), settled against any member of the design-build entity, and information concerning workers' compensation experience history and worker safety program.

(vi) Information concerning any debarment, disqualification, or removal from a federal, state, or local government public works project. Any instance in which an entity, its owners, officers, or managing employees submitted a bid on a public works project and were found to be nonresponsive, or were found by an awarding body not to be a responsible bidder.

(vii) Any instance in which the entity, or its owners, officers, or managing employees, defaulted on a construction contract.

(viii) Any violations of the Contractors' State License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code), excluding alleged violations of federal or state law including the payment of wages, benefits, apprenticeship requirements, or personal income tax withholding, or of Federal Insurance Contributions Act (FICA; 26 U.S.C. Sec. 3101 et seq.) withholding requirements settled against any member of the design-build entity.

(ix) Information concerning the bankruptcy or receivership of any member of the design-build entity, including information concerning any work completed by a surety.

(x) Information concerning all settled adverse claims, disputes, or lawsuits between the owner of a public works project and any member of the design-build entity during the five years preceding submission of a bid pursuant to this section, in which the claim, settlement, or judgment exceeds fifty thousand dollars ($50,000). Information shall also be provided concerning any work completed by a surety during this period.

(xi) In the case of a partnership or an association that is not a legal entity, a copy of the agreement creating the partnership or association and specifying that all partners or association members agree to be fully liable for the performance under the design-build contract.

(xii) (I) Any instance in which the entity, or any of its members, owners, officers, or managing employees was, during the five years preceding submission of a bid pursuant to this section, determined by a court of competent jurisdiction to have submitted, or legally admitted for purposes of a criminal plea to have submitted either of the following:

(ia) Any claim to any public agency or official in violation of the federal False Claims Act (31 U.S.C. Sec. 3729 et seq.).

(ib) Any claim to any public official in violation of the California False Claims Act (Article 9 (commencing with Section 12650) of Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code).

(II) Information provided pursuant to this subdivision shall include the name and number of any case filed, the court in which it was filed, and the date on which it was filed. The entity may also provide further information regarding any such instance, including any mitigating or extenuating circumstances that the entity wishes the county to consider.

(B) The information required pursuant to this subdivision shall be verified under oath by the entity and its members in the manner in which civil pleadings in civil actions are verified. Information that is not a public record pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) shall not be open to public inspection.

(4) The county shall establish a procedure for final selection of the design-build entity. Selection shall be based on either of the following criteria:

(A) A competitive bidding process resulting in lump-sum bids by the prequalified design-build entities. Awards shall be made to the lowest responsible bidder.

(B) A county may use a design-build competition based upon best value and other criteria set forth in paragraph (2). The design-build competition shall include the following elements:

(i) Competitive proposals shall be evaluated by using only the criteria and selection procedures specifically identified in the request for proposal. However, the following minimum factors shall each represent at least 10 percent of the total weight of consideration given to all criteria factors: price, technical design, and construction expertise, life-cycle costs over 15 years or more, skilled labor force availability, and acceptable safety record.

(ii) Once the evaluation is complete, the top three responsive bidders shall be ranked sequentially from the most advantageous to the least.

(iii) The award of the contract shall be made to the responsible bidder whose proposal is determined, in writing, to be the most advantageous.

(iv) Notwithstanding any provision of this code, upon issuance of a contract award, the county shall publicly announce its award, identifying the contractor to whom the award is made, along with a written decision supporting its contract award and stating the basis of the award. The notice of award shall also include the county's second and third ranked design-build entities.

(v) For purposes of this paragraph, "skilled labor force availability" shall be determined by the existence of an agreement with a registered apprenticeship program, approved by the California Apprenticeship Council, which has graduated apprentices in each of the preceding five years. This graduation requirement shall not apply to programs providing apprenticeship training for any craft that has been deemed by the Department of Labor and the Department of Industrial Relations to be an apprenticeable craft in the five years prior to enactment of this act.

(vi) For purposes of this paragraph, a bidder's "safety record" shall be deemed "acceptable" if its experience modification rate for the most recent three-year period is an average of 1.00 or less,

and its average total recordable injury/illness rate and average lost work rate for the most recent three-year period does not exceed the applicable statistical standards for its business category or if the bidder is a party to an alternative dispute resolution system as provided for in Section 3201.5 of the Labor Code.

(e) (1) Any design-build entity that is selected to design and build a project pursuant to this section shall possess or obtain sufficient bonding to cover the contract amount for nondesign services, and errors and omission insurance coverage sufficient to cover all design and architectural services provided in the contract. This section does not prohibit a general or engineering contractor from being designated the lead entity on a design-build entity for the purposes of purchasing necessary bonding to cover the activities of the design-build entity.

(2) Any payment or performance bond written for the purposes of this section shall be written using a bond form developed by the county.

(f) All subcontractors that were not listed by the design-build entity in accordance with clause (i) of subparagraph (A) of paragraph (3) of subdivision (d) shall be awarded by the design-build entity in accordance with the design-build process set forth by the county in the design-build package. All subcontractors bidding on contracts pursuant to this section shall be afforded the protections contained in Chapter 4 (commencing with Section 4100) of Part 1. The design-build entity shall do both of the following:

(1) Provide public notice of the availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process of the county.

(2) Provide a fixed date and time on which the subcontracted work will be awarded in accordance with the procedure established pursuant to this section.

(g) Lists of subcontractors, bidders, and bid awards relating to the project shall be submitted by the design-build entity to the awarding body within 14 days of the award. These documents are deemed to be public records and shall be available for public inspection pursuant to this chapter and Article 1 (commencing with Section 6250) of Chapter 3.5 of Division 7 of Title 1 of the Government Code.

(h) The minimum performance criteria and design standards established pursuant to paragraph (1) of subdivision (d) shall be adhered to by the design-build entity. Any deviations from those standards may only be allowed by written consent of the county.

(i) The county may retain the services of a design professional or construction project manager, or both, throughout the course of the project in order to ensure compliance with this section.

(j) Contracts awarded pursuant to this section shall be valid until the project is completed.

(k) Nothing in this section is intended to affect, expand, alter, or limit any rights or remedies otherwise available at law.

(*l*) (1) If the county elects to award a project pursuant to this section, retention proceeds withheld by the county from the design-build entity shall not exceed 5 percent if a performance and payment bond, issued by an admitted surety insurer, is required in the solicitation of bids.

(2) In a contract between the design-build entity and the subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld may not exceed the percentage specified in the contract between the county and the design-build entity. If the design-build entity provides written notice to any subcontractor that is not a member of the design-build entity, prior to or at the time the bid is requested, that a bond may be required and the subcontractor subsequently is unable or refuses to furnish a bond to the design-build entity, then the design-build entity may withhold retention proceeds in excess of the percentage specified in the contract between the county and the design-build entity from any payment made by the design-build entity to the subcontractor.

(m) Each county that elects to proceed under this section and uses the design-build method on a public works project shall submit to the Legislative Analyst's Office before September 1, 2013, a report containing a description of each public works project procured through the design-build process and completed after November 1, 2009, and before August 1, 2013. The report shall include, but shall not be limited to, all of the following information:

(1) The type of project.

(2) The gross square footage of the project.

(3) The design-build entity that was awarded the project.

(4) The estimated and actual length of time to complete the project.

(5) The estimated and actual project costs.

(6) Whether the project was met or altered.

(7) The number and amount of project change orders.

(8) A description of any written protests concerning any aspect of the solicitation, bid, proposal, or award of the design-build project, including the resolution of the protests.

(9) An assessment of the prequalification process and criteria.

(10) An assessment of the effect of retaining 5 percent retention on the project.

(11) A description of the Labor Force Compliance Program and an assessment of the project impact, where required.

(12) A description of the method used to award the contract. If best value was the method, the report shall describe the factors used to evaluate the bid, including the weighting of each factor and an assessment of the effectiveness of the methodology.

(13) An assessment of the project impact of "skilled labor force availability."

(14) An assessment of the design-build dollar limits on county projects. This assessment shall include projects where the county wanted to use design-build and was precluded by the dollar limitation. This assessment shall also include projects where the best value method was not used due to dollar limitations.

(15) An assessment of the most appropriate uses for the design-build approach.

(n) Any county that elects not to use the authority granted by this section may submit a report to the Legislative Analyst's Office explaining why the county elected not to use the design-build method.

(o) On or before January 1, 2014, the Legislative Analyst shall report to the Legislature on the use of the design-build method by counties pursuant to this section, including the information listed in subdivisions (m) and (p). The report may include recommendations for modifying or extending this section.

(p) The Legislative Analyst shall complete a fact-based analysis of the use of the design-build method by counties pursuant to this section, using the information provided pursuant to subdivision (m) and any independent information provided by the public or interested parties. The Legislative Analyst shall select a

representative sample of projects under this section and review available public records and reports, media reports, and related information in its analysis. The Legislative Analyst shall compile the information required to be analyzed pursuant to this subdivision into a report, which shall be provided to the Legislature. The report shall include conclusions describing the actual cost of projects procured pursuant to this section, whether the project schedule was met or altered, and whether projects needed or used project change orders.

(q) Except as provided in this section, this act shall not be construed to affect the application of any other law.

(r) This section shall remain in effect only until July 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2016, deletes or extends that date.

SEC. 142. Section 6217.6 of the Public Resources Code is amended to read:

6217.6. All rental income received for surface uses, including, but not limited to, surface drilling rights, upon lands under the jurisdiction of the State Lands Commission shall be deposited in the State Treasury to the credit of the General Fund, except as follows:

(a) Income from state school lands, as provided in Section 6217.5.

(b) Royalties received from extraction of minerals on the surface of those lands, as provided in Section 6217.

(c) (1) All rental income from surface uses for lands at Lake Tahoe.

(2) The rental income specified in paragraph (1) shall be deposited into the Lake Tahoe Science and Lake Improvement Account, for expenditure upon appropriation by the Legislature pursuant to Section 6217.6.1.

SEC. 143. Section 6717.6.1 of the Public Resources Code is amended and renumbered to read:

6217.6.1. (a) For purposes of this section, the following terms shall have the following meanings:

(1) "Account" means the Lake Tahoe Science and Lake Improvement Account created pursuant to this section.

(2) "Compact" means the Tahoe Regional Planning Compact.

(3) "Resources agency" means the Natural Resources Agency.

(4) "Secretary" means the Secretary of the Natural Resources Agency.

(b) The Lake Tahoe Science and Lake Improvement Account is hereby created in the General Fund. The moneys in the account may be expended by the agency, upon appropriation by the Legislature, for the purposes of this section, with appropriate disclosure pursuant to subdivision (d). The secretary shall administer the account.

(c) Notwithstanding Section 6217, the funds in the account shall be expended as follows:

(1) The costs associated with establishing the bistate science-based advisory council established pursuant to subdivision (e).

(2) For near-shore environmental improvement program activities and projects that include, but are not limited to, all of the following:

(A) (i) Near-shore aquatic invasive species projects and projects to improve public access to sovereign land in Lake Tahoe, including planning and site improvement or reconstruction projects on public land, and land acquisitions from willing sellers, subject to clause (ii).

(ii) Near-shore aquatic invasive species projects and projects to improve public access to sovereign land in Lake Tahoe may be funded only if matching funds for this purpose are provided by the California Tahoe Conservancy or by another public entity. The conservancy shall coordinate the selection of projects to be funded through a collaborative process that includes the participation of other public agencies, nonprofit organizations, and private landowners, including those persons or organizations that pay the rental income described in paragraph (1) of subdivision (c) of Section 6217.6.

(B) (i) Near-shore water quality monitoring, subject to clause (ii).

(ii) Near-shore water quality monitoring may be funded only if matching funds for this purpose are provided from the Lahontan Regional Water Quality Control Board or by another public entity.

(d) The agency, or another agency designated by it, shall, on a publicly accessible Internet Web site, annually make available information regarding any activity funded pursuant to this section. The information shall include, at a minimum, all of the following:

(1) The name of the agency, or agencies, to which funding was allocated.

(2) A summary of the activities and projects funded by the account.

(3) The amount allocated for the activity.

(4) An anticipated timeline and total cost for completion of the activity.

(e) The secretary may enter into a memorandum of agreement with the Nevada Department of Conservation and Natural Resources to establish and operate a bistate science-based advisory council in the Tahoe basin whose purpose is to promote and enhance the use of the best available scientific information on matters of interest to both states. The organization shall be nonregulatory, and shall focus on activities that will advance attainment of environmental thresholds, as provided in the compact. A majority of the governing body of that organization shall be comprised of scientists with expertise in disciplines pertinent to achieving and maintaining the goals of the compact.

SEC. 144. Section 25722.8 of the Public Resources Code is amended to read:

25722.8. (a) On or before July 1, 2009, the Secretary of the Government Operations Agency, in consultation with the Department of General Services and other appropriate state agencies that maintain or purchase vehicles for the state fleet, including the campuses of the California State University, shall develop and implement, and submit to the Legislature and the Governor, a plan to improve the overall state fleet's use of alternative fuels, synthetic lubricants, and fuel-efficient vehicles by reducing or displacing the consumption of petroleum products by the state fleet when compared to the 2003 consumption level based on the following schedule:

(1) By January 1, 2012, a 10-percent reduction or displacement.

(2) By January 1, 2020, a 20-percent reduction or displacement.

(b) Beginning April 1, 2010, and annually thereafter, the Department of General Services shall prepare a progress report on meeting the goals specified in subdivision (a). The Department of General Services shall post the progress report on its Internet Web site.

(c) (1) The Department of General Services shall encourage, to the extent feasible, the operation of state alternatively fueled

vehicles on the alternative fuel for which the vehicle is designed and the development of commercial infrastructure for alternative fuel pumps and charging stations at or near state vehicle fueling or parking sites.

(2) The Department of General Services shall work with other public agencies to incentivize and promote, to the extent feasible, state employee operation of alternatively fueled vehicles through preferential or reduced-cost parking, access to charging, or other means.

(3) For purposes of this subdivision, "alternatively fueled vehicles" means light-, medium-, and heavy-duty vehicles that reduce petroleum usage and related emissions by using advanced technologies and fuels, including, but not limited to, hybrid, plug-in hybrid, battery electric, natural gas, or fuel cell vehicles and including those vehicles described in Section 5205.5 of the Vehicle Code.

SEC. 145. Section 30620 of the Public Resources Code is amended to read:

30620. (a) By January 30, 1977, the commission shall, consistent with this chapter, prepare interim procedures for the submission, review, and appeal of coastal development permit applications and of claims of exemption. These procedures shall include, but are not limited to, all of the following:

(1) Application and appeal forms.

(2) Reasonable provisions for notification to the commission and other interested persons of an action taken by a local government pursuant to this chapter, in sufficient detail to ensure that a preliminary review of that action for conformity with this chapter can be made.

(3) Interpretive guidelines designed to assist local governments, the commission, and persons subject to this chapter in determining how the policies of this division shall be applied in the coastal zone prior to the certification, and through the preparation and amendment, of local coastal programs. However, the guidelines shall not supersede, enlarge, or diminish the powers or authority of the commission or any other public agency.

(b) No later than May 1, 1977, the commission shall, after public hearing, adopt permanent procedures that include the components specified in subdivision (a) and shall transmit a copy of those procedures to each local government within the coastal zone and

make them readily available to the public. After May 1, 1977, the commission may, from time to time, and, except in cases of emergency, after public hearing, modify or adopt additional procedures or guidelines that the commission determines to be necessary to better carry out the purposes of this division.

(c) (1) The commission may require a reasonable filing fee and the reimbursement of expenses for the processing by the commission of an application for a coastal development permit under this division and, except for local coastal program submittals, for any other filing, including, but not limited to, a request for revocation, categorical exclusion, or boundary adjustment, that is submitted for review by the commission.

(2) A coastal development permit fee that is collected by the commission under paragraph (1) shall be deposited in the Coastal Act Services Fund established pursuant to Section 30620.1. This paragraph does not authorize an increase in fees or create any new authority on the part of the commission.

(d) With respect to an appeal of an action taken by a local government pursuant to Section 30602 or 30603, the executive director shall, within five working days of receipt of an appeal from a person other than a member of the commission or a public agency, determine whether the appeal is patently frivolous. If the executive director determines that an appeal is patently frivolous, the appeal shall not be filed unless a filing fee in the amount of three hundred dollars ($300) is deposited with the commission within five working days of the receipt of the executive director's determination. If the commission subsequently finds that the appeal raises a substantial issue, the filing fee shall be refunded.

SEC. 146. Section 379.8 of the Public Utilities Code is amended to read:

379.8. (a) As used in this section, "advanced electrical distributed generation technology" means any electrical distributed generation technology that generates useful electricity and meets all of the following conditions:

(1) The emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Article 3 (commencing with Section 94200) of Subchapter 8 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations.

(2) Produces de minimis emissions of sulfur oxides and nitrogen oxides.

(3) Meets the greenhouse gases emission performance standard established by the commission pursuant to Section 8341.

(4) Has a total electrical efficiency of not less than 45 percent. If legislation is enacted that increases the 42.5 percent efficiency described in subdivision (b) of Section 216.6 above 45 percent, the commission may adjust the electrical efficiency standard described in this paragraph to ensure that this electrical efficiency standard meets or exceeds the standard enacted for the purposes of subdivision (b) of Section 216.6.

(5) Is sized to meet the generator's onsite electrical demand.

(6) Has parallel operation to the electrical distribution grid.

(7) Utilizes renewable or nonrenewable fuel.

(b) (1) An advanced electrical distributed generation technology shall qualify for the rate established by the commission pursuant to Section 454.4.

(2) The limitation in subdivision (b) of Section 6352 upon the assessment of surcharges for gas used to generate electricity by a nonutility facility applies to an advanced electrical distributed generation technology.

(3) The limitation in Section 2773.5 upon imposing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration applies to an advanced electrical distributed generation technology.

(c) The commission or State Air Resources Board may, in furtherance of the state's goals for achieving cost-effective reductions in emissions of greenhouse gases, meeting resource adequacy requirements, or meeting the renewables portfolio standard, treat advanced electrical distributed generation technology as cogeneration.

(d) Subdivisions (b) and (c) do not apply to an advanced electrical distributed generation technology that is first operational at a site on and after January 1, 2016.

SEC. 147. Section 589 of the Public Utilities Code is amended to read:

589. (a) In an existing or new proceeding, the commission shall require the electrical and gas corporations to cooperate in establishing a single Internet Web site available to the public that provides up-to-date information, updated no less frequently than

once every 30 days, regarding ratepayer-funded energy efficiency assistance programs that, to the extent the information is available, in an aggregate format that would not provide identifying information about individual customers of the electrical and gas corporations, include all of the following:

(1) The types of energy efficiency measures installed.

(2) The ZIP Code location of each customer receiving ratepayer-funded energy efficiency assistance.

(3) The amount of funds expended at each ZIP Code location.

(4) The expected annual energy savings and reduced energy usage expected in kilowatthours or therms.

(b) (1) The commission shall order the electrical and gas corporations to establish, based on data, ratepayer-funded energy efficiency assistance program reports on program totals, geographical and monthly statistics, cost distribution, and progress toward program goals.

(2) The electrical and gas corporations shall make the reports available on the Internet Web site established pursuant to subdivision (a).

(c) The commission shall require the electrical and gas corporations to publish data, including the amount expended, on the ratepayer-funded energy efficiency programs that are not direct retrofits, including, but not limited to, research on building and appliance standards and marketing and outreach, on the Internet Web site established pursuant to subdivision (a).

(d) The commission shall take steps necessary to ensure the Internet Web site established pursuant to subdivision (a) is available to the public on or before June 1, 2014.

(e) The commission shall have a link to the Internet Web site established pursuant to subdivision (a) on the commission's Internet Web site and require the electrical and gas corporations to have a link to the Internet Web site established pursuant to subdivision (a) on the appropriate page of the Internet Web site of each electrical and gas corporation.

SEC. 148. Section 740.5 of the Public Utilities Code is amended to read:

740.5. (a) For purposes of this section, "21st Century Energy System Decision" means commission Decision 12-12-031 (December 20, 2012), Decision Granting Authority to Enter Into a Research and Development Agreement with Lawrence Livermore

National Laboratory for 21st Century Energy Systems and for costs up to $152.19 million, or any subsequent decision in Application 11-07-008 (July 18, 2011), Application of Pacific Gas and Electric Company (U39M), San Diego Gas and Electric Company (U902E), and Southern California Edison Company (U338E) for Authority to Increase Electric Rates and Charges to Recover Costs of Research and Development Agreement with Lawrence Livermore National Laboratory for 21st Century Energy Systems.

(b) In implementing the 21st Century Energy System Decision, the commission shall not authorize recovery from ratepayers of any expense for research and development projects that are not for purposes of cyber security and grid integration. Total funding for research and development projects for purposes of cyber security and grid integration pursuant to the 21st Century Energy System Decision shall not exceed thirty-five million dollars ($35,000,000). All cyber security and grid integration research and development projects shall be concluded by the fifth anniversary of their start date.

(c) The commission shall not approve for recovery from ratepayers those program management expenditures proposed, commencing with page seven, in the joint advice letter filed by the state's three largest electrical corporations, Advice 3379-G/4215-E (Pacific Gas and Electric Company), Advice 2887-E (Southern California Edison Company), and Advice 2473-E (San Diego Gas and Electric Company), dated April 19, 2013. Project managers for the 21st Century Energy System Decision shall be limited to three representatives, one representative each from Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company.

(d) The commission shall require the Lawrence Livermore National Laboratory, as a condition for entering into any contract pursuant to the 21st Century Energy System Decision, and Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company to ensure that research parameters reflect a new contribution to cyber security and that there not be a duplication of research being done by other private and governmental entities.

(e) (1) The commission shall require each participating electrical corporation to prepare and submit to the commission by

December 1, 2013, a joint report on the scope of all proposed research projects, how the proposed project may lead to technological advancement and potential breakthroughs in cyber security and grid integration, and the expected timelines for concluding the projects. The commission shall, within 30 days of receiving the joint report, determine whether the report is sufficient or requires revision and, upon determining that the report is sufficient, submit the report to the Legislature in compliance with Section 9795 of the Government Code.

(2) The commission shall require each participating electrical corporation to prepare and submit to the commission, by 60 days following the conclusion of all research and development projects, a joint report summarizing the outcome of all funded projects, including an accounting of expenditures by the project managers and grant recipients on administrative and overhead costs and whether the project resulted in any technological advancements or breakthroughs in promoting cyber security and grid integration. The commission shall, within 30 days of receiving the joint report, determine whether the report is sufficient or requires revision and, upon determining that the report is sufficient, submit the report to the Legislature in compliance with Section 9795 of the Government Code.

(3) This subdivision shall become inoperative on January 1, 2023, pursuant to Section 10231.5 of the Government Code.

SEC. 149. Section 741 of the Public Utilities Code, as added by Section 2 of Chapter 140 of the Statutes of 2013, is amended to read:

741. (a) Every owner or operator of telephones available for public use, other than a telephone corporation, that accept any form of payment which, as part of the service furnished, provides operator-assisted services by other than a telephone corporation having tariff schedules on file with the commission providing for the furnishing of operator-assisted services, shall cause to be posted on or near the telephone equipment so as to be easily seen by telephone customers all of the following information:

(1) The name of the provider of operator-assisted services and a toll-free telephone number for contacting that provider.

(2) The applicable charges for each available operator-assisted service.

(3) That the provider of operator-assisted services will respond to inquiries concerning the terms and conditions of any available service.

(4) That surcharges may apply to operator-assisted and calling card calls.

(5) That card-activated calls, calls activated by any other payment device, or calls that may be charged to a card by giving a card number to an operator may cost more than coin-activated calls.

(6) The local rates for nonoperator-assisted calls.

(b) Every owner or operator of telephones available for public use, other than a telephone corporation, that accept any form of payment which, as part of the service furnished, provides operator-assisted services by other than a telephone corporation having tariff schedules on file with the commission providing for the furnishing of operator-assisted services, shall:

(1) Identify itself, audibly and distinctly, to the consumer at the beginning of each telephone call and before the consumer incurs any charge for the call.

(2) Permit the consumer to terminate the telephone call before the call is connected.

(3) At no charge, disclose to the consumer, immediately after the number to be called is entered or given to an operator, a quotation of its complete rates and charges for the call.

(c) This section shall become operative on January 1, 2015.

SEC. 150. Section 747.6 of the Public Utilities Code is amended to read:

747.6. The commission shall report annually on its efforts to identify ratepayer-funded energy efficiency programs that are similar to programs administered by the Energy Commission, the State Air Resources Board, and the California Alternative Energy and Advanced Transportation Financing Authority in its annual report prepared pursuant to subdivision (b) of Section 747 and to require revisions to ratepayer-funded programs as necessary to ensure that the ratepayer-funded programs complement and do not duplicate programs of other state agencies.

SEC. 151. Section 769 of the Public Utilities Code is amended to read:

769. (a) For purposes of this section, "distributed resources" means distributed renewable generation resources, energy

efficiency, energy storage, electric vehicles, and demand response technologies.

(b) Not later than July 1, 2015, each electrical corporation shall submit to the commission a distribution resources plan proposal to identify optimal locations for the deployment of distributed resources. Each proposal shall do all of the following:

(1) Evaluate locational benefits and costs of distributed resources located on the distribution system. This evaluation shall be based on reductions or increases in local generation capacity needs, avoided or increased investments in distribution infrastructure, safety benefits, reliability benefits, and any other savings the distributed resources provide to the electrical grid or costs to ratepayers of the electrical corporation.

(2) Propose or identify standard tariffs, contracts, or other mechanisms for the deployment of cost-effective distributed resources that satisfy distribution planning objectives.

(3) Propose cost-effective methods of effectively coordinating existing commission-approved programs, incentives, and tariffs to maximize the locational benefits and minimize the incremental costs of distributed resources.

(4) Identify any additional utility spending necessary to integrate cost-effective distributed resources into distribution planning consistent with the goal of yielding net benefits to ratepayers.

(5) Identify barriers to the deployment of distributed resources, including, but not limited to, safety standards related to technology or operation of the distribution circuit in a manner that ensures reliable service.

(c) The commission shall review each distribution resources plan proposal submitted by an electrical corporation and approve, or modify and approve, a distribution resources plan for the corporation. The commission may modify any plan as appropriate to minimize overall system costs and maximize ratepayer benefit from investments in distributed resources.

(d) Any electrical corporation spending on distribution infrastructure necessary to accomplish the distribution resources plan shall be proposed and considered as part of the next general rate case for the corporation. The commission may approve proposed spending if it concludes that ratepayers would realize net benefits and the associated costs are just and reasonable. The commission may also adopt criteria, benchmarks, and

accountability mechanisms to evaluate the success of any investment authorized pursuant to a distribution resources plan.

SEC. 152. Section 984.5 of the Public Utilities Code is amended to read:

984.5. (a) The commission shall compile and regularly update the following information: names and contact numbers of a registered core transport agent, information to assist consumers in making service choices, and the number of customer complaints against specific providers in relation to the number of customers served by those providers and the disposition of those complaints. To facilitate this function, registered entities shall file with the commission information describing the terms and conditions of any standard service plan made available to core gas customers. The commission shall adopt a standard format for this filing. The commission shall maintain and make generally available a list of entities offering core transport services operating in California. This list shall include all registered core transport agents and those agents not required to be registered that request the commission to be included on the list. The commission shall, upon request, make this information available at no charge. Notwithstanding any other law, public agencies that are registered entities shall be required to disclose their terms and conditions of service contracts only to the same extent that other registered entities would be required to disclose the same or similar service contracts.

(b) The commission shall issue public alerts about companies attempting to provide core transport service in the state in an unauthorized or fraudulent manner as described in subdivision (b) of Section 983.5.

(c) The commission shall compile and post on its Internet Web site easily understandable informational guides or other tools to help core gas customers understand core transport service options. In implementing these provisions, the commission shall pay special attention to ensuring that customers, especially those with limited-English-speaking ability or other disadvantages when dealing with marketers, receive correct, reliable, and easily understood information to help them make informed choices. The commission shall not make specific recommendations, rank the relative attractiveness of specific service offerings of registered providers of core transport services, or provide customer-specific assistance in the evaluation of core transport agents.

(d) The Office of Ratepayer Advocates shall analyze customers' complaints submitted to the gas corporation and to the commission and the disposition of those complaints to determine if the changes in the consumer protection rules are necessary to better protect the participants in the core transportation program, and make recommendations to the commission regarding those rule changes.

SEC. 153. Section 987 of the Public Utilities Code is amended to read:

987. (a) The commission shall maintain a list of core gas customers who do not wish to be solicited by telephone, by a gas corporation, marketer, broker, or aggregator for gas service, to subscribe to or change their core transport agent. The commission shall not assess a charge for inclusion of a customer on the list. The list shall be updated periodically, but no less than quarterly.

(b) The list shall include sufficient information for gas corporations, marketers, brokers, or aggregators of gas service to identify customers who do not wish to be solicited, including a customer's address and telephone number. The list shall be made accessible electronically from the commission to any party regulated as a gas corporation or registered with the commission as an electric marketer, broker, or aggregator of gas service.

(c) A gas corporation, marketer, broker, or aggregator of gas service shall not solicit, by telephone, any customer on the list prepared pursuant to subdivision (a). Any gas corporation, marketer, broker, or aggregator of gas service, or the representative of a gas corporation, marketer, broker, or aggregator of gas service, who solicits any customer on the list prepared pursuant to subdivision (a) more than once shall be liable to the customer for twenty-five dollars ($25) for each contact in violation of this subdivision.

SEC. 154. Section 2120 of the Public Utilities Code is amended to read:

2120. (a) The commission shall not distribute, expend, or encumber any moneys received by the commission as a result of any commission proceeding or judicial action, including the compromise or settlement of a claim, until both of the following are true:

(1) The commission has provided the Director of Finance with written notification of the receipt of the moneys and the basis for those moneys being received by the commission.

(2) The Director of Finance provides not less than 60 days' written notice to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the appropriate budget subcommittees of the Senate and Assembly of the receipt of the moneys and the basis for those moneys being received by the commission.

(b) This section does not apply to application or licensing fees charged by the commission to defray regulatory expenses.

(c) This section does not apply to moneys received by the commission in a court-approved settlement or as a result of a court judgment where the court orders that the moneys be used for specified purposes.

(d) This section does not apply to moneys received by the commission where statutes expressly provide how the moneys are to be paid or used, including all of the following:

(1) Payment to any fund created by Chapter 1.5 (commencing with Section 270).

(2) Payment to any account or fund pursuant to Chapter 2.5 (commencing with Section 401).

(3) Payment to the Ratepayer Relief Fund pursuant to Article 9.5 (commencing with Section 16428.1) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.

SEC. 155. Section 2827.10 of the Public Utilities Code is amended to read:

2827.10. (a) As used in this section, the following terms have the following meanings:

(1) "Electrical corporation" means an electrical corporation, as defined in Section 218.

(2) "Eligible fuel cell electrical generating facility" means a facility that includes the following:

(A) Integrated powerplant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electricity.

(B) An inverter and fuel processing system where necessary.

(C) Other plant equipment, including heat recovery equipment, necessary to support the plant's operation or its energy conversion.

(3) (A) "Eligible fuel cell customer-generator" means a customer of an electrical corporation that meets all the following criteria:

(i) Uses a fuel cell electrical generating facility with a capacity of not more than one megawatt that is located on or adjacent to the customer's owned, leased, or rented premises, is interconnected and operates in parallel with the electrical grid while the grid is operational or in a grid independent mode when the grid is nonoperational, and is sized to offset part or all of the eligible fuel cell customer-generator's own electrical requirements.

(ii) Is the recipient of local, state, or federal funds, or who self-finances projects designed to encourage the development of eligible fuel cell electrical generating facilities.

(iii) Uses technology the commission has determined will achieve reductions in emissions of greenhouse gases pursuant to subdivision (b), and meets the emission requirements for eligibility for funding set forth in subdivision (c), of Section 379.6.

(B) For purposes of this paragraph, a person or entity is a customer of the electrical corporation if the customer is physically located within the service territory of the electrical corporation and receives bundled service, distribution service, or transmission service from the electrical corporation.

(4) "Net energy metering" means measuring the difference between the electricity supplied through the electrical grid and the difference between the electricity generated by an eligible fuel cell electrical generating facility and fed back to the electrical grid over a 12-month period as described in subdivision (e). Net energy metering shall be accomplished using a time-of-use meter capable of registering the flow of electricity in two directions. If the existing electrical meter of an eligible fuel cell customer-generator is not capable of measuring the flow of electricity in two directions, the eligible fuel cell customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a time-of-use meter.

(b) (1) Every electrical corporation, not later than March 1, 2004, shall file with the commission a standard tariff providing for net energy metering for eligible fuel cell customer-generators, consistent with this section. Subject to the limitation in subdivision (f), every electrical corporation shall make this tariff available to eligible fuel cell customer-generators upon request, on a first-come-first-served basis, until the total cumulative rated

generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff reaches a level equal to its proportionate share of a statewide limitation of 500 megawatts cumulative rated generation capacity served under this section. The proportionate share shall be calculated based on the ratio of the electrical corporation's peak demand compared to the total statewide peak demand.

(2) To continue the growth of the market for onsite electrical generation using fuel cells, the commission may review and incrementally raise the limitation established in paragraph (1) on the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff in paragraph (1).

(c) In determining the eligibility for the cumulative rated generating capacity within an electrical corporation's service territory, preference shall be given to facilities that, at the time of installation, are located in a community with significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to, communities of minority populations or low-income populations, or both, based on the ambient air quality standards established pursuant to Division 26 (commencing with Section 39000) of the Health and Safety Code.

(d) (1) Each net energy metering contract or tariff shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the contract or tariff to which the customer would be assigned if the customer was not an eligible fuel cell customer-generator. Any new or additional demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or other charge that would increase an eligible fuel cell customer-generator's costs beyond those of other customers in the rate class to which the eligible fuel cell customer-generator would otherwise be assigned are contrary to the intent of the Legislature in enacting this section, and shall not form a part of net energy metering tariffs.

(2) The commission shall authorize an electrical corporation to charge a fuel cell customer-generator a fee based on the cost to the utility associated with providing interconnection inspection services for that fuel cell customer-generator.

(e) The net metering calculation shall be made by measuring the difference between the electricity supplied to the eligible fuel

cell customer-generator and the electricity generated by the eligible fuel cell customer-generator and fed back to the electrical grid over a 12-month period. The following rules shall apply to the annualized metering calculation:

(1) The eligible fuel cell customer-generator shall, at the end of each 12-month period following the date of final interconnection of the eligible fuel cell electrical generating facility with an electrical corporation, and at each anniversary date thereafter, be billed for electricity used during that period. The electrical corporation shall determine if the eligible fuel cell customer-generator was a net consumer or a net producer of electricity during that period. For purposes of determining if the eligible fuel cell customer-generator was a net consumer or a net producer of electricity during that period, the electrical corporation shall aggregate the electrical load of the meters located on the property where the eligible fuel cell electrical generating facility is located and on all property adjacent or contiguous to the property on which the facility is located, if those properties are solely owned, leased, or rented by the eligible fuel cell customer-generator. Each aggregated account shall be billed and measured according to a time-of-use rate schedule.

(2) At the end of each 12-month period, where the electricity supplied during the period by the electrical corporation exceeds the electricity generated by the eligible fuel cell customer-generator during that same period, the eligible fuel cell customer-generator is a net electricity consumer and the electrical corporation shall be owed compensation for the eligible fuel cell customer-generator's net kilowatthour consumption over that same period. The compensation owed for the eligible fuel cell customer-generator's consumption shall be calculated as follows:

(A) The generation charges for any net monthly consumption of electricity shall be calculated according to the terms of the tariff to which the same customer would be assigned to or be eligible for if the customer was not an eligible fuel cell customer-generator. When the eligible fuel cell customer-generator is a net generator during any discrete time-of-use period, the net kilowatthours produced shall be valued at the same price per kilowatthour as the electrical corporation would charge for retail kilowatthour sales for generation, exclusive of any surcharges, during that same time-of-use period. If the eligible fuel cell customer-generator's

time-of-use electrical meter is unable to measure the flow of electricity in two directions, paragraph (4) of subdivision (a) shall apply. All other charges, other than generation charges, shall be calculated in accordance with the eligible fuel cell customer-generator's applicable tariff and based on the total kilowatthours delivered by the electrical corporation to the eligible fuel cell customer-generator. To the extent that charges for transmission and distribution services are recovered through demand charges in any particular month, no standby reservation charges shall apply in that monthly billing cycle.

(B) The net balance of moneys owed shall be paid in accordance with the electrical corporation's normal billing cycle.

(3) At the end of each 12-month period, where the electricity generated by the eligible fuel cell customer-generator during the 12-month period exceeds the electricity supplied by the electrical corporation during that same period, the eligible fuel cell customer-generator is a net electricity producer and the electrical corporation shall retain any excess kilowatthours generated during the prior 12-month period. The eligible fuel cell customer-generator shall not be owed any compensation for those excess kilowatthours.

(4) If an eligible fuel cell customer-generator terminates service with the electrical corporation, the electrical corporation shall reconcile the eligible fuel cell customer-generator's consumption and production of electricity during any 12-month period.

(f) A fuel cell electrical generating facility shall not be eligible for the tariff unless it commences operation prior to January 1, 2017, unless a later enacted statute, that is chaptered before January 1, 2017, extends this eligibility commencement date. The tariff shall remain in effect for an eligible fuel cell electrical generating facility that commences operation pursuant to the tariff prior to January 1, 2017. A fuel cell customer-generator shall be eligible for the tariff established pursuant to this section only for the operating life of the eligible fuel cell electrical generating facility.

SEC. 156. Section 4661 of the Public Utilities Code is amended to read:

4661. As used in this chapter, "for-hire vessel" includes any vessel, by whatsoever power operated, carrying passengers for hire, except a seaplane on the water and vessels exempt from taxation under Section 3 of Article XIII of the California Constitution.

SEC. 157. Section 100602.4 of the Public Utilities Code is amended to read:

100602.4. (a) Where any parcel in the benefit district is owned in joint tenancy, tenancy in common, or any other multiple ownership, the owners of that parcel may designate in writing which one of the owners shall be deemed the owner of the parcel for purposes of submitting an assessment ballot pursuant to Section 53753 of the Government Code. In the absence of a designation, the provisions of paragraph (3) of subdivision (e) of Section 53753 of the Government Code shall apply.

(b) The legal representative of a corporation or an estate owning real property in the benefit district may act on behalf of the corporation or the estate.

(c) (1) For purposes of this chapter, "legal representative" means an official of a corporation owning real property in the benefit district.

(2) For purposes of this chapter, "legal representative" also means a guardian, conservator, executor, or administrator of the estate of the holder of title to real property in the benefit district who is all of the following:

(A) The person is appointed under the laws of this state.

(B) The person is entitled to the possession of the estate's real property.

(C) The person is authorized by the appointing court to exercise the particular right, privilege, or immunity that he or she seeks to exercise.

SEC. 158. Section 170056 of the Public Utilities Code is amended to read:

170056. The port shall transfer all title and ownership of the San Diego International Airport to the authority consistent with the terms of the transfer under Section 170060 and shall include, but need not be limited to, all of the following:

(a) All interest in real property and improvements, including, but not limited to, all terminals, runways, taxiways, aprons, hangars, Runway Protection Zones (RPZ), Airport Influence Areas (AIA), emergency vehicles or facilities, parking facilities for passengers and employees, above and below ground utility lines and connections, easements, rights-of-way, other rights for the use of property necessary or convenient to the use of airport properties, and buildings and facilities used to operate, maintain, and manage

the airport which is consistent with the Airport Layout Plan (ALP) dated September 13, 2000, and identified as Drawing No. 724 on file with the clerk of the port, subject to paragraphs (1), (2), and (3).

(1) The following real properties shall not be transferred and shall remain under the ownership and control of the port:

(A) All property originally leased to General Dynamics Corporation and identified in Document No. 12301 on file with the clerk of the port.

(B) Property subleased by the port from TDY Industries, Inc., c/o Allegheny Teledyne (formerly Teledyne Ryan Aeronautical) and identified as Document No. 17600 on file with the clerk of the port.

(C) Property leased to Solar Turbines, Incorporated for parking along Pacific Highway and identified as Document No. 39904 on file with the clerk of the port (Parcel No. 016-026).

(D) Property leased to Solar Turbines, Incorporated, for parking along Laurel Street and identified as Document No. 29239 on file with the clerk of the port (Parcel No. 016-016 - Parcel 2).

(E) Property leased to Sky Chefs, Incorporated, located at 2450 Winship Lane and identified as Document No. 37740 on file with the clerk of the port (Parcel No. 012-025).

(F) (i) Property located at Parcel No. 034-002 and identified as Pond 20. The port shall retain ownership of Pond 20 and shall reimburse the airport fund for the fair market value of that property. The fair market value shall be determined by appraisal and negotiation. If there is no agreement following that negotiation, then the amount of payment shall be determined by arbitration.

(ii) On January 1, 2003, the port shall commence repayment to the airport of the negotiated or arbitrated fair market value for the property. The repayment schedule shall be a 10-year amortized payment plan with interest based upon the rate of 1 percent above the prevailing prime rate.

(2) The following additional real properties shall be transferred from the port to the authority:

(A) Property adjacent to Pond 20 located at Parcel Nos. 042-002 and 042-003 (this parcel encompasses approximately two or three acres).

(B) Property acquired as Parcel No. 034-001 from Western Salt Processing Plant and identified as Document No. 39222 from GGTW, LLC.

(3) The following nonairport, real properties that presently provide airport-related services shall also be excluded from any land transfer to the authority:

(A) Airport employee parking lot located at Harbor Island Drive and Harbor Island Drive East identified as District Parcel No. 007-020.

(B) Airport taxi and shuttle overflow lot located at the southeast corner of North Harbor Drive and Harbor Island Drive identified as District Parcel No. 007-025.

(C) Property leased to National Car Rental System, Incorporated, located east of the southeast corner of North Harbor Drive and Harbor Island Drive identified as District Parcel No. 007-034.

(D) Property leased to The Hertz Corporation located east of the southeast corner of North Harbor Drive and Harbor Island Drive identified as District Parcel No. 007-035.

(E) Property leased to Avis Rent-A-Car Corporation located at the southwest corner of North Harbor Drive and Rental Car Roadway identified as District Parcel No. 007-036.

(F) Property leased to National Car Rental System, Incorporated, located at the southeast corner of North Harbor Drive and Rental Car Roadway identified as District Parcel No. 007-038.

(G) Property leased in common to National Car Rental System, Incorporated; The Hertz Corporation; and Avis Rent-A-Car Corporation known as Joint-Use Roadway identified as District Parcel No. 007-037.

(H) Property leased to Jimsair, Incorporated, located on the property previously known as the General Dynamics Parcel, south of Sassafras Street and west of Pacific Highway adjacent to the Airport Operation Area identified as District Parcel No. 016-042.

(I) Property leased to Budget Rent A Car of San Diego located at both the northeast and southwest corners of Palm Street and Pacific Highway identified as District Parcel No. 016-001 (Parcel 1 and 2).

(J) Property leased to Budget Rent A Car of San Diego located east of the northeast corner of Palm Street and Pacific Highway identified as District Parcel No. 016-001 (Parcel 3).

(K) Property leased to Lichtenberger Equipment, Incorporated, located north of the northeast corner of Palm Street and Pacific Highway identified as District Parcel No. 016-034.

(L) Property leased to Park and Ride, Incorporated, located at the northeast corner of Sassafras and Pacific Highway identified as District Parcel No. 016-038.

(M) Property leased to Ace Parking Management, Incorporated, located north of the intersection of Sassafras Street and Pacific Highway identified as District Parcel No. 016-040.

(N) Property leased to Federal Express Corporation located at the west end of the extension of Washington Street identified as District Parcel No. 015-008.

(b) All contracts with airport tenants, concessionaires, leaseholders, and others, including, but not limited to, fees from vehicle rental companies.

(c) All airport-related financial obligations secured by revenues and fees generated from the operations of the airport, including, but not limited to, bonded indebtedness associated with the airport. The authority shall assume obligations issued or incurred by the port for San Diego International Airport, including, but not limited to, any long-term debt, grants, and grant assurances.

(d) All airport-related financial reserves, including, but not limited to, sinking funds and other credits.

(e) All personal property, including, but not limited to, emergency vehicles, office equipment, computers, records and files, software required for financial management, personnel management, and accounting and inventory systems, and any other personal property owned by the port used to operate or maintain the airport.

(f) Notwithstanding any provision of this section, the port shall agree to lease for a period of 66 years, commencing on January 1, 2003, to the authority parcels 1, 2, and 3 of the property originally leased to General Dynamics (identified in Document No. 12301 on file with the clerk of the port) consisting of approximately 89.75 acres west of the Pacific Highway and including property leased to JimsAir (identified as Parcel #016-042), property leased to Federal Express Corporation (identified as Parcel #015-008) and the Park, Shuttle and Fly lot operated by Five Star Parking under a management agreement with the port (identified as Clerk

Document No. 38334, dated March 29, 1999), subject to the following terms:

(1) The rent shall be paid monthly in arrears and the annual rent shall be level based on the fair market value of the property as of January 1, 2006, and a market rate of return on that date.

(2) The authority shall lease to the port at the same fair market value per square foot a total of not to exceed 250 parking spaces in reasonable proximity to the port's administrative building located at 3165 Pacific Highway with the authority having a right to relocate or substitute substantially equivalent or better parking from time to time. The parties shall first meet and confer to determine by appraisal and negotiation the fair market value rent. If the authority and port do not reach agreement within 60 days after commencement of meetings for that purpose, either party may submit the matter to binding arbitration in San Diego in accordance with the Commercial Arbitration Rules of the American Arbitration Association. In the event airport operations cease to exist on the property leased to the authority pursuant to this section, control of the property will revert to the port as provided in Section 170060.

(3) All other terms of the ground lease shall be in accordance with reasonable commercial practice in the San Diego area for long-term real property ground leases.

SEC. 159. Section 62 of the Revenue and Taxation Code is amended to read:

62. Change in ownership does not include:

(a) (1) Any transfer between coowners that results in a change in the method of holding title to the real property transferred without changing the proportional interests of the coowners in that real property, such as a partition of a tenancy in common.

(2) Any transfer between an individual or individuals and a legal entity or between legal entities, such as a cotenancy to a partnership, a partnership to a corporation, or a trust to a cotenancy, that results solely in a change in the method of holding title to the real property and in which proportional ownership interests of the transferors and transferees, whether represented by stock, partnership interest, or otherwise, in each and every piece of real property transferred, remain the same after the transfer. This paragraph shall not apply to transfers also excluded from change

in ownership under the provisions of subdivision (b) of Section 64.

(b) Any transfer for the purpose of perfecting title to the property.

(c) (1) The creation, assignment, termination, or reconveyance of a security interest; or (2) the substitution of a trustee under a security instrument.

(d) Any transfer by the trustor, or by the trustor's spouse or registered domestic partner, or by both, into a trust if (1) the transferor is the present beneficiary of the trust or (2) the trust is revocable; or any transfer by a trustee of a trust described in either clause (1) or (2) back to the trustor; or, any creation or termination of a trust in which the trustor retains the reversion and in which the interest of others does not exceed 12 years duration.

(e) Any transfer by an instrument whose terms reserve to the transferor an estate for years or an estate for life. However, the termination of such an estate for years or estate for life shall constitute a change in ownership, except as provided in subdivision (d) and in Section 63.

(f) The creation or transfer of a joint tenancy interest if the transferor, after the creation or transfer, is one of the joint tenants as provided in subdivision (b) of Section 65.

(g) Any transfer of a lessor's interest in taxable real property subject to a lease with a remaining term (including renewal options) of 35 years or more. For the purpose of this subdivision, for 1979–80 and each year thereafter, it shall be conclusively presumed that all homes eligible for the homeowners' exemption, other than manufactured homes located on rented or leased land and subject to taxation pursuant to Part 13 (commencing with Section 5800) and floating homes subject to taxation pursuant to Section 229, that are on leased land have a renewal option of at least 35 years on the lease of that land, whether or not that renewal option exists in any contract or agreement.

(h) Any purchase, redemption, or other transfer of the shares or units of participation of a group trust, pooled fund, common trust fund, or other collective investment fund established by a financial institution.

(i) Any transfer of stock or membership certificate in a housing cooperative that was financed under one mortgage, provided that mortgage was insured under Section 213, 221(d)(3), 221(d)(4), or

236 of the National Housing Act, as amended, or that housing cooperative was financed or assisted pursuant to Section 514, 515, or 516 of the Housing Act of 1949 or Section 202 of the Housing Act of 1959, or the housing cooperative was financed by a direct loan from the California Housing Finance Agency, and provided that the regulatory and occupancy agreements were approved by the governmental lender or insurer, and provided that the transfer is to the housing cooperative or to a person or family qualifying for purchase by reason of limited income. Any subsequent transfer from the housing cooperative to a person or family not eligible for state or federal assistance in reduction of monthly carrying charges or interest reduction assistance by reason of the income level of that person or family shall constitute a change of ownership.

(j) Any transfer during the period March 1, 1975, to March 1, 1981, between coowners in any property that was held by them as coowners for all or part of that period, and which was eligible for a homeowner's exemption during the period of the coownership, notwithstanding any other provision of this chapter. Any transferee whose interest was revalued in contravention of the provisions of this subdivision shall obtain a reversal of that revaluation with respect to the 1980–81 assessment year and thereafter, upon application to the county assessor of the county in which the property is located filed on or before March 26, 1982. Refunds shall not be made under this subdivision for any assessment year before the 1980-81 fiscal year.

(k) Any transfer of property or an interest therein between a corporation sole, a religious corporation, a public benefit corporation, and a holding corporation, as defined in Section 23701h, holding title for the benefit of any of these corporations, or any combination thereof (including any transfer from one entity to the same type of entity), provided that both the transferee and transferor are regulated by laws, rules, regulations, or canons of the same religious denomination.

(*l*) Any transfer that would otherwise be a transfer subject to reappraisal under this chapter, between or among the same parties for the purpose of correcting or reforming a deed to express the true intentions of the parties, provided that the original relationship between the grantor and grantee is not changed.

(m) Any intrafamily transfer of an eligible dwelling unit from a parent or parents or legal guardian or guardians to a minor child

or children or between or among minor siblings as a result of a court order or judicial decree due to the death of the parent or parents. As used in this subdivision, "eligible dwelling unit" means the dwelling unit that was the principal place of residence of the minor child or children prior to the transfer and remains the principal place of residence of the minor child or children after the transfer.

(n) Any transfer of an eligible dwelling unit, whether by will, devise, or inheritance, from a parent or parents to a child or children, or from a guardian or guardians to a ward or wards, if the child, children, ward, or wards have been disabled, as provided in subdivision (d) of Section 12304 of the Welfare and Institutions Code, for at least five years preceding the transfer and if the child, children, ward, or wards have adjusted gross income that, when combined with the adjusted gross income of a spouse or spouses, parent or parents, and child or children, does not exceed twenty thousand dollars ($20,000) in the year in which the transfer occurs. As used in this subdivision, "child" or "ward" includes a minor or an adult. As used in this subdivision, "eligible dwelling unit" means the dwelling unit that was the principal place of residence of the child or children, or ward or wards for at least five years preceding the transfer and remains the principal place of residence of the child or children, or ward or wards after the transfer. Any transferee whose property was reassessed in contravention of the provisions of this subdivision for the 1984–85 assessment year shall obtain a reversal of that reassessment upon application to the county assessor of the county in which the property is located. Application by the transferee shall be made to the assessor no later than 30 days after the later of either the transferee's receipt of notice of reassessment pursuant to Section 75.31 or the end of the 1984–85 fiscal year.

(o) Any transfer of a possessory interest in tax-exempt real property subject to a sublease with a remaining term, including renewal options, that exceeds half the length of the remaining term of the leasehold, including renewal options.

(p) (1) Commencing on January 1, 2000, any transfer between registered domestic partners, as defined in Section 297 of the Family Code, including, but not limited to:

(A) Transfers to a trustee for the beneficial use of a registered domestic partner, or the surviving registered domestic partner of

a deceased transferor, or by a trustee of such a trust to the registered domestic partner of the trustor.

(B) Transfers that take effect upon the death of a registered domestic partner.

(C) Transfers to a registered domestic partner or former registered domestic partner in connection with a property settlement agreement or decree of dissolution of a registered domestic partnership or legal separation.

(D) The creation, transfer, or termination, solely between registered domestic partners, of any coowner's interest.

(E) The distribution of a legal entity's property to a registered domestic partner or former registered domestic partner in exchange for the interest of the registered domestic partner in the legal entity in connection with a property settlement agreement or a decree of dissolution of a registered domestic partnership or legal separation.

(2) Any transferee whose property was reassessed in contravention of the provisions of this subdivision for a transfer occurring between January 1, 2000, and January 1, 2006, shall obtain a reversal of that reassessment upon application to the county assessor of the county in which the property is located. Application by the transferee shall be made to the assessor no later than June 30, 2009. A county may charge a fee for its costs related to the application and reassessment reversal in an amount that does not exceed the actual costs incurred. This paragraph shall be liberally construed to provide the benefits of this subdivision and Article XIII A of the California Constitution to registered domestic partners.

(A) After consultation with the California Assessors' Association, the State Board of Equalization shall prescribe the form for claiming the reassessment reversal described in paragraph (2). The claim form shall be entitled "Claim for Reassessment Reversal for Registered Domestic Partners." The claim shall state on its face that a "certificate of registered domestic partnership" is available upon request from the California Secretary of State.

(B) The information on the claim shall include a description of the property, the parties to the transfer of interest in the property, the date of the transfer of interest in the property, and a statement that the transferee registered domestic partner and the transferor registered domestic partner were, on the date of transfer, in a

registered domestic partnership as defined in Section 297 of the Family Code.

(C) The claimant shall declare that the information provided on the form is true, correct, and complete to the best of his or her knowledge and belief.

(D) The claimant shall provide with the completed claim the "Certificate of Registered Domestic Partnership," or photocopy thereof, naming the transferee and transferor as registered domestic partners and reflecting the creation of the registered domestic partnership on a date prior to, or concurrent with, the date of the transfer for which a reassessment reversal is requested.

(E) Any reassessment reversal granted pursuant to a claim shall apply commencing with the lien date of the assessment year, as defined in Section 118, in which the claim is filed. Refunds shall not be made under this paragraph for any prior assessment year.

(F) Under any reassessment reversal granted pursuant to that claim, the adjusted full cash value of the subject real property in the assessment year described in subparagraph (E) shall be the adjusted base year value of the subject real property in the assessment year in which the excluded purchase or transfer took place, factored to the assessment year described in subparagraph (E) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property.

SEC. 160. Section 2615.6 of the Revenue and Taxation Code is amended to read:

2615.6. (a) When the county sends to any person a tax bill, it shall be accompanied by a notice regarding property tax assistance and postponement for senior citizens under the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Assistance Law (Chapter 1 (commencing with Section 20501) of Part 10.5 of Division 2) and the Senior Citizens and Disabled Citizens Property Tax Postponement Law (Chapter 2 (commencing with Section 20581) of Part 10.5 of Division 2). The text of this notice shall be prepared by the Franchise Tax Board.

(b) Subdivision (a) is inoperative for any lien date for which funding for the Gonsalves-Deukmejian-Petris Senior Citizens Property Tax Assistance Law (Chapter 1 (commencing with

Section 20501) of Part 10.5 of Division 2), and for the Senior Citizens and Disabled Citizens Property Tax Postponement Law (Chapter 2 (commencing with Section 20581) of Part 10.5 of Division 2), is not provided by state law. If subdivision (a) has become inoperative under this subdivision, subdivision (a) shall become operative again commencing with the first lien date for which funding for these laws is provided by state law.

SEC. 161. Section 17053.57 of the Revenue and Taxation Code is amended to read:

17053.57. (a) For each taxable year beginning on or after January 1, 1997, and before January 1, 2017, there shall be allowed as a credit against the amount of "net tax," as defined in Section 17039, an amount equal to 20 percent of the amount of each qualified investment made by a taxpayer during the taxable year into a community development financial institution that is certified by the Department of Insurance, California Organized Investment Network, or any successor thereof.

(b) (1) Notwithstanding any other provision of this part, a credit shall not be allowed under this section unless the California Organized Investment Network, or its successor within the Department of Insurance, certifies that the investment described in subdivision (a) qualifies for the credit under this section and certifies the total amount of the credit allocated to the taxpayer pursuant to this section.

(2) A credit shall not be allowed by this section unless the applicant and the taxpayer provide satisfactory substantiation to, and in the form and manner requested by, the Department of Insurance, California Organized Investment Network, or any successor thereof, that the investment is a qualified investment, as defined in paragraph (1) of subdivision (g).

(3) (A) The aggregate amount of qualified investments made by all taxpayers pursuant to this section, Section 12209, and Section 23657 shall not exceed fifty million dollars ($50,000,000) for each calendar year. However, if the aggregate amount of qualified investments made in any calendar year is less than fifty million dollars ($50,000,000), the difference may be carried over to the next year, and any succeeding year during which this section remains in effect, and added to the aggregate amount authorized for those years.

(B) The total amount of qualified investments certified by the California Organized Investment Network in any calendar year to any one community development financial institution together with its affiliates, as defined in Section 1215 of the Insurance Code, shall not exceed 30 percent of the annual aggregate amount of qualified investments certified by the California Organized Investment Network. If, after October 1, the California Organized Investment Network has determined that the availability of tax credits exceed their demand, then a community development financial institution that has been allocated 30 percent of the annual aggregate amount of qualified investments shall become eligible to apply to be certified for any remaining tax credits in that calendar year.

(C) Each year, 10 percent of the annual aggregate amount of qualified investments shall be reserved for investment amounts of less than or equal to two hundred thousand dollars ($200,000). If, after October 1, there remains an unallocated portion of the amount reserved for investments of less than or equal to two hundred thousand dollars ($200,000), then qualified investments in excess of two hundred thousand dollars ($200,000) may be eligible for that remaining unallocated portion.

(4) Priority among housing applications shall be given to applications that support affordable rental housing, housing for veterans, mortgages for community-based residential programs, and self-help housing ahead of single-family owned housing.

(c) The community development financial institution shall do all of the following:

(1) Apply to the Department of Insurance, California Organized Investment Network, or its successor, for certification of its status as a community development financial institution.

(2) (A) Apply to the Department of Insurance, California Organized Investment Network, or its successor, on behalf of the taxpayer, for certification of the amount of the investment and the credit amount allocated to the taxpayer, obtain the certification, and retain a copy of the certification.

(B) Provide in the application a detailed description of the intended use of the investment funds including, but not limited to, the following:

(i) All of the programs, projects, and services that would be funded.

(ii) The percentage of the intended use of the investment funds that would directly benefit low-to-moderate income households.

(iii) The percentage of the intended use of the investment funds that would directly benefit rural areas.

(iv) The percentage of the intended use of the investment funds that is a green investment as defined in Section 926.1 of the Insurance Code.

(3) (A) Provide in the application required in paragraph (2) the following information to the Department of Insurance, California Organized Investment Network, or its successor:

(i) Name of the taxpayer.

(ii) Postal address of the taxpayer, or residential address of the taxpayer if the taxpayer is an individual.

(iii) Phone number of the taxpayer.

(iv) Email address of the taxpayer.

(v) The taxpayer's identification number, or in the case of a partnership, the taxpayer identification numbers of all the partners for tax administration purposes.

(B) The information provided in subparagraph (A) shall be used only for internal purposes by the Department of Insurance, California Organized Investment Network, or its successor, and any network or its successor shall limit all public disclosure of that information to the name of the taxpayer only.

(4) Provide an annual listing to the Franchise Tax Board, in the form and manner agreed upon by the Franchise Tax Board and the Department of Insurance, California Organized Investment Network, or its successor, of the names and taxpayer identification numbers of any taxpayer who makes any withdrawal or partial withdrawal of a qualified investment before the expiration of 60 months from the date of the qualified investment.

(5) Submit reports to the Department of Insurance, California Organized Investment Network, or any successor thereof, as required pursuant to subdivision (a) of Section 12939.1 of the Insurance Code.

(d) (1) The Insurance Commissioner may develop instructions, procedures, and standards for applications, and for administering the criteria for the evaluation of applications under this section. The Insurance Commissioner may, from time to time, adopt, amend, or repeal regulations to implement the provisions of this section.

(2) The initial adoption of the regulations implementing this section shall be deemed to be an emergency and necessary in order to address a situation calling for immediate action to avoid serious harm to the public peace, health, safety, or general welfare.

(3) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, any emergency regulation adopted or amended by the Insurance Commissioner pursuant to this section shall remain in effect until amended or repealed by the department.

(e) The California Organized Investment Network may certify investments for the credit allowed by this section on or before January 1, 2017, but not after that date.

(f) The Department of Insurance, California Organized Investment Network, or any successor thereof, shall do all of the following:

(1) Accept and evaluate applications for certification from financial institutions and issue certificates that the applicant is a community development financial institution qualified to receive qualified investments. To receive a certificate, an applicant shall satisfy the Department of Insurance, California Organized Investment Network, or any successor thereof, that it meets the specific requirements to be a community development financial institution for this state program as defined in paragraph (2) of subdivision (g). The certificate may be issued for a specified period of time, and may include reasonable conditions to effectuate the intent of this section. The Insurance Commissioner may suspend or revoke a certification, after affording the institution notice and the opportunity to be heard, if the commissioner finds that an institution no longer meets the requirement for certification.

(2) Accept and evaluate applications for certification from a community development financial institution on behalf of the taxpayer and issue certificates to taxpayers in an aggregate amount that shall not exceed the limit specified in subdivision (b), with highest priority granted to those applications where the intended use of the investments has the greatest aggregate benefit for low-to-moderate income areas or households or rural areas or households. The certificate shall include the amount eligible to be made as an investment that qualifies for the credit and the total amount of the credit to which the taxpayer is entitled for the taxable year. Applications for tax credits shall be accepted and evaluated

throughout the year. The Insurance Commissioner shall establish tax credit issuance cycles throughout the year as necessary in order to issue tax credit certificates to those applications granted the highest priority.

(3) Provide an annual listing to the Franchise Tax Board, in the form or manner agreed upon by the Franchise Tax Board and the Department of Insurance, California Organized Investment Network, or its successor, of the taxpayers who were issued certificates, their respective tax identification numbers, the amount of the qualified investment made by each taxpayer, and the total amount of qualified investments.

(4) Include information specified pursuant to subdivision (b) of Section 12939.1 of the Insurance Code in the report required by Section 12922 of the Insurance Code.

(g) For purposes of this section:

(1) "Qualified investment" means an investment that is a deposit or loan that does not earn interest, or an equity investment, or an equity-like debt instrument that conforms to the specifications for these instruments as prescribed by the United States Department of the Treasury, Community Development Financial Institutions Fund, or its successor, or, in the absence of that prescription, as defined by the Insurance Commissioner. The investment must be equal to or greater than fifty thousand dollars ($50,000) and made for a minimum duration of 60 months. During that 60-month period, the community development financial institution shall have full use and control of the proceeds of the entire amount of the investment as well as any earnings on the investment for its community development purposes. The entire amount of the investment shall be received by the community development financial institution before the application for the tax credit is submitted. The community development financial institution shall use the proceeds of the investment for a purpose that is consistent with its community development mission and for the benefit of economically disadvantaged communities and low-income people in California.

(2) "Community development financial institution" means a private financial institution located in this state that is certified by the Department of Insurance, California Organized Investment Network, or its successor, that, consistent with the legislative findings, declarations, and intent set forth in Section 12939 of the

Insurance Code, has community development as its primary mission, and that lends in urban, rural, or reservation-based communities in this state. A community development financial institution may include a community development bank, a community development loan fund, a community development credit union, a microenterprise fund, a community development corporation-based lender, or a community development venture fund.

(h) (1) If a qualified investment is withdrawn before the end of the 60th month and not reinvested in another community development financial institution within 60 days, there shall be added to the "net tax," as defined in Section 17039, for the taxable year in which the withdrawal occurs, the entire amount of any credit previously allowed under this section.

(2) If a qualified investment is reduced before the end of the 60th month, but not below fifty thousand dollars ($50,000), there shall be added to the "net tax," as defined in Section 17039, for the taxable year in which the reduction occurs, an amount equal to 20 percent of the total reduction for the taxable year.

(i) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" for the next four taxable years, or until the credit has been exhausted, whichever occurs first.

(j) The Franchise Tax Board shall, as requested by the Department of Insurance, California Organized Investment Network, or its successor, advise and assist in the administration of this section.

(k) On or before June 30, 2016, the Legislative Analyst's Office shall submit a report to the Legislature, in compliance with Section 9795 of the Government Code, on the effects of the tax credits allowed under this section, Section 12209, and Section 23657, with a focus on employment in low-to-moderate income and rural areas, and on the benefits of these tax credits to low-to-moderate income and rural persons.

(*l*) This section shall remain in effect only until December 1, 2017, and as of that date is repealed.

SEC. 162. Section 18796 of the Revenue and Taxation Code is amended to read:

18796. (a) This article shall remain in effect only until January 1, 2018, and as of that date is repealed.

(b) (1) By September 1, 2006, and by September 1 of each subsequent calendar year that the California Breast Cancer Research Fund appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the University of California of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of the contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars ($250,000) for the 1997 calendar year or the minimum contribution amount adjusted pursuant to subdivision (c).

(c) Except as provided in subdivision (d), each calendar year, beginning with calendar year 1998, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior calendar year multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index that are received on or before

August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) For calendar years 2014 and 2015, the minimum contribution shall be equal to the minimum contribution amount for the 2013 calendar year. This amount shall be adjusted pursuant to subdivision (c) beginning with the 2016 calendar year.

(e) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article before its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately before that repeal.

SEC. 163. Section 19136 of the Revenue and Taxation Code is amended to read:

19136. (a) Section 6654 of the Internal Revenue Code, relating to failure by an individual to pay estimated income tax, shall apply, except as otherwise provided.

(b) Section 6654(a)(1) of the Internal Revenue Code is modified to refer to the rate determined under Section 19521 in lieu of Section 6621 of the Internal Revenue Code.

(c) (1) Section 6654(e)(1) of the Internal Revenue Code, relating to exceptions where the tax is a small amount, does not apply.

(2) No addition to the tax shall be imposed under this section if the tax imposed under Section 17041 or 17048 and the tax imposed under Section 17062 for the preceding taxable year, minus the sum of any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, or the tax computed under Section 17041 or 17048 upon the estimated income for the taxable year, minus the sum of any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, is less than five hundred dollars ($500), except in the case of a separate return filed by a married person the amount shall be less than two hundred fifty dollars ($250).

(d) Section 6654(f) of the Internal Revenue Code does not apply and for purposes of this section the term "tax" means the tax imposed under Section 17041 or 17048 and the tax imposed under Section 17062 less any credits against the tax provided by Part 10 (commencing with Section 17001) or this part, other than the credit provided by subdivision (a) of Section 19002.

(e) (1) The credit for tax withheld on wages, as specified in Section 6654(g) of the Internal Revenue Code, is the credit allowed under subdivision (a) of Section 19002.

(2) (A) Section 6654(g)(1) of the Internal Revenue Code is modified by substituting the phrase "the applicable percentage" for the phrase "an equal part."

(B) For purposes of this paragraph, "applicable percentage" means the percentage amount prescribed under Section 6654(d)(1)(A) of the Internal Revenue Code, as modified by subdivision (a) of Section 19136.1.

(f) This section applies to a nonresident individual.

(g) (1) No addition to tax shall be imposed under this section to the extent that the underpayment was created or increased by any law that is chaptered during and operative for the taxable year of the underpayment.

(2) Notwithstanding Section 18415, this section applies to penalties imposed under this section on and after January 1, 2005.

(h) The amendments made to this section by Section 5 of Chapter 305 of the Statutes of 2008 apply to taxable years beginning on or after January 1, 2009.

(i) The amendments made to this section by the act adding this subdivision apply to amounts withheld on wages beginning on or after January 1, 2009.

SEC. 164. Section 19164 of the Revenue and Taxation Code is amended to read:

19164. (a) (1) (A) An accuracy-related penalty shall be imposed under this part and shall be determined in accordance with Section 6662 of the Internal Revenue Code, relating to imposition of accuracy-related penalty on underpayments, as amended by Section 1409(b) of the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), except as otherwise provided.

(B) (i) Except for understatements relating to reportable transactions to which Section 19164.5 applies, in the case of any proposed deficiency assessment issued after the last date of the amnesty period specified in Chapter 9.1 (commencing with Section 19730) for any taxable year beginning prior to January 1, 2003, the penalty specified in Section 6662(a) of the Internal Revenue Code shall be computed by substituting "40 percent" for "20 percent."

(ii) Clause (i) shall not apply to any taxable year of a taxpayer beginning prior to January 1, 2003, if, as of the start date of the amnesty program period specified in Section 19731, the taxpayer

is then under audit by the Franchise Tax Board, or the taxpayer has filed a protest under Section 19041, or the taxpayer has filed an appeal under Section 19045, or the taxpayer is engaged in settlement negotiations under Section 19442, or the taxpayer has a pending judicial proceeding in any court of this state or in any federal court relating to the tax liability of the taxpayer for that taxable year.

(2) With respect to corporations, this subdivision applies to all of the following:

(A) All taxable years beginning on or after January 1, 1990.

(B) Any other taxable year for which an assessment is made after July 16, 1991.

(C) For purposes of this section, references in Section 6662(e) of the Internal Revenue Code and the regulations thereunder, relating to treatment of an affiliated group that files a consolidated federal return, are modified to apply to those entities required to be included in a combined report under Section 25101 or 25110. For these purposes, entities included in a combined report pursuant to paragraph (4) or (6) of subdivision (a) of Section 25110 shall be considered only to the extent required to be included in the combined report.

(3) Section 6662(d)(1)(B) of the Internal Revenue Code is modified to provide that in the case of a corporation, other than an "S" corporation, there is a substantial understatement of tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of:

(A) Ten percent of the tax required to be shown on the return for the taxable year (or, if greater, two thousand five hundred dollars ($2,500)).

(B) Five million dollars ($5,000,000).

(4) Section 6662(d)(2)(A) of the Internal Revenue Code is modified to additionally provide that the excess determined under Section 6662(d)(2)(A) of the Internal Revenue Code shall be determined without regard to items to which Section 19164.5 applies and without regard to items with respect to which a penalty is imposed by Section 19774.

(5) The provisions of Sections 6662(e)(1) and 6662(h)(2) of the Internal Revenue Code shall apply to returns filed on or after January 1, 2010.

(b) For purposes of Section 6662(d) of the Internal Revenue Code, Section 6664 of the Internal Revenue Code, Section 6694(a)(1) of the Internal Revenue Code, and this part, the Franchise Tax Board may prescribe a list of positions for which the Franchise Tax Board believes there is not substantial authority or there is no reasonable belief that the tax treatment is more likely than not the proper tax treatment. That list (and any revisions thereof) shall be published through the use of Franchise Tax Board Notices or other published positions. In addition, the "listed transactions" identified and published pursuant to the preceding sentence shall be published on the Internet Web site of the Franchise Tax Board.

(c) A fraud penalty shall be imposed under this part and shall be determined in accordance with Section 6663 of the Internal Revenue Code, relating to imposition of fraud penalty, except as otherwise provided.

(d) (1) Section 6664 of the Internal Revenue Code, relating to definitions and special rules, applies, except as otherwise provided.

(2) Section 6664(c)(2) of the Internal Revenue Code applies to returns filed on or after January 1, 2010.

(3) Section 6664(c)(3) of the Internal Revenue Code applies to appraisals prepared with respect to returns or submissions filed on or after January 1, 2010.

(e) Except for purposes of subdivision (e) of Section 19774, Section 6662(b)(6) of the Internal Revenue Code does not apply.

(f) Except for purposes of subdivision (e) of Section 19774, Section 6662(i) of the Internal Revenue Code, relating to increase in penalty in case of nondisclosed noneconomic substance transactions, does not apply.

(g) Section 6665 of the Internal Revenue Code, relating to applicable rules, shall apply, except as otherwise provided.

(h) The amendments made to this section by the act adding this subdivision apply to notices mailed on or after January 1, 2012.

SEC. 165. Section 19555 of the Revenue and Taxation Code is amended to read:

19555. (a) Notwithstanding any other law, the State Department of Social Services and the Department of Health Care Services shall inform the Franchise Tax Board of the names and social security numbers of applicants for, or recipients of, public

social services programs under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code.

(b) The Franchise Tax Board, upon receipt of this information, may inform the departments of any such applicant or recipient who received unearned income within the most recent available tax year, as reflected on magnetic tape information returns supplied to the Franchise Tax Board by payers, or on the magnetic tape prepared by the Franchise Tax Board which reflects paper information returns supplied to the Franchise Tax Board by payers. In addition, the Franchise Tax Board may provide, from those sources, the departments with the payee's name, social security number, and address; the payer's name and federal employer identification number, including branch code numbers, if applicable, and address; the dollar amount and type of unearned income; and any identifying account numbers.

(c) The Franchise Tax Board shall return all information received from the departments after completing the exchange of information.

(d) This section shall be implemented only to the extent it is funded in the annual Budget Act.

SEC. 166. Section 20125 of the Revenue and Taxation Code is amended and renumbered to read:

21025. If a payment is received on or after January 1, 1998, by the board from a taxpayer and the board cannot associate the payment with the taxpayer, the board shall make reasonable efforts to notify the taxpayer of the inability within 60 days after the receipt of the payment.

SEC. 167. Section 1653.5 of the Vehicle Code, as added by Section 4 of Chapter 524 of the Statutes of 2013, is amended to read:

1653.5. (a) Each form prescribed by the department for use by an applicant for the issuance or renewal by the department of a driver's license or identification card pursuant to Division 6 (commencing with Section 12500) shall contain a section for the applicant's social security account number.

(b) Each form prescribed by the department for use by an applicant for the issuance, renewal, or transfer of the registration or certificate of title to a vehicle shall contain a section for the applicant's driver's license or identification card number.

(c) Except as provided in Section 12801, a person who submits to the department a form that, pursuant to subdivision (a), contains a section for the applicant's social security account number, or pursuant to subdivision (b), the applicant's driver's license or identification card number, if any, shall furnish the appropriate number in the space provided.

(d) Except as provided in Section 12801, the department shall not complete an application that does not include the applicant's social security account number or driver's license or identification card number as required under subdivision (c).

(e) An applicant's social security account number shall not be included by the department on a driver's license, identification card, registration, certificate of title, or any other document issued by the department.

(f) Notwithstanding any other law, information regarding an applicant's social security account number, obtained by the department pursuant to this section, is not a public record and shall not be disclosed by the department except for any of the following purposes:

(1) Responding to a request for information from an agency operating pursuant to, and carrying out the provisions of, Part A (Block Grants to States for Temporary Assistance for Needy Families), or Part D (Child Support and Establishment of Paternity), of Subchapter IV of Chapter 7 of Title 42 of the United States Code.

(2) Implementation of Section 12419.10 of the Government Code.

(3) Responding to information requests from the Franchise Tax Board for the purpose of tax administration.

(g) This section shall become operative on January 1, 2015, or on the date that the director executes a declaration pursuant to Section 12801.11, whichever is sooner.

(h) This section shall become inoperative on the effective date of a final judicial determination made by any court of appellate jurisdiction that any provision of the act that added this section, or its application, either in whole or in part, is enjoined, found unconstitutional, or held invalid for any reason. The department shall post this information on its Internet Web site.

SEC. 168. Section 1653.5 of the Vehicle Code, as added by Section 5 of Chapter 524 of the Statutes of 2013, is amended to read:

1653.5. (a) Each form prescribed by the department for use by an applicant for the issuance or renewal by the department of a driver's license or identification card pursuant to Division 6 (commencing with Section 12500) shall contain a section for the applicant's social security account number.

(b) Each form prescribed by the department for use by an applicant for the issuance, renewal, or transfer of the registration or certificate of title to a vehicle shall contain a section for the applicant's driver's license or identification card number.

(c) A person who submits to the department a form that, pursuant to subdivision (a), contains a section for the applicant's social security account number, or pursuant to subdivision (b), the applicant's driver's license or identification card number, if any, shall furnish the appropriate number in the space provided.

(d) The department shall not complete an application that does not include the applicant's social security account number or driver's license or identification card number as required under subdivision (c).

(e) An applicant's social security account number shall not be included by the department on a driver's license, identification card, registration, certificate of title, or any other document issued by the department.

(f) Notwithstanding any other law, information regarding an applicant's social security account number, obtained by the department pursuant to this section, is not a public record and shall not be disclosed by the department except for any of the following purposes:

(1) Responding to a request for information from an agency operating pursuant to, and carrying out the provisions of, Part A (Block Grants to States for Temporary Assistance for Needy Families), or Part D (Child Support and Establishment of Paternity), of Subchapter IV of Chapter 7 of Title 42 of the United States Code.

(2) Implementation of Section 12419.10 of the Government Code.

(3) Responding to information requests from the Franchise Tax Board for the purpose of tax administration.

(g) This section shall become operative on the effective date of a final judicial determination made by any court of appellate jurisdiction that any provision of the act that added this section, or its application, either in whole or in part, is enjoined, found unconstitutional, or held invalid for any reason. The department shall post this information on its Internet Web site.

SEC. 169. Section 2810.2 of the Vehicle Code is amended to read:

2810.2. (a) (1) A peace officer, as described in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may stop a vehicle transporting agricultural irrigation supplies that are in plain view to inspect the bills of lading, shipping, or delivery papers, or other evidence to determine whether the driver is in legal possession of the load, if the vehicle is on a rock road or unpaved road that is located in a county that has elected to implement this section and the road is located as follows:

(A) Located under the management of the Department of Parks and Recreation, the Department of Fish and Wildlife, the Department of Forestry and Fire Protection, the State Lands Commission, a regional park district, the United States Forest Service, or the federal Bureau of Land Management.

(B) Located within the respective ownership of a timberland production zone, as defined in Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5 of the Government Code, either that is larger than 50,000 acres or for which the owner of more than 2,500 acres has given express written permission for a vehicle to be stopped within that zone pursuant to this section.

(2) Upon reasonable belief that the driver of the vehicle is not in legal possession, the law enforcement officer specified in paragraph (1) shall take custody of the vehicle and load and turn them over to the custody of the sheriff of the county that has elected to implement this section where the agricultural irrigation supplies are apprehended.

(b) The sheriff shall receive and provide for the care and safekeeping of the apprehended agricultural irrigation supplies that were in plain view within the boundaries of public lands under the management of the entities listed in subparagraph (A) of paragraph (1) of subdivision (a) or on a timberland production zone as specified in subparagraph (B) of paragraph (1) of

subdivision (a), and immediately, in cooperation with the department, proceed with an investigation and its legal disposition.

(c) An expense incurred by the sheriff in the performance of his or her duties under this section shall be a legal charge against the county.

(d) Except as provided in subdivision (e), a peace officer shall not cause the impoundment of a vehicle at a traffic stop made pursuant to subdivision (a) if the driver's only offense is a violation of Section 12500.

(e) During the conduct of pulling a driver over in accordance with subdivision (a), if the peace officer encounters a driver who is in violation of Section 12500, the peace officer shall make a reasonable attempt to identify the registered owner of the vehicle. If the registered owner is present, or the peace officer is able to identify the registered owner and obtain the registered owner's authorization to release the motor vehicle to a licensed driver during the vehicle stop, the vehicle shall be released to either the registered owner of the vehicle if he or she is a licensed driver or to the licensed driver authorized by the registered owner of the vehicle. If a notice to appear is issued, the name and the driver's license number of the licensed driver to whom the vehicle was released pursuant to this subdivision shall be listed on the officer's copy of the notice to appear issued to the unlicensed driver. If a vehicle cannot be released, the vehicle shall be removed pursuant to subdivision (p) of Section 22651, whether a notice to appear has been issued or not.

(f) For purposes of this section, "agricultural irrigation supplies" include agricultural irrigation water bladder and one-half inch diameter or greater irrigation line.

(g) This section shall be implemented only in a county where the board of supervisors adopts a resolution authorizing the enforcement of this section.

SEC. 170. Section 12801 of the Vehicle Code, as added by Section 10 of Chapter 524 of the Statutes of 2013, is amended to read:

12801. (a) Except as provided in subdivisions (b) and (c) and Section 12801.9, the department shall require an application for a driver's license to contain the applicant's social security account number and any other number or identifier determined to be appropriate by the department.

(b) An applicant who provides satisfactory proof that his or her presence in the United States is authorized under federal law, but who is not eligible for a social security account number, is eligible to receive an original driver's license if he or she meets all other qualifications for licensure.

(c) (1) An applicant who is unable to provide satisfactory proof that his or her presence in the United States is authorized under federal law may sign an affidavit attesting that he or she is both ineligible for a social security account number and unable to submit satisfactory proof that his or her presence in the United States is authorized under federal law. This affidavit is not a public record.

(2) The submission of this affidavit shall be accepted by the department in lieu of a social security account number.

(3) This subdivision shall not apply to applications for a commercial driver's license. The department shall require all applications for a commercial driver's license to include the applicant's social security account number.

(4) Nothing in this section shall be used to consider an individual's citizenship or immigration status as a basis for a criminal investigation, arrest, or detention.

(d) The department shall not complete an application for a driver's license unless the applicant is in compliance with the requirements of subdivision (a), (b), or (c).

(e) Notwithstanding any other law, the social security account number collected on a driver's license application shall not be displayed on the driver's license, including, but not limited to, inclusion on a magnetic tape or strip used to store data on the license.

(f) This section shall become operative on January 1, 2015, or on the date that the director executes a declaration pursuant to Section 12801.11, whichever is sooner.

(g) This section shall become inoperative on the effective date of a final judicial determination made by any court of appellate jurisdiction that any provision of the act that added this section, or its application, either in whole or in part, is enjoined, found unconstitutional, or held invalid for any reason. The department shall post this information on its Internet Web site.

SEC. 171. Section 12801 of the Vehicle Code, as added by Section 11 of Chapter 524 of the Statutes of 2013, is amended to read:

12801. (a) Notwithstanding any other law, the department shall require an application for a driver's license to contain the applicant's social security account number and any other number or identifier determined to be appropriate by the department.

(b) Notwithstanding subdivision (a), an applicant who provides satisfactory proof that his or her presence in the United States is authorized under federal law, but who is not eligible for a social security account number, is eligible to receive an original driver's license if he or she meets all other qualifications for licensure.

(c) Notwithstanding any other law, the social security account number collected on a driver's license application shall not be displayed on the driver's license, including, but not limited to, inclusion on a magnetic tape or strip used to store data on the license.

(d) This section shall become operative on the effective date of a final judicial determination made by any court of appellate jurisdiction that any provision of the act that added this section, or its application, either in whole or in part, is enjoined, found unconstitutional, or held invalid for any reason. The department shall post this information on its Internet Web site.

SEC. 172. Section 12801.9 of the Vehicle Code is amended to read:

12801.9. (a) Notwithstanding Section 12801.5, the department shall issue an original driver's license to a person who is unable to submit satisfactory proof that the applicant's presence in the United States is authorized under federal law if he or she meets all other qualifications for licensure and provides satisfactory proof to the department of his or her identity and California residency.

(b) The department shall adopt emergency regulations to carry out the purposes of this section, including, but not limited to, procedures for (1) identifying documents acceptable for the purposes of proving identity and California residency, (2) procedures for verifying the authenticity of the documents, (3) issuance of a temporary license pending verification of any document's authenticity, and (4) hearings to appeal a denial of a license or temporary license.

(c) Emergency regulations adopted for purposes of establishing the documents acceptable to prove identity and residency pursuant to subdivision (b) shall be promulgated by the department in consultation with appropriate interested parties, in accordance with

the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), including law enforcement representatives, immigrant rights representatives, labor representatives, and other stakeholders, which may include, but are not limited to, the Department of the California Highway Patrol, the California State Sheriffs' Association, and the California Police Chiefs Association. The department shall accept various types of documentation for this purpose, including, but not limited to, the following documents:

(1) A valid, unexpired consular identification document issued by a consulate from the applicant's country of citizenship, or a valid, unexpired passport from the applicant's country of citizenship.

(2) An original birth certificate, or other proof of age, as designated by the department.

(3) A home utility bill, lease or rental agreement, or other proof of California residence, as designated by the department.

(4) The following documents, which, if in a language other than English, shall be accompanied by a certified translation or an affidavit of translation into English:

(A) A marriage license or divorce certificate.

(B) A foreign federal electoral photo card issued on or after January 1, 1991.

(C) A foreign driver's license.

(5) A United States Department of Homeland Security Form I-589, Application for Asylum and for Withholding of Removal.

(6) An official school or college transcript that includes the applicant's date of birth, or a foreign school record that is sealed and includes a photograph of the applicant at the age the record was issued.

(7) A United States Department of Homeland Security Form I-20 or Form DS-2019.

(8) A deed or title to real property.

(9) A property tax bill or statement issued within the previous 12 months.

(10) An income tax return.

(d) (1) A license issued pursuant to this section, including a temporary license issued pursuant to Section 12506, shall include a recognizable feature on the front of the card, such as the letters

"DP" instead of, and in the same font size as, the letters "DL," with no other distinguishable feature.

(2) The license shall bear the following notice: "This card is not acceptable for official federal purposes. This license is issued only as a license to drive a motor vehicle. It does not establish eligibility for employment, voter registration, or public benefits."

(3) The notice described in paragraph (2) shall be in lieu of the notice provided in Section 12800.5.

(e) If the United States Department of Homeland Security determines a license issued pursuant to this section does not satisfy the requirements of Section 37.71 of Title 6 of the Code of Federal Regulations, adopted pursuant to paragraph (11) of subdivision (d) of Section 202 of the Real ID Act of 2005 (Public Law 109-13), the department shall modify the license only to the extent necessary to satisfy the requirements of that section.

(f) Notwithstanding Section 40300 or any other law, a peace officer shall not detain or arrest a person solely on the belief that the person is an unlicensed driver, unless the officer has reasonable cause to believe the person driving is under 16 years of age.

(g) The inability to obtain a driver's license pursuant to this section does not abrogate or diminish in any respect the legal requirement of every driver in this state to obey the motor vehicle laws of this state, including laws with respect to licensing, motor vehicle registration, and financial responsibility.

(h) It shall be a violation of law, including, but not limited to, a violation of the Unruh Civil Rights Act (Section 51 of the Civil Code), to discriminate against an individual because he or she holds or presents a license issued under this section.

(i) Information collected pursuant to this section is not a public record and shall not be disclosed by the department, except as required by law.

(j) A license issued pursuant to this section shall not be used to consider an individual's citizenship or immigration status as a basis for a criminal investigation, arrest, or detention.

(k) On or before January 1, 2018, the California Research Bureau shall compile and submit to the Legislature and the Governor a report of any violations of subdivisions (h) and (j). Information pertaining to any specific individual shall not be provided in the report.

(*l*) In addition to the fees required by Section 14900, a person applying for an original license pursuant to this section may be required to pay an additional fee determined by the department that is sufficient to offset the reasonable administrative costs of implementing the provisions of the act that added this section. If this additional fee is assessed, it shall only apply until June 30, 2017.

(m) This section shall become operative on January 1, 2015, or on the date that the director executes a declaration pursuant to Section 12801.11, whichever is sooner.

(n) This section shall become inoperative on the effective date of a final judicial determination made by any court of appellate jurisdiction that any provision of the act that added this section, or its application, either in whole or in part, is enjoined, found unconstitutional, or held invalid for any reason. The department shall post this information on its Internet Web site.

SEC. 173. Section 14601.2 of the Vehicle Code is amended to read:

14601.2. (a) A person shall not drive a motor vehicle at any time when that person's driving privilege is suspended or revoked for a conviction of a violation of Section 23152 or 23153 if the person so driving has knowledge of the suspension or revocation.

(b) Except in full compliance with the restriction, a person shall not drive a motor vehicle at any time when that person's driving privilege is restricted if the person so driving has knowledge of the restriction.

(c) Knowledge of the suspension or revocation of the driving privilege shall be conclusively presumed if mailed notice has been given by the department to the person pursuant to Section 13106. Knowledge of the restriction of the driving privilege shall be presumed if notice has been given by the court to the person. The presumption established by this subdivision is a presumption affecting the burden of proof.

(d) A person convicted of a violation of this section shall be punished as follows:

(1) Upon a first conviction, by imprisonment in the county jail for not less than 10 days or more than six months and by a fine of not less than three hundred dollars ($300) or more than one thousand dollars ($1,000), unless the person has been designated a habitual traffic offender under subdivision (b) of Section 23546,

subdivision (b) of Section 23550, or subdivision (d) of Section 23550.5, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(2) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5, by imprisonment in the county jail for not less than 30 days or more than one year and by a fine of not less than five hundred dollars ($500) or more than two thousand dollars ($2,000), unless the person has been designated a habitual traffic offender under subdivision (b) of Section 23546, subdivision (b) of Section 23550, or subdivision (d) of Section 23550.5, in which case the person, in addition, shall be sentenced as provided in paragraph (3) of subdivision (e) of Section 14601.3.

(e) If a person is convicted of a first offense under this section and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(f) If the offense occurred within five years of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 30 days.

(g) If a person is convicted of a second or subsequent offense that results in a conviction of this section within seven years, but over five years, of a prior offense that resulted in a conviction of a violation of this section or Section 14601, 14601.1, or 14601.5 and is granted probation, the court shall impose as a condition of probation that the person be confined in the county jail for at least 10 days.

(h) Pursuant to Section 23575, the court shall require a person convicted of a violation of this section to install a certified ignition interlock device on a vehicle the person owns or operates. Upon receipt of the abstract of a conviction under this section, the department shall not reinstate the privilege to operate a motor vehicle until the department receives proof of either the "Verification of Installation" form as described in paragraph (2) of subdivision (h) of Section 13386 or the Judicial Council Form I.D. 100.

(i) This section does not prohibit a person who is participating in, or has completed, an alcohol or drug rehabilitation program

from driving a motor vehicle that is owned or utilized by the person's employer, during the course of employment on private property that is owned or utilized by the employer, except an offstreet parking facility, as defined in subdivision (c) of Section 12500.

(j) This section also applies to the operation of an off-highway motor vehicle on those lands that the Chappie-Z'berg Off-Highway Motor Vehicle Law of 1971 (Division 16.5 (commencing with Section 38000)) applies as to off-highway motor vehicles, as described in Section 38001.

(k) If Section 23573 is applicable, then subdivision (h) is not applicable.

SEC. 174. Section 15210 of the Vehicle Code is amended to read:

15210. Notwithstanding any other provision of this code, as used in this chapter, the following terms have the following meanings:

(a) "Commercial driver's license" means a driver's license issued by a state or other jurisdiction, in accordance with the standards contained in Part 383 of Title 49 of the Code of Federal Regulations, which authorizes the licenseholder to operate a class or type of commercial motor vehicle.

(b) (1) "Commercial motor vehicle" means any vehicle or combination of vehicles that requires a class A or class B license, or a class C license with an endorsement issued pursuant to paragraph (2), (3), (4), or (5) of subdivision (a) of Section 15278.

(2) "Commercial motor vehicle" does not include any of the following:

(A) A recreational vehicle, as defined in Section 18010 of the Health and Safety Code.

(B) An implement of husbandry operated by a person who is not required to obtain a driver's license under this code.

(C) Vehicles operated by persons exempted pursuant to Section 25163 of the Health and Safety Code or a vehicle operated in an emergency situation at the direction of a peace officer pursuant to Section 2800.

(c) "Controlled substance" has the same meaning as defined by the federal Controlled Substances Act (21 U.S.C. Sec. 802).

(d) "Conviction" means an unvacated adjudication of guilt, or a determination that a person has violated or failed to comply with

the law in a court of original jurisdiction or by an authorized administrative tribunal, an unvacated forfeiture of bail or collateral deposited to secure the person's appearance in court, a plea of guilty or nolo contendere accepted by the court, the payment of a fine or court costs, or violation of a condition of release without bail, regardless of whether or not the penalty is rebated, suspended, or probated.

(e) "Disqualification" means a prohibition against driving a commercial motor vehicle.

(f) "Driving a commercial vehicle under the influence" means committing any one or more of the following unlawful acts in a commercial motor vehicle:

(1) Driving a commercial motor vehicle while the operator's blood-alcohol concentration level is 0.04 percent or more, by weight in violation of subdivision (d) of Section 23152.

(2) Driving under the influence of alcohol, as prescribed in subdivision (a) or (b) of Section 23152.

(3) Refusal to undergo testing as required under this code in the enforcement of Subpart D of Part 383 or Subpart A of Part 392 of Title 49 of the Code of Federal Regulations.

(g) "Employer" means any person, including the United States, a state, or political subdivision of a state, who owns or leases a commercial motor vehicle or assigns drivers to operate that vehicle. A person who employs himself or herself as a commercial vehicle driver is considered to be both an employer and a driver for purposes of this chapter.

(h) "Fatality" means the death of a person as a result of a motor vehicle accident.

(i) "Felony" means an offense under state or federal law that is punishable by death or imprisonment for a term exceeding one year.

(j) "Gross combination weight rating" means the value specified by the manufacturer as the maximum loaded weight of a combination or articulated vehicle. In the absence of a value specified by the manufacturer, gross vehicle weight rating shall be determined by adding the gross vehicle weight rating of the power unit and the total weight of the towed units and any load thereon.

(k) "Gross vehicle weight rating" means the value specified by the manufacturer as the maximum loaded weight of a single vehicle, as defined in Section 350.

(*l*) "Imminent hazard" means the existence of a condition that presents a substantial likelihood that death, serious illness, severe personal injury, or substantial endangerment to health, property, or the environment may occur before the reasonably foreseeable completion date of a formal proceeding has begun to lessen the risk of death, illness, injury, or endangerment.

(m) "Noncommercial motor vehicle" means a motor vehicle or combination of motor vehicles that is not included within the definition in subdivision (b).

(n) "Nonresident commercial driver's license" means a commercial driver's license issued to an individual by a state under one of the following provisions:

(1) The individual is domiciled in a foreign country.

(2) The individual is domiciled in another state.

(o) "Schoolbus" is a commercial motor vehicle, as defined in Section 545.

(p) "Serious traffic violation" includes any of the following:

(1) Excessive speeding, as defined pursuant to the federal Commercial Motor Vehicle Safety Act (P.L. 99-570) involving any single offense for any speed of 15 miles an hour or more above the posted speed limit.

(2) Reckless driving, as defined pursuant to the federal Commercial Motor Vehicle Safety Act (P.L. 99-570), and driving in the manner described under Section 2800.1, 2800.2, or 2800.3, including, but not limited to, the offense of driving a commercial motor vehicle in willful or wanton disregard for the safety of persons or property.

(3) A violation of a state or local law involving the safe operation of a motor vehicle, arising in connection with a fatal traffic accident.

(4) A similar violation of a state or local law involving the safe operation of a motor vehicle, as defined pursuant to the Commercial Motor Vehicle Safety Act (Title XII of P.L. 99-570).

(5) Driving a commercial motor vehicle without a commercial driver's license.

(6) Driving a commercial motor vehicle without the driver having in his or her possession a commercial driver's license,

unless the driver provides proof at the subsequent court appearance that he or she held a valid commercial driver's license on the date of the violation.

(7) Driving a commercial motor vehicle when the driver has not met the minimum testing standards for that vehicle as to the class or type of cargo the vehicle is carrying.

(8) Driving a commercial motor vehicle while using an electronic wireless communication device to write, send, or read a text-based communication, as defined in Section 23123.5.

In the absence of a federal definition, existing definitions under this code shall apply.

(q) "State" means a state of the United States or the District of Columbia.

(r) "Tank vehicle" means a commercial motor vehicle that is designed to transport any liquid or gaseous material within a tank or tanks having an individual rated capacity of more than 119 gallons and an aggregate rated capacity of at least 1,000 gallons that is permanently or temporarily attached to the vehicle or the chassis, including, but not limited to, cargo tanks and portable tanks, as defined in Part 171 of Title 49 of the Code of Federal Regulations. A commercial motor vehicle transporting an empty storage container tank not designed for transportation, with a rated capacity of at least 1,000 gallons that is temporarily attached to a flatbed trailer, is not a tank vehicle.

SEC. 175. Section 15215 of the Vehicle Code is amended to read:

15215. (a) The department shall report each conviction of a person who holds a commercial driver's license from another state occurring within this state to the licensing authority of the home state of the licensee. This report shall clearly identify the person convicted; violation date; describe the violation specifying the section of the statute, code, or ordinance violated; identify the court in which action was taken; indicate whether a plea of guilty or not guilty was entered, or the conviction was a result of the forfeiture of bail, bond, or other security; and include special findings made in connection with the conviction.

(b) For purposes of subdivision (a), "conviction" has the same meaning as defined in subdivision (d) of Section 15210.

SEC. 176. Section 21251 of the Vehicle Code is amended to read:

21251. Except as provided in Chapter 6.2 (commencing with Section 1962), Chapter 7.1 (commencing with Section 1964), Chapter 8 (commencing with Section 1965), and Chapter 8.1 (commencing with Section 1966) of Division 2.5 of the Streets and Highways Code, and Sections 4023, 21115, and 21115.1, a low-speed vehicle is subject to all the provisions applicable to a motor vehicle, and the driver of a low-speed vehicle is subject to all the provisions applicable to the driver of a motor vehicle or other vehicle, when applicable, by this code or another code, with the exception of those provisions that, by their very nature, can have no application.

SEC. 177. Section 21260 of the Vehicle Code is amended to read:

21260. (a) Except as provided in paragraph (1) of subdivision (b), or in an area where a neighborhood electric vehicle transportation plan has been adopted pursuant to Chapter 6.2 (commencing with Section 1962), Chapter 7.1 (commencing with Section 1964), Chapter 8 (commencing with Section 1965), or Chapter 8.1 (commencing with Section 1966) of Division 2.5 of the Streets and Highways Code, the operator of a low-speed vehicle shall not operate the vehicle on any roadway with a speed limit in excess of 35 miles per hour.

(b) (1) The operator of a low-speed vehicle may cross a roadway with a speed limit in excess of 35 miles per hour if the crossing begins and ends on a roadway with a speed limit of 35 miles per hour or less and occurs at an intersection of approximately 90 degrees.

(2) Notwithstanding paragraph (1), the operator of a low-speed vehicle shall not traverse an uncontrolled intersection with any state highway unless that intersection has been approved and authorized by the agency having primary traffic enforcement responsibilities for that crossing by a low-speed vehicle.

SEC. 178. Section 27375 of the Vehicle Code is amended to read:

27375. (a) Any person who operates a limousine, as defined in subdivision (i) of Section 5371.4 of the Public Utilities Code, in any city, county, or city and county, that has been modified or extended for purposes of increasing vehicle length in an amount sufficient to accommodate additional passengers shall ensure that the vehicle has at least two rear side doors and one or two rear

windows, as specified in paragraph (1), that the rear seat passengers or all passengers of the vehicle may open from the inside of the vehicle in case of any fire or other emergency that may require the immediate exit of the passengers of the vehicle. A limousine subject to this section shall be equipped with both of the following:

(1) (A) Except as provided in subparagraph (B), at least two rear push-out windows that are accessible to all passengers. At least one push-out window shall be located on each side of the vehicle, unless the design of the limousine precludes the installation of a push-out window on one side of the vehicle, in which case the second push-out window shall instead be located in the roof of the vehicle.

(B) If the design of the limousine precludes the installation of even one push-out window on a side of the vehicle, one push-out window shall instead be located in the roof of the vehicle.

(C) The Department of the California Highway Patrol shall establish, by regulation, standards to ensure that window exits are operable and sufficient in emergency situations for limousine passengers. The department shall ensure that these regulations comply with any applicable federal motor vehicle safety standards.

(2) At least two rear side doors that are accessible to all passengers and that may be opened manually by any passenger. At least one rear side door shall be located on each side of the vehicle. For vehicles modified or extended for purposes of increasing vehicle length in an amount sufficient to accommodate additional passengers on or after July 1, 2015, at least one of these side doors shall be located near the driver's compartment and another near the back of the vehicle. These side doors shall comply with any applicable federal motor vehicle safety standards as deemed necessary by the Department of the California Highway Patrol.

(b) In the case of a fire or other emergency that requires the immediate exit of the passengers from the limousine, the driver of the limousine shall unlock the doors so that the rear side doors can be opened by the passengers from the inside of the vehicle.

(c) An owner or operator of a limousine shall do all of the following:

(1) Instruct all passengers on the safety features of the vehicle prior to the beginning of any trip, including, but not limited to, instructions for lowering the partition between the driver and

passenger compartments and for communicating with the driver by the use of an intercom or other onboard or wireless device.

(2) Disclose to the contracting party and the passengers whether the limousine meets the safety requirements described in this section.

(3) If paragraph (3) of subdivision (d) applies, the owner or operator of a limousine shall further disclose to the contracting party and the passengers that the limousine does not meet the safety requirements required in subdivision (a) regarding vehicle escape options because of its exempt status, and therefore may pose a greater risk to passengers should emergency escape be necessary.

(d) (1) Subdivision (a) shall apply to all limousines modified or extended for purposes of increasing vehicle length in an amount sufficient to accommodate additional passengers on or after July 1, 2015.

(2) Subdivision (a) shall, beginning January 1, 2016, apply to all limousines that were modified or extended for purposes of increasing vehicle length in an amount sufficient to accommodate additional passengers prior to July 1, 2015.

(3) Except as provided in paragraph (4), subdivision (a) shall not apply to any limousine manufactured before 1970 that has an active transportation charter-party carrier (TCP) number as of August 15, 2013.

(4) Subdivision (a) shall apply to any limousine manufactured before 1970 if it is modified or extended for the purpose of increasing vehicle length in an amount sufficient to accommodate additional passengers after August 15, 2013.

SEC. 179. The heading of Article 5 (commencing with Section 21250) of Chapter 1 of Division 11 of the Vehicle Code, as added by Section 6 of Chapter 140 of the Statutes of 1999, is amended and renumbered to read:

Article 5.5. Operation of Low-Speed Vehicles

SEC. 180. Section 304.7 of the Welfare and Institutions Code is amended to read:

304.7. (a) The Judicial Council shall develop and implement standards for the education and training of all judges who conduct hearings pursuant to Section 300. The training shall include, but not be limited to, both of the following:

(1) A component relating to Section 300 proceedings for newly appointed or elected judges and an annual training session in Section 300 proceedings.

(2) Cultural competency and sensitivity relating to, and best practices for, providing adequate care to lesbian, gay, bisexual, and transgender youth.

(b) A commissioner or referee who is assigned to conduct hearings held pursuant to Section 300 shall meet the minimum standards for education and training established pursuant to subdivision (a), by July 31, 1998.

(c) The Judicial Council shall submit an annual report to the Legislature on compliance by judges, commissioners, and referees with the education and training standards described in subdivisions (a) and (b).

SEC. 181. Section 355 of the Welfare and Institutions Code is amended to read:

355. (a) At the jurisdictional hearing, the court shall first consider only the question whether the minor is a person described by Section 300. Any legally admissible evidence that is relevant to the circumstances or acts that are alleged to bring the minor within the jurisdiction of the juvenile court is admissible and may be received in evidence. Proof by a preponderance of evidence must be adduced to support a finding that the minor is a person described by Section 300. Objections that could have been made to evidence introduced shall be deemed to have been made by a parent or guardian who is present at the hearing and unrepresented by counsel, unless the court finds that the parent or guardian has made a knowing and intelligent waiver of the right to counsel. Objections that could have been made to evidence introduced shall be deemed to have been made by an unrepresented child.

(b) A social study prepared by the petitioning agency, and hearsay evidence contained in it, is admissible and constitutes competent evidence upon which a finding of jurisdiction pursuant to Section 300 may be based, to the extent allowed by subdivisions (c) and (d).

(1) For purposes of this section, "social study" means any written report furnished to the juvenile court and to all parties or their counsel by the county probation or welfare department in any matter involving the custody, status, or welfare of a minor in a dependency proceeding pursuant to Article 6 (commencing with

Section 300) to Article 12 (commencing with Section 385), inclusive.

(2) The preparer of the social study shall be made available for cross-examination upon a timely request by a party. The court may deem the preparer available for cross-examination if it determines that the preparer is on telephone standby and can be present in court within a reasonable time of the request.

(3) The court may grant a reasonable continuance not to exceed 10 days upon request by any party if the social study is not provided to the parties or their counsel within a reasonable time before the hearing.

(c) (1) If a party to the jurisdictional hearing raises a timely objection to the admission of specific hearsay evidence contained in a social study, the specific hearsay evidence shall not be sufficient by itself to support a jurisdictional finding or any ultimate fact upon which a jurisdictional finding is based, unless the petitioner establishes one or more of the following exceptions:

(A) The hearsay evidence would be admissible in any civil or criminal proceeding under any statutory or decisional exception to the prohibition against hearsay.

(B) The hearsay declarant is a minor under 12 years of age who is the subject of the jurisdictional hearing. However, the hearsay statement of a minor under 12 years of age shall not be admissible if the objecting party establishes that the statement is unreliable because it was the product of fraud, deceit, or undue influence.

(C) The hearsay declarant is a peace officer as defined by Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, a health practitioner described in paragraphs (21) to (28), inclusive, of subdivision (a) of Section 11165.7 of the Penal Code, a social worker licensed pursuant to Chapter 14 (commencing with Section 4991) of Division 2 of the Business and Professions Code, or a teacher who holds a credential pursuant to Chapter 2 (commencing with Section 44200) of Part 25 of Division 3 of Title 2 of the Education Code. For the purpose of this subdivision, evidence in a declaration is admissible only to the extent that it would otherwise be admissible under this section or if the declarant were present and testifying in court.

(D) The hearsay declarant is available for cross-examination. For purposes of this section, the court may deem a witness available for cross-examination if it determines that the witness is on

telephone standby and can be present in court within a reasonable time of a request to examine the witness.

(2) For purposes of this subdivision, an objection is timely if it identifies with reasonable specificity the disputed hearsay evidence and it gives the petitioner a reasonable period of time to meet the objection prior to a contested hearing.

(d) This section shall not be construed to limit the right of a party to the jurisdictional hearing to subpoena a witness whose statement is contained in the social study or to introduce admissible evidence relevant to the weight of the hearsay evidence or the credibility of the hearsay declarant.

SEC. 182. Section 366.31 of the Welfare and Institutions Code is amended to read:

366.31. (a) If a review hearing is the last review hearing to be held before the minor attains 18 years of age, the court shall ensure all of the following:

(1) The minor's case plan includes a plan for the minor to satisfy one or more of the participation conditions described in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 11403, so that the minor is eligible to remain in foster care as a nonminor dependent.

(2) The minor has been informed of his or her right to seek termination of dependency jurisdiction pursuant to Section 391, and understands the potential benefits of continued dependency.

(3) The minor is informed of his or her right to have dependency reinstated pursuant to subdivision (e) of Section 388, and understands the potential benefits of continued dependency.

(b) At the review hearing that occurs in the six-month period prior to the minor's attaining 18 years of age, and at every subsequent review hearing for the nonminor dependent, as described in subdivision (v) of Section 11400, the report shall describe all of the following:

(1) The minor's and nonminor's plans to remain in foster care and plans to meet one or more of the participation conditions as described in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 11403 to continue to receive AFDC-FC benefits as a nonminor dependent.

(2) The efforts made and assistance provided to the minor and nonminor by the social worker or the probation officer so that the

minor and nonminor will be able to meet the participation conditions.

(3) Efforts toward completing the items described in paragraph (2) of subdivision (e) of Section 391.

(c) The reviews conducted pursuant to this section for a nonminor dependent shall be conducted in a manner that respects the nonminor's status as a legal adult, focused on the goals and services described in the youth's transitional independent living case plan, as described in subdivision (y) of Section 11400, including efforts made to maintain connections with caring and permanently committed adults, and attended, as appropriate, by additional participants invited by the nonminor dependent.

(d) For a nonminor dependent whose case plan is continued court-ordered family reunification services pursuant to Section 361.6, the court shall consider whether the nonminor dependent may safely reside in the home of the parent or guardian. If the nonminor cannot reside safely in the home of the parent or guardian or if it is not in the nonminor dependent's best interest to reside in the home of the parent or guardian, the court must consider whether to continue or terminate reunification services for the parent or legal guardian.

(1) The review report shall include a discussion of all of the following:

(A) Whether foster care placement continues to be necessary and appropriate.

(B) The likely date by which the nonminor dependent may reside safely in the home of the parent or guardian or will achieve independence.

(C) Whether the parent or guardian and nonminor dependent were actively involved in the development of the case plan.

(D) Whether the social worker or probation officer has provided reasonable services designed to aid the parent or guardian to overcome the problems that led to the initial removal of the nonminor dependent.

(E) The extent of progress the parents or guardian have made toward alleviating or mitigating the causes necessitating placement in foster care.

(F) Whether the nonminor dependent and parent, parents, or guardian are in agreement with the continuation of reunification services.

(G) Whether continued reunification services are in the best interest of the nonminor dependent.

(H) Whether there is a substantial probability that the nonminor dependent will be able to safely reside in the home of the parent or guardian by the next review hearing date.

(I) The efforts to maintain the nonminor's connections with caring and permanently committed adults.

(J) The agency's compliance with the nonminor dependent's transitional independent living case plan, including efforts to finalize the nonminor's permanent plan and prepare the nonminor dependent for independence.

(K) The progress in providing the information and documents to the nonminor dependent as described in Section 391.

(2) The court shall inquire about the progress being made to provide a permanent home for the nonminor, shall consider the safety of the nonminor dependent, and shall determine all of the following:

(A) The continuing necessity for, and appropriateness of, the placement.

(B) Whether the agency has made reasonable efforts to maintain relationships between the nonminor dependent and individuals who are important to the nonminor dependent.

(C) The extent of the agency's compliance with the case plan in making reasonable efforts or, in the case of an Indian child, active efforts, as described in Section 361.7, to create a safe home of the parent or guardian for the nonminor to reside in or to complete whatever steps are necessary to finalize the permanent placement of the nonminor dependent.

(D) The extent of the agency's compliance with the nonminor dependent's transitional independent living case plan, including efforts to finalize the youth's permanent plan and prepare the nonminor dependent for independence.

(E) The adequacy of services provided to the parent or guardian and to the nonminor dependent. The court shall consider the progress in providing the information and documents to the nonminor dependent as described in Section 391. The court shall also consider the need for, and progress in providing, the assistance and services described in Section 391.

(F) The extent of progress the parents or legal guardians have made toward alleviating or mitigating the causes necessitating placement in foster care.

(G) The likely date by which the nonminor dependent may safely reside in the home of the parent or guardian or, if the court is terminating reunification services, the likely date by which it is anticipated the nonminor dependent will achieve independence, or, for an Indian child, in consultation with the child's tribe, placed for tribal customary adoption.

(H) Whether the agency has made reasonable efforts as required in subparagraph (D) of paragraph (1) of subdivision (a) of Section 366 to establish or maintain the nonminor dependent's relationship with his or her siblings who are under the juvenile court's jurisdiction.

(I) The services needed to assist the nonminor dependent to make the transition from foster care to independent living.

(J) Whether or not reasonable efforts to make and finalize a permanent placement for the nonminor have been made.

(3) If the court determines that a nonminor dependent may safely reside in the home of the parent or former guardian, the court may order the nonminor dependent to return to the family home. After the nonminor dependent returns to the family home, the court may terminate jurisdiction and proceed under applicable provisions of Section 391 or continue jurisdiction as a nonminor under subdivision (a) of Section 303 and hold hearings as follows:

(A) At every hearing for a nonminor dependent residing in the home of the parent or guardian, the court shall set a hearing within six months of the previous hearing. The court shall advise the parties of their right to be present. At least 10 calendar days before the hearing, the social worker or probation officer shall file a report with the court describing the services offered to the family and the progress made by the family in eliminating the conditions or factors requiring court supervision. The report shall address all of the following:

(i) Whether the parent or guardian and the nonminor dependent were actively involved in the development of the case plan.

(ii) Whether the social worker or probation officer has provided reasonable services to eliminate the need for court supervision.

(iii) The progress of providing information and documents to the nonminor dependent as described in Section 391.

(B) The court shall inquire about progress being made, shall consider the safety of the nonminor dependent, and shall determine all of the following:

(i) The continuing need for court supervision.

(ii) The extent of the agency's compliance with the case plan in making reasonable efforts to maintain a safe family home for the nonminor dependent.

(C) If the court finds that court supervision is no longer necessary, the court shall terminate jurisdiction under applicable provisions of Section 391.

(e) For a nonminor dependent who is no longer receiving court-ordered family reunification services and is in a permanent plan of planned permanent living arrangement, at the review hearing held every six months pursuant to subdivision (d) of Section 366.3, the reviewing body shall inquire about the progress being made to provide permanent connections with caring, committed adults for the nonminor dependent, shall consider the safety of the nonminor, shall consider the transitional independent living case plan, and shall determine all of the following:

(1) The continuing necessity for, and appropriateness of, the placement.

(2) The continuing appropriateness and extent of compliance with the permanent plan for the nonminor dependent, including efforts to identify and maintain relationships with individuals who are important to the nonminor dependent.

(3) The extent of the agency's compliance with the nonminor dependent's transitional independent living case plan, including whether or not reasonable efforts have been made to make and finalize the youth's permanent plan and prepare the nonminor dependent for independence.

(4) Whether a prospective adoptive parent has been identified and assessed as appropriate for the nonminor dependent's adoption under this section, whether the prospective adoptive parent has been informed about the terms of the written negotiated adoption assistance agreement pursuant to Section 16120, and whether adoption should be ordered as the nonminor dependent's permanent plan. If nonminor dependent adoption is ordered as the nonminor dependent's permanent plan, a hearing pursuant to subdivision (f) shall be held within 60 days. When the court orders a hearing pursuant to subdivision (f), it shall direct the agency to prepare a

report that shall include the provisions of paragraph (5) of subdivision (f).

(5) For the nonminor dependent who is an Indian child, whether, in consultation with the nonminor's tribe, the nonminor should be placed for tribal customary adoption.

(6) The adequacy of services provided to the nonminor dependent. The court shall consider the progress in providing the information and documents to the nonminor dependent as described in Section 391. The court shall also consider the need for, and progress in providing, the assistance and services described in Section 391.

(7) The likely date by which it is anticipated the nonminor dependent will achieve adoption or independence.

(8) Whether the agency has made reasonable efforts as required in subparagraph (D) of paragraph (1) of subdivision (a) of Section 366 to establish or maintain the nonminor dependent's relationship with his or her siblings who are under the juvenile court's jurisdiction.

(9) The services needed to assist the nonminor dependent to make the transition from foster care to independent living.

(f) (1) At a hearing to consider a permanent plan of adoption for a nonminor dependent, the court shall read and consider the report in paragraph (5) and receive other evidence that the parties may present. A copy of the executed negotiated agreement shall be attached to the report. If the court finds pursuant to this section that nonminor dependent adoption is the appropriate permanent plan, it shall make findings and orders to do the following:

(A) Approve the adoption agreement and declare the nonminor dependent is the adopted child of the adoptive parent, and that the nonminor dependent and adoptive parents agree to assume toward each other the legal relationship of parents and child and to have all of the rights and be subject to all of the duties and responsibilities of that relationship.

(B) Declare that the birth parents of the nonminor dependent are, from the time of the adoption, relieved of all parental duties toward, and responsibility for, the adopted nonminor dependent and have no rights over the adopted nonminor dependent.

(2) If the court finds that the nonminor dependent and the prospective adoptive parent have mutually consented to the

adoption, the court may enter the adoption order after it determines all of the following:

(A) Whether the notice was given as required by law.

(B) Whether the nonminor dependent and prospective adoptive parent are present for the hearing.

(C) Whether the court has read and considered the assessment prepared by the social worker or probation officer.

(D) Whether the court considered the wishes of the nonminor dependent.

(E) If the nonminor dependent is eligible, the prospective adoptive parent has signed the negotiated adoption assistance agreement pursuant to subdivision (g) of Section 16120, and whether a copy of the executed negotiated agreement is attached to the report.

(F) Whether the adoption is in the best interest of the nonminor dependent.

(3) If the court orders the establishment of the nonminor dependent adoption, it shall dismiss dependency or transitional jurisdiction.

(4) If the court does not order the establishment of the nonminor dependent adoption, the nonminor dependent shall remain in a planned permanent living arrangement subject to periodic review of the juvenile court pursuant to this section.

(5) At least 10 calendar days before the hearing, the social worker or probation officer shall file a report with the court and provide a copy of the report to all parties. The report shall describe the following:

(A) Whether or not the nonminor dependent has any developmental disability and whether the proposed adoptive parent is suitable to meet the needs of the nonminor dependent.

(B) The length and nature of the relationship between the prospective adoptive parent and the nonminor dependent, including whether the prospective adoptive parent has been determined to have been established as the nonminor's permanent connection.

(C) Whether the nonminor dependent has been determined to be eligible for the adoption assistance program and, if so, whether the prospective adoptive parent has signed the negotiated adoption assistance agreement pursuant to subdivision (g) of Section 16120.

(D) Whether a copy of the executed negotiated agreement is attached to the report.

(E) Whether criminal background clearances were completed for the prospective adoptive parent as required by Section 671(a)(20)(A) and (a)(20)(C) of Title 42 of the United States Code.

(F) Whether the prospective adoptive parent who is married and not legally separated from that spouse has the consent of the spouse, provided that the spouse is capable of giving that consent.

(G) Whether the adoption of the nonminor dependent is in the best interests of the nonminor dependent and the prospective adoptive parent.

(H) Whether the nonminor dependent and the prospective adoptive parent have mutually consented to the adoption.

(6) The social worker or probation officer shall serve written notice of the hearing in the manner and to the persons set forth in Section 295, including the prospective adoptive parent or parents, except that notice to the nonminor's birth parents is not required.

(7) Nothing in this section shall prevent a nonminor dependent from filing an adoption petition pursuant to Section 9300 of the Family Code.

(g) Each licensed foster family agency shall submit reports for each nonminor dependent in its care to the court concerning the continuing appropriateness and extent of compliance with the nonminor dependent's permanent plan, the extent of compliance with the transitional independent living case plan, and the type and adequacy of services provided to the nonminor dependent. The report shall document that the nonminor has received all the information and documentation described in paragraph (2) of subdivision (e) of Section 391. If the court is considering terminating dependency jurisdiction for a nonminor dependent it shall first hold a hearing pursuant to Section 391.

SEC. 183. Section 726 of the Welfare and Institutions Code is amended to read:

726. (a) In all cases in which a minor is adjudged a ward or dependent child of the court, the court may limit the control to be exercised over the ward or dependent child by any parent or guardian and shall, in its order, clearly and specifically set forth all those limitations, but no ward or dependent child shall be taken from the physical custody of a parent or guardian, unless upon the hearing the court finds one of the following facts:

(1) That the parent or guardian is incapable of providing or has failed or neglected to provide proper maintenance, training, and education for the minor.

(2) That the minor has been tried on probation while in custody and has failed to reform.

(3) That the welfare of the minor requires that custody be taken from the minor's parent or guardian.

(b) Whenever the court specifically limits the right of the parent or guardian to make educational or developmental services decisions for the minor, the court shall at the same time appoint a responsible adult to make educational or developmental services decisions for the child until one of the following occurs:

(1) The minor reaches 18 years of age, unless the child chooses not to make educational or developmental services decisions for himself or herself, or is deemed by the court to be incompetent.

(2) Another responsible adult is appointed to make educational or developmental services decisions for the minor pursuant to this section.

(3) The right of the parent or guardian to make educational or developmental services decisions for the minor is fully restored.

(4) A successor guardian or conservator is appointed.

(5) The child is placed into a planned permanent living arrangement pursuant to paragraph (5) or (6) of subdivision (b) of Section 727.3, at which time, for educational decisionmaking, the foster parent, relative caretaker, or nonrelative extended family member, as defined in Section 362.7, has the right to represent the child in educational matters pursuant to Section 56055 of the Education Code, and for decisions relating to developmental services, unless the court specifies otherwise, the foster parent, relative caregiver, or nonrelative extended family member of the planned permanent living arrangement has the right to represent the child in matters related to developmental services.

(c) An individual who would have a conflict of interest in representing the child, as specified under federal regulations, may not be appointed to make educational decisions. The limitations applicable to conflicts of interest for educational rights holders shall also apply to authorized representatives for developmental services decisions pursuant to subdivision (b) of Section 4701.6. For purposes of this section, "an individual who would have a conflict of interest" means a person having any interests that might

restrict or bias his or her ability to make educational or developmental services decisions, including, but not limited to, those conflicts of interest prohibited by Section 1126 of the Government Code, and the receipt of compensation or attorneys' fees for the provision of services pursuant to this section. A foster parent may not be deemed to have a conflict of interest solely because he or she receives compensation for the provision of services pursuant to this section.

(1) If the court limits the parent's educational rights pursuant to subdivision (a), the court shall determine whether there is a responsible adult who is a relative, nonrelative extended family member, or other adult known to the child and who is available and willing to serve as the child's educational representative before appointing an educational representative or surrogate who is not known to the child.

If the court cannot identify a responsible adult who is known to the child and available to make educational decisions for the child and paragraphs (1) to (5), inclusive, of subdivision (b) do not apply, and the child has either been referred to the local educational agency for special education and related services or has a valid individualized education program, the court shall refer the child to the local educational agency for appointment of a surrogate parent pursuant to Section 7579.5 of the Government Code.

(2) All educational and school placement decisions shall seek to ensure that the child is in the least restrictive educational programs and has access to the academic resources, services, and extracurricular and enrichment activities that are available to all pupils. In all instances, educational and school placement decisions shall be based on the best interests of the child. If an educational representative or surrogate is appointed for the child, the representative or surrogate shall meet with the child, shall investigate the child's educational needs and whether those needs are being met, and shall, before each review hearing held under Article 10 (commencing with Section 360), provide information and recommendations concerning the child's educational needs to the child's social worker, make written recommendations to the court, or attend the hearing and participate in those portions of the hearing that concern the child's education.

(3) Nothing in this section in any way removes the obligation to appoint surrogate parents for students with disabilities who are

without parental representation in special education procedures as required by state and federal law, including Section 1415(b)(2) of Title 20 of the United States Code, Section 56050 of the Education Code, Section 7579.5 of the Government Code, and Rule 5.650 of the California Rules of Court.

If the court appoints a developmental services decisionmaker pursuant to this section, he or she shall have the authority to access the child's information and records pursuant to subdivision (u) of Section 4514 and subdivision (y) of Section 5328, and to act on the child's behalf for the purposes of the individual program plan process pursuant to Sections 4646, 4646.5, and 4648 and the fair hearing process pursuant to Chapter 7 (commencing with Section 4700) of Division 4.5, and as set forth in the court order.

(d) (1) If the minor is removed from the physical custody of his or her parent or guardian as the result of an order of wardship made pursuant to Section 602, the order shall specify that the minor may not be held in physical confinement for a period in excess of the maximum term of imprisonment which could be imposed upon an adult convicted of the offense or offenses which brought or continued the minor under the jurisdiction of the juvenile court.

(2) As used in this section and in Section 731, "maximum term of imprisonment" means the longest of the three time periods set forth in paragraph (3) of subdivision (a) of Section 1170 of the Penal Code, but without the need to follow the provisions of subdivision (b) of Section 1170 of the Penal Code or to consider time for good behavior or participation pursuant to Sections 2930, 2931, and 2932 of the Penal Code, plus enhancements which must be proven if pled.

(3) If the court elects to aggregate the period of physical confinement on multiple counts or multiple petitions, including previously sustained petitions adjudging the minor a ward within Section 602, the "maximum term of imprisonment" shall be the aggregate term of imprisonment specified in subdivision (a) of Section 1170.1 of the Penal Code, which includes any additional term imposed pursuant to Section 667, 667.5, 667.6, or 12022.1 of the Penal Code, and Section 11370.2 of the Health and Safety Code.

(4) If the charged offense is a misdemeanor or a felony not included within the scope of Section 1170 of the Penal Code, the

"maximum term of imprisonment" is the longest term of imprisonment prescribed by law.

(5) "Physical confinement" means placement in a juvenile hall, ranch, camp, forestry camp or secure juvenile home pursuant to Section 730, or in any institution operated by the Department of Corrections and Rehabilitation, Division of Juvenile Justice.

(6) This section does not limit the power of the court to retain jurisdiction over a minor and to make appropriate orders pursuant to Section 727 for the period permitted by Section 607.

SEC. 184. Section 4363 of the Welfare and Institutions Code is amended to read:

4363. The director shall administer this chapter and establish standards and procedures as the director deems necessary in carrying out the provisions of this chapter. The standards and procedures are not required to be adopted as regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 185. Section 4512 of the Welfare and Institutions Code is amended to read:

4512. As used in this division:

(a) "Developmental disability" means a disability that originates before an individual attains 18 years of age, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. As defined by the Director of Developmental Services, in consultation with the Superintendent of Public Instruction, this term shall include intellectual disability, cerebral palsy, epilepsy, and autism. This term shall also include disabling conditions found to be closely related to intellectual disability or to require treatment similar to that required for individuals with an intellectual disability, but shall not include other handicapping conditions that are solely physical in nature.

(b) "Services and supports for persons with developmental disabilities" means specialized services and supports or special adaptations of generic services and supports directed toward the alleviation of a developmental disability or toward the social, personal, physical, or economic habilitation or rehabilitation of an individual with a developmental disability, or toward the achievement and maintenance of independent, productive, and normal lives. The determination of which services and supports

are necessary for each consumer shall be made through the individual program plan process. The determination shall be made on the basis of the needs and preferences of the consumer or, when appropriate, the consumer's family, and shall include consideration of a range of service options proposed by individual program plan participants, the effectiveness of each option in meeting the goals stated in the individual program plan, and the cost-effectiveness of each option. Services and supports listed in the individual program plan may include, but are not limited to, diagnosis, evaluation, treatment, personal care, day care, domiciliary care, special living arrangements, physical, occupational, and speech therapy, training, education, supported and sheltered employment, mental health services, recreation, counseling of the individual with a developmental disability and of his or her family, protective and other social and sociolegal services, information and referral services, follow-along services, adaptive equipment and supplies, advocacy assistance, including self-advocacy training, facilitation and peer advocates, assessment, assistance in locating a home, child care, behavior training and behavior modification programs, camping, community integration services, community support, daily living skills training, emergency and crisis intervention, facilitating circles of support, habilitation, homemaker services, infant stimulation programs, paid roommates, paid neighbors, respite, short-term out-of-home care, social skills training, specialized medical and dental care, supported living arrangements, technical and financial assistance, travel training, training for parents of children with developmental disabilities, training for parents with developmental disabilities, vouchers, and transportation services necessary to ensure delivery of services to persons with developmental disabilities. Nothing in this subdivision is intended to expand or authorize a new or different service or support for any consumer unless that service or support is contained in his or her individual program plan.

(c) Notwithstanding subdivisions (a) and (b), for any organization or agency receiving federal financial participation under the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000, as amended, "developmental disability" and "services for persons with developmental disabilities" mean the terms as defined in the federal act to the extent required by federal law.

(d) "Consumer" means a person who has a disability that meets the definition of developmental disability set forth in subdivision (a).

(e) "Natural supports" means personal associations and relationships typically developed in the community that enhance the quality and security of life for people, including, but not limited to, family relationships, friendships reflecting the diversity of the neighborhood and the community, associations with fellow students or employees in regular classrooms and workplaces, and associations developed through participation in clubs, organizations, and other civic activities.

(f) "Circle of support" means a committed group of community members, who may include family members, meeting regularly with an individual with developmental disabilities in order to share experiences, promote autonomy and community involvement, and assist the individual in establishing and maintaining natural supports. A circle of support generally includes a plurality of members who neither provide nor receive services or supports for persons with developmental disabilities and who do not receive payment for participation in the circle of support.

(g) "Facilitation" means the use of modified or adapted materials, special instructions, equipment, or personal assistance by an individual, such as assistance with communications, that will enable a consumer to understand and participate to the maximum extent possible in the decisions and choices that affect his or her life.

(h) "Family support services" means services and supports that are provided to a child with developmental disabilities or his or her family and that contribute to the ability of the family to reside together.

(i) "Voucher" means any authorized alternative form of service delivery in which the consumer or family member is provided with a payment, coupon, chit, or other form of authorization that enables the consumer or family member to choose his or her own service provider.

(j) "Planning team" means the individual with developmental disabilities, the parents or legally appointed guardian of a minor consumer or the legally appointed conservator of an adult consumer, the authorized representative, including those appointed pursuant to subdivision (d) of Section 4548 and subdivision (e) of

Section 4705, one or more regional center representatives, including the designated regional center service coordinator pursuant to subdivision (b) of Section 4640.7, any individual, including a service provider, invited by the consumer, the parents or legally appointed guardian of a minor consumer or the legally appointed conservator of an adult consumer, or the authorized representative, including those appointed pursuant to subdivision (d) of Section 4548 and subdivision (e) of Section 4705, and including a minor's, dependent's, or ward's court-appointed developmental services decisionmaker appointed pursuant to Section 319, 361, or 726.

(k) "Stakeholder organizations" means statewide organizations representing the interests of consumers, family members, service providers, and statewide advocacy organizations.

(*l*) "Substantial disability" means the existence of significant functional limitations in three or more of the following areas of major life activity, as determined by a regional center, and as appropriate to the age of the person:

(1) Self-care.
(2) Receptive and expressive language.
(3) Learning.
(4) Mobility.
(5) Self-direction.
(6) Capacity for independent living.
(7) Economic self-sufficiency.

Any reassessment of substantial disability for purposes of continuing eligibility shall utilize the same criteria under which the individual was originally made eligible.

(m) "Native language" means the language normally used or the preferred language identified by the individual and, when appropriate, his or her parent, legal guardian or conservator, or authorized representative.

SEC. 186. Section 4571 of the Welfare and Institutions Code is amended to read:

4571. (a) It is the intent of the Legislature to ensure the well-being of consumers, taking into account their informed and expressed choices. It is further the intent of the Legislature to support the satisfaction and success of consumers through the delivery of quality services and supports. Evaluation of the services that consumers receive is a key aspect to the service system.

Utilizing the information that consumers and their families provide about those services in a reliable and meaningful way is also critical to enable the department to assess the performance of the state's developmental services system and to improve services for consumers in the future. To that end, the State Department of Developmental Services, on or before January 1, 2010, shall implement an improved, unified quality assessment system, in accordance with this section.

(b) The department, in consultation with stakeholders, shall identify a valid and reliable quality assurance instrument that assesses consumer and family satisfaction, provision of services in a linguistically and culturally competent manner, and personal outcomes. The instrument shall do all of the following:

(1) Provide nationally validated, benchmarked, consistent, reliable, and measurable data for the department's Quality Management System.

(2) Enable the department and regional centers to compare the performance of California's developmental services system against other states' developmental services systems and to assess quality and performance among all of the regional centers.

(3) Include outcome-based measures such as health, safety, well-being, relationships, interactions with people who do not have a disability, employment, quality of life, integration, choice, service, and consumer satisfaction.

(4) Include outcome-based measures to evaluate the linguistic and cultural competency of regional center services that are provided to consumers across their lifetimes.

(c) To the extent that funding is available, the instrument identified in subdivision (b) may be expanded to collect additional data requested by the State Council on Developmental Disabilities.

(d) The department shall contract with an independent agency or organization to implement by January 1, 2010, the quality assurance instrument described in subdivision (b). The contractor shall be experienced in all of the following:

(1) Designing valid quality assurance instruments for developmental service systems.

(2) Tracking outcome-based measures such as health, safety, well-being, relationships, interactions with people who do not have a disability, employment, quality of life, integration, choice, service, and consumer satisfaction.

(3) Developing data systems.

(4) Data analysis and report preparation.

(5) Assessments of the services received by consumers who are moved from developmental centers to the community, given the Legislature's historic recognition of a special obligation to ensure the well-being of these persons.

(6) Issues related to linguistic and cultural competency.

(e) The department, in consultation with the contractor described in subdivision (d), shall establish the methodology by which the quality assurance instrument shall be administered, including, but not limited to, how often and to whom the quality assurance will be administered, and the design of a stratified, random sample among the entire population of consumers served by regional centers. The contractor shall provide aggregate information for all regional centers and the state as a whole. At the request of a consumer or the family member of a consumer, the survey shall be conducted in the primary language of the consumer or family member surveyed.

(f) The department shall contract with the state council to collect data for the quality assurance instrument described in subdivision (b). If, during the data collection process, the state council identifies any suspected violation of the legal, civil, or service rights of a consumer, or if it determines that the health and welfare of a consumer is at risk, that information shall be provided immediately to the regional center providing case management services to the consumer. At the request of the consumer or family, when appropriate, a copy of the completed survey shall be provided to the regional center providing case management services to improve the consumer's quality of services through the individual planning process.

(g) The department, in consultation with stakeholders, shall annually review the data collected from and the findings of the quality assurance instrument described in subdivision (b) and accept recommendations regarding additional or different criteria for the quality assurance instrument in order to assess the performance of the state's developmental services system and improve services for consumers.

(h) All reports generated pursuant to this section shall be made publicly available, but shall not contain any personal identifying information about any person assessed.

(i) All data collected pursuant to subdivision (c) shall be provided to the state council, but shall contain no personal identifying information about the persons being surveyed.

(j) Implementation of this section shall be subject to an annual appropriation of funds in the Budget Act for this purpose.

SEC. 187. Section 4685.8 of the Welfare and Institutions Code is amended to read:

4685.8. (a) The department shall implement a statewide Self-Determination Program. The Self-Determination Program shall be available in every regional center catchment area to provide participants and their families, within an individual budget, increased flexibility and choice, and greater control over decisions, resources, and needed and desired services and supports to implement their IPP. The statewide Self-Determination Program shall be phased in over three years, and during this phase-in period, shall serve up to 2,500 regional center consumers, inclusive of the remaining participants in the self-determination pilot projects authorized pursuant to Section 13 of Chapter 1043 of the Statutes of 1998, as amended, and Article 4 (commencing with Section 4669.2) of Chapter 5. Following the phase-in period, the program shall be available on a voluntary basis to all regional center consumers who are eligible for the Self-Determination Program. The program shall be available to individuals who reflect the disability, ethnic, and geographic diversity of the state.

(b) The department in establishing the statewide program shall do both of the following:

(1) For the first three years of the Self-Determination Program, determine, as part of the contracting process described in Sections 4620 and 4629, the number of participants each regional center shall serve in its Self-Determination Program. To ensure that the program is available on an equitable basis to participants in all regional center catchment areas, the number of Self-Determination Program participants in each regional center shall be based on the relative percentage of total consumers served by the regional centers minus any remaining participants in the self-determination pilot projects authorized pursuant to Section 13 of Chapter 1043 of the Statutes of 1998, as amended, and Article 4 (commencing with Section 4669.2) of Chapter 5 or another equitable basis.

(2) Ensure all of the following:

(A) Oversight of expenditure of self-determined funds and the achievement of participant outcomes over time.

(B) Increased participant control over which services and supports best meet his or her needs and the IPP objectives. A participant's unique support system may include the purchase of existing service offerings from service providers or local businesses, hiring his or her own support workers, or negotiating unique service arrangements with local community resources.

(C) Comprehensive person-centered planning, including an individual budget and services that are outcome based.

(D) Consumer and family training to ensure understanding of the principles of self-determination, the planning process, and the management of budgets, services, and staff.

(E) Choice of independent facilitators who can assist with the person-centered planning process and choice of financial management services providers vendored by regional centers who can assist with payments and provide employee-related services.

(F) Innovation that will more effectively allow participants to achieve their goals.

(c) For purposes of this section, the following definitions apply:

(1) "Financial management services" means services or functions that assist the participant to manage and direct the distribution of funds contained in the individual budget, and ensure that the participant has the financial resources to implement his or her IPP throughout the year. These may include bill paying services and activities that facilitate the employment of service and support workers by the participant, including, but not limited to, fiscal accounting, tax withholding, compliance with relevant state and federal employment laws, assisting the participant in verifying provider qualifications, including criminal background checks, and expenditure reports. The financial management services provider shall meet the requirements of Sections 58884, 58886, and 58887 of Title 17 of the California Code of Regulations and other specific qualifications established by the department. The costs of financial management services shall be paid by the participant out of his or her individual budget, except for the cost of obtaining the criminal background check specified in subdivision (w).

(2) "Independent facilitator" means a person, selected and directed by the participant, who is not otherwise providing services

to the participant pursuant to his or her IPP and is not employed by a person providing services to the participant. The independent facilitator may assist the participant in making informed decisions about the individual budget, and in locating, accessing, and coordinating services and supports consistent with the participant's IPP. He or she is available to assist in identifying immediate and long-term needs, developing options to meet those needs, leading, participating, or advocating on behalf of the participant in the person-centered planning process and development of the IPP, and obtaining identified services and supports. The cost of the independent facilitator, if any, shall be paid by the participant out of his or her individual budget. An independent facilitator shall receive training in the principles of self-determination, the person-centered planning process, and the other responsibilities described in this paragraph at his or her own cost.

(3) "Individual budget" means the amount of regional center purchase of service funding available to the participant for the purchase of services and supports necessary to implement the IPP. The individual budget shall be determined using a fair, equitable, and transparent methodology.

(4) "IPP" means individual program plan, as described in Section 4646.

(5) "Participant" means an individual, and when appropriate, his or her parents, legal guardian or conservator, or authorized representative, who has been deemed eligible for, and has voluntarily agreed to participate in, the Self-Determination Program.

(6) "Self-determination" means a voluntary delivery system consisting of a defined and comprehensive mix of services and supports, selected and directed by a participant through person-centered planning, in order to meet the objectives in his or her IPP. Self-determination services and supports are designed to assist the participant to achieve personally defined outcomes in community settings that promote inclusion. The Self-Determination Program shall only fund services and supports provided pursuant to this division that the federal Centers for Medicare and Medicaid Services determines are eligible for federal financial participation.

(d) Participation in the Self-Determination Program is fully voluntary. A participant may choose to participate in, and may choose to leave, the Self-Determination Program at any time. A

regional center shall not require or prohibit participation in the Self-Determination Program as a condition of eligibility for, or the delivery of, services and supports otherwise available under this division. Participation in the Self-Determination Program shall be available to any regional center consumer who meets the following eligibility requirements:

(1) The participant has a developmental disability, as defined in Section 4512, and is receiving services pursuant to this division.

(2) The consumer does not live in a licensed long-term health care facility, as defined in paragraph (44) of subdivision (a) of Section 54302 of Title 17 of the California Code of Regulations. An individual, and when appropriate his or her parent, legal guardian or conservator, or authorized representative, who is not eligible to participate in the Self-Determination Program pursuant to this paragraph may request that the regional center provide person-centered planning services in order to make arrangements for transition to the Self-Determination Program, provided that he or she is reasonably expected to transition to the community within 90 days. In that case, the regional center shall initiate person-centered planning services within 60 days of that request.

(3) The participant agrees to all of the following terms and conditions:

(A) The participant shall receive an orientation to the Self-Determination Program prior to enrollment, which includes the principles of self-determination, the role of the independent facilitator and the financial management services provider, person-centered planning, and development of a budget.

(B) The participant shall utilize the services and supports available within the Self-Determination Program only when generic services and supports are not available.

(C) The participant shall only purchase services and supports necessary to implement his or her IPP and shall comply with any and all other terms and conditions for participation in the Self-Determination Program described in this section.

(D) The participant shall manage Self-Determination Program services and supports within his or her individual budget.

(E) The participant shall utilize the services of a financial management services provider of his or her own choosing and who is vendored by a regional center.

(F) The participant may utilize the services of an independent facilitator of his or her own choosing for the purpose of providing services and functions as described in paragraph (2) of subdivision (c). If the participant elects not to use an independent facilitator, he or she may use his or her regional center service coordinator to provide the services and functions described in paragraph (2) of subdivision (c).

(e) A participant who is not Medi-Cal eligible may participate in the Self-Determination Program and receive self-determination services and supports if all other program eligibility requirements are met and the services and supports are otherwise eligible for federal financial participation.

(f) An individual receiving services and supports under a self-determination pilot project authorized pursuant to Section 13 of Chapter 1043 of the Statutes of 1998, as amended, or pursuant to Article 4 (commencing with Section 4669.2) of Chapter 5, may elect to continue to receive self-determination services and supports pursuant to this section or the regional center shall provide for the participant's transition from the self-determination pilot program to other services and supports. This transition shall include the development of a new IPP that reflects the services and supports necessary to meet the individual's needs. The regional center shall ensure that there is no gap in services and supports during the transition period.

(g) The additional federal financial participation funds generated by the former participants of the self-determination pilot projects authorized pursuant to Section 13 of Chapter 1043 of the Statutes of 1998, as amended, or pursuant to Article 4 (commencing with Section 4669.2) of Chapter 5, shall be used as follows:

(1) First, to offset the cost to the department for the criminal background check conducted pursuant to subdivision (w), and other administrative costs incurred by the department in implementing the Self-Determination Program.

(2) With the remaining funds, to offset the costs to the regional centers in implementing the Self-Determination Program, including, but not limited to, operations costs for caseload ratio enhancement, training for regional center staff, costs associated with the participant's initial person-centered planning meeting, the development of the participant's initial individual budget, and the costs associated with training consumers and family members.

(h) If at any time during participation in the Self-Determination Program a regional center determines that a participant is no longer eligible to continue in, or a participant voluntarily chooses to exit, the Self-Determination Program, the regional center shall provide for the participant's transition from the Self-Determination Program to other services and supports. This transition shall include the development of a new IPP that reflects the services and supports necessary to meet the individual's needs. The regional center shall ensure that there is no gap in services and supports during the transition period.

(i) An individual determined to be ineligible for or who voluntarily exits the Self-Determination Program shall be permitted to return to the Self-Determination Program upon meeting all applicable eligibility criteria and upon approval of the participant's planning team, as described in subdivision (j) of Section 4512. An individual who has voluntarily exited the Self-Determination Program shall not return to the program for at least 12 months. During the first three years of the program, the individual's right to return to the program is conditioned on his or her regional center not having reached the participant cap imposed by paragraph (1) of subdivision (b).

(j) An individual who participates in the Self-Determination Program may elect to continue to receive self-determination services and supports if he or she transfers to another regional center catchment area, provided that he or she remains eligible for the Self-Determination Program pursuant to subdivision (d). The balance of the participant's individual budget shall be reallocated to the regional center to which he or she transfers.

(k) The IPP team shall utilize the person-centered planning process to develop the IPP for a participant. The IPP shall detail the goals and objectives of the participant that are to be met through the purchase of participant-selected services and supports. The IPP team shall determine the individual budget to ensure the budget assists the participant to achieve the outcomes set forth in his or her IPP and ensures his or her health and safety. The completed individual budget shall be attached to the IPP.

(*l*) The participant shall implement his or her IPP, including choosing and purchasing the services and supports allowable under this section necessary to implement the plan. A participant is exempt from the cost control restrictions regarding the purchases

of services and supports pursuant to Sections 4648.5 and 4686.5. A regional center shall not prohibit the purchase of any service or support that is otherwise allowable under this section.

(m) A participant shall have all the rights established in Sections 4646 to 4646.6, inclusive, and Chapter 7 (commencing with Section 4700).

(n) (1) Except as provided in paragraph (4), the IPP team shall determine the initial and any revised individual budget for the participant using the following methodology:

(A) (i) Except as specified in clause (ii), for a participant who is a current consumer of the regional center, his or her individual budget shall be the total amount of the most recently available 12 months of purchase of service expenditures for the participant.

(ii) An adjustment may be made to the amount specified in clause (i) if both of the following occur:

(I) The IPP team determines that an adjustment to this amount is necessary due to a change in the participant's circumstances, needs, or resources that would result in an increase or decrease in purchase of service expenditures, or the IPP team identifies prior needs or resources that were unaddressed in the IPP, which would have resulted in an increase or decrease in purchase of service expenditures.

(II) The regional center certifies on the individual budget document that regional center expenditures for the individual budget, including any adjustment, would have occurred regardless of the individual's participation in the Self-Determination Program.

(iii) For purposes of clauses (i) and (ii), the amount of the individual budget shall not be increased to cover the cost of the independent facilitator or the financial management services.

(B) For a participant who is either newly eligible for regional center services or who does not have 12 months of purchase service expenditures, his or her individual budget shall be calculated as follows:

(i) The IPP team shall identify the services and supports needed by the participant and available resources, as required by Section 4646.

(ii) The regional center shall calculate the cost of providing the services and supports to be purchased by the regional center by using the average cost paid by the regional center for each service or support unless the regional center determines that the consumer

has a unique need that requires a higher or lower cost. The regional center shall certify on the individual budget document that this amount would have been expended using regional center purchase of service funds regardless of the individual's participation in the Self-Determination Program.

(iii) For purposes of clauses (i) and (ii), the amount of the individual budget shall not be increased to cover the cost of the independent facilitator or the financial management services.

(2) The amount of the individual budget shall be available to the participant each year for the purchase of program services and supports. An individual budget shall be calculated no more than once in a 12-month period, unless revised to reflect a change in circumstances, needs, or resources of the participant using the process specified in clause (ii) of subparagraph (A) of paragraph (1).

(3) The individual budget shall be assigned to uniform budget categories developed by the department in consultation with stakeholders and distributed according to the timing of the anticipated expenditures in the IPP and in a manner that ensures that the participant has the financial resources to implement his or her IPP throughout the year.

(4) The department, in consultation with stakeholders, may develop alternative methodologies for individual budgets that are computed in a fair, transparent, and equitable manner and are based on consumer characteristics and needs, and that include a method for adjusting individual budgets to address a participant's change in circumstances or needs.

(o) Annually, participants may transfer up to 10 percent of the funds originally distributed to any budget category set forth in paragraph (3) of subdivision (n) to another budget category or categories. Transfers in excess of 10 percent of the original amount allocated to any budget category may be made upon the approval of the regional center or the participant's IPP team.

(p) Consistent with the implementation date of the IPP, the IPP team shall annually ascertain from the participant whether there are any circumstances or needs that require a change to the annual individual budget. Based on that review, the IPP team shall calculate a new individual budget consistent with the methodology identified in subdivision (n).

(q) (1) On or before December 31, 2014, the department shall apply for federal Medicaid funding for the Self-Determination Program by doing one or more of the following:

(A) Applying for a state plan amendment.

(B) Applying for an amendment to a current home- and community-based waiver for individuals with developmental disabilities.

(C) Applying for a new waiver.

(D) Seeking to maximize federal financial participation through other means.

(2) To the extent feasible, the state plan amendment, waiver, or other federal request described in paragraph (1) shall incorporate the eligibility requirements, benefits, and operational requirements set forth in this section. Except for the provisions of subdivisions (k), (m), (p), and this subdivision, the department may modify eligibility requirements, benefits, and operational requirements as needed to secure approval of federal funding.

(3) Contingent upon approval of federal funding, the Self-Determination Program shall be established.

(r) (1) The department, as it determines necessary, may adopt regulations to implement the procedures set forth in this section. Any regulations shall be adopted in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) Notwithstanding paragraph (1) and Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and only to the extent that all necessary federal approvals are obtained, the department, without taking any further regulatory action, shall implement, interpret, or make specific this section by means of program directives or similar instructions until the time regulations are adopted. It is the intent of the Legislature that the department be allowed this temporary authority as necessary to implement program changes only until completion of the regulatory process.

(s) The department, in consultation with stakeholders, shall develop informational materials about the Self-Determination Program. The department shall ensure that regional centers are trained in the principles of self-determination, the mechanics of the Self-Determination Program, and the rights of consumers and

families as candidates for, and participants in, the Self-Determination Program.

(t) Each regional center shall be responsible for implementing the Self-Determination Program as a term of its contract under Section 4629. As part of implementing the program, the regional center shall do both of the following:

(1) Contract with local consumer or family-run organizations to conduct outreach through local meetings or forums to consumers and their families to provide information about the Self-Determination Program and to help ensure that the program is available to a diverse group of participants, with special outreach to underserved communities.

(2) Collaborate with the local consumer or family-run organizations identified in paragraph (1) to jointly conduct training about the Self-Determination Program.

(u) The financial management services provider shall provide the participant and the regional center service coordinator with a monthly individual budget statement that describes the amount of funds allocated by budget category, the amount spent in the previous 30-day period, and the amount of funding that remains available under the participant's individual budget.

(v) Only the financial management services provider is required to apply for vendorization in accordance with Subchapter 2 (commencing with Section 54300) of Chapter 3 of Title 17 of the California Code of Regulations, for the Self-Determination Program. All other service and support providers shall not be on the federal debarment list and shall have applicable state licenses, certifications, or other state required documentation, including documentation of any other qualifications required by the department, but are exempt from the vendorization requirements set forth in Title 17 of the California Code of Regulations when serving participants in the Self-Determination Program.

(w) To protect the health and safety of participants in the Self-Determination Program, the department shall require a criminal background check in accordance with all of the following:

(1) The department shall issue a program directive that identifies nonvendored providers of services and supports who shall obtain a criminal background check pursuant to this subdivision. At a minimum these staff shall include both of the following:

(A) Individuals who provide direct personal care services to a participant.

(B) Other nonvendored providers of services and supports for whom a criminal background check is requested by a participant or the participant's financial management service.

(2) Subject to the procedures and requirements of this subdivision, the department shall administer criminal background checks consistent with the department's authority and the process described in Sections 4689.2 to 4689.6, inclusive.

(3) The department shall electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice of nonvendored providers of services and supports, as specified in paragraph (1), for purposes of obtaining information as to the existence and content of a record of state or federal convictions and state or federal arrests and also information as to the existence and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on his or her recognizance pending trial or appeal.

(4) When received, the Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal history information received pursuant to this section. The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the department.

(5) The Department of Justice shall provide a state or federal response to the department pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.

(6) The department shall request from the Department of Justice subsequent notification service, as provided pursuant to Section 11105.2 of the Penal Code, for persons described in paragraph (1).

(7) The Department of Justice shall charge a fee sufficient to cover the cost of processing the request described in this subdivision.

(8) The fingerprints of any provider of services and supports who is required to obtain a criminal background check shall be submitted to the Department of Justice prior to employment. The costs of the fingerprints and the financial management service's administrative cost authorized by the department shall be paid by the services and supports provider or his or her employing agency.

Any administrative costs incurred by the department pursuant to this subdivision shall be offset by the funds specified in subdivision (g).

(9) If the criminal record information report shows a criminal history, the department shall take the steps specified in Section 4689.2. The department may prohibit a provider of services and supports from becoming employed, or continuing to be employed, based on the criminal background check, as authorized in Section 4689.6. The provider of services and supports who has been denied employment shall have the rights set forth in Section 4689.6.

(10) The department may utilize a current department-issued criminal record clearance to enable a provider to serve more than one participant, as long as the criminal record clearance has been processed through the department and no subsequent arrest notifications have been received relative to the cleared applicant.

(11) Consistent with subdivision (h) of Section 4689.2, the participant or financial management service that denies or terminates employment based on written notification from the department shall not incur civil liability or unemployment insurance liability.

(x) To ensure the effective implementation of the Self-Determination Program and facilitate the sharing of best practices and training materials commencing with the implementation of the Self-Determination Program, local and statewide advisory committees shall be established as follows:

(1) Each regional center shall establish a local volunteer advisory committee to provide oversight of the Self-Determination Program. The regional center and the area board shall each appoint one-half of the membership of the committee. The committee shall consist of the regional center clients' rights advocate, consumers, family members, and other advocates, and community leaders. A majority of the committee shall be consumers and their family members. The committee shall reflect the multicultural diversity and geographic profile of the catchment area. The committee shall review the development and ongoing progress of the Self-Determination Program, including whether the program advances the principles of self-determination and is operating consistent with the requirements of this section, and may make ongoing recommendations for improvement to the regional center and the department.

(2) The State Council on Developmental Disabilities shall form a volunteer committee, to be known as the Statewide Self-Determination Advisory Committee, comprised of the chairs of the 21 local advisory committees or their designees. The council shall convene the Statewide Self-Determination Advisory Committee twice annually, or more frequently in the sole discretion of the council. The Statewide Self-Determination Advisory Committee shall meet by teleconference or other means established by the council, to identify self-determination best practices, effective consumer and family training materials, implementation concerns, systemic issues, ways to enhance the program, and recommendations regarding the most effective method for participants to learn of individuals who are available to provide services and supports. The council shall synthesize information received from the Statewide Self-Determination Advisory Committee, local advisory committees, and other sources, shall share the information with consumers, families, regional centers, and the department, and shall make recommendations, as appropriate, to increase the program's effectiveness in furthering the principles of self-determination.

(y) Commencing January 10, 2017, the department shall annually provide the following information to the appropriate policy and fiscal committees of the Legislature:

(1) Number and characteristics of participants, by regional center.

(2) Types and amount of services and supports purchased under the Self-Determination Program, by regional center.

(3) Range and average of individual budgets, by regional center, including adjustments to the budget to address the adjustments permitted in clause (ii) of subparagraph (A) of paragraph (1) of subdivision (n).

(4) The number and outcome of appeals concerning individual budgets, by regional center.

(5) The number and outcome of fair hearing appeals, by regional center.

(6) The number of participants who voluntarily withdraw from the Self-Determination Program and a summary of the reasons why, by regional center.

(7) The number of participants who are subsequently determined to no longer be eligible for the Self-Determination Program and a summary of the reasons why, by regional center.

(z) (1) The State Council on Developmental Disabilities, in collaboration with the protection and advocacy agency identified in Section 4900 and the federally funded University Centers for Excellence in Developmental Disabilities Education, Research, and Service, may work with regional centers to survey participants regarding participant satisfaction under the Self-Determination Program and, when data is available, the traditional service delivery system, including the proportion of participants who report that their choices and decisions are respected and supported and who report that they are able to recruit and hire qualified service providers, and to identify barriers to participation and recommendations for improvement.

(2) The council, in collaboration with the protection and advocacy agency identified in Section 4900 and the federally funded University Centers for Excellence in Developmental Disabilities Education, Research, and Service, shall issue a report to the Legislature, in compliance with Section 9795 of the Government Code, no later than three years following the approval of the federal funding on the status of the Self-Determination Program authorized by this section, and provide recommendations to enhance the effectiveness of the program. This review shall include the program's effectiveness in furthering the principles of self-determination, including all of the following:

(A) Freedom, which includes the ability of adults with developmental disabilities to exercise the same rights as all citizens to establish, with freely chosen supporters, family and friends, where they want to live, with whom they want to live, how their time will be occupied, and who supports them; and for families to have the freedom to receive unbiased assistance of their own choosing when developing a plan and to select all personnel and supports to further the life goals of a minor child.

(B) Authority, which includes the ability of a person with a disability, or family, to control a certain sum of dollars in order to purchase services and supports of their choosing.

(C) Support, which includes the ability to arrange resources and personnel, both formal and informal, that will assist a person with

a disability to live a life in his or her community that is rich in community participation and contributions.

(D) Responsibility, which includes the ability of participants to take responsibility for decisions in their own lives and to be accountable for the use of public dollars, and to accept a valued role in their community through, for example, competitive employment, organizational affiliations, spiritual development, and general caring of others in their community.

(E) Confirmation, which includes confirmation of the critical role of participants and their families in making decisions in their own lives and designing and operating the system that they rely on.

SEC. 188. Section 5848.5 of the Welfare and Institutions Code is amended to read:

5848.5. (a) The Legislature finds and declares all of the following:

(1) California has realigned public community mental health services to counties and it is imperative that sufficient community-based resources be available to meet the mental health needs of eligible individuals.

(2) Increasing access to effective outpatient and crisis stabilization services provides an opportunity to reduce costs associated with expensive inpatient and emergency room care and to better meet the needs of individuals with mental health disorders in the least restrictive manner possible.

(3) Almost one-fifth of people with mental health disorders visit a hospital emergency room at least once per year. If an adequate array of crisis services is not available, it leaves an individual with little choice but to access an emergency room for assistance and, potentially, an unnecessary inpatient hospitalization.

(4) Recent reports have called attention to a continuing problem of inappropriate and unnecessary utilization of hospital emergency rooms in California due to limited community-based services for individuals in psychological distress and acute psychiatric crisis. Hospitals report that 70 percent of people taken to emergency rooms for psychiatric evacuation can be stabilized and transferred to a less intensive level of crisis care. Law enforcement personnel report that their personnel need to stay with people in the emergency room waiting area until a placement is found, and that less intensive levels of care tend not to be available.

(5) Comprehensive public and private partnerships at both local and regional levels, including across physical health services, mental health, substance use disorder, law enforcement, social services, and related supports, are necessary to develop and maintain high quality, patient-centered, and cost-effective care for individuals with mental health disorders that facilitates their recovery and leads towards wellness.

(6) The recovery of individuals with mental health disorders is important for all levels of government, business, and the local community.

(b) This section shall be known, and may be cited, as the Investment in Mental Health Wellness Act of 2013. The objectives of this section are to do all of the following:

(1) Expand access to early intervention and treatment services to improve the client experience, achieve recovery and wellness, and reduce costs.

(2) Expand the continuum of services to address crisis intervention, crisis stabilization, and crisis residential treatment needs that are wellness, resiliency, and recovery oriented.

(3) Add at least 25 mobile crisis support teams and at least 2,000 crisis stabilization and crisis residential treatment beds to bolster capacity at the local level to improve access to mental health crisis services and address unmet mental health care needs.

(4) Add at least 600 triage personnel to provide intensive case management and linkage to services for individuals with mental health care disorders at various points of access, such as at designated community-based service points, homeless shelters, and clinics.

(5) Reduce unnecessary hospitalizations and inpatient days by appropriately utilizing community-based services and improving access to timely assistance.

(6) Reduce recidivism and mitigate unnecessary expenditures of local law enforcement.

(7) Provide local communities with increased financial resources to leverage additional public and private funding sources to achieve improved networks of care for individuals with mental health disorders.

(c) Through appropriations provided in the annual Budget Act for this purpose, it is the intent of the Legislature to authorize the California Health Facilities Financing Authority, hereafter referred

to as the authority, and the Mental Health Services Oversight and Accountability Commission, hereafter referred to as the commission, to administer competitive selection processes as provided in this section for capital capacity and program expansion to increase capacity for mobile crisis support, crisis intervention, crisis stabilization services, crisis residential treatment, and specified personnel resources.

(d) Funds appropriated by the Legislature to the authority for purposes of this section shall be made available to selected counties, or counties acting jointly. The authority may, at its discretion, also give consideration to private nonprofit corporations and public agencies in an area or region of the state if a county, or counties acting jointly, affirmatively supports this designation and collaboration in lieu of a county government directly receiving grant funds.

(1) Grant awards made by the authority shall be used to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase capacity for client assistance and services in the following areas:

(A) Crisis intervention, as authorized by Sections 14021.4, 14680, and 14684.

(B) Crisis stabilization, as authorized by Sections 14021.4, 14680, and 14684.

(C) Crisis residential treatment, as authorized by Sections 14021.4, 14680, and 14684.

(D) Rehabilitative mental health services, as authorized by Sections 14021.4, 14680, and 14684.

(E) Mobile crisis support teams, including personnel and equipment, such as the purchase of vehicles.

(2) The authority shall develop selection criteria to expand local resources, including those described in paragraph (1), and processes for awarding grants after consulting with representatives and interested stakeholders from the mental health community, including, but not limited to, county mental health directors, service providers, consumer organizations, and other appropriate interests, such as health care providers and law enforcement, as determined by the authority. The authority shall ensure that grants result in cost-effective expansion of the number of community-based crisis resources in regions and communities selected for funding. The authority shall also take into account at least the following criteria

and factors when selecting recipients of grants and determining the amount of grant awards:

(A) Description of need, including, at a minimum, a comprehensive description of the project, community need, population to be served, linkage with other public systems of health and mental health care, linkage with local law enforcement, social services, and related assistance, as applicable, and a description of the request for funding.

(B) Ability to serve the target population, which includes individuals eligible for Medi-Cal and individuals eligible for county health and mental health services.

(C) Geographic areas or regions of the state to be eligible for grant awards, which may include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the California Mental Health Directors Association.

(D) Level of community engagement and commitment to project completion.

(E) Financial support that, in addition to a grant that may be awarded by the authority, will be sufficient to complete and operate the project for which the grant from the authority is awarded.

(F) Ability to provide additional funding support to the project, including public or private funding, federal tax credits and grants, foundation support, and other collaborative efforts.

(G) Memorandum of understanding among project partners, if applicable.

(H) Information regarding the legal status of the collaborating partners, if applicable.

(I) Ability to measure key outcomes, including improved access to services, health and mental health outcomes, and cost benefit of the project.

(3) The authority shall determine maximum grants awards, which shall take into consideration the number of projects awarded to the grantee, as described in paragraph (1), and shall reflect reasonable costs for the project and geographic region. The authority may allocate a grant in increments contingent upon the phases of a project.

(4) Funds awarded by the authority pursuant to this section may be used to supplement, but not to supplant, existing financial and resource commitments of the grantee or any other member of a collaborative effort that has been awarded a grant.

(5) All projects that are awarded grants by the authority shall be completed within a reasonable period of time, to be determined by the authority. Funds shall not be released by the authority until the applicant demonstrates project readiness to the authority's satisfaction. If the authority determines that a grant recipient has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all or a portion of the grant.

(6) A grantee that receives a grant from the authority under this section shall commit to using that capital capacity and program expansion project, such as the mobile crisis team, crisis stabilization unit, or crisis residential treatment program, for the duration of the expected life of the project.

(7) The authority may consult with a technical assistance entity, as described in paragraph (5) of subdivision (a) of Section 4061, for purposes of implementing this section.

(8) The authority may adopt emergency regulations relating to the grants for the capital capacity and program expansion projects described in this section, including emergency regulations that define eligible costs and determine minimum and maximum grant amounts.

(9) The authority shall provide reports to the fiscal and policy committees of the Legislature on or before May 1, 2014, and on or before May 1, 2015, on the progress of implementation, that includes, but are not limited to, the following:

(A) A description of each project awarded funding.

(B) The amount of each grant issued.

(C) A description of other sources of funding for each project.

(D) The total amount of grants issued.

(E) A description of project operation and implementation, including who is being served.

(10) A recipient of a grant provided pursuant to paragraph (1) shall adhere to all applicable laws relating to scope of practice, licensure, certification, staffing, and building codes.

(e) Funds appropriated by the Legislature to the commission for purposes of this section shall be allocated for triage personnel to provide intensive case management and linkage to services for individuals with mental health disorders at various points of access. These funds shall be made available to selected counties, counties acting jointly, or city mental health departments, as determined

by the commission through a selection process. It is the intent of the Legislature for these funds to be allocated in an efficient manner to encourage early intervention and receipt of needed services for individuals with mental health disorders, and to assist in navigating the local service sector to improve efficiencies and the delivery of services.

(1) Triage personnel may provide targeted case management services face to face, by telephone, or by telehealth with the individual in need of assistance or his or her significant support person, and may be provided anywhere in the community. These service activities may include, but are not limited to, the following:

(A) Communication, coordination, and referral.

(B) Monitoring service delivery to ensure the individual accesses and receives services.

(C) Monitoring the individual's progress.

(D) Providing placement service assistance and service plan development.

(2) The commission shall take into account at least the following criteria and factors when selecting recipients and determining the amount of grant awards for triage personnel as follows:

(A) Description of need, including potential gaps in local service connections.

(B) Description of funding request, including personnel and use of peer support.

(C) Description of how triage personnel will be used to facilitate linkage and access to services, including objectives and anticipated outcomes.

(D) Ability to obtain federal Medicaid reimbursement, when applicable.

(E) Ability to administer an effective service program and the degree to which local agencies and service providers will support and collaborate with the triage personnel effort.

(F) Geographic areas or regions of the state to be eligible for grant awards, which shall include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the California Mental Health Directors Association.

(3) The commission shall determine maximum grant awards, and shall take into consideration the level of need, population to be served, and related criteria, as described in paragraph (2), and shall reflect reasonable costs.

(4) Funds awarded by the commission for purposes of this section may be used to supplement, but not supplant, existing financial and resource commitments of the county, counties acting jointly, or city mental health department that received the grant.

(5) Notwithstanding any other law, a county, counties acting jointly, or city mental health department that receives an award of funds for the purpose of supporting triage personnel pursuant to this subdivision is not required to provide a matching contribution of local funds.

(6) Notwithstanding any other law, the commission, without taking any further regulatory action, may implement, interpret, or make specific this section by means of informational letters, bulletins, or similar instructions.

(7) The commission shall provide a status report to the fiscal and policy committees of the Legislature on the progress of implementation no later than March 1, 2014.

SEC. 189. Section 6604.9 of the Welfare and Institutions Code is amended to read:

6604.9. (a) A person found to be a sexually violent predator and committed to the custody of the State Department of State Hospitals shall have a current examination of his or her mental condition made at least once every year. The report shall be in the form of a declaration and shall be prepared by a professionally qualified person. The person may retain or, if he or she is indigent and so requests, the court may appoint, a qualified expert or professional person to examine him or her, and the expert or professional person shall have access to all records concerning the person.

(b) The annual report shall include consideration of whether the committed person currently meets the definition of a sexually violent predator and whether conditional release to a less restrictive alternative, pursuant to Section 6608, or an unconditional discharge, pursuant to Section 6605, is in the best interest of the person and conditions can be imposed that would adequately protect the community.

(c) The State Department of State Hospitals shall file this periodic report with the court that committed the person under this article. A copy of the report shall be served on the prosecuting agency involved in the initial commitment and upon the committed person.

(d) If the State Department of State Hospitals determines that either: (1) the person's condition has so changed that the person no longer meets the definition of a sexually violent predator and should, therefore, be considered for unconditional discharge, or (2) conditional release to a less restrictive alternative is in the best interest of the person and conditions can be imposed that adequately protect the community, the director shall authorize the person to petition the court for conditional release to a less restrictive alternative or for an unconditional discharge. The petition shall be filed with the court and served upon the prosecuting agency responsible for the initial commitment.

(e) The court, upon receipt of the petition for conditional release to a less restrictive alternative, shall consider the petition using procedures described in Section 6608.

(f) The court, upon receiving a petition for unconditional discharge, shall order a show cause hearing, pursuant to the provisions of Section 6605, at which the court may consider the petition and any accompanying documentation provided by the medical director, the prosecuting attorney, or the committed person.

SEC. 190. Section 8103 of the Welfare and Institutions Code is amended to read:

8103. (a) (1) A person who, after October 1, 1955, has been adjudicated by a court of any state to be a danger to others as a result of a mental disorder or mental illness, or who has been adjudicated to be a mentally disordered sex offender, shall not purchase or receive, or attempt to purchase or receive, or have in his or her possession, custody, or control any firearm or any other deadly weapon unless there has been issued to the person a certificate by the court of adjudication upon release from treatment or at a later date stating that the person may possess a firearm or any other deadly weapon without endangering others, and the person has not, subsequent to the issuance of the certificate, again been adjudicated by a court to be a danger to others as a result of a mental disorder or mental illness.

(2) The court shall notify the Department of Justice of the court order finding the individual to be a person described in paragraph (1) as soon as possible, but not later than two court days after issuing the order. The court shall also notify the Department of Justice of any certificate issued as described in paragraph (1) as

soon as possible, but not later than two court days after issuing the certificate.

(b) (1) A person who has been found, pursuant to Section 1026 of the Penal Code or the law of any other state or the United States, not guilty by reason of insanity of murder, mayhem, a violation of Section 207, 209, or 209.5 of the Penal Code in which the victim suffers intentionally inflicted great bodily injury, carjacking or robbery in which the victim suffers great bodily injury, a violation of Section 451 or 452 of the Penal Code involving a trailer coach, as defined in Section 635 of the Vehicle Code, or any dwelling house, a violation of paragraph (1) or (2) of subdivision (a) of Section 262 or paragraph (2) or (3) of subdivision (a) of Section 261 of the Penal Code, a violation of Section 459 of the Penal Code in the first degree, assault with intent to commit murder, a violation of Section 220 of the Penal Code in which the victim suffers great bodily injury, a violation of Section 18715, 18725, 18740, 18745, 18750, or 18755 of the Penal Code, or of a felony involving death, great bodily injury, or an act that poses a serious threat of bodily harm to another person, or a violation of the law of any other state or the United States that includes all the elements of any of the above felonies as defined under California law, shall not purchase or receive, or attempt to purchase or receive, or have in his or her possession or under his or her custody or control any firearm or any other deadly weapon.

(2) The court shall notify the Department of Justice of the court order finding the person to be a person described in paragraph (1) as soon as possible, but not later than two court days after issuing the order.

(c) (1) A person who has been found, pursuant to Section 1026 of the Penal Code or the law of any other state or the United States, not guilty by reason of insanity of any crime other than those described in subdivision (b) shall not purchase or receive, or attempt to purchase or receive, or shall not have in his or her possession, custody, or control any firearm or any other deadly weapon unless the court of commitment has found the person to have recovered sanity, pursuant to Section 1026.2 of the Penal Code or the law of any other state or the United States.

(2) The court shall notify the Department of Justice of the court order finding the person to be a person described in paragraph (1) as soon as possible, but not later than two court days after issuing

the order. The court shall also notify the Department of Justice when it finds that the person has recovered his or her sanity as soon as possible, but not later than two court days after making the finding.

(d) (1) A person found by a court to be mentally incompetent to stand trial, pursuant to Section 1370 or 1370.1 of the Penal Code or the law of any other state or the United States, shall not purchase or receive, or attempt to purchase or receive, or shall not have in his or her possession, custody, or control, any firearm or any other deadly weapon, unless there has been a finding with respect to the person of restoration to competence to stand trial by the committing court, pursuant to Section 1372 of the Penal Code or the law of any other state or the United States.

(2) The court shall notify the Department of Justice of the court order finding the person to be mentally incompetent as described in paragraph (1) as soon as possible, but not later than two court days after issuing the order. The court shall also notify the Department of Justice, if it finds that the person has recovered his or her competence, as soon as possible, but not later than two court days after making the finding.

(e) (1) A person who has been placed under conservatorship by a court, pursuant to Section 5350 or the law of any other state or the United States, because the person is gravely disabled as a result of a mental disorder or impairment by chronic alcoholism, shall not purchase or receive, or attempt to purchase or receive, or shall not have in his or her possession, custody, or control, any firearm or any other deadly weapon while under the conservatorship if, at the time the conservatorship was ordered or thereafter, the court that imposed the conservatorship found that possession of a firearm or any other deadly weapon by the person would present a danger to the safety of the person or to others. Upon placing any person under conservatorship and prohibiting firearm or any other deadly weapon possession by the person, the court shall notify the person of this prohibition.

(2) The court shall notify the Department of Justice of the court order placing the person under conservatorship and prohibiting firearm or any other deadly weapon possession by the person as described in paragraph (1) as soon as possible, but not later than two court days after placing the person under conservatorship. The notice shall include the date the conservatorship was imposed and

the date the conservatorship is to be terminated. If the conservatorship is subsequently terminated before the date listed in the notice to the Department of Justice or the court subsequently finds that possession of a firearm or any other deadly weapon by the person would no longer present a danger to the safety of the person or others, the court shall notify the Department of Justice as soon as possible, but not later than two court days after terminating the conservatorship.

(3) All information provided to the Department of Justice pursuant to paragraph (2) shall be kept confidential, separate, and apart from all other records maintained by the Department of Justice, and shall be used only to determine eligibility to purchase or possess firearms or other deadly weapons. Any person who knowingly furnishes that information for any other purpose is guilty of a misdemeanor. All information concerning any person shall be destroyed upon receipt by the Department of Justice of notice of the termination of conservatorship as to that person pursuant to paragraph (2).

(f) (1) A person who has been (A) taken into custody as provided in Section 5150 because that person is a danger to himself, herself, or to others, (B) assessed within the meaning of Section 5151, and (C) admitted to a designated facility within the meaning of Sections 5151 and 5152 because that person is a danger to himself, herself, or others, shall not own, possess, control, receive, or purchase, or attempt to own, possess, control, receive, or purchase any firearm for a period of five years after the person is released from the facility. A person described in the preceding sentence, however, may own, possess, control, receive, or purchase, or attempt to own, possess, control, receive, or purchase any firearm if the superior court has, pursuant to paragraph (5), found that the people of the State of California have not met their burden pursuant to paragraph (6).

(2) (A) For each person subject to this subdivision, the facility shall, within 24 hours of the time of admission, submit a report to the Department of Justice, on a form prescribed by the Department of Justice, containing information that includes, but is not limited to, the identity of the person and the legal grounds upon which the person was admitted to the facility. A report submitted pursuant to this paragraph shall be confidential, except for purposes of the court proceedings described in this subdivision and for determining

the eligibility of the person to own, possess, control, receive, or purchase a firearm.

(B) Commencing July 1, 2012, facilities shall submit reports pursuant to this paragraph exclusively by electronic means, in a manner prescribed by the Department of Justice.

(3) Prior to, or concurrent with, the discharge, the facility shall inform a person subject to this subdivision that he or she is prohibited from owning, possessing, controlling, receiving, or purchasing any firearm for a period of five years. Simultaneously, the facility shall inform the person that he or she may request a hearing from a court, as provided in this subdivision, for an order permitting the person to own, possess, control, receive, or purchase a firearm. The facility shall provide the person with a form for a request for a hearing. The Department of Justice shall prescribe the form. Where the person requests a hearing at the time of discharge, the facility shall forward the form to the superior court unless the person states that he or she will submit the form to the superior court.

(4) The Department of Justice shall provide the form upon request to any person described in paragraph (1). The Department of Justice shall also provide the form to the superior court in each county. A person described in paragraph (1) may make a single request for a hearing at any time during the five-year period. The request for hearing shall be made on the form prescribed by the department or in a document that includes equivalent language.

(5) Any person who is subject to paragraph (1) who has requested a hearing from the superior court of his or her county of residence for an order that he or she may own, possess, control, receive, or purchase firearms shall be given a hearing. The clerk of the court shall set a hearing date and notify the person, the Department of Justice, and the district attorney. The people of the State of California shall be the plaintiff in the proceeding and shall be represented by the district attorney. Upon motion of the district attorney, or on its own motion, the superior court may transfer the hearing to the county in which the person resided at the time of his or her detention, the county in which the person was detained, or the county in which the person was evaluated or treated. Within seven days after the request for a hearing, the Department of Justice shall file copies of the reports described in this section with the superior court. The reports shall be disclosed upon request to the

person and to the district attorney. The court shall set the hearing within 30 days of receipt of the request for a hearing. Upon showing good cause, the district attorney shall be entitled to a continuance not to exceed 14 days after the district attorney was notified of the hearing date by the clerk of the court. If additional continuances are granted, the total length of time for continuances shall not exceed 60 days. The district attorney may notify the county mental health director of the hearing who shall provide information about the detention of the person that may be relevant to the court and shall file that information with the superior court. That information shall be disclosed to the person and to the district attorney. The court, upon motion of the person subject to paragraph (1) establishing that confidential information is likely to be discussed during the hearing that would cause harm to the person, shall conduct the hearing in camera with only the relevant parties present, unless the court finds that the public interest would be better served by conducting the hearing in public. Notwithstanding any other law, declarations, police reports, including criminal history information, and any other material and relevant evidence that is not excluded under Section 352 of the Evidence Code shall be admissible at the hearing under this section.

(6) The people shall bear the burden of showing by a preponderance of the evidence that the person would not be likely to use firearms in a safe and lawful manner.

(7) If the court finds at the hearing set forth in paragraph (5) that the people have not met their burden as set forth in paragraph (6), the court shall order that the person shall not be subject to the five-year prohibition in this section on the ownership, control, receipt, possession, or purchase of firearms, and that person shall comply with the procedure described in Chapter 2 (commencing with Section 33850) of Division 11 of Title 4 of Part 6 of the Penal Code for the return of any firearms. A copy of the order shall be submitted to the Department of Justice. Upon receipt of the order, the Department of Justice shall delete any reference to the prohibition against firearms from the person's state mental health firearms prohibition system information.

(8) Where the district attorney declines or fails to go forward in the hearing, the court shall order that the person shall not be subject to the five-year prohibition required by this subdivision on the ownership, control, receipt, possession, or purchase of

firearms. A copy of the order shall be submitted to the Department of Justice. Upon receipt of the order, the Department of Justice shall, within 15 days, delete any reference to the prohibition against firearms from the person's state mental health firearms prohibition system information, and that person shall comply with the procedure described in Chapter 2 (commencing with Section 33850) of Division 11 of Title 4 of Part 6 of the Penal Code for the return of any firearms.

(9) Nothing in this subdivision shall prohibit the use of reports filed pursuant to this section to determine the eligibility of persons to own, possess, control, receive, or purchase a firearm if the person is the subject of a criminal investigation, a part of which involves the ownership, possession, control, receipt, or purchase of a firearm.

(g) (1) A person who has been certified for intensive treatment under Section 5250, 5260, or 5270.15 shall not own, possess, control, receive, or purchase, or attempt to own, possess, control, receive, or purchase, any firearm for a period of five years. A person who meets the criteria contained in subdivision (e) or (f) who is released from intensive treatment shall nevertheless, if applicable, remain subject to the prohibition contained in subdivision (e) or (f).

(2) (A) For each person certified for intensive treatment under paragraph (1), the facility shall, within 24 hours of the certification, submit a report to the Department of Justice, on a form prescribed by the department, containing information regarding the person, including, but not limited to, the legal identity of the person and the legal grounds upon which the person was certified. Any report submitted pursuant to this paragraph shall only be used for purposes specified in paragraph (2) of subdivision (f).

(B) Commencing July 1, 2012, facilities shall submit reports pursuant to this paragraph exclusively by electronic means, in a manner prescribed by the Department of Justice.

(3) Prior to, or concurrent with, the discharge of each person certified for intensive treatment under paragraph (1), the facility shall inform the person of that information specified in paragraph (3) of subdivision (f).

(4) A person who is subject to paragraph (1) may petition the superior court of his or her county of residence for an order that he or she may own, possess, control, receive, or purchase firearms.

At the time the petition is filed, the clerk of the court shall set a hearing date and notify the person, the Department of Justice, and the district attorney. The people of the State of California shall be the respondent in the proceeding and shall be represented by the district attorney. Upon motion of the district attorney, or on its own motion, the superior court may transfer the petition to the county in which the person resided at the time of his or her detention, the county in which the person was detained, or the county in which the person was evaluated or treated. Within seven days after receiving notice of the petition, the Department of Justice shall file copies of the reports described in this section with the superior court. The reports shall be disclosed upon request to the person and to the district attorney. The district attorney shall be entitled to a continuance of the hearing to a date of not less than 14 days after the district attorney was notified of the hearing date by the clerk of the court. The district attorney may notify the county mental health director of the petition, and the county mental health director shall provide information about the detention of the person that may be relevant to the court and shall file that information with the superior court. That information shall be disclosed to the person and to the district attorney. The court, upon motion of the person subject to paragraph (1) establishing that confidential information is likely to be discussed during the hearing that would cause harm to the person, shall conduct the hearing in camera with only the relevant parties present, unless the court finds that the public interest would be better served by conducting the hearing in public. Notwithstanding any other law, any declaration, police reports, including criminal history information, and any other material and relevant evidence that is not excluded under Section 352 of the Evidence Code, shall be admissible at the hearing under this section. If the court finds by a preponderance of the evidence that the person would be likely to use firearms in a safe and lawful manner, the court may order that the person may own, control, receive, possess, or purchase firearms, and that person shall comply with the procedure described in Chapter 2 (commencing with Section 33850) of Division 11 of Title 4 of Part 6 of the Penal Code for the return of any firearms. A copy of the order shall be submitted to the Department of Justice. Upon receipt of the order, the Department of Justice shall delete any reference to the

prohibition against firearms from the person's state mental health firearms prohibition system information.

(h) (1) For all persons identified in subdivisions (f) and (g), facilities shall report to the Department of Justice as specified in those subdivisions, except facilities shall not report persons under subdivision (g) if the same persons previously have been reported under subdivision (f).

(2) Additionally, all facilities shall report to the Department of Justice upon the discharge of persons for whom reports have been submitted pursuant to subdivision (f) or (g). However, a report shall not be filed for persons who are discharged within 31 days after the date of admission.

(i) Every person who owns or possesses or has under his or her custody or control, or purchases or receives, or attempts to purchase or receive, any firearm or any other deadly weapon in violation of this section shall be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code or in a county jail for not more than one year.

(j) "Deadly weapon," as used in this section, has the meaning prescribed by Section 8100.

(k) Any notice or report required to be submitted to the Department of Justice pursuant to this section shall be submitted in an electronic format, in a manner prescribed by the Department of Justice.

SEC. 191. Section 11400 of the Welfare and Institutions Code is amended to read:

11400. For purposes of this article, the following definitions shall apply:

(a) "Aid to Families with Dependent Children-Foster Care (AFDC-FC)" means the aid provided on behalf of needy children in foster care under the terms of this division.

(b) "Case plan" means a written document that, at a minimum, specifies the type of home in which the child shall be placed, the safety of that home, and the appropriateness of that home to meet the child's needs. It shall also include the agency's plan for ensuring that the child receive proper care and protection in a safe environment, and shall set forth the appropriate services to be provided to the child, the child's family, and the foster parents, in order to meet the child's needs while in foster care, and to reunify the child with the child's family. In addition, the plan shall specify

the services that will be provided or steps that will be taken to facilitate an alternate permanent plan if reunification is not possible.

(c) "Certified family home" means a family residence certified by a licensed foster family agency and issued a certificate of approval by that agency as meeting licensing standards, and used only by that foster family agency for placements.

(d) "Family home" means the family residence of a licensee in which 24-hour care and supervision are provided for children.

(e) "Small family home" means any residential facility, in the licensee's family residence, which provides 24-hour care for six or fewer foster children who have mental disorders or developmental or physical disabilities and who require special care and supervision as a result of their disabilities.

(f) "Foster care" means the 24-hour out-of-home care provided to children whose own families are unable or unwilling to care for them, and who are in need of temporary or long-term substitute parenting.

(g) "Foster family agency" means any individual or organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other places for placement of children for temporary or permanent care who require that level of care as an alternative to a group home. Private foster family agencies shall be organized and operated on a nonprofit basis.

(h) "Group home" means a nondetention privately operated residential home, organized and operated on a nonprofit basis only, of any capacity, or a nondetention licensed residential care home operated by the County of San Mateo with a capacity of up to 25 beds, that accepts children in need of care and supervision in a group home, as defined by paragraph (13) of subdivision (a) of Section 1502 of the Health and Safety Code.

(i) "Periodic review" means review of a child's status by the juvenile court or by an administrative review panel, that shall include a consideration of the safety of the child, a determination of the continuing need for placement in foster care, evaluation of the goals for the placement and the progress toward meeting these goals, and development of a target date for the child's return home or establishment of alternative permanent placement.

(j) "Permanency planning hearing" means a hearing conducted by the juvenile court in which the child's future status, including

whether the child shall be returned home or another permanent plan shall be developed, is determined.

(k) "Placement and care" refers to the responsibility for the welfare of a child vested in an agency or organization by virtue of the agency or organization having (1) been delegated care, custody, and control of a child by the juvenile court, (2) taken responsibility, pursuant to a relinquishment or termination of parental rights on a child, (3) taken the responsibility of supervising a child detained by the juvenile court pursuant to Section 319 or 636, or (4) signed a voluntary placement agreement for the child's placement; or to the responsibility designated to an individual by virtue of his or her being appointed the child's legal guardian.

(*l*) "Preplacement preventive services" means services that are designed to help children remain with their families by preventing or eliminating the need for removal.

(m) "Relative" means an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words "great," "great-great," or "grand" or the spouse of any of these persons even if the marriage was terminated by death or dissolution.

(n) "Nonrelative extended family member" means an adult caregiver who has an established familial or mentoring relationship with the child, as described in Section 362.7.

(o) "Voluntary placement" means an out-of-home placement of a child by (1) the county welfare department, probation department, or Indian tribe that has entered into an agreement pursuant to Section 10553.1, after the parents or guardians have requested the assistance of the county welfare department and have signed a voluntary placement agreement; or (2) the county welfare department licensed public or private adoption agency, or the department acting as an adoption agency, after the parents have requested the assistance of either the county welfare department, the licensed public or private adoption agency, or the department acting as an adoption agency for the purpose of adoption planning, and have signed a voluntary placement agreement.

(p) "Voluntary placement agreement" means a written agreement between either the county welfare department, probation department, or Indian tribe that has entered into an agreement pursuant to Section 10553.1, licensed public or private adoption

agency, or the department acting as an adoption agency, and the parents or guardians of a child that specifies, at a minimum, the following:

(1) The legal status of the child.

(2) The rights and obligations of the parents or guardians, the child, and the agency in which the child is placed.

(q) "Original placement date" means the most recent date on which the court detained a child and ordered an agency to be responsible for supervising the child or the date on which an agency assumed responsibility for a child due to termination of parental rights, relinquishment, or voluntary placement.

(r) (1) "Transitional housing placement provider" means an organization licensed by the State Department of Social Services pursuant to Section 1559.110 of the Health and Safety Code, to provide transitional housing to foster children at least 16 years of age and not more than 18 years of age, and nonminor dependents, as defined in subdivision (v). A transitional housing placement provider shall be privately operated and organized on a nonprofit basis.

(2) Prior to licensure, a provider shall obtain certification from the applicable county, in accordance with Section 16522.1.

(s) "Transitional Housing Program-Plus" means a provider certified by the applicable county, in accordance with subdivision (c) of Section 16522, to provide transitional housing services to former foster youth who have exited the foster care system on or after their 18th birthday.

(t) "Whole family foster home" means a new or existing family home, approved relative caregiver or nonrelative extended family member's home, the home of a nonrelated legal guardian whose guardianship was established pursuant to Section 360 or 366.26, certified family home, or a host family home placement of a transitional housing placement provider, that provides foster care for a minor or nonminor dependent parent and his or her child, and is specifically recruited and trained to assist the minor or nonminor dependent parent in developing the skills necessary to provide a safe, stable, and permanent home for his or her child. The child of the minor or nonminor dependent parent need not be the subject of a petition filed pursuant to Section 300 to qualify for placement in a whole family foster home.

(u) "Mutual agreement" means any of the following:

(1) A written voluntary agreement of consent for continued placement and care in a supervised setting between a minor or, on and after January 1, 2012, a nonminor dependent, and the county welfare services or probation department or tribal agency responsible for the foster care placement, that documents the nonminor's continued willingness to remain in supervised out-of-home placement under the placement and care of the responsible county, tribe, consortium of tribes, or tribal organization that has entered into an agreement with the state pursuant to Section 10553.1, remain under the jurisdiction of the juvenile court as a nonminor dependent, and report any change of circumstances relevant to continued eligibility for foster care payments, and that documents the nonminor's and social worker's or probation officer's agreement to work together to facilitate implementation of the mutually developed supervised placement agreement and transitional independent living case plan.

(2) An agreement, as described in paragraph (1), between a nonminor former dependent or ward in receipt of Kin-GAP payments under Article 4.5 (commencing with Section 11360) or Article 4.7 (commencing with Section 11385), and the agency responsible for the Kin-GAP benefits, provided that the nonminor former dependent or ward satisfies the conditions described in Section 11403.01, or one or more of the conditions described in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 11403. For purposes of this paragraph and paragraph (3), "nonminor former dependent or ward" has the same meaning as described in subdivision (aa).

(3) An agreement, as described in paragraph (1), between a nonminor former dependent or ward in receipt of AFDC-FC payments under subdivision (e) or (f) of Section 11405 and the agency responsible for the AFDC-FC benefits, provided that the nonminor former dependent or ward described in subdivision (e) of Section 11405 satisfies one or more of the conditions described in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 11403, and the nonminor described in subdivision (f) of Section 11405 satisfies the secondary school or equivalent training or certificate program conditions described in that subdivision.

(v) "Nonminor dependent" means, on and after January 1, 2012, a foster child, as described in Section 675(8)(B) of Title 42 of the United States Code under the federal Social Security Act who is

a current dependent child or ward of the juvenile court, or who is a nonminor under the transition jurisdiction of the juvenile court, as described in Section 450, and who satisfies all of the following criteria:

(1) He or she has attained 18 years of age while under an order of foster care placement by the juvenile court, and is not more than 19 years of age on or after January 1, 2012, not more than 20 years of age on or after January 1, 2013, or not more than 21 years of age on or after January 1, 2014, and as described in Section 10103.5.

(2) He or she is in foster care under the placement and care responsibility of the county welfare department, county probation department, Indian tribe, consortium of tribes, or tribal organization that entered into an agreement pursuant to Section 10553.1.

(3) He or she has a transitional independent living case plan pursuant to Section 475(8) of the federal Social Security Act (42 U.S.C. Sec. 675(8)), as contained in the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 (Public Law 110-351), as described in Section 11403.

(w) "Supervised independent living placement" means, on and after January 1, 2012, an independent supervised setting, as specified in a nonminor dependent's transitional independent living case plan, in which the youth is living independently, pursuant to Section 472(c)(2) of the Social Security Act (42 U.S.C. Sec. 672(c)(2)).

(x) "Supervised independent living setting," pursuant to Section 472(c)(2) of the federal Social Security Act (42 U.S.C. Sec. 672(c)(2)), includes both a supervised independent living placement, as defined in subdivision (w), and a residential housing unit certified by the transitional housing placement provider operating a Transitional Housing Placement-Plus Foster Care program, as described in paragraph (2) of subdivision (a) of Section 16522.1.

(y) "Transitional independent living case plan" means, on or after January 1, 2012, a child's case plan submitted for the last review hearing held before he or she reaches 18 years of age or the nonminor dependent's case plan, updated every six months, that describes the goals and objectives of how the nonminor will make progress in the transition to living independently and assume incremental responsibility for adult decisionmaking, the

collaborative efforts between the nonminor and the social worker, probation officer, or Indian tribal placing entity and the supportive services as described in the transitional independent living plan (TILP) to ensure active and meaningful participation in one or more of the eligibility criteria described in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 11403, the nonminor's appropriate supervised placement setting, and the nonminor's permanent plan for transition to living independently, which includes maintaining or obtaining permanent connections to caring and committed adults, as set forth in paragraph (16) of subdivision (f) of Section 16501.1.

(z) "Voluntary reentry agreement" means a written voluntary agreement between a former dependent child or ward or a former nonminor dependent, who has had juvenile court jurisdiction terminated pursuant to Section 391, 452, or 607.2, and the county welfare or probation department or tribal placing entity that documents the nonminor's desire and willingness to reenter foster care, to be placed in a supervised setting under the placement and care responsibility of the placing agency, the nonminor's desire, willingness, and ability to immediately participate in one or more of the conditions of paragraphs (1) to (5), inclusive, of subdivision (b) of Section 11403, the nonminor's agreement to work collaboratively with the placing agency to develop his or her transitional independent living case plan within 60 days of reentry, the nonminor's agreement to report any changes of circumstances relevant to continued eligibility for foster care payments, and (1) the nonminor's agreement to participate in the filing of a petition for juvenile court jurisdiction as a nonminor dependent pursuant to subdivision (e) of Section 388 within 15 judicial days of the signing of the agreement and the placing agency's efforts and supportive services to assist the nonminor in the reentry process, or (2) if the nonminor meets the definition of a nonminor former dependent or ward, as described in subdivision (aa), the nonminor's agreement to return to the care and support of his or her former juvenile court-appointed guardian and meet the eligibility criteria for AFDC-FC pursuant to subdivision (e) of Section 11405.

(aa) "Nonminor former dependent or ward" means, on and after January 1, 2012, either of the following:

(1) A nonminor who reached 18 years of age while subject to an order for foster care placement, and for whom dependency,

delinquency, or transition jurisdiction has been terminated, and who is still under the general jurisdiction of the court.

(2) A nonminor who is over 18 years of age and, while a minor, was a dependent child or ward of the juvenile court when the guardianship was established pursuant to Section 360 or 366.26, or subdivision (d), of Section 728 and the juvenile court dependency or wardship was dismissed following the establishment of the guardianship.

(ab) "Runaway and homeless youth shelter" means a type of group home, as defined in paragraph (14) of subdivision (a) of Section 1502 of the Health and Safety Code, that is not an eligible placement option under Sections 319, 361.2, 450, and 727, and that is not eligible for AFDC-FC funding pursuant to subdivision (c) of Section 11402 or Section 11462.

(ac) "Transition dependent" is a minor between 17 years and five months and 18 years of age who is subject to the court's transition jurisdiction under Section 450.

SEC. 192. Section 11450.025 of the Welfare and Institutions Code is amended to read:

11450.025. (a) Notwithstanding any other law, effective on March 1, 2014, the maximum aid payments in effect on July 1, 2012, as specified in subdivision (b) of Section 11450.02, shall be increased by 5 percent.

(b) Commencing in 2014 and annually thereafter, on or before January 10 and on or before May 14, the Director of Finance shall do all of the following:

(1) Estimate the amount of growth revenues pursuant to subdivision (f) of Section 17606.10 that will be deposited in the Child Poverty and Family Supplemental Support Subaccount of the Local Revenue Fund for the current fiscal year and the following fiscal year and the amounts in the subaccount carried over from prior fiscal years.

(2) For the current fiscal year and the following fiscal year, determine the total cost of providing the increase described in subdivision (a), as well as any other increase in the maximum aid payments subsequently provided only under this section, after adjusting for updated projections of CalWORKs costs associated with caseload changes, as reflected in the local assistance subvention estimates prepared by the State Department of Social

Services and released with the annual Governor's Budget and subsequent May Revision update.

(3) If the amount estimated in paragraph (1) plus the amount projected to be deposited for the current fiscal year into the Child Poverty and Family Supplemental Support Subaccount pursuant to paragraph (3) of subdivision (e) of Section 17600.15 is greater than the amount determined in paragraph (2), the difference shall be used to calculate the percentage increase to the CalWORKs maximum aid payment standards that could be fully funded on an ongoing basis beginning the following fiscal year.

(4) If the amount estimated in paragraph (1) plus the amount projected to be deposited for the current fiscal year into the Child Poverty and Family Supplemental Support Subaccount pursuant to paragraph (3) of subdivision (e) of Section 17600.15 is equal to or less than the amount determined in paragraph (2), no additional increase to the CalWORKs maximum aid payment standards shall be provided in the following fiscal year in accordance with this section.

(5) (A) Commencing with the 2014–15 fiscal year and for all fiscal years thereafter, if changes to the estimated amounts determined in paragraphs (1) or (2), or both, as of the May Revision, are enacted as part of the final budget, the Director of Finance shall repeat, using the same methodology used in the May Revision, the calculations described in paragraphs (3) and (4) using the revenue projections and grant costs assumed in the enacted budget.

(B) If a calculation is required pursuant to subparagraph (A), the Department of Finance shall report the result of this calculation to the appropriate policy and fiscal committees of the Legislature upon enactment of the Budget Act.

(c) An increase in maximum aid payments calculated pursuant to paragraph (3) of subdivision (b) or pursuant to paragraph (5) of subdivision (b), if applicable, shall become effective on October 1 of the following fiscal year.

(d) (1) An increase in maximum aid payments provided in accordance with this section shall be funded with growth revenues from the Child Poverty and Family Supplemental Support Subaccount in accordance with paragraph (3) of subdivision (e) of Section 17600.15 and subdivision (f) of Section 17606.10, to the extent funds are available in that subaccount.

(2) If funds received by the Child Poverty and Family Supplemental Support Subaccount in a particular fiscal year are insufficient to fully fund any increases to maximum aid payments made pursuant to this section, the remaining cost for that fiscal year will be addressed through existing provisional authority included in the annual Budget Act. Additional grant increases shall not be provided until and unless the ongoing cumulative costs of all prior grant increases provided pursuant to this section are fully funded by the Child Poverty and Family Supplemental Support Subaccount.

(e) Notwithstanding Section 15200, counties shall not be required to contribute a share of cost to cover the costs of increases to maximum aid payments made pursuant to this section.

SEC. 193. Section 14005.30 of the Welfare and Institutions Code is amended to read:

14005.30. (a) Medi-Cal benefits under this chapter shall be provided to individuals eligible for services under Section 1396u-1 of Title 42 of the United States Code.

(b) (1) When determining eligibility under this section, an applicant's or beneficiary's income and resources shall be determined, counted, and valued in accordance with the requirements of Section 1396a(e)(14) of Title 42 of the United States Code, as added by the ACA.

(2) When determining eligibility under this section, an applicant's or beneficiary's assets shall not be considered and deprivation shall not be a requirement for eligibility.

(c) For purposes of calculating income under this section during any calendar year, increases in social security benefit payments under Title II of the federal Social Security Act (42 U.S.C. Sec. 401 et seq.) arising from cost-of-living adjustments shall be disregarded commencing in the month that these social security benefit payments are increased by the cost-of-living adjustment through the month before the month in which a change in the federal poverty level requires the department to modify the income disregard pursuant to this subdivision and in which new income limits for the program established by this section are adopted by the department.

(d) The MAGI-based income eligibility standard applied under this section shall conform with the maintenance of effort

requirements of Sections 1396a(e)(14) and 1396a(gg) of Title 42 of the United States Code, as added by the ACA.

(e) For purposes of this section, the following definitions shall apply:

(1) "ACA" means the federal Patient Protection and Affordable Care Act (Public Law 111-148), as originally enacted and as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) and any subsequent amendments.

(2) "MAGI-based income" means income calculated using the financial methodologies described in Section 1396a(e)(14) of Title 42 of the United States Code, as added by the federal Patient Protection and Affordable Care Act (Public Law 111-148) and as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) and any subsequent amendments.

(f) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this section by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions until the time any necessary regulations are adopted. The department shall adopt regulations by July 1, 2017, in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Beginning six months after the effective date of this section, and notwithstanding Section 10231.5 of the Government Code, the department shall provide a status report to the Legislature on a semiannual basis, in compliance with Section 9795 of the Government Code, until regulations have been adopted.

(g) This section shall be implemented only if and to the extent that federal financial participation is available and any necessary federal approvals have been obtained.

(h) This section shall become operative on January 1, 2014.

SEC. 194. Section 14005.65 of the Welfare and Institutions Code is amended to read:

14005.65. (a) The department shall file a state plan amendment to exercise the federal option under subdivision (h) of Section 435.603 of Title 42 of the Code of Federal Regulations to allow beneficiaries to use projected annual household income and to

allow applicants and beneficiaries to use reasonably predictable annual income as set forth in this section when determining their eligibility for Medi-Cal benefits.

(b) (1) Beneficiaries shall be allowed to use projected annual household income to establish eligibility for Medi-Cal benefits for the remainder of the calendar year in which that projected income is used to determine eligibility if the current monthly income would render the beneficiary ineligible due to an increase in income.

(2) If projected annual household income has been used by the beneficiary, the department shall redetermine the beneficiary's Medi-Cal benefits at the end of the calendar year.

(c) (1) Applicants and beneficiaries shall be allowed to use reasonably predictable annual income to establish eligibility for Medi-Cal benefits.

(2) Before being allowed to use reasonably predictable annual income to establish eligibility for Medi-Cal benefits, the applicant or beneficiary shall provide the department with adequate evidence of the predicted change, including, but not limited to, a signed contract for employment, clear proof of a history of predictable fluctuations in income, or other clear indicia of such future changes in income.

(d) This section shall be implemented only if and to the extent that federal financial participation is available and any necessary federal approvals have been obtained.

(e) This section shall become operative on January 1, 2014.

SEC. 195. Section 14007.1 of the Welfare and Institutions Code is amended to read:

14007.1. (a) The department shall electronically verify an individual's state residency using information from the federal Supplemental Nutrition Assistance Program, the CalWORKs program, the California Health Benefit Exchange, the Franchise Tax Board, the Department of Motor Vehicles, the Employment Development Department, or the electronic service established in accordance with Section 435.949 of Title 42 of the Code of Federal Regulations, and other available sources. If the department is unable to electronically verify an individual's state residency using these electronic data sources, an individual shall verify state residency as set forth in this section.

(b) If the individual is 21 years of age or older, is capable of indicating intent, and is not residing in an institution, state

residency is established when the individual provides one of the following:

(1) A recent California rent or mortgage receipt or utility bill in the individual's name.

(2) A current California motor vehicle driver's license or California Identification Card issued by the Department of Motor Vehicles in the individual's name.

(3) A current California motor vehicle registration in the individual's name.

(4) A document showing that the individual is employed in this state or is seeking employment in the state.

(5) A document showing that the individual has registered with a public or private employment service in this state.

(6) Evidence that the individual has enrolled his or her children in a school in this state.

(7) Evidence that the individual is receiving public assistance in this state. For purposes of this paragraph, "public assistance" shall not include unemployment insurance benefits.

(8) Evidence of registration to vote in this state.

(9) A declaration by the individual under penalty of perjury that he or she intends to reside in this state and does not have a fixed address and cannot provide any of the documents identified in paragraphs (1) to (8), inclusive.

(10) A declaration by the individual under penalty of perjury that he or she has entered the state with a job commitment or is seeking employment in the state and cannot provide any of the documents identified in paragraphs (1) to (8), inclusive.

(c) If the individual is 21 years of age or older, is incapable of indicating intent, and is not residing in an institution, state residency is established when the parent, legal guardian of the individual, or any other person with knowledge declares, under penalty of perjury, that the individual is residing in this state.

(d) If the individual is 21 years of age or older, is residing in an institution, and became incapable of indicating intent before reaching 21 years of age, state residency is established by any of the following:

(1) When the parent applying for Medi-Cal on the individual's behalf (A) declares under penalty of perjury that the individual's parents reside in separate states and (B) establishes that he or she

(the parent) is a resident of this state in accordance with the requirements of this section.

(2) When the legal guardian applying for Medi-Cal on the individual's behalf (A) declares under penalty of perjury that parental rights have been terminated and (B) establishes that he or she (the legal guardian) is a resident of this state in accordance with the requirements of this section.

(3) When the parent or parents applying for Medi-Cal on the individual's behalf establishes in accordance with the requirements of this section that he, she, or they (the parent or parents), were a resident of this state at the time the individual was placed in the institution.

(4) When the legal guardian applying for Medi-Cal on the individual's behalf (A) declares under penalty of perjury that parental rights have been terminated and (B) establishes in accordance with the requirements of this section that he or she (the legal guardian) was a resident of this state at the time the individual was placed in the institution.

(5) When the parent, or parents, applying for Medi-Cal on the individual's behalf (A) provides a document from the institution that demonstrates that the individual is institutionalized in this state and (B) establishes in accordance with the requirements of this section that he, she, or they (the parent or parents), are a resident of this state.

(6) When the legal guardian applying for Medi-Cal on the individual's behalf (A) provides a document from the institution that demonstrates that the individual is institutionalized in this state, (B) declares under penalty of perjury that parental rights have been terminated, and (C) establishes in accordance with the requirements of this section that he or she (the legal guardian) is a resident of this state.

(7) When the individual or party applying for Medi-Cal on the individual's behalf (A) provides a document from the institution that demonstrates that the individual is institutionalized in this state, (B) declares under penalty of perjury that the individual has been abandoned by his or her parents and does not have a legal guardian, and (C) establishes that he or she (the individual or party applying for Medi-Cal on the individual's behalf) is a resident of this state in accordance with the requirements of this section.

(e) Except when another state has placed the individual in the institution, if the individual is 21 years of age or older, is residing in an institution, and became incapable of indicating intent on or after reaching 21 years of age, state residency is established when the person filing the application on the individual's behalf provides a document from the institution that demonstrates that the individual is institutionalized in this state.

(f) If the individual is 21 years of age or older, is capable of indicating intent, and is residing in an institution, state residency is established when the individual (1) provides a document from the institution that demonstrates that the individual is institutionalized in this state, and (2) declares under penalty of perjury that he or she intends to reside in this state.

(g) If the individual is under 21 years of age, is married or emancipated from his or her parents, is capable of indicating intent, and is not residing in an institution, state residency is established in accordance with subdivision (b).

(h) If the individual is under 21 years of age, is not living in an institution, and is not described in subdivision (g), state residency is established by any of the following:

(1) When the individual resides with his or her parent or parents and the parent or parents establish that he, she, or they (the parent or parents) are a resident of this state in accordance with the requirements of subdivision (b).

(2) When the individual resides with a caretaker relative or caretaker relatives and the caretaker relative or caretaker relatives establish that he, she, or they (the caretaker relative or caretaker relatives), are a resident of this state in accordance with the requirements of subdivision (b).

(3) When the person with whom the individual is residing is not the individual's parent or caretaker relative and he or she (A) declares under penalty of perjury that the individual is residing with him or her, and (B) establishes that he or she (the person with whom the individual is residing) is a resident of this state in accordance with the requirements of subdivision (b).

(4) When the individual does not reside with his or her parents or with a caretaker relative and he or she declares under penalty of perjury that he or she is living in this state.

(i) If the individual is under 21 years of age, is institutionalized, and is not married or emancipated, state residency is established

in accordance with paragraph (3), (4), (5), (6), or (7) of subdivision (d).

(j) A denial of a determination of residency may be appealed in the same manner as any other denial of eligibility. The administrative law judge shall receive any proof of residency offered by the individual and may inquire into any facts relevant to the question of residency. A determination of residency shall not be granted unless a preponderance of the credible evidence supports that the individual is a resident of this state under Section 14007.15.

(k) To the extent otherwise required by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall adopt emergency regulations implementing this section no later than July 1, 2015. The department may thereafter readopt the emergency regulations pursuant to that chapter. The adoption and readoption, by the department, of regulations implementing this section shall be deemed to be an emergency and necessary to avoid serious harm to the public peace, health, safety, or general welfare for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement that it describe facts showing the need for immediate action and from review by the Office of Administrative Law.

(*l*) For purposes of this section, the definitions in subdivision (i) of Section 14007.15 shall apply.

(m) This section shall be implemented only if and to the extent that federal financial participation is available and any necessary federal approvals have been obtained.

(n) This section shall become operative on January 1, 2014.

SEC. 196. Section 14132.277 of the Welfare and Institutions Code is amended to read:

14132.277. (a) For purposes of this section, the following definitions shall apply:

(1) "Coordinated Care Initiative county" means the Counties of Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara, and any other county identified in Appendix 3 of the Memorandum of Understanding Between the Centers for Medicare and Medicaid Services and the State of California Regarding A Federal-State Partnership to Test a Capitated Financial Alignment Model for Medicare-Medicaid

Enrollees, inclusive of all amendments, as authorized by Section 14132.275.

(2) "D-SNP plan" means a Medicare Advantage Special Needs Plan.

(3) "D-SNP contract" means a federal Medicare Improvements for Patients and Provider Act of 2008 (Public Law 110-275) compliant contract between the department and a D-SNP plan.

(b) For the 2014 calendar year, the department shall offer D-SNP contracts to existing D-SNP plans to continue to provide benefits to their enrollees in their service areas as approved on January 1, 2013. The director may include in any D-SNP contract provisions requiring that the D-SNP plan do the following:

(1) Submit to the department a complete and accurate copy of the bid submitted by the plan to the federal Centers for Medicare and Medicaid Services for its D-SNP contract.

(2) Submit to the department copies of all utilization and quality management reports submitted to the federal Centers for Medicare and Medicaid Services.

(c) In Coordinated Care Initiative counties, Medicare Advantage plans and D-SNP plans may continue to enroll beneficiaries in 2014. In the 2014 calendar year, beneficiaries enrolled in a Medicare Advantage or D-SNP plan operating in a Coordinated Care Initiative county shall be exempt from the enrollment provisions of subparagraph (A) of paragraph (1) of subdivision (*l*) of Section 14132.275. Those beneficiaries may at any time voluntarily choose to disenroll from their Medicare Advantage or D-SNP plan and enroll in a demonstration site operating pursuant to subdivision (g) of Section 14132.275. If a beneficiary chooses to do so, that beneficiary may subsequently disenroll from the demonstration site and return to fee-for-service Medicare or to a D-SNP plan or Medicare Advantage plan.

SEC. 197. Section 14182.18 of the Welfare and Institutions Code is amended to read:

14182.18. (a) It is the intent of the Legislature that both the managed care plans participating in and providing long-term services and supports under Sections 14182.16 and 14186.2 and the state have protections against either significant overpayment or significant underpayments. Risk corridors are one method of risk sharing that may limit the financial risk of misaligning the payments associated with a contract to furnish long-term services

and supports pursuant to a contract under the Coordinated Care Initiative on an at-risk basis.

(b) In Coordinated Care Initiative counties, as defined in paragraph (1) of subdivision (b) of Section 14182.16, for managed care health plans providing long-term services and supports, the department shall include in its contract with those plans risk corridors designed with the following parameters:

(1) Risk corridors shall apply only to the costs of the individuals and services identified below:

(A) Health care service costs for full-benefit dual eligible beneficiaries, as defined in paragraph (3) of subdivision (b) of Section 14182.16, for whom both of the following are true:

(i) The beneficiary is enrolled in the managed care health plan and the plan's contract covers all Medi-Cal long-term services and supports.

(ii) The beneficiary is not enrolled in the demonstration project.

(B) Long-term services and supports costs for partial-benefit dual eligible beneficiaries, as defined in paragraph (7) of subdivision (b) of Section 14182.16, and non-dual-eligible beneficiaries who are enrolled in the managed care health plan if the plan's contract covers all Medi-Cal long-term services and supports.

(2) Risk corridors applied to costs of beneficiary services identified in subparagraph (A) of paragraph (1) shall only be in place for a period of 24 months starting with the first month in which both mandatory enrollment of full-benefit dual eligible beneficiaries pursuant to Section 14182.16 and mandatory coverage of all Medi-Cal long-term services and supports pursuant to Section 14186.2 have occurred.

(3) Risk corridors applied to costs of beneficiary services identified in subparagraph (B) of paragraph (1) shall only be in place for a period of 24 months starting with the first month in which mandatory coverage of all Medi-Cal long-term services and supports pursuant to Section 14186.2 has occurred.

(4) The risk sharing of the costs of the individuals and services under this subdivision shall be constructed by the department so that it is symmetrical with respect to risk and profit, and so that all of the following apply:

(A) The managed care health plan is fully responsible for all costs in excess of the capitated rate of the plan up to 1 percent.

(B) The managed care health plan shall fully retain the revenues paid through the capitated rate in excess of the costs incurred up to 1 percent.

(C) The managed care health plan and the department shall share responsibility for costs in excess of the capitated rate of the plan that are greater than 1 percent above the rate but less than 2.5 percent above the rate.

(D) The managed care health plan and the department shall share the benefit of revenues in excess of the costs incurred that are greater than 1 percent below the capitated rate of the plan but less than 2.5 percent below the capitated rate of the plan.

(E) The department shall be fully responsible for all costs in excess of the capitated rate of the plan that are more than 2.5 percent above the capitated rate of the plan.

(F) The department shall fully retain the revenues paid through the capitated rate in excess of the costs incurred greater than 2.5 percent below the capitated rate of the plan.

(c) The department shall develop specific contractual language implementing the requirements of this section and corresponding details that shall be incorporated into the managed care health plan's contract.

(d) This section shall be implemented only to the extent that any necessary federal approvals or waivers are obtained.

SEC. 198. Section 14186.1 of the Welfare and Institutions Code is amended to read:

14186.1. For purposes of this article, the following definitions shall apply unless otherwise specified:

(a) "Coordinated Care Initiative counties" has the same meaning as that term is defined in paragraph (1) of subdivision (b) of Section 14182.16.

(b) "Home- and community-based services" means services provided pursuant to paragraphs (1), (2), and (3) of subdivision (c).

(c) "Long-term services and supports" or "LTSS" means all of the following:

(1) In-home supportive services (IHSS) provided pursuant to Article 7 (commencing with Section 12300) of Chapter 3, and Sections 14132.95, 14132.952, and 14132.956.

(2) Community-Based Adult Services (CBAS).

(3) Multipurpose Senior Services Program (MSSP) services, which include those services approved under a federal home- and community-based services waiver or, beginning January 1, 2015, or after 19 months, equivalent services.

(4) Skilled nursing facility services and subacute care services established under subdivision (c) of Section 14132, including those services described in Sections 51511 and 51511.5 of Title 22 of the California Code of Regulations, regardless of whether the service is included in the basic daily rate or billed separately, and any leave of absence or bed hold provided consistent with Section 72520 of Title 22 of the California Code of Regulations or the state plan. However, services provided by any category of intermediate care facility for the developmentally disabled shall not be considered long-term services and supports.

(d) "Home- and community-based services (HCBS) plan benefits" may include in-home and out-of-home respite, nutritional assessment, counseling, and supplements, minor home or environmental adaptations, habilitation, and other services that may be deemed necessary by the managed care health plan, including its care coordination team. The department, in consultation with stakeholders, may determine whether health plans shall be required to include these benefits in their scope of service, and may establish guidelines for the scope, duration, and intensity of these benefits. The grievance process for these benefits shall be the same process as used for other benefits authorized by managed care health plans, and shall comply with Section 14450, and Sections 1368 and 1368.1 of the Health and Safety Code.

(e) "Managed care health plan" means an individual, organization, or entity that enters into a contract with the department pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), Article 2.81 (commencing with Section 14087.96), or Article 2.91 (commencing with Section 14089), of this chapter, or Chapter 8 (commencing with Section 14200). For purposes of this article, "managed care health plan" shall not include an individual, organization, or entity that enters into a contract with the department to provide services pursuant to Chapter 8.75 (commencing with Section 14591) or the Senior Care Action Network.

(f) "Other health coverage" means health coverage providing the same full or partial benefits as the Medi-Cal program, health coverage under another state or federal medical care program except for the Medicare Program (Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.)), or health coverage under a contractual or legal entitlement, including, but not limited to, a private group or indemnification insurance program.

(g) "Recipient" means a Medi-Cal beneficiary eligible for IHSS provided pursuant to Article 7 (commencing with Section 12300) of Chapter 3, and Sections 14132.95, 14132.952, and 14132.956.

(h) "Stakeholder" shall include, but not be limited to, area agencies on aging and independent living centers.

SEC. 199. Section 14186.36 of the Welfare and Institutions Code is amended to read:

14186.36. (a) It is the intent of the Legislature that a universal assessment process for LTSS be developed and tested. The initial uses of this tool may inform future decisions about whether to amend existing law regarding the assessment processes that currently apply to LTSS programs, including IHSS.

(b) (1) In addition to the activities set forth in paragraph (9) of subdivision (a) of Section 14186.35, county agencies shall continue IHSS assessment and authorization processes, including making final determinations of IHSS hours pursuant to Article 7 (commencing with Section 12300) of Chapter 3 and regulations promulgated by the State Department of Social Services.

(2) No sooner than January 1, 2015, for the counties and beneficiary categories specified in subdivision (e), counties shall also utilize the universal assessment tool, as described in subdivision (c), if one is available and upon completion of the stakeholder process, system design and testing, and county training described in subdivisions (c) and (e), for the provision of IHSS services. This paragraph shall only apply to beneficiaries who consent to the use of the universal assessment process. The managed care health plans shall be required to cover IHSS services based on the results of the universal assessment process specified in this section.

(c) (1) No later than June 1, 2013, the department, the State Department of Social Services, and the California Department of Aging shall establish a stakeholder workgroup to develop the universal assessment process, including a universal assessment

tool, for home- and community-based services, as defined in subdivision (b) of Section 14186.1. The stakeholder workgroup shall include, but not be limited to, consumers of IHSS and other home- and community-based services and their authorized representatives, managed care health plans, counties, IHSS, MSSP, and CBAS providers, area agencies on aging, independent living centers, and legislative staff. The universal assessment process shall be used for all home- and community-based services, including IHSS. In developing the process, the workgroup shall build upon the IHSS uniform assessment process and hourly task guidelines, the MSSP assessment process, and other appropriate home- and community-based assessment tools.

(2) (A) In developing the universal assessment process, the departments described in paragraph (1) shall develop a universal assessment tool that will inform the universal assessment process and facilitate the development of plans of care based on the individual needs of the consumer. The workgroup shall consider issues including, but not limited to, the following:

(i) The roles and responsibilities of the health plans, counties, and home- and community-based services providers administering the assessment.

(ii) The criteria for reassessment.

(iii) How the results of new assessments would be used for the oversight and quality monitoring of home- and community-based services providers.

(iv) How the appeals process would be affected by the assessment.

(v) The ability to automate and exchange data and information between home- and community-based services providers.

(vi) How the universal assessment process would incorporate person-centered principles and protections.

(vii) How the universal assessment process would meet the legislative intent of this article and the goals of the demonstration project pursuant to Section 14132.275.

(viii) The qualifications for, and how to provide guidance to, the individuals conducting the assessments.

(B) The workgroup shall also consider how this assessment may be used to assess the need for nursing facility care and divert individuals from nursing facility care to home- and community-based services.

(d) No later than March 1, 2014, the department, the State Department of Social Services, and the California Department of Aging shall report to the Legislature on the stakeholder workgroup's progress in developing the universal assessment process, and shall identify the counties and beneficiary categories for which the universal assessment process may be implemented pursuant to subdivision (e).

(e) (1) No sooner than January 1, 2015, upon completion of the design and development of a new universal assessment tool, managed care health plans, counties, and other home- and community-based services providers may test the use of the tool for a specific and limited number of beneficiaries who receive or are potentially eligible to receive home- and community-based services pursuant to this article in no fewer than two, and no more than four, of the counties where the provisions of this article are implemented, if the following conditions have been met:

(A) The department has obtained any federal approvals through necessary federal waivers or amendments, or state plan amendments, whichever occurs later.

(B) The system used to calculate the results of the tool has been tested.

(C) Any entity responsible for using the tool has been trained in its usage.

(2) To the extent the universal assessment tool or universal assessment process results in changes to the authorization process and provision of IHSS services, those changes shall be automated in the Case Management Information and Payroll System.

(3) The department shall develop materials to inform consumers of the option to participate in the universal assessment tool testing phase pursuant to this paragraph.

(f) The department, the State Department of Social Services, and the California Department of Aging shall implement a rapid-cycle quality improvement system to monitor the implementation of the universal assessment process, identify significant changes in assessment results, and make modifications to the universal assessment process to more closely meet the legislative intent of this article and the goals of the demonstration project pursuant to Section 14132.275.

(g) Until existing law relating to the IHSS assessment process pursuant to Article 7 (commencing with Section 12300) of Chapter

3 is amended, beneficiaries shall have the option to request an additional assessment using the previous assessment process for those home- and community-based services and to receive services according to the results of the additional assessment.

(h) No later than nine months after the implementation of the universal assessment process, the department, the State Department of Social Services, and the California Department of Aging, in consultation with stakeholders, shall report to the Legislature on the results of the initial use of the universal assessment process, and may identify proposed additional beneficiary categories or counties for expanded use of this process and any necessary changes to provide statutory authority for the continued use of the universal assessment process. These departments shall report annually thereafter to the Legislature on the status and results of the universal assessment process.

(i) This section shall remain operative only until July 1, 2017.

SEC. 200. Section 14701 of the Welfare and Institutions Code is amended to read:

14701. (a) The State Department of Health Care Services, in collaboration with the State Department of State Hospitals and the California Health and Human Services Agency, shall create a state administrative and programmatic transition plan, either as one comprehensive transition plan or separately, to guide the transfer of the Medi-Cal specialty mental health managed care and the EPSDT Program to the State Department of Health Care Services effective July 1, 2012.

(b) (1) Commencing no later than July 15, 2011, the State Department of Health Care Services, together with the State Department of State Hospitals, shall convene a series of stakeholder meetings and forums to receive input from clients, family members, providers, counties, and representatives of the Legislature concerning the transition and transfer of Medi-Cal specialty mental health managed care and the EPSDT Program. This consultation shall inform the creation of a state administrative transition plan and a programmatic transition plan that shall include, but is not limited to, the following components:

(A) The plan shall ensure that it is developed in a way that continues access and quality of service during and immediately after the transition, preventing any disruption of services to clients

and family members, providers and counties, and others affected by this transition.

(B) A detailed description of the state administrative functions currently performed by the State Department of Mental Health regarding Medi-Cal specialty mental health managed care and the EPSDT Program.

(C) Explanations of the operational steps, timelines, and key milestones for determining when and how each function or program will be transferred. These explanations shall also be developed for the transition of positions and staff serving Medi-Cal specialty mental health managed care and the EPSDT Program, and how these will relate to, and align with, positions at the State Department of Health Care Services. The State Department of Health Care Services and the California Health and Human Services Agency shall consult with the Department of Human Resources in developing this aspect of the transition plan.

(D) A list of any planned or proposed changes or efficiencies in how the functions will be performed, including the anticipated fiscal and programmatic impacts of the changes.

(E) A detailed organization chart that reflects the planned staffing at the State Department of Health Care Services in light of the requirements of subparagraphs (A) to (C), inclusive, and includes focused, high-level leadership for behavioral health issues.

(F) A description of how stakeholders were included in the various phases of the planning process to formulate the transition plans and a description of how their feedback will be taken into consideration after transition activities are underway.

(2) The State Department of Health Care Services, together with the State Department of State Hospitals and the California Health and Human Services Agency, shall convene and consult with stakeholders at least twice following production of a draft of the transition plans and before submission of transition plans to the Legislature. Continued consultation with stakeholders shall occur in accordance with the requirement in subparagraph (F) of paragraph (1).

SEC. 201. Section 17603 of the Welfare and Institutions Code is amended to read:

17603. (a) This subdivision shall only apply until the end of the 2012–13 fiscal year. On or before the 27th day of each month, the Controller shall allocate to the local health and welfare trust

fund health accounts the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Health Subaccount of the Sales Tax Account of the Local Revenue Fund, in accordance with paragraphs (1) and (2):

(1) For the 1991–92 fiscal year, allocations shall be made in accordance with the following schedule:

Jurisdiction	Allocation Percentage
Alameda	4.5046
Alpine	0.0137
Amador	0.1512
Butte	0.8131
Calaveras	0.1367
Colusa	0.1195
Contra Costa	2.2386
Del Norte	0.1340
El Dorado	0.5228
Fresno	2.3531
Glenn	0.1391
Humboldt	0.8929
Imperial	0.8237
Inyo	0.1869
Kern	1.6362
Kings	0.4084
Lake	0.1752
Lassen	0.1525
Los Angeles	37.2606
Madera	0.3656
Marin	1.0785
Mariposa	0.0815
Mendocino	0.2586
Merced	0.4094
Modoc	0.0923
Mono	0.1342
Monterey	0.8975
Napa	0.4466
Nevada	0.2734
Orange	5.4304
Placer	0.2806

Plumas	0.1145
Riverside	2.7867
Sacramento	2.7497
San Benito	0.1701
San Bernardino	2.4709
San Diego	4.7771
San Francisco	7.1450
San Joaquin	1.0810
San Luis Obispo	0.4811
San Mateo	1.5937
Santa Barbara	0.9418
Santa Clara	3.6238
Santa Cruz	0.6714
Shasta	0.6732
Sierra	0.0340
Siskiyou	0.2246
Solano	0.9377
Sonoma	1.6687
Stanislaus	1.0509
Sutter	0.4460
Tehama	0.2986
Trinity	0.1388
Tulare	0.7485
Tuolumne	0.2357
Ventura	1.3658
Yolo	0.3522
Yuba	0.3076
Berkeley	0.0692
Long Beach	0.2918
Pasadena	0.1385

(2) For the 1992–93 fiscal year and fiscal years thereafter until the commencement of the 2013–14 fiscal year, the allocations to each county and city and county shall equal the amounts received in the prior fiscal year by each county, city, and city and county from the Sales Tax Account and the Sales Tax Growth Account of the Local Revenue Fund into the health and welfare trust fund.

(b) (1) For the 2013–14 fiscal year, on the 27th day of each month, the Controller shall allocate, in the same proportion as funds in paragraph (2) of subdivision (a) were allocated, to each

county's and city and county's local health and welfare trust fund health accounts, the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Health Subaccount of the Sales Tax Account of the Local Revenue Fund.

(2) (A) Beginning January 2014 and for the remainder of the 2013–14 fiscal year, on or before the 27th of each month, the Controller shall transfer to the Family Support Subaccount from the Health Subaccount amounts determined pursuant to a schedule prepared by the Department of Finance in consultation with the California State Association of Counties. Cumulatively, no more than three hundred million dollars ($300,000,000) shall be transferred.

(B) Every month, after the transfers in subparagraph (A) have occurred, the remainder shall be allocated to the counties and cities and counties in the same proportions as funds in paragraph (2) of subdivision (a) were allocated.

(C) For counties participating in the County Medical Services Program, transfers from each county shall not be greater than the monthly amount the county would otherwise pay pursuant to paragraph (2) of subdivision (j) of Section 16809 for participation in the County Medical Services Program. Any difference between the amount paid by these counties and the proportional share of the three hundred million dollars ($300,000,000) calculated as payable by these counties and the County Medical Services Program shall be paid from the funds available for allocation to the County Medical Services Program in accordance with the Welfare and Institutions Code.

(3) For the 2013–14 fiscal year, the Controller, using the same timing and criteria used in paragraph (1), shall allocate to each city, not to include a city and county, funds that shall equal the amounts received in the prior fiscal year by each city from the Sales Tax Account and the Sales Tax Growth Account of the Local Revenue Fund into the health and welfare trust fund.

(c) (1) (A) For the 2014–15 fiscal year and for every fiscal year thereafter, the Department of Finance, in consultation with the California State Association of Counties, shall calculate the amount each county or city and county shall contribute to the Family Support Subaccount in accordance with Section 17600.50.

(B) On or before the 27th of each month, the Controller shall transfer, based on a schedule prepared by the Department of

Finance in consultation with the California State Association of Counties, from the funds deposited and remaining unexpended and unreserved on the 15th day of the month in the Health Subaccount of the Sales Tax Account of the Local Revenue Fund to the Family Support Subaccount, funds that equal, over the course of the year, the amount determined in subparagraph (A) pursuant to a schedule provided by the Department of Finance.

(C) After the transfer in subparagraph (B) has occurred, the Controller shall allocate on or before the 27th of each month to health account in the local health and welfare trust fund of every county and city and county from a schedule prepared by the Department of Finance, in consultation with the California State Association of Counties, any funds remaining in the Health Account from the funds deposited and remaining unexpended and unreserved on the 15th day of the month in the Health Subaccount of the Sales Tax Account of the Local Revenue Fund. The schedule shall be prepared as the allocations would have been distributed pursuant to paragraph (2) of subdivision (a).

(D) For the 2014–15 fiscal year and for every fiscal year thereafter, the Controller, using the same timing and criteria as had been used in paragraph (2) of subdivision (a), shall allocate to each city, not to include a city and county, funds that equal the amounts received in the prior fiscal year by each city from the Sales Tax Account and the Sales Tax Growth Account of the Local Revenue Fund into the health and welfare trust fund.

SEC. 202. Section 17604 of the Welfare and Institutions Code is amended to read:

17604. (a) All motor vehicle license fee revenues collected in the 1991–92 fiscal year that are deposited to the credit of the Local Revenue Fund shall be credited to the Vehicle License Fee Account of that fund.

(b) (1) For the 1992–93 fiscal year and fiscal years thereafter, from vehicle license fee proceeds from revenues deposited to the credit of the Local Revenue Fund, the Controller shall make monthly deposits to the Vehicle License Fee Account of the Local Revenue Fund until the deposits equal the amounts that were allocated to counties, cities, and cities and counties as general purpose revenues in the prior fiscal year pursuant to this chapter from the Vehicle License Fee Account in the Local Revenue Fund

and the Vehicle License Fee Account and the Vehicle License Fee Growth Account in the Local Revenue Fund.

(2) Any excess vehicle fee revenues deposited into the Local Revenue Fund pursuant to Section 11001.5 of the Revenue and Taxation Code shall be deposited in the Vehicle License Fee Growth Account of the Local Revenue Fund.

(3) The Controller shall calculate the difference between the total amount of vehicle license fee proceeds deposited to the credit of the Local Revenue Fund, pursuant to paragraph (1) of subdivision (a) of Section 11001.5 of the Revenue and Taxation Code, and deposited into the Vehicle License Fee Account for the period of July 16, 2009, to July 15, 2010, inclusive, and the amount deposited for the period of July 16, 2010, to July 15, 2011, inclusive.

(4) Of vehicle license fee proceeds deposited to the Vehicle License Fee Account after July 15, 2011, an amount equal to the difference calculated in paragraph (3) shall be deemed to have been deposited during the period of July 16, 2010, to July 15, 2011, inclusive, and allocated to cities, counties, and a city and county as if those proceeds had been received during the 2010–11 fiscal year.

(c) (1) On or before the 27th day of each month, the Controller shall allocate to each county, city, or city and county, as general purpose revenues the amounts deposited and remaining unexpended and unreserved on the 15th day of the month in the Vehicle License Fee Account of the Local Revenue Fund, in accordance with paragraphs (2) and (3).

(2) For the 1991–92 fiscal year, allocations shall be made in accordance with the following schedule:

Jurisdiction	Allocation Percentage
Alameda	4.5046
Alpine	0.0137
Amador	0.1512
Butte	0.8131
Calaveras	0.1367
Colusa	0.1195
Contra Costa	2.2386
Del Norte	0.1340

El Dorado	0.5228
Fresno	2.3531
Glenn	0.1391
Humboldt	0.8929
Imperial	0.8237
Inyo	0.1869
Kern	1.6362
Kings	0.4084
Lake	0.1752
Lassen	0.1525
Los Angeles	37.2606
Madera	0.3656
Marin	1.0785
Mariposa	0.0815
Mendocino	0.2586
Merced	0.4094
Modoc	0.0923
Mono	0.1342
Monterey	0.8975
Napa	0.4466
Nevada	0.2734
Orange	5.4304
Placer	0.2806
Plumas	0.1145
Riverside	2.7867
Sacramento	2.7497
San Benito	0.1701
San Bernardino	2.4709
San Diego	4.7771
San Francisco	7.1450
San Joaquin	1.0810
San Luis Obispo	0.4811
San Mateo	1.5937
Santa Barbara	0.9418
Santa Clara	3.6238
Santa Cruz	0.6714
Shasta	0.6732
Sierra	0.0340
Siskiyou	0.2246
Solano	0.9377

Sonoma	1.6687
Stanislaus	1.0509
Sutter	0.4460
Tehama	0.2986
Trinity	0.1388
Tulare	0.7485
Tuolumne	0.2357
Ventura	1.3658
Yolo	0.3522
Yuba	0.3076
Berkeley	0.0692
Long Beach	0.2918
Pasadena	0.1385

(3) For the 1992–93, 1993–94, and 1994–95 fiscal years and fiscal years thereafter, allocations shall be made in the same amounts as were distributed from the Vehicle License Fee Account and the Vehicle License Fee Growth Account in the prior fiscal year.

(4) For the 1995–96 fiscal year, allocations shall be made in the same amounts as distributed in the 1994–95 fiscal year from the Vehicle License Fee Account and the Vehicle License Fee Growth Account after adjusting the allocation amounts by the amounts specified for the following counties:

Alpine	$(11,296)
Amador	25,417
Calaveras	49,892
Del Norte	39,537
Glenn	(12,238)
Lassen	17,886
Mariposa	(6,950)
Modoc	(29,182)
Mono	(6,950)
San Benito	20,710
Sierra	(39,537)
Trinity	(48,009)

(5) (A) For the 1996–97 fiscal year and fiscal years thereafter, allocations shall be made in the same amounts as were distributed

from the Vehicle License Fee Account and the Vehicle License Fee Growth Account in the prior fiscal year.

(B) Initial proceeds deposited in the Vehicle License Fee Account in the 2003–04 fiscal year in the amount that would otherwise have been transferred pursuant to former Section 10754 of the Revenue and Taxation Code for the period June 20, 2003, to July 15, 2003, inclusive, shall be deemed to have been deposited during the period June 16, 2003, to July 15, 2003, inclusive, and allocated to cities, counties, and a city and county during the 2002–03 fiscal year.

(d) The Controller shall make monthly allocations from the amount deposited in the Vehicle License Collection Account of the Local Revenue Fund to each county in accordance with a schedule to be developed by the State Department of State Hospitals in consultation with the California Mental Health Directors Association, which is compatible with the intent of the Legislature expressed in the act adding this subdivision.

(e) Before making the monthly allocations in accordance with paragraph (5) of subdivision (c) and subdivision (d), and pursuant to a schedule provided by the Department of Finance, the Controller shall adjust the monthly distributions from the Vehicle License Fee Account to reflect an equal exchange of sales and use tax funds from the Social Services Subaccount to the Health Subaccount, as required by subdivisions (d) and (e) of Section 17600.15, and of Vehicle License Fee funds from the Health Account to the Social Services Account. Adjustments made to the Vehicle License Fee distributions pursuant to this subdivision shall not be used in calculating future year allocations to the Vehicle License Fee Account.

SEC. 203. Section 17606.10 of the Welfare and Institutions Code is amended to read:

17606.10. (a) For the 1992–93 fiscal year and subsequent fiscal years, the Controller shall allocate funds, on a monthly basis from the General Growth Subaccount in the Sales Tax Growth Account to the appropriate accounts in the local health and welfare trust fund of each county, city, and city and county in accordance with a schedule setting forth the percentage of total state resources received in the 1990–91 fiscal year, including State Legalization Impact Assistance Grants distributed by the state under former Part 4.5 (commencing with Section 16700), funding provided for

purposes of implementation of Division 5 (commencing with Section 5000), for the organization and financing of community mental health services, including the Cigarette and Tobacco Products Surtax proceeds that are allocated to county mental health programs pursuant to Chapter 1331 of the Statutes of 1989, Chapter 51 of the Statutes of 1990, and Chapter 1323 of the Statutes of 1990, and state hospital funding and funding distributed for programs administered under Sections 1794, 10101.1, and 11322.2, as annually adjusted by the Department of Finance, in conjunction with the appropriate state department to reflect changes in equity status from the base percentages. However, for the 1992–93 fiscal year, the allocation for community mental health services shall be based on the following schedule:

Jurisdiction	Percentage of Statewide Resource Base
Alameda	4.3693
Alpine	0.0128
Amador	0.0941
Butte	0.7797
Calaveras	0.1157
Colusa	0.0847
Contra Costa	2.3115
Del Norte	0.1237
El Dorado	0.3966
Fresno	3.1419
Glenn	0.1304
Humboldt	0.6175
Imperial	0.5425
Inyo	0.1217
Kern	1.8574
Kings	0.4229
Lake	0.2362
Lassen	0.1183
Los Angeles	27.9666
Madera	0.3552
Marin	0.9180
Mariposa	0.0792
Mendocino	0.4099

Merced	0.8831
Modoc	0.0561
Mono	0.0511
Monterey	1.1663
Napa	0.3856
Nevada	0.2129
Orange	5.3423
Placer	0.5034
Plumas	0.1134
Riverside	3.6179
Sacramento	4.1872
San Benito	0.1010
San Bernardino	4.5494
San Diego	7.8773
San Francisco	3.5335
San Joaquin	2.4690
San Luis Obispo	0.6652
San Mateo	2.5169
Santa Barbara	1.0745
Santa Clara	5.0488
Santa Cruz	0.7960
Shasta	0.5493
Sierra	0.0345
Siskiyou	0.2051
Solano	0.6694
Sonoma	1.1486
Stanislaus	1.4701
Sutter/Yuba	0.6294
Tehama	0.2384
Trinity	0.0826
Tulare	1.4704
Tuolumne	0.1666
Ventura	1.9311
Yolo	0.5443
Berkeley	0.2688
Tri-City	0.2347

(b) The Department of Finance shall recalculate the resource base used in determining the General Growth Subaccount allocations to the Health Account, Mental Health Account, and

Social Services Account of the local health and welfare trust fund of each city, county, and city and county for the 1994–95 fiscal year general growth allocations according to subdivisions (c) and (d). For the 1995–96 fiscal year and annually until the end of the 2012–13 fiscal year, the Department of Finance shall prepare the schedule of allocations of growth based upon the recalculation of the resource base as provided by subdivision (c).

(c) For the Mental Health Account, the Department of Finance shall do all of the following:

(1) Use the following sources as reported by the State Department of State Hospitals:

(A) The final December 1992 distribution of resources associated with Institutes for Mental Disease.

(B) The 1990–91 fiscal year state hospitals and community mental health allocations.

(C) Allocations for services provided for under Chapter 1294 of the Statutes of 1989.

(2) Expand the resource base with the following nonrealigned funding sources as allocated among the counties:

(A) Tobacco surtax allocations made under Chapter 1331 of the Statutes of 1989 and Chapter 51 of the Statutes of 1990.

(B) For the 1994–95 allocation year only, Chapter 1323 of the Statutes of 1990.

(C) 1993–94 fiscal year federal homeless block grant allocation.

(D) 1993–94 fiscal year Mental Health Special Education allocations.

(E) 1993–94 fiscal year allocations for the system of care for children, in accordance with Chapter 1229 of the Statutes of 1992.

(F) 1993–94 fiscal year federal Substance Abuse and Mental Health Services Administration block grant allocations pursuant to Subchapter 1 (commencing with Section 10801) of Chapter 114 of Title 42 of the United States Code.

(d) Until the end of the 2012–13 fiscal year, for the Health Account, the Department of Finance shall use the historical resource base of state funds as allocated among the counties, cities, and city and county as reported by the former State Department of Health Services in a September 17, 1991, report of Indigent and Community Health Resources.

(e) The Department of Finance shall use these adjusted resource bases for the Health Account and Mental Health Account to

calculate what the 1994–95 fiscal year General Growth Subaccount allocations would have been, and together with 1994–95 fiscal year Base Restoration Subaccount allocations, CMSP subaccount allocations, equity allocations to the Health Account and Mental Health Account as adjusted by subparagraph (E) of paragraph (2) of subdivision (c) of Section 17606.05, and special equity allocations to the Health Account and Mental Health Account as adjusted by subdivision (e) of Section 17606.15 reconstruct the 1994–95 fiscal year General Growth Subaccount resource base for the 1995–96 allocation year for each county, city, and city and county. Notwithstanding any other law, the actual 1994–95 general growth allocations shall not become part of the realignment base allocations to each county, city, and city and county. The total amounts distributed by the Controller for general growth for the 1994–95 allocation year shall be reallocated among the counties, cities, and city and county in the 1995–96 allocation year according to this paragraph, and shall be included in the general growth resource base for the 1996–97 allocation year and each fiscal year thereafter. For the 1996–97 allocation year and fiscal years thereafter, the Department of Finance shall update the base with actual growth allocations to the Health Account, Mental Health Account, and Social Services Account of each county, city, and city and county local health and welfare trust fund in the prior year, and adjust for actual changes in nonrealigned funds specified in subdivision (c) in the year prior to the allocation year.

(f) For the 2013–14 fiscal year and every fiscal year thereafter, the Controller shall do all of the following:

(1) Allocate to the Mental Health Account of each county, city, or city and county based on a schedule provided by the Department of Finance. The Department of Finance shall recalculate the resource base used in determining the General Growth Subaccount allocations to the Mental Health Account in accordance with subdivision (c) and allocate based on that recalculation.

(2) Allocate 18.4545 percent of the total General Growth Subaccount to the Health Account.

(3) Allocate to the Child Poverty and Family Supplemental Support Subaccount in the Sales Tax Account the remainder of the funds in the General Growth Subaccount.

SEC. 204. Section 17612.3 of the Welfare and Institutions Code is amended to read:

17612.3. (a) For each fiscal year, commencing with the 2013–14 fiscal year, the amount to be redirected in accordance with Section 17612.1 shall be determined for each public hospital health system county as follows:

(1) The public hospital health system county's revenues and other funds paid or payable for the state fiscal year shall be comprised of the total of the following:

(A) Medi-Cal revenues.

(B) Uninsured revenues.

(C) Medicaid demonstration revenues.

(D) Hospital fee direct grants.

(E) Special local health funds.

(F) The county indigent care health realignment amount.

(G) The imputed county low-income health amount.

(H) Imputed gains from other payers.

(I) The amount by which the public hospital health system county's costs exceeded the cost containment limit for the fiscal year, expressed as a negative number, multiplied by 0.50.

(2) The following, incurred by the public hospital health system county for the fiscal year, not to exceed in total the cost containment limit, shall be subtracted from the sum in paragraph (1):

(A) Medi-Cal costs.

(B) Uninsured costs.

(C) The lesser of the other entity intergovernmental transfer amount or the imputed other entity intergovernmental transfer amounts.

(D) New mandatory other entity intergovernmental transfer amounts.

(3) The resulting amount determined in paragraph (2) shall be multiplied by 0.80, except that for the 2013–14 fiscal year the resulting amount determined in paragraph (2) shall be multiplied by 0.70.

(4) If the amount in paragraph (3) is a positive number, that amount, subject to paragraph (5), shall be redirected in accordance with Section 17612.1, except that for the 2013–14 fiscal year the amount to be redirected shall not exceed the amount determined for the county for the 2013–14 fiscal year under subdivision (c) of Section 17603, as that amount may have been reduced by the application of Section 17610.5. If the amount determined in

paragraph (3) is a negative number, the redirected amount shall be zero.

(5) Notwithstanding any other law, the amount to be redirected as determined in paragraph (4) for any fiscal year shall not exceed the county indigent care health realignment amount for that fiscal year.

(6) (A) The redirected amount shall be applied until the later of the following:

(i) June 30, 2023.

(ii) The beginning of the fiscal year following a period of two consecutive fiscal years in which both of the following occur:

(I) The total interim amount determined under subdivision (b) in May of the previous fiscal year is within 10 percent of the final, reconciled amount in subdivision (d).

(II) The final, reconciled amounts under subdivision (d) are within 5 percent of each other.

(B) After the redirected amount ceases as provided in subparagraph (A), a permanent redirected amount shall be established to be an amount determined by calculating the percentage that the redirected amount was in the last fiscal year of the operation of this article of the county's health realignment amount of that same fiscal year, multiplied by the county's health realignment amount of all subsequent years.

(b) Commencing with the 2014–15 fiscal year, the department shall calculate an interim redirected amount for each public hospital health system county under subdivision (a) by the January immediately prior to the starting fiscal year, using the most recent and accurate data available. For purposes of the interim determinations, the cost containment limit shall not be applied. The interim redirected amount shall be updated in the May before the start of the fiscal year in consultation with each public hospital health system county and based on any more recent and accurate data available at that time. During the fiscal year, the interim redirected amount will be applied pursuant to Section 17612.1.

(c) The predetermined amounts or historical percentages described in subdivisions (i), (*l*), (m), (n), and (w) of Section 17612.2 shall each be established in accordance with the following procedure:

(1) By October 31, 2013, each public hospital health system county shall determine the amount or percentage described in the

applicable subdivision, and shall provide this calculation to the department, supported by verifiable data and a description of how the determination was made.

(2) If the department disagrees with the public hospital health system county's determination, the department shall confer with the public hospital health system county by December 15, 2013, and shall issue its determination by January 31, 2014.

(3) If no agreement between the parties has been reached by January 31, 2014, the department shall apply the county's determination when making the interim calculations pursuant to subdivision (b), until a decision is issued pursuant to paragraph (6).

(4) If no agreement between the parties has been reached by January 31, 2014, the public hospital health system county shall submit a petition by February 28, 2014, to the County Health Care Funding Resolution Committee, established pursuant to Section 17600.60, to seek a decision regarding the historical percentage or amount to be applied in calculations under this section.

(5) The County Health Care Funding Resolution Committee shall hear and make a determination as to whether the county's proposed percentage or amount complies with the requirements of this section taking into account the data and calculations of the county and any alternative data and calculations submitted by the department.

(6) The committee shall issue its final determination within 45 days of the petition. If the county chooses to contest the final determination, the final determination of the committee will be applied for purposes of any interim calculation under subdivision (b) until a final decision is issued pursuant to de novo administrative review pursuant to paragraph (2) of subdivision (d).

(d) (1) The data for the final calculations under subdivision (a) for the fiscal year shall be submitted by public hospital health system counties within 12 months after the conclusion of each fiscal year as required in Section 17612.4. The data shall be the most recent and accurate data from the public hospital health system county's books and records pertaining to the revenues paid or payable, and the costs incurred, for services provided in the subject fiscal year. After consulting with the county, the department shall make final calculations using the data submitted pursuant to this paragraph by December 15 of the following fiscal year, and

shall provide its final determination to the county. The final determination will also reflect the application of the cost containment limit, if any. If the county and the department agree, a revised recalculation and reconciliation may be completed by the department within six months thereafter.

(2) The director shall establish an expedited formal appeal process for a public hospital health system county to contest final determinations made under this article. No appeal shall be available for interim determinations made under subdivision (b). The appeals process shall include all of the following:

(A) The public hospital health system county shall have 30 calendar days, following the issuance of a final determination made under paragraph (6) of subdivision (c) or paragraph (1) of this subdivision, to file an appeal with the Director of Health Care Services. All appeals shall be governed by Section 100171 of the Health and Safety Code, except for those provisions of paragraph (1) of subdivision (d) of Section 100171 of the Health and Safety Code relating to accusations, statements of issues, statement to respondent, and notice of defense, and except as otherwise set forth in this section. All appeals shall be in writing and shall be filed with the State Department of Health Care Service's Office of Administrative Hearings and Appeals. An appeal shall be deemed filed on the date it is received by the Office of Administrative Hearings and Appeals.

(i) An appeal shall specifically set forth each issue in dispute, which may include any component of the determination, and include the public hospital health system county's contentions as to those issues. A formal hearing before an Office of Administrative Hearings and Appeals Administrative Law Judge shall commence within 60 days of the filing of the appeal requesting a formal hearing. A final decision under this paragraph shall be adopted no later than six months following the filing of the appeal.

(ii) If the public hospital health system county fails to file an appeal within 30 days of the issuance of a determination made under this section, the determination of the department shall be deemed final and not appealable either administratively or to a court of general jurisdiction, except that a county may elect to appeal a determination under subdivision (c) within 30 days of the issuance of the County Health Care Funding Resolution

Committee's final determination under paragraph (6) of subdivision (c) or as a component of an appeal of the department's final determination under paragraph (1) of this subdivision for the 2013–14 fiscal year.

(B) If a final decision under this paragraph is not issued by the department within two years of the last day of the subject fiscal year, the public hospital health system county shall be deemed to have exhausted its administrative remedies and shall not be precluded from pursuing any available judicial review. However, the time period in this subdivision shall be extended by either of the following:

(i) Undue delay caused by the public hospital health system county.

(ii) An extension of time granted to a public hospital health system county at its sole request, or following the joint request of the public hospital health system county and the department.

(C) If the final decision issued by the department pursuant to this paragraph results in a different determination than that originally determined by the department, then the Department of Finance shall adjust the original determination by that amount, pursuant to a process developed by the Department of Finance and in consultation with the public hospital health system counties.

(e) For purposes of this article, all references to "health services" or "health care services," unless specified otherwise, shall exclude nursing facility, mental health, and substance use disorder services.

SEC. 205. Section 17612.5 of the Welfare and Institutions Code is amended to read:

17612.5. (a) For the 2013–14 fiscal year and each year thereafter, the amount to be redirected in accordance with Section 17612.1 for the County of Los Angeles shall be determined in accordance with Section 17612.3, except that the formula in subdivision (a) of Section 17612.3 shall be replaced with the following formula:

(1) The total revenues as defined in paragraph (7) of subdivision (b) paid or payable to the County of Los Angeles, Department of Health Services, for the fiscal year, which shall include special local health funds and as adjusted in accordance with Section 17612.6, shall be added together.

(2) The sum of three hundred twenty-three million dollars ($323,000,000), which represents the imputed county low-income

health amount trended annually by 1 percent from the 2012–13 fiscal year through the applicable fiscal year, and the county indigent care health realignment amount, as determined in accordance with subdivision (e) of Section 17612.2 for the fiscal year.

(3) The amount by which the county's total costs exceeded the cost containment limit for the fiscal year, expressed as a negative number, multiplied by 0.50.

(4) (A) The total costs, as defined in paragraph (6) of subdivision (b), incurred by or on behalf of the County of Los Angeles, Department of Health Services, for the fiscal year shall be added together, but shall not exceed the cost containment limit determined in accordance with paragraph (3) of subdivision (b).

(B) The costs in paragraph (A) shall be subtracted from the sum of paragraphs (1) to (3), inclusive.

(5) The resulting amount determined in subparagraph (B) of paragraph (4) shall be multiplied by 0.80, except that for the 2013–14 fiscal year, the resulting amount determined in subparagraph (B) of paragraph (4) shall be multiplied by 0.70.

(6) If the amount in paragraph (5) is a positive number, that amount, subject to paragraph (7), shall be redirected in accordance with Section 17612.1 of this article, except that for the 2013–14 fiscal year the amount to be redirected shall not exceed the amount determined for the County of Los Angeles for the 2013–14 fiscal year under subdivision (c) of Section 17603, as that amount may have been reduced by the application of Section 17610.5. If the amount determined in paragraph (5) is a negative number, the redirected amount shall be zero.

(7) Notwithstanding any other law, the amount to be redirected as determined in paragraph (6) for any fiscal year shall not exceed the county indigent care health realignment amount for that fiscal year.

(8) (A) The redirected amount shall be applied until the later of:

(i) June 30, 2023.

(ii) The beginning of the fiscal year following a period of two consecutive fiscal years that both of the following occur:

(I) The total interim amount determined under subdivision (b) of Section 17612.3 in May of the previous fiscal year is within 10

percent of the final, reconciled amount in subdivision (d) of that section.

(II) The final, reconciled amounts under subdivision (d) of Section 17612.3 are within 5 percent of each other.

(B) After the redirected amount ceases as provided in subparagraph (A), a permanent redirected amount shall be established to be an amount determined by calculating the percentage that the redirected amount was in the last fiscal year of the operation of this article of the county's health realignment amount of that same fiscal year, multiplied by the county's health realignment amount of all subsequent years.

(b) Except as otherwise provided in this section, the definitions in Section 17612.2 apply. For purposes of this section, and for purposes of the calculations in Section 17612.3 that apply to the County of Los Angeles, the following definitions apply:

(1) "Adjusted patient day" means LA County DHS's total number of patient days multiplied by the following fraction: the numerator that is the sum of the county public hospital health system's total gross revenue for all services provided to all patients, including nonhospital services, and the denominator that is the sum of the county public hospital health system's gross inpatient revenue. The adjusted patient days shall pertain to those services that are provided by the LA County DHS, and shall exclude services that are provided by contract or out-of-network clinics or hospitals. For purposes of this paragraph, gross revenue shall be adjusted as necessary to reflect the relationship between inpatient costs and charges and outpatient costs and charges.

(2) "Blended CPI trend factor" means the blended percent change applicable for the state fiscal year that is derived from the nonseasonally adjusted Consumer Price Index for All Urban Consumers (CPI-U), United States City Average, for Hospital and Related Services, weighted at 90 percent, and for Medical Care Services, weighted at 10 percent, all as published by the United States Bureau of Labor Statistics, computed as follows:

(A) For each prior fiscal year, within the period to be trended through the fiscal year, the annual average of the monthly index amounts shall be determined separately for the Hospital and Related Services Index and the Medical Care Services Index.

(B) The year-to-year percentage changes in the annual averages determined in subparagraph (A) for each of the Hospital and

Related Services Index and the Medical Care Services Index shall be determined.

(C) A weighted average annual percentage change for each year-to-year period shall be calculated from the determinations made in subparagraph (B), with the percentage changes in the Hospital and Related Services Index weighted at 90 percent, and the percentage changes in the Medical Care Services Index weighted at 10 percent. The resulting average annual percentage changes shall be expressed as a fraction, and increased by 1.00.

(D) The product of the successive year-to-year amounts determined in subparagraph (C) shall be the blended CPI trend factor.

(3) "Cost containment limit" means the LA County DHS's total costs determined for the 2014–15 fiscal year and each subsequent fiscal year adjusted as follows:

(A) The County of Los Angeles will be deemed to comply with the cost containment limit if the county demonstrates that its total costs for the fiscal year did not exceed its total costs in the base year, multiplied by the blended CPI trend factor for the fiscal year as reflected in the annual report of financial transactions required to be submitted to the Controller pursuant to Section 53891 of the Government Code. If the total costs for the fiscal year exceeded the total cost in the base year, multiplied by the blended CPI trend factor for the fiscal year, the calculation in subparagraph (B) shall be performed.

(B) (i) If the number of adjusted patient days of service provided by LA County DHS for the fiscal year exceeds its number of adjusted patient days of service rendered in the base year by at least 10 percent, the excess adjusted patient days above the base year for the fiscal year shall be multiplied by the cost per adjusted patient day of the public hospital health system for the base year. The result shall be added to the trended base year amount determined in subparagraph (A), yielding the applicable cost containment limit, subject to subparagraph (C). Costs per adjusted patient day shall be based upon only those LA County DHS costs incurred for patient care services.

(ii) If the number of adjusted patient days of service provided by LA County DHS for the fiscal year does not exceed its number of adjusted patient days of service rendered in the base year by at least 10 percent, the applicable limit is the trended base year

amount determined in subparagraph (A) subject to subparagraph (C).

(C) If LA County DHS's total costs for the fiscal year, as determined in subparagraph (A), exceeds the trended cost as determined in subparagraph (A) as adjusted by subparagraph (B), the following cost increases shall be added to and reflected in any cost containment limit:

(i) Electronic health records and related implementation and infrastructure costs.

(ii) Costs related to state or federally mandated activities, requirements, or benefit changes.

(iii) Costs resulting from a court order or settlement.

(iv) Costs incurred in response to seismic concerns, including costs necessary to meet facility seismic standards.

(v) Costs incurred as a result of a natural disaster or act of terrorism.

(vi) The total amount of any intergovernmental transfer for the nonfederal share of Medi-Cal payments to the hospital facility described in subdivision (f) of Section 14165.50.

(D) If LA County DHS's total costs for the fiscal year exceed the trended costs as adjusted by subparagraphs (B) and (C), the county may request that the department consider other costs as adjustments to the cost containment limit, including, but not limited to, transfer amounts in excess of the imputed other entity intergovernmental transfer amount trended by the blended CPI trend factor, costs related to case mix index increases, pension costs, expanded medical education programs, increased costs in response to delivery system changes in the local community, and system expansions, including capital expenditures necessary to ensure access to and the quality of health care. Costs approved by the department shall be added to and reflected in the cost containment limit.

(4) "Health realignment indigent care percentage" means 83 percent.

(5) "Special local health funds" means both of the following:

(A) The total amount of assessments and fees restricted for health-related purposes that are received by LA County DHS and expended for health services during the fiscal year.

(B) Ninety-one percent of the funds actually received by the County of Los Angeles during the fiscal year pursuant to the Master

Settlement Agreement and related documents entered into on November 23, 1998, by the state and leading United States tobacco product manufacturers, less any bond payments and other costs of securitization related to the funds described in this paragraph.

(6) "Total costs" means the actual net expenditures, excluding encumbrances, for all operating budget units of the LA County DHS. Operating budget units consist of four Hospital Enterprise Funds plus the LA County DHS's budget units within the county general fund. Net expenditures, excluding encumbrances, are those recognized within LA County DHS, net of intrafund transfers, expenditure distributions, and all other billable services recorded from and to the LA County DHS enterprise funds and the LA County DHS general fund budget units, determined based on its central accounting system known as eCAPS, as of November 30 of the year following the fiscal year, and shall include the new mandatory other entity intergovernmental transfer amounts, as defined in subdivision (ad) of Section 17612.2, and the lesser of other entity intergovernmental transfer amounts or the imputed other entity intergovernmental transfer amounts.

(7) "Total revenues" means the sum of the revenue paid or payable for all operating budget units of the LA County DHS determined based on its central accounting system known as eCAPS, as of November 30 of the year following the fiscal year.

(8) "LA County DHS" means operating budget units consisting of four hospital enterprise funds plus the DHS budget units within the county's general fund.

SEC. 206. Section 17613.2 of the Welfare and Institutions Code is amended to read:

17613.2. For purposes of this article, the following definitions apply:

(a) "Base year" means the fiscal year ending three years prior to the fiscal year for which the redirected amount is calculated.

(b) "Blended CPI trend factor" means the blended percent change applicable for the fiscal year that is derived from the nonseasonally adjusted Consumer Price Index for All Urban Consumers (CPI-U), United States City Average, for Hospital and Related Services, weighted at 75 percent, and for Medical Care Services, weighted at 25 percent, all as published by the United States Bureau of Labor Statistics, computed as follows:

(1) For each prior fiscal year within the period to be trended through the state fiscal year, the annual average of the monthly index amounts shall be determined separately for the Hospital and Related Services Index and the Medical Care Services Index.

(2) The year-to-year percentage changes in the annual averages determined in paragraph (1) for each of the Hospital and Related Services Index and the Medical Care Services Index shall be determined.

(3) A weighted average annual percentage change for each year-to-year period shall be calculated from the determinations made in paragraph (2), with the percentage changes in the Hospital and Related Services Index weighted at 75 percent, and the percentage changes in the Medical Care Services Index weighted at 25 percent. The resulting average annual percentage changes shall be expressed as a fraction, and increased by 1.00.

(4) The product of the successive year-to-year amounts determined in paragraph (3) shall be the blended CPI trend factor.

(c) "Calculated cost per person" is determined by dividing county indigent program costs by the number of indigent program individuals for the applicable fiscal year. If a county expands eligibility, the enrollment count is limited to those indigent program individuals who would have been eligible for services under the eligibility requirements in existence on July 1, 2013, except if approved as an exception allowed pursuant to paragraph (3) of subdivision (d).

(d) "Cost containment limit" means the county's indigent program costs determined for the 2014–15 fiscal year and each subsequent fiscal year, to be adjusted as follows:

(1) (A) The county's indigent program costs for the state fiscal year shall be determined as indigent program costs for purposes of this paragraph for the relevant fiscal period.

(B) The county's calculated costs per person for the base year will be multiplied by the blended CPI trend factor and then multiplied by the county's fiscal year indigent program individuals. The base year costs used shall not reflect any adjustments under this subdivision.

(C) The fiscal year amount determined in subparagraph (A) shall be compared to the trended amount in subparagraph (B). If the amount in subparagraph (B) exceeds the amount in subparagraph (A), the county will be deemed to have satisfied the

cost containment limit. If the amount in subparagraph (A) exceeds the amount in subparagraph (B), the calculation in paragraph (2) shall be performed.

(2) If a county's costs as determined in subparagraph (A) of paragraph (1) exceeds the amount determined in subparagraph (B) of paragraph (1), the following costs, as allocated to the county's indigent care program, shall be added to the cost and reflected in any containment limit:

(A) Costs related to state or federally mandated activities, requirements, or benefit changes.

(B) Costs resulting from a court order or settlement.

(C) Costs incurred as a result of a natural disaster or act of terrorism.

(3) If a county's costs as determined in subparagraph (A) of paragraph (1) exceed the amount determined in subparagraph (B) of paragraph (1), as adjusted by paragraph (2), the county may request that the department consider other costs as adjustments to the cost containment limit. These costs would require departmental approval.

(e) "County" for purposes of this article means the following counties: Fresno, Merced, Orange, Placer, Sacramento, San Diego, San Luis Obispo, Santa Barbara, Santa Cruz, Stanislaus, Tulare, and Yolo.

(f) "County indigent care health realignment amount" means the product of the health realignment amount times the health realignment indigent care percentage, as computed on a county-specific basis.

(g) "County savings determination process" means the process for determining the amount to be redirected in accordance with Section 17613.1, as calculated pursuant to subdivision (a) of Section 17613.3.

(h) "Department" means the State Department of Health Care Services.

(i) "Health realignment amount" means the amount that, in the absence of this article, would be payable to a county under Sections 17603, 17604, and 17606.20, as those sections read on January 1, 2012, and Section 17606.10, as it read on July 1, 2013, for the fiscal year that is deposited by the Controller into the local health and welfare trust fund health account of the county.

(j) "Health realignment indigent care percentage" means the county-specific percentage determined in accordance with the following, and established in accordance with the procedures described in subdivision (c) of Section 17613.3:

(1) Each county shall identify the portion of that county's health realignment amount that was used to provide health services to the indigent, including the indigent program individuals, for each of the historical fiscal years, along with verifiable data in support thereof.

(2) The amounts identified in paragraph (1) shall be expressed as a percentage of the health realignment amount of that county for each fiscal year of the historical fiscal years.

(3) The average of the percentages determined in paragraph (2) shall be the county's health realignment indigent care percentage.

(4) To the extent a county does not provide the information required in paragraph (1) or the department determines that the information required is insufficient, the amount under this subdivision shall be considered to be 85 percent.

(k) All references to "health services" or "health care services," unless specified otherwise, shall exclude mental health and substance use disorder services.

(*l*) "Historical fiscal years" means the fiscal years 2008–09 to 2011–12, inclusive.

(m) "Imputed county low-income health amount" means the predetermined, county-specific amount of county general purpose funds assumed, for purposes of the calculation in Section 17613.3, to be available to the county for services to indigent program individuals. The imputed county low-income health amount shall be determined as set forth below and established in accordance with subdivision (c) of Section 17613.3.

(1) For each of the historical fiscal years, an amount shall be determined as the annual amount of county general fund contribution provided for health services to the indigent, which does not include funds provided for mental health and substance use disorder services, through a methodology to be developed by the department, in consultation with the California State Association of Counties.

(2) If a year-to-year percentage increase in the amount determined in paragraph (1) was present, an average annual percentage trend factor shall be determined.

(3) The annual amounts determined in paragraph (1) shall be averaged and multiplied by the percentage trend factor, if applicable, determined in paragraph (2), for each fiscal year after the 2011–12 fiscal year through the applicable fiscal year. Notwithstanding the foregoing, if the percentage trend factor determined in paragraph (2) is greater than the applicable percentage change for any year of the same period in the blended CPI trend factor, the percentage change in the blended CPI trend factor for that year shall be used. The resulting determination is the imputed county low-income health amount for purposes of Section 17613.3.

(n) "Indigent program costs" means the costs incurred by the county for purchasing, providing, or ensuring the availability of services to indigent program individuals during the fiscal year. The costs for mental health and substance use disorder services shall not be included in these costs.

(o) "Indigent program individuals" means all individuals enrolled in a county indigent health care program at any point throughout the fiscal year. If a county does not enroll individuals into an indigent health care program, indigent program individuals shall mean all individuals who used services offered through the county indigent health care program in the fiscal year.

(p) "Indigent program revenues" means self-pay payments made by or on behalf of indigent program individuals to the county for the services rendered in the fiscal year, but shall exclude revenues received for mental health and substance use disorder services.

(q) "Redirected amount" means the amount to be redirected in accordance with Section 17613.1, as calculated pursuant to subdivision (a) of Section 17613.3.

(r) "Special local health funds" means the amount of the following county funds received by the county for health services to indigent program individuals during the fiscal year and shall include funds available pursuant to the Master Settlement Agreement and related documents entered into on November 23, 1998, by the state and leading United States tobacco product manufacturers during a fiscal year. The amount of the tobacco settlement funds to be used for this purpose shall be the greater of paragraph (1) or (2), less any bond payments and other costs of securitization related to the funds described in this subdivision.

(1) The amount of the funds expended by the county for the provision of health services to indigent program individuals during the fiscal year.

(2) The amount of the tobacco settlement funds multiplied by the average of the percentages of the amount of tobacco settlement funds that were allocated to and expended by the county for health services to indigent program individuals during the historical fiscal years.

SEC. 207. Section 17613.3 of the Welfare and Institutions Code is amended to read:

17613.3. (a) For each fiscal year commencing with the 2013–14 fiscal year, the amount to be redirected in accordance with Section 17613.1 shall be determined for each county as set forth in this section.

(1) The county's revenues and other funds paid or payable for the fiscal year shall be comprised of the total of the following:

(A) Indigent program revenues.

(B) Special local health funds.

(C) The county indigent care health realignment amount.

(D) The imputed county low-income health amount.

(2) Indigent program costs incurred by the county for the fiscal year, not to exceed in total the cost containment limit, shall be subtracted from the sum in paragraph (1).

(3) The resulting amount shall be multiplied by 0.80, except for the 2013–14 fiscal year where the resulting amount shall be multiplied by 0.70.

(4) If the amount in paragraph (3) is a positive number, that amount, subject to paragraph (5), shall be redirected in accordance with Section 17613.1, except that for the 2013–14 fiscal year, the amount to be redirected shall not exceed the amount determined for the county for the 2013–14 fiscal year under subdivision (c) of Section 17603, as that amount may have been reduced by the application of Section 17610.5. If the amount determined in paragraph (3) is a negative number, the redirected amount shall be zero.

(5) Notwithstanding any other law, the amount to be redirected as determined in paragraph (4) for a fiscal year shall not exceed the county indigent care health realignment amount for that fiscal year.

(6) (A) The redirected amount shall be applied until the later of the following:

(i) June 30, 2023.

(ii) The beginning of the fiscal year following a period of two consecutive fiscal years in which both of the following occur:

(I) The total interim amount determined under subdivision (b) in May of the previous fiscal year is within 10 percent of the final, reconciled amount in subdivision (d).

(II) The final, reconciled amounts under subdivision (d) are within 5 percent of each other.

(B) After the redirected amount ceases as provided in subparagraph (A), a permanent redirected amount shall be established to be the amount determined by calculating the percentage that the redirected amount was in the last fiscal year of the operation of this article of the county's health realignment amount of that same fiscal year, multiplied by the county's health realignment amount of all subsequent years.

(b) Starting with the 2014–15 fiscal year, the department shall calculate an interim redirected amount for each county under subdivision (a) by the January immediately prior to the starting fiscal year, using the most recent and accurate data available. For purposes of the interim determinations, the cost containment limit shall not be applied. The interim redirected amount shall be updated in the May before the start of the fiscal year in consultation with each county and based on any more recent and accurate data available at that time. During the fiscal year, the interim redirected amount will be applied pursuant to Section 17613.1.

(c) The predetermined amounts or historical percentages described in subdivisions (j), (m), and (r) of Section 17613.2 shall each be established in accordance with the following procedure:

(1) By October 31, 2013, each county shall determine the amount or percentage described in the applicable subdivision, and shall provide this calculation to the department, supported by verifiable data and a description of how the determination was made.

(2) If the department disagrees with the county's determination, the department shall confer with the county by December 15, 2013, and shall issue its determination by January 31, 2014.

(3) If no agreement between the parties has been reached by January 31, 2014, the department shall apply the county's

determination when making the interim calculations pursuant to subdivision (b), until a decision is issued pursuant to paragraph (6).

(4) If no agreement between the parties has been reached by January 31, 2014, the county shall submit a petition by February 28, 2014, to the County Health Care Funding Resolution Committee, established pursuant to Section 17600.60, to seek a decision regarding the historical percentage or amount to be applied in calculations under this section.

(5) The County Health Care Funding Resolution Committee shall hear and make a determination as to whether the county's proposed percentage or amount complies with the requirements of this section based on the data and calculations of the county and any alternative data and calculations submitted by the department.

(6) The County Health Care Funding Resolution Committee shall issue its final determination within 45 days of the petition. If the county chooses to contest the final determination, the final determination of the committee will be applied for purposes of any interim calculation under subdivision (b) until a final decision is issued pursuant to de novo administrative review under paragraph (2) of subdivision (d).

(d) (1) The data for the final calculations under subdivision (a) for the fiscal year shall be submitted by counties within 12 months after the conclusion of each fiscal year as required in Section 17613.4. The data shall be the most recent and accurate data from the county's books and records pertaining to the revenues paid or payable, and the costs incurred, for services provided in the subject fiscal year. After consulting with the county, the department shall make final calculations using the data submitted pursuant to this paragraph by December 15 of the following fiscal year, and shall provide its final determination to the county. The final determination will also reflect the application of the cost containment limit, if any. If the county and the department agree, a revised recalculation and reconciliation may be completed by the department within six months thereafter.

(2) The Director of Health Care Services shall establish an expedited formal appeal process for a county to contest final determinations made under this article. No appeal shall be available for interim determinations made under subdivision (b). The appeals process shall include all of the following:

(A) The county shall have 30 calendar days, following the issuance of a final determination made under paragraph (6) of subdivision (c) or paragraph (1) of this subdivision, to file an appeal with the director. All appeals shall be governed by Section 100171 of the Health and Safety Code, except for those provisions of paragraph (1) of subdivision (d) of Section 100171 of the Health and Safety Code relating to accusations, statements of issues, statement to respondent, and notice of defense, and except as otherwise set forth in this section. All appeals shall be in writing and shall be filed with the State Department of Health Care Service's Office of Administrative Hearings and Appeals. An appeal shall be deemed filed on the date it is received by the Office of Administrative Hearings and Appeals.

(i) An appeal shall specifically set forth each issue in dispute, including, but not limited to, any component of the determination, and include the county's contentions as to those issues. A formal hearing before an Office of Administrative Hearings and Appeals Administrative Law Judge shall commence within 60 days of the filing of the appeal requesting a formal hearing. A final decision under this paragraph shall be adopted no later than six months following the filing of the appeal.

(ii) If the county fails to file an appeal within 30 days of the issuance of a determination made under this section, the determination of the department shall be deemed final and not appealable either administratively or to a court of general jurisdiction, except that a county may elect to appeal a determination under subdivision (c) within 30 days of the issuance of the County Health Care Funding Resolution Committee's final determination under paragraph (6) of subdivision (c) or as a component of an appeal of the department's final determination under paragraph (1) for the 2013–14 fiscal year.

(B) If a final decision under this paragraph is not issued by the department within two years of the last day of the subject fiscal year, the county shall be deemed to have exhausted its administrative remedies, and shall not be precluded from pursuing any available judicial review. However, the time period in this subdivision shall be extended by either of the following:

(i) Undue delay caused by the county.

(ii) An extension of time granted to a county at its sole request, or following the joint request of the county and the department.

(C) If the final decision issued by the department pursuant to this paragraph results in a different determination than that originally made by the department, then the Department of Finance shall adjust the original determination by that amount, pursuant to a process developed by the Department of Finance and in consultation with the California State Association of Counties.

SEC. 208. Section 17613.4 of the Welfare and Institutions Code is amended to read:

17613.4. (a) Beginning with the 2013–14 fiscal year, each county that has elected to participate in the County Savings Determination Process shall, within five months after the end of each fiscal year, be required to submit initial reports on both of the following:

(1) All revenue data required for the operation of Section 17613.3, including both of the following:

(A) Indigent program revenues.

(B) Special local health funds.

(2) All cost data required for the operation of Section 17613.3, including indigent program costs.

(b) Counties shall submit final reports of cost and revenue data identified in subdivision (a) to the department for each fiscal year no later than June 30 of the fiscal year ending one year after the subject fiscal year.

(c) The department shall develop, in consultation with the California State Association of Counties, the methodologies used to determine the costs and revenues required to be reported and the format of the submissions.

(d) Reports submitted under this section shall be accompanied by a certification by an appropriate public official attesting to the accuracy of the reports.

(e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, without taking any further regulatory action, shall implement, interpret, or make specific this article by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions.

SEC. 209. Section 18259.7 of the Welfare and Institutions Code is amended to read:

18259.7. (a) The County of Los Angeles, contingent upon local funding, may establish a pilot project consistent with this

chapter to develop a comprehensive, replicative, multidisciplinary model to address the needs and effective treatment of commercially sexually exploited minors who have been arrested or detained by local law enforcement for a violation of subdivision (a) or (b) of Section 647 or subdivision (a) of Section 653.22 of the Penal Code.

(b) The District Attorney of the County of Los Angeles, in collaboration with county and community-based agencies, may develop, as a component of the pilot project described in this chapter, protocols for identifying and assessing minors, upon arrest or detention by law enforcement, who may be victims of commercial sexual exploitation.

(c) The District Attorney of the County of Los Angeles, in collaboration with county and community-based agencies that serve commercially sexually exploited minors, may develop, as a component of the pilot project described in this chapter, a diversion program reflecting the best practices to address the needs and requirements of arrested or detained minors who have been determined to be victims of commercial sexual exploitation.

(d) The District Attorney of the County of Los Angeles, in collaboration with county and community-based agencies, may form, as a component of the pilot project described in this chapter, a multidisciplinary team including, but not limited to, city police departments, the county sheriff's department, the public defender's office, the probation department, child protective services, and community-based organizations that work with or advocate for commercially sexually exploited minors, to do both of the following:

(1) Develop a training curriculum reflecting the best practices for identifying and assessing minors who may be victims of commercial sexual exploitation.

(2) Offer and provide this training curriculum through multidisciplinary teams to law enforcement, child protective services, and others who are required to respond to arrested or detained minors who may be victims of commercial sexual exploitation.

(e) The District Attorney of the County of Los Angeles shall, on or before April 1, 2016, submit a report to the Legislature that summarizes the activities performed by the district attorney pursuant to this section, so that the Legislature may determine whether the pilot project should be extended or expanded to other

counties prior to the repeal of this chapter pursuant to Section 18259.10. The report shall, at a minimum, include the number of sexually exploited minors, if any, diverted by the program authorized in subdivision (c), and a summary of the types of services and alternate treatments provided to those minors. This report shall be contingent upon local funding, and shall be required only if the County of Los Angeles establishes a pilot project and the district attorney performs any of the activities of the pilot project authorized by this chapter. The report shall not include any information that would reveal the identity of a specific sexually exploited minor.

SEC. 210. Section 18901 of the Welfare and Institutions Code is amended to read:

18901. (a) The eligibility of households shall be determined to the extent permitted by federal law.

(b) In determining eligibility for CalFresh, no minimum age requirements shall be imposed other than those that exist under federal law.

SEC. 211. Section 2 of Chapter 489 of the Statutes of 2001, as amended by Section 3 of Chapter 381 of the Statutes of 2013, is amended to read:

Sec. 2. The Legislature finds and declares all of the following:

(a) Tide and submerged lands in California are held in trust for the enjoyment and use by the people of the state pursuant to the California Constitution, state statutes, and the common law public trust doctrine. Public trust lands may be used for water-related purposes, including, but not limited to, commerce, navigation, fishing, swimming, recreation, open space, and wildlife habitat.

(b) In 1965, the Legislature adopted the McAteer-Petris Act to protect and enhance the San Francisco Bay and its natural resources. Among other things, the McAteer-Petris Act grants the San Francisco Bay Conservation and Development District (BCDC) regulatory authority over further filling in San Francisco Bay through exercise of its bay jurisdiction, and limits that activity to (1) water-oriented uses that meet specified criteria; (2) minor fill that improves shoreline appearance or public access; and (3) activities necessary for the health, safety, and welfare of the public in the entire bay area. The McAteer-Petris Act also mandates BCDC to require the provision of maximum feasible access to the bay and its shoreline consistent with a project.

(c) In 1969, the Legislature received and acted upon BCDC's report and recommendations from a three-year study of the San Francisco Bay. The resulting Bay Plan contains, among other things, BCDC's policies to guide use and protection of all areas within BCDC's jurisdiction, including the bay and the 100-foot shoreline band, and ensures that proposed projects, among other things, minimize bay fill and provide maximum feasible public access to the bay.

(d) In 1969, pursuant to the Burton Act, the state conveyed by transfer agreement certain state tide and submerged lands to the Port. The lands are held by the Port in trust for the people of California to further the purposes of commerce, navigation, and fisheries, and are subject to the terms and conditions specified in the Burton Act and the public trust. During the four decades since passage of the Burton Act, issues have arisen concerning the application of the McAteer-Petris Act to the piers along the San Francisco waterfront. To address those issues, BCDC and the Port undertook two intensive and careful planning processes, which lasted over nine years.

(e) The first process culminated in 1997 with the adoption by the Port of the Waterfront Land Use Plan and with the adoption by the Board of Supervisors of the City and County of San Francisco and the Planning Commission of the City and County of San Francisco of conforming amendments to the city's General Plan and Planning Code.

(f) In July 2000, after the second five-year cooperative process involving the Port, BCDC, the Save San Francisco Bay Association, and numerous interested community groups and individuals was completed, the Port adopted further amendments to the Waterfront Land Use Plan. BCDC also adopted amendments to the Special Area Plan that is incorporated into, and made a part of, the Bay Plan, to create consistent plans for the area of the San Francisco waterfront between Pier 35 and China Basin. At the present time, the Special Area Plan addresses specific McAteer-Petris Act issues relating to public access and the preservation and enhancement of open water as a bay resource in this area. The plan also defines public access opportunities on each pier in this area and calls for the removal of certain additional piers to enhance water views and create additional bay surface area.

(g) A major objective of the joint effort described in subdivisions (d), (e), and (f) is to establish a new criterion in the Bay Plan that would permit fill on the San Francisco waterfront in an area where a Special Area Plan has been adopted by BCDC for uses that are consistent with the public trust and the Burton Act trust. The Special Area Plan for the area between Pier 35 and China Basin provides, in part, for all of following:

(1) The nature and extent of maximum feasible public access to the bay and the waterfront, including perimeter access at the piers, a system of integrated public parks, promenades, a Bayside History Walk on most piers, and other significant access features on piers where appropriate.

(2) Two major public plazas, the Brannan Street Wharf adjacent to Pier 30-32 and a new plaza at Pier 27.

(3) A public planning process to lead to the creation of a third major public plaza in the Fisherman's Wharf area.

(4) The restoration and preservation of significant open water basins and areas through the removal of certain piers to uncover additional bay surface and the restriction of new bay fill in open water basins and areas to minor amounts needed to improve public access and shoreline appearance and accommodate permissible water-oriented uses.

(5) The creation and funding of a special fund within the Port to finance the removal of the selected piers and the construction and maintenance of those public plazas.

(6) A historic preservation mechanism to ensure preservation and enhancement of important historic resources on the piers, including the designation on the National Register of Historic Places of the Embarcadero Historic District.

(7) The preservation and improvement of existing views and creation of new views of the bay from the shoreline.

(8) The ability of the Port to repair, improve, or use the piers not designated for removal between Pier 35 and China Basin for any purpose consistent with the Burton Act, the public trust, and the Special Area Plan.

(h) The San Francisco waterfront, which has been the subject of this planning process, provides benefits to the entire bay area, and serves as a unique destination for the state and region's public. These state and region wide benefits include enjoyment of a unique, publicly owned waterfront that provides special maritime,

navigational, recreational, cultural, and historical benefits that serve the bay area. Accordingly, the adoption by BCDC, and the ratification by the Legislature, of the Special Area Plan, as amended, is necessary to protect the health, safety, and welfare of the public in the entire bay area for purposes of subdivision (f) of Section 66632 of the Government Code.

(i) The Port is a valuable public trust asset, a vibrant and world-renowned tourist destination, and a vital component of the regional, state, and national economies. The Port faces unique challenges in implementing the Waterfront Land Use Plan. Deferred maintenance on the Port's numerous historic piers and other structures, together with limitations on revenue generating opportunities, has caused deteriorating conditions along the San Francisco waterfront. The Port's estimate of the cost of implementing its capital plan is over two billion dollars ($2,000,000,000), which substantially exceeds the projected revenues estimated by the Port to be available for these purposes.

SEC. 212. Section 34 of Chapter 37 of the Statutes of 2013 is amended to read:

Sec. 34. (a) At least 30 days prior to enrollment of beneficiaries into the Coordinated Care Initiative, the Director of Finance shall estimate the amount of net General Fund savings obtained from the implementation of the Coordinated Care Initiative. This estimate shall take into account any net savings to the General Fund achieved through the tax imposed pursuant to Article 5 (commencing with Section 6174) of Chapter 2 of Part 1 of Division 2 of the Revenue and Taxation Code.

(b) (1) By January 10 for each fiscal year after implementation of the Coordinated Care Initiative, for as long as the Coordinated Care Initiative remains operative, the Director of Finance shall estimate the amount of net General Fund savings obtained from the implementation of the Coordinated Care Initiative.

(2) Savings shall be determined under this subdivision by comparing the estimated costs of the Coordinated Care Initiative, as approved by the federal government, and the estimated costs of the program if the Coordinated Care Initiative were not operative. The determination shall also include any net savings to the General Fund achieved through the tax imposed pursuant to Article 5 (commencing with Section 6174) of Chapter 2 of Part 1 of Division 2 of the Revenue and Taxation Code.

(3) The estimates prepared by the Director of Finance, in consultation with the Director of Health Care Services, shall be provided to the Legislature.

(c) (1) Notwithstanding any other law, if, at least 30 days prior to enrollment of beneficiaries into the Coordinated Care Initiative, the Director of Finance estimates pursuant to subdivision (a) that the Coordinated Care Initiative will not generate net General Fund savings, then the activities to implement the Coordinated Care Initiative shall be suspended immediately and the Coordinated Care Initiative shall become inoperative July 1, 2014.

(2) If the Coordinated Care Initiative becomes inoperative pursuant to this subdivision, the Director of Health Care Services shall provide any necessary notifications to any affected entities.

(3) For purposes of this subdivision and subdivision (d) only, "Coordinated Care Initiative" means all of the following statutes and any amendments to the following:

(A) Sections 14132.275, 14183.6, and 14301.1 of the Welfare and Institutions Code, as amended by this act.

(B) Sections 14132.276, 14132.277, 14182.16, 14182.17, 14182.18, and 14301.2 of the Welfare and Institutions Code.

(C) Article 5.7 (commencing with Section 14186) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code.

(D) Title 23 (commencing with Section 110000) of the Government Code.

(E) Section 6531.5 of the Government Code.

(F) Section 6253.2 of the Government Code, as amended by this act.

(G) Sections 12300.5, 12300.6, 12300.7, 12302.6, 12306.15, 12330, 14186.35, and 14186.36 of the Welfare and Institutions Code.

(H) Sections 10101.1, 12306, and 12306.1 of the Welfare and Institutions Code, as amended by this act.

(I) The amendments made to Sections 12302.21 and 12302.25 of the Welfare and Institutions Code, as made by Chapter 439 of the Statutes of 2012.

(d) (1) Notwithstanding any other law, and beginning in 2015, if the Director of Finance estimates pursuant to subdivision (b) that the Coordinated Care Initiative will not generate net General Fund savings, the Coordinated Care Initiative shall become

inoperative January 1 of the following calendar year, except as follows:

(A) Section 12306.15 of the Welfare and Institutions Code shall become inoperative as of July 1 of that same calendar year.

(B) For any agreement that has been negotiated and approved by the Statewide Authority, the Statewide Authority shall continue to retain its authority pursuant to Section 6531.5 and Title 23 (commencing with Section 110000) of the Government Code and Sections 12300.5, 12300.6, 12300.7, and 12302.6 of the Welfare and Institutions Code, and shall remain the employer of record for all individual providers covered by the agreement until the agreement expires or is subject to renegotiation, whereby the authority of the Statewide Authority shall terminate and the county shall be the employer of record in accordance with Section 12302.25 of the Welfare and Institutions Code and may establish an employer of record pursuant to Section 12301.6 of the Welfare and Institutions Code.

(C) For an agreement that has been assumed by the Statewide Authority that was negotiated and approved by a predecessor agency, the Statewide Authority shall cease being the employer of record and the county shall be reestablished as the employer of record for purposes of bargaining and in accordance with Section 12302.25 of the Welfare and Institutions Code, and may establish an employer of record pursuant to Section 12301.6 of the Welfare and Institutions Code.

(2) If the Coordinated Care Initiative becomes inoperative pursuant to this subdivision, the Director of Health Care Services shall provide any necessary notifications to any affected entities.

SEC. 213. Section 1 of Chapter 391 of the Statutes of 2013 is amended to read:

Section 1. The Legislature finds and declares that the purpose of this act is to approve an agreement pursuant to Section 3517.5 of the Government Code entered into by the state employer and State Bargaining Units 6, 7, 9, 12, 16, 18, and 19.

SEC. 214. Section 5 of Chapter 391 of the Statutes of 2013 is amended to read:

Sec. 5. (a) The sum of fourteen million eight hundred forty-nine thousand dollars ($14,849,000) is hereby appropriated for State Bargaining Unit 6 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee

compensation, as provided in Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2013 (Chapters 20 and 354 of the Statutes of 2013) in accordance with the following schedule:

(1) Fourteen million seven hundred forty-six thousand dollars ($14,746,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Sixty-nine thousand dollars ($69,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Thirty-four thousand dollars ($34,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

(b) The sum of one million eighty-four thousand dollars ($1,084,000) is hereby appropriated for State Bargaining Unit 7 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation, as provided in Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2013 (Chapters 20 and 354 of the Statutes of 2013) in accordance with the following schedule:

(1) Three hundred twenty thousand dollars ($320,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Five hundred twelve thousand dollars ($512,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Two hundred fifty-two thousand dollars ($252,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

(c) The sum of one million five hundred ninety-seven thousand dollars ($1,597,000) is hereby appropriated for State Bargaining Unit 12 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation as provided in Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2013 (Chapters 20 and 354 of the Statutes of 2013) in accordance with the following schedule:

(1) Five hundred sixteen thousand dollars ($516,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Seven hundred twenty-four thousand dollars ($724,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Three hundred fifty-seven thousand dollars ($357,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

(d) The sum of one million five thousand dollars ($1,005,000) is hereby appropriated for State Bargaining Unit 18 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation as provided in Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2013 (Chapters 20 and 354 of the Statutes of 2013) in accordance with the following schedule:

(1) Nine hundred twenty-four thousand dollars ($924,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Fifty-four thousand dollars ($54,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Twenty-seven thousand dollars ($27,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

(e) The sum of three thousand dollars ($3,000) is hereby appropriated for State Bargaining Unit 19 for expenditure in the 2013–14 fiscal year in augmentation of, and for the purpose of, state employee compensation as provided in Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2013, (Chapters 20 and 354 of the Statutes of 2013) in accordance with the following schedule:

(1) Three thousand dollars ($3,000) from the General Fund in augmentation of Item 9800-001-0001.

(2) Zero dollars ($0) from unallocated special funds in augmentation of Item 9800-001-0494.

(3) Zero dollars ($0) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

SEC. 215. Section 2 of Chapter 653 of the Statutes of 2013 is amended to read:

Sec. 2. It is the intent of the Legislature that the changes made to law by this act shall only affect specified professional athletes and employers of specified professional athletes. The changes made to law by this act shall not affect any other employer or employee in California.

SEC. 216. Any section of any act enacted by the Legislature during the 2014 calendar year that takes effect on or before January 1, 2015, and that amends, amends and renumbers, adds, repeals

and adds, or repeals a section that is amended, amended and renumbered, added, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to, or subsequent to, the enactment of this act. The repeal, or repeal and addition, of any article, chapter, part, title, or division of any code by this act shall not become operative if any section of any other act that is enacted by the Legislature during the 2014 calendar year and takes effect on or before January 1, 2015, amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, part, title, or division.

Approved _____, 2014

_____

Governor