

AMENDED IN SENATE MARCH 16, 2016

**SENATE BILL**

**No. 1005**

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**Introduced by Senator Jackson  
(Coauthor: Senator Leno)**

February 10, 2016

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An act to amend Section 17537.1 ~~of~~ *of*, and to add Section 14.2 to, the Business and Professions Code, to amend Sections 14, 50, 51.3, 51.11, 682, 682.1, 683, 1099, 1569, and 3390 of the Civil Code, to amend Sections 17, 116.540, 371, 703.140, and 704.930 of the Code of Civil Procedure, to amend Section 1201 of the Commercial Code, to amend Sections 158, 704, 5612, 7612, 12482, 25102, and 25206 ~~of~~ *of*, and to add Section 12.2 to, the Corporations Code, to amend Sections 21100, 24803, and 68062 ~~of~~ *of*, and to add Section 73.2 to, the Education Code, to add Section 356.5 to the Elections Code, to amend Sections 917 and 980 ~~of~~ *of*, and to add Section 215 to, the Evidence Code, to add Section 143 to the Family Code, to amend Sections 14860, 18220, 18523, and 22327 ~~of~~ *of*, and to add Section 11.2 to, the Financial Code, to amend Section 8552.3 ~~of~~ *of*, and to add Section 9.2 to, the Fish and Game Code, to add Section 36 to the Food and Agricultural Code, to amend Sections 9359.9, 9374, 21571, 21572, and 21573 ~~of~~ *of*, and to add Section 12.2 to, the Government Code, to add Section 12.2 to the Harbors and Navigation Code, to amend Sections 1373.5, 18080, 25299.54, and 32501 ~~of~~ *of*, and to add Section 12.2 to, the Health and Safety Code, to amend Sections 10112, 10121.5, 10320, 10493, and 10494.6 ~~of~~ *of*, and to add Section 12.2 to, the Insurance Code, to amend Section 3503 ~~of~~ *of*, and to add Section 12.2 to, the Labor Code, to add Section 19 to the Military and Veterans Code, to amend Sections 7, 152.3, 197, 270e, 273.5, 281, 282, 284, 534, 4002, and 13700 of the Penal Code, to amend Sections 59, 78, 100, 101, 103, 2407, 5040, 5042, 5203, 6122, 6227, 6240, 13500, and 13600 ~~of~~ *of*, and to add Section

72 to, the Probate Code, to amend Section 10430 of the Public Contract Code, to add Section 12.2 to the Public Resources Code, to add Section 12.2 to the Public Utilities Code, to amend Sections 17021, 17039, 17045, 17053.5, 17054, 17077, 17555, 18501, 18522, 18530, 18531.5, 18532, 19006, 19035, 19107, 19110, 19701.5, and 20542 of of, and to add Section 12.2 to, the Revenue and Taxation Code, to amend Section 2804 of of, and to add Section 12.2 to, the Streets and Highways Code, to amend Section 13003 of of, and to add Section 11.2 to, the Unemployment Insurance Code, to add Section 12.2 to the Vehicle Code, to add Section 12.2 to the Water Code, and to amend Sections 742.16, 7275, 12003, 14140, and 18291 of of, and to add Section 12.2 to, the Welfare and Institutions Code, relating to marriage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1005, as amended, Jackson. Marriage.

Under existing law, a reference to “husband” and “wife,” “spouses,” or “married persons,” or a comparable term, includes persons who are lawfully married to each other and persons who were previously lawfully married to each other, as is appropriate under the circumstances of the particular case. *Under existing law, registered domestic partners have the same rights, protections, and benefits, and are subject to the same responsibilities, obligations, and duties under law, whether they derive from statutes, administrative regulations, court rules, government policies, common law, or any other provisions or sources of law, as are granted to and imposed upon spouses. Existing law requires, where necessary to implement the rights of registered domestic partners, gender-specific terms referring to spouses to be construed to include domestic partners.*

The bill would replace references to a “husband” or “wife” with references to a “spouse,” *would define “spouse” as including “domestic partner,”* and would make other conforming and related changes.

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

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

- 1 SECTION 1. Section 14.2 is added to the Business and
- 2 Professions Code, to read:

1 14.2. “Spouse” includes “domestic partner,” as described in  
2 Section 297 of the Family Code.

3 ~~SECTION 1.~~

4 SEC. 2. Section 17537.1 of the Business and Professions Code  
5 is amended to read:

6 17537.1. (a) It is unlawful for any person, or an employee,  
7 agent, or independent contractor employed or authorized by that  
8 person, by any means, as part of an advertising plan or program,  
9 to offer any incentive as an inducement to the recipient to visit a  
10 location, attend a sales presentation, or contact a sales agent in  
11 person, by telephone, or by mail, unless the offer clearly and  
12 conspicuously discloses in writing, in readily understandable  
13 language, all of the information required in paragraphs (1) and (2).  
14 If the offer is not initially made in writing, the required disclosures  
15 shall be received by the recipient in writing prior to any scheduled  
16 visit to a location, sales presentation, or contact with a sales agent.  
17 For purposes of this section, the term “incentive” means any item  
18 or service of value, including, but not limited to, any prize, gift,  
19 money, or other tangible property.

20 (1) The following disclosures shall appear on the front (or first)  
21 page of the offer:

22 (A) The name and street address of the owner of the real or  
23 personal property or the provider of the services which are the  
24 subject of the visit, sales presentation, or contact with a sales agent.  
25 If the offer is made by an agent or independent contractor employed  
26 or authorized by the owner or provider, or is made under a name  
27 other than the true name of the owner or provider, the name of the  
28 owner or provider shall be more prominently and conspicuously  
29 displayed than the name of the agent, independent contractor, or  
30 other name.

31 (B) A general description of the business of the owner or  
32 provider identified pursuant to subparagraph (A), and the purpose  
33 of any requested visit, sales presentation, or contact with a sales  
34 agent, which shall include a general description of the real or  
35 personal property or services which are the subject of the sales  
36 presentation and a clear statement, if applicable, that there will be  
37 a sales presentation and the approximate duration of the visit and  
38 sales presentation.

39 (C) If the recipient is not assured of receiving any particular  
40 incentive, a statement of the odds of receiving each incentive

1 offered or, in the alternative, a clear statement describing the  
2 location in the offer where the odds can be found. The odds shall  
3 be stated in whole Arabic numbers in a format such as: “1 chance  
4 in 100,000” or “1:100,000.” The odds and, where applicable, the  
5 alternative statement describing their location, shall be printed in  
6 a type size that is at least equal to that used for the standard text  
7 on the front (or first) page of the offer.

8 (D) A clear statement, if applicable, that the offer is subject to  
9 specific restrictions, qualifications, and conditions and a statement  
10 describing the location in the offer where the restrictions,  
11 qualifications, and conditions may be found. Both statements shall  
12 be printed in a type size that is at least equal to that used for the  
13 standard text on the front (or first) page of the offer.

14 (2) The following disclosures shall appear in the offer, but need  
15 not appear on the front (or first) page of the offer:

16 (A) Unless the odds are disclosed on the front (or first) page of  
17 the offer, a statement of the odds of receiving each incentive  
18 offered, printed in the size and format set forth in subparagraph  
19 (C) of paragraph (1).

20 (B) All restrictions, qualifications, and other conditions which  
21 must be satisfied before the recipient is entitled to receive the  
22 incentive, including but not limited to:

23 (i) Any deadline by which the recipient must visit the location,  
24 attend the sales presentation, or contact the sales agent in order to  
25 receive an incentive.

26 (ii) Any other conditions, such as a minimum age qualification,  
27 a financial qualification, or a requirement that if the recipient is  
28 ~~married~~ *married*, both ~~spouses~~ *spouses*, or if the recipient is part  
29 *of a registered domestic partnership, both domestic partners*, must  
30 be present in order to receive the incentive. Any financial  
31 qualifications shall be stated with a specificity sufficient to enable  
32 the recipient to reasonably determine his or her eligibility.

33 (C) A statement that the owner or provider identified pursuant  
34 to subparagraph (A) of paragraph (1) reserves the right to provide  
35 a raincheck, or a substitute or like incentive, if those rights are  
36 reserved.

37 (D) A statement that a recipient who receives an offered  
38 incentive may request and will receive evidence showing that the  
39 incentive provided matches the incentive randomly or otherwise  
40 selected for distribution to that recipient.

1 (E) All other rules, terms, and conditions of the offer, plan, or  
2 program.

3 (b) It is unlawful for any person making an offer subject to  
4 subdivision (a), or any employee, agent, or independent contractor  
5 employed or authorized by that person, to offer any incentive when  
6 the person knows or has reason to know that the offered item will  
7 not be available in a sufficient quantity based upon the reasonably  
8 anticipated response to the offer.

9 (c) It is unlawful for any person making an offer subject to  
10 subdivision (a), or any employee, agent, or independent contractor  
11 employed or authorized by that person, to fail to provide any  
12 offered incentive which any recipient who has responded to the  
13 offer in the manner specified therein, who has performed the  
14 requirements disclosed therein, and who has met the qualifications  
15 described therein, is entitled to receive, unless the offered incentive  
16 is not reasonably available and the offer discloses the reservation  
17 of a right to provide a raincheck, or a like or substitute incentive,  
18 if the offered incentive is unavailable.

19 (d) If the person making an offer subject to subdivision (a) is  
20 unable to provide an offered incentive because of limitations of  
21 supply, quantity, or quality that were not reasonably foreseeable  
22 or controllable by the person making the offer, the person making  
23 the offer shall inform the recipient of the recipient's right to receive  
24 a raincheck for the incentive offered, unless the person making  
25 the offer knows or has reasonable basis for knowing that the  
26 incentive will not be reasonably available and shall inform the  
27 recipient of the recipient's right to at least one of the following  
28 additional options:

29 (1) The person making the offer will provide a like incentive  
30 of equivalent or greater retail value or a raincheck therefor.

31 (2) The person making the offer will provide a substitute  
32 incentive of equivalent or greater retail value.

33 (3) The person making the offer will provide a raincheck for  
34 the like or substitute incentive.

35 (e) If a raincheck is provided, the person making an offer subject  
36 to subdivision (a) shall, within a reasonable time, and in no event  
37 later than 80 days, deliver the agreed incentive to the recipient's  
38 address without additional cost or obligation to the recipient, unless  
39 the incentive for which the raincheck is provided remains  
40 unavailable because of limitations of supply, quantity, or quality

1 not reasonably foreseeable or controllable by the person making  
2 the offer. In that case, the person making the offer shall, not later  
3 than 30 days after the expiration of the 80 days, deliver a like  
4 incentive of equal or greater retail value or, if an incentive is not  
5 reasonably available to the person making the offer, a substitute  
6 incentive of equal or greater retail value.

7 (f) Upon the request of a recipient who has received or claims  
8 a right to receive any offered incentive, the person making an offer  
9 subject to subdivision (a) shall furnish to the person sufficient  
10 evidence showing that the incentive provided matches the incentive  
11 randomly or otherwise selected for distribution to that recipient.

12 (g) It is unlawful for any person making an offer subject to  
13 subdivision (a), or any employee, agent, or independent contractor  
14 employed or authorized by that person, to:

15 (1) Use any printing styles, graphics, layouts, text, colors, or  
16 formats on envelopes or on the offer that imply, create an  
17 appearance, or would lead a reasonable person to believe, that the  
18 offer originates from or is issued by or on behalf of a government  
19 or public agency, public utility, public organization, insurance  
20 company, credit reporting agency, bill collecting company, or law  
21 firm, unless the same is true.

22 (2) Misrepresent the size, quantity, identity, value, or qualities  
23 of any incentive.

24 (3) Misrepresent in any manner the odds of receiving any  
25 particular incentive.

26 (4) Represent directly or by implication that the number of  
27 participants has been significantly limited or that any person has  
28 been selected to receive a particular incentive unless that is the  
29 fact.

30 (5) Label any offer a notice of termination or notice of  
31 cancellation.

32 (6) Misrepresent, in any manner, the offer, plan, or program or  
33 the affiliation, connection, association, or contractual relationship  
34 between the person making the offer and the owner or provider,  
35 if they are not the same.

36 (h) If the major incentives are awarded or given at random, by  
37 the assignment of a number to the incentives, that number shall  
38 be actually assigned by the party contractually responsible for  
39 doing so. The person making an offer subject to subdivision (a)  
40 hereof, or the agent, employee, or independent contractor employed

1 or authorized by that person, if any, shall maintain, for a period of  
 2 one year after the date the offer is made, the records that show that  
 3 the winning numbers or opportunity to receive the major incentives  
 4 have been deposited in the mail or otherwise made available to  
 5 recipients in accordance with the odds statement provided pursuant  
 6 to subparagraph (C) of paragraph (1) of subdivision (a) hereof.  
 7 The records shall be made available to the Attorney General within  
 8 30 days after written request therefor. Postal receipt records,  
 9 affidavits of mailing, or a list of winners or recipients of the major  
 10 incentives shall be deemed to satisfy the requirements of this  
 11 section.

12 *SEC. 3. Section 14 of the Civil Code is amended to read:*

13 14. (a) Words used in this code in the present tense include  
 14 the future as well as the present; words used in the masculine  
 15 gender include the feminine and neuter; the singular number  
 16 includes the plural, and the plural the singular; the word person  
 17 includes a corporation as well as a natural person; county includes  
 18 city and county; writing includes printing and typewriting; oath  
 19 includes affirmation or declaration; and every mode of oral  
 20 statement, under oath or affirmation, is embraced by the term  
 21 “testify,” and every written one in the term “depose”; signature or  
 22 subscription includes mark, when the person cannot write, his  
 23 name being written near it, by a person who writes his own name  
 24 as a witness; *provided*, that when a signature is by mark it must in  
 25 order that the same may be acknowledged or may serve as the  
 26 signature to any sworn statement be witnessed by two persons who  
 27 must subscribe their own names as witnesses thereto. ~~The~~

28 (b) *The* following words have in this code the signification  
 29 attached to them in this section, unless otherwise apparent from  
 30 the context:

31 ~~1.~~

32 (1) The word “property” includes property real and ~~personal;~~  
 33 *personal.*

34 ~~2.~~

35 (2) The words “real property” are coextensive with lands,  
 36 tenements, and ~~hereditaments;~~ *hereditaments.*

37 ~~3.~~

38 (3) The words “personal property” include money, goods,  
 39 chattels, things in action, and evidences of ~~debt;~~ *debt.*

40 ~~4.~~

1 (4) The word “month” means a calendar month, unless otherwise  
2 ~~expressed~~; *expressed*.

3 ~~5.~~

4 (5) The word “will” includes ~~codicil~~; *codicil*.

5 ~~6.~~

6 (6) The word “section” whenever hereinafter employed refers  
7 to a section of this code, unless some other code or statute is  
8 expressly mentioned.

9 (7) *The word “spouse” includes a domestic partner, as*  
10 *described in Section 297 of the Family Code.*

11 ~~SEC. 2.~~

12 *SEC. 4.* Section 50 of the Civil Code is amended to read:

13 50. Any necessary force may be used to protect from wrongful  
14 injury the person or property of oneself, or of a spouse, *domestic*  
15 *partner*, child, parent, or other relative, or member of one’s family,  
16 or of a ward, servant, master, or guest.

17 ~~SEC. 3.~~

18 *SEC. 5.* Section 51.3 of the Civil Code is amended to read:

19 51.3. (a) The Legislature finds and declares that this section  
20 is essential to establish and preserve specially designed accessible  
21 housing for senior citizens. There are senior citizens who need  
22 special living environments and services, and find that there is an  
23 inadequate supply of this type of housing in the state.

24 (b) For the purposes of this section, the following definitions  
25 apply:

26 (1) “Qualifying resident” or “senior citizen” means a person 62  
27 years of age or older, or 55 years of age or older in a senior citizen  
28 housing development.

29 (2) “Qualified permanent resident” means a person who meets  
30 both of the following requirements:

31 (A) Was residing with the qualifying resident or senior citizen  
32 prior to the death, hospitalization, or other prolonged absence of,  
33 or the dissolution of marriage with, the qualifying resident or senior  
34 citizen.

35 (B) Was 45 years of age or older, or was a spouse, cohabitant,  
36 or person providing primary physical or economic support to the  
37 qualifying resident or senior citizen.

38 (3) “Qualified permanent resident” also means a disabled person  
39 or person with a disabling illness or injury who is a child or  
40 grandchild of the senior citizen or a qualified permanent resident

1 as defined in paragraph (2) who needs to live with the senior citizen  
2 or qualified permanent resident because of the disabling condition,  
3 illness, or injury. For purposes of this section, “disabled” means  
4 a person who has a disability as defined in subdivision (b) of  
5 Section 54. A “disabling injury or illness” means an illness or  
6 injury which results in a condition meeting the definition of  
7 disability set forth in subdivision (b) of Section 54.

8 (A) For any person who is a qualified permanent resident under  
9 this paragraph whose disabling condition ends, the owner, board  
10 of directors, or other governing body may require the formerly  
11 disabled resident to cease residing in the development upon receipt  
12 of six months’ written notice; provided, however, that the owner,  
13 board of directors, or other governing body may allow the person  
14 to remain a resident for up to one year after the disabling condition  
15 ends.

16 (B) The owner, board of directors, or other governing body of  
17 the senior citizen housing development may take action to prohibit  
18 or terminate occupancy by a person who is a qualified permanent  
19 resident under this paragraph if the owner, board of directors, or  
20 other governing body finds, based on credible and objective  
21 evidence, that the person is likely to pose a significant threat to  
22 the health or safety of others that cannot be ameliorated by means  
23 of a reasonable accommodation; provided, however, that the action  
24 to prohibit or terminate the occupancy may be taken only after  
25 doing both of the following:

26 (i) Providing reasonable notice to and an opportunity to be heard  
27 for the disabled person whose occupancy is being challenged, and  
28 reasonable notice to the coresident parent or grandparent of that  
29 person.

30 (ii) Giving due consideration to the relevant, credible, and  
31 objective information provided in the hearing. The evidence shall  
32 be taken and held in a confidential manner, pursuant to a closed  
33 session, by the owner, board of directors, or other governing body  
34 in order to preserve the privacy of the affected persons.

35 The affected persons shall be entitled to have present at the  
36 hearing an attorney or any other person authorized by them to  
37 speak on their behalf or to assist them in the matter.

38 (4) “Senior citizen housing development” means a residential  
39 development developed, substantially rehabilitated, or substantially  
40 renovated for, senior citizens that has at least 35 dwelling units.

1 Any senior citizen housing development which is required to obtain  
2 a public report under Section 11010 of the Business and Professions  
3 Code and which submits its application for a public report after  
4 July 1, 2001, shall be required to have been issued a public report  
5 as a senior citizen housing development under Section 11010.05  
6 of the Business and Professions Code. No housing development  
7 constructed prior to January 1, 1985, shall fail to qualify as a senior  
8 citizen housing development because it was not originally  
9 developed or put to use for occupancy by senior citizens.

10 (5) “Dwelling unit” or “housing” means any residential  
11 accommodation other than a mobilehome.

12 (6) “Cohabitant” refers to persons who live together as spouses  
13 or persons who are domestic partners within the meaning of Section  
14 297 of the Family Code.

15 (7) “Permitted health care resident” means a person hired to  
16 provide live-in, long-term, or terminal health care to a qualifying  
17 resident, or a family member of the qualifying resident providing  
18 that care. For the purposes of this section, the care provided by a  
19 permitted health care resident must be substantial in nature and  
20 must provide either assistance with necessary daily activities or  
21 medical treatment, or both.

22 A permitted health care resident shall be entitled to continue his  
23 or her occupancy, residency, or use of the dwelling unit as a  
24 permitted resident in the absence of the senior citizen from the  
25 dwelling unit only if both of the following are applicable:

26 (A) The senior citizen became absent from the dwelling due to  
27 hospitalization or other necessary medical treatment and expects  
28 to return to his or her residence within 90 days from the date the  
29 absence began.

30 (B) The absent senior citizen or an authorized person acting for  
31 the senior citizen submits a written request to the owner, board of  
32 directors, or governing board stating that the senior citizen desires  
33 that the permitted health care resident be allowed to remain in  
34 order to be present when the senior citizen returns to reside in the  
35 development.

36 Upon written request by the senior citizen or an authorized  
37 person acting for the senior citizen, the owner, board of directors,  
38 or governing board shall have the discretion to allow a permitted  
39 health care resident to remain for a time period longer than 90 days  
40 from the date that the senior citizen’s absence began, if it appears

1 that the senior citizen will return within a period of time not to  
2 exceed an additional 90 days.

3 (c) The covenants, conditions, and restrictions and other  
4 documents or written policy shall set forth the limitations on  
5 occupancy, residency, or use on the basis of age. Any such  
6 limitation shall not be more exclusive than to require that one  
7 person in residence in each dwelling unit may be required to be a  
8 senior citizen and that each other resident in the same dwelling  
9 unit may be required to be a qualified permanent resident, a  
10 permitted health care resident, or a person under 55 years of age  
11 whose occupancy is permitted under subdivision (h) of this section  
12 or under subdivision (b) of Section 51.4. That limitation may be  
13 less exclusive, but shall at least require that the persons  
14 commencing any occupancy of a dwelling unit include a senior  
15 citizen who intends to reside in the unit as his or her primary  
16 residence on a permanent basis. The application of the rules set  
17 forth in this subdivision regarding limitations on occupancy may  
18 result in less than all of the dwellings being actually occupied by  
19 a senior citizen.

20 (d) The covenants, conditions, and restrictions or other  
21 documents or written policy shall permit temporary residency, as  
22 a guest of a senior citizen or qualified permanent resident, by a  
23 person of less than 55 years of age for periods of time, not less  
24 than 60 days in any year, that are specified in the covenants,  
25 conditions, and restrictions or other documents or written policy.

26 (e) Upon the death or dissolution of marriage, or upon  
27 hospitalization, or other prolonged absence of the qualifying  
28 resident, any qualified permanent resident shall be entitled to  
29 continue his or her occupancy, residency, or use of the dwelling  
30 unit as a permitted resident. This subdivision shall not apply to a  
31 permitted health care resident.

32 (f) The condominium, stock cooperative, limited-equity housing  
33 cooperative, planned development, or multiple-family residential  
34 rental property shall have been developed for, and initially been  
35 put to use as, housing for senior citizens, or shall have been  
36 substantially rehabilitated or renovated for, and immediately  
37 afterward put to use as, housing for senior citizens, as provided in  
38 this section; provided, however, that no housing development  
39 constructed prior to January 1, 1985, shall fail to qualify as a senior  
40 citizen housing development because it was not originally

1 developed for or originally put to use for occupancy by senior  
2 citizens.

3 (g) The covenants, conditions, and restrictions or other  
4 documents or written policies applicable to any condominium,  
5 stock cooperative, limited-equity housing cooperative, planned  
6 development, or multiple-family residential property that contained  
7 age restrictions on January 1, 1984, shall be enforceable only to  
8 the extent permitted by this section, notwithstanding lower age  
9 restrictions contained in those documents or policies.

10 (h) Any person who has the right to reside in, occupy, or use  
11 the housing or an unimproved lot subject to this section on January  
12 1, 1985, shall not be deprived of the right to continue that  
13 residency, occupancy, or use as the result of the enactment of this  
14 section.

15 (i) The covenants, conditions, and restrictions or other  
16 documents or written policy of the senior citizen housing  
17 development shall permit the occupancy of a dwelling unit by a  
18 permitted health care resident during any period that the person is  
19 actually providing live-in, long-term, or hospice health care to a  
20 qualifying resident for compensation. For purposes of this  
21 subdivision, the term “for compensation” shall include provisions  
22 of lodging and food in exchange for care.

23 (j) Notwithstanding any other provision of this section, this  
24 section shall not apply to the County of Riverside.

25 ~~SEC. 4.~~

26 *SEC. 6.* Section 51.11 of the Civil Code is amended to read:

27 51.11. (a) The Legislature finds and declares that this section  
28 is essential to establish and preserve housing for senior citizens.  
29 There are senior citizens who need special living environments,  
30 and find that there is an inadequate supply of this type of housing  
31 in the state.

32 (b) For the purposes of this section, the following definitions  
33 apply:

34 (1) “Qualifying resident” or “senior citizen” means a person 62  
35 years of age or older, or 55 years of age or older in a senior citizen  
36 housing development.

37 (2) “Qualified permanent resident” means a person who meets  
38 both of the following requirements:

39 (A) Was residing with the qualifying resident or senior citizen  
40 prior to the death, hospitalization, or other prolonged absence of,

1 or the dissolution of marriage with, the qualifying resident or senior  
2 citizen.

3 (B) Was 45 years of age or older, or was a spouse, cohabitant,  
4 or person providing primary physical or economic support to the  
5 qualifying resident or senior citizen.

6 (3) “Qualified permanent resident” also means a disabled person  
7 or person with a disabling illness or injury who is a child or  
8 grandchild of the senior citizen or a qualified permanent resident  
9 as defined in paragraph (2) who needs to live with the senior citizen  
10 or qualified permanent resident because of the disabling condition,  
11 illness, or injury. For purposes of this section, “disabled” means  
12 a person who has a disability as defined in subdivision (b) of  
13 Section 54. A “disabling injury or illness” means an illness or  
14 injury which results in a condition meeting the definition of  
15 disability set forth in subdivision (b) of Section 54.

16 (A) For any person who is a qualified permanent resident under  
17 paragraph (3) whose disabling condition ends, the owner, board  
18 of directors, or other governing body may require the formerly  
19 disabled resident to cease residing in the development upon receipt  
20 of six months’ written notice; provided, however, that the owner,  
21 board of directors, or other governing body may allow the person  
22 to remain a resident for up to one year, after the disabling condition  
23 ends.

24 (B) The owner, board of directors, or other governing body of  
25 the senior citizen housing development may take action to prohibit  
26 or terminate occupancy by a person who is a qualified permanent  
27 resident under paragraph (3) if the owner, board of directors, or  
28 other governing body finds, based on credible and objective  
29 evidence, that the person is likely to pose a significant threat to  
30 the health or safety of others that cannot be ameliorated by means  
31 of a reasonable accommodation; provided, however, that action  
32 to prohibit or terminate the occupancy may be taken only after  
33 doing both of the following:

34 (i) Providing reasonable notice to and an opportunity to be heard  
35 for the disabled person whose occupancy is being challenged, and  
36 reasonable notice to the coresident parent or grandparent of that  
37 person.

38 (ii) Giving due consideration to the relevant, credible, and  
39 objective information provided in that hearing. The evidence shall  
40 be taken and held in a confidential manner, pursuant to a closed

1 session, by the owner, board of directors, or other governing body  
2 in order to preserve the privacy of the affected persons.

3 The affected persons shall be entitled to have present at the  
4 hearing an attorney or any other person authorized by them to  
5 speak on their behalf or to assist them in the matter.

6 (4) “Senior citizen housing development” means a residential  
7 development developed with more than 20 units as a senior  
8 community by its developer and zoned as a senior community by  
9 a local governmental entity, or characterized as a senior community  
10 in its governing documents, as these are defined in Section 4150,  
11 or qualified as a senior community under the federal Fair Housing  
12 Amendments Act of 1988, as amended. Any senior citizen housing  
13 development which is required to obtain a public report under  
14 Section 11010 of the Business and Professions Code and which  
15 submits its application for a public report after July 1, 2001, shall  
16 be required to have been issued a public report as a senior citizen  
17 housing development under Section 11010.05 of the Business and  
18 Professions Code.

19 (5) “Dwelling unit” or “housing” means any residential  
20 accommodation other than a mobilehome.

21 (6) “Cohabitant” refers to persons who live together as spouses  
22 or persons who are domestic partners within the meaning of Section  
23 297 of the Family Code.

24 (7) “Permitted health care resident” means a person hired to  
25 provide live-in, long-term, or terminal health care to a qualifying  
26 resident, or a family member of the qualifying resident providing  
27 that care. For the purposes of this section, the care provided by a  
28 permitted health care resident must be substantial in nature and  
29 must provide either assistance with necessary daily activities or  
30 medical treatment, or both.

31 A permitted health care resident shall be entitled to continue his  
32 or her occupancy, residency, or use of the dwelling unit as a  
33 permitted resident in the absence of the senior citizen from the  
34 dwelling unit only if both of the following are applicable:

35 (A) The senior citizen became absent from the dwelling due to  
36 hospitalization or other necessary medical treatment and expects  
37 to return to his or her residence within 90 days from the date the  
38 absence began.

39 (B) The absent senior citizen or an authorized person acting for  
40 the senior citizen submits a written request to the owner, board of

1 directors, or governing board stating that the senior citizen desires  
2 that the permitted health care resident be allowed to remain in  
3 order to be present when the senior citizen returns to reside in the  
4 development.

5 Upon written request by the senior citizen or an authorized  
6 person acting for the senior citizen, the owner, board of directors,  
7 or governing board shall have the discretion to allow a permitted  
8 health care resident to remain for a time period longer than 90 days  
9 from the date that the senior citizen's absence began, if it appears  
10 that the senior citizen will return within a period of time not to  
11 exceed an additional 90 days.

12 (c) The covenants, conditions, and restrictions and other  
13 documents or written policy shall set forth the limitations on  
14 occupancy, residency, or use on the basis of age. Any limitation  
15 shall not be more exclusive than to require that one person in  
16 residence in each dwelling unit may be required to be a senior  
17 citizen and that each other resident in the same dwelling unit may  
18 be required to be a qualified permanent resident, a permitted health  
19 care resident, or a person under 55 years of age whose occupancy  
20 is permitted under subdivision (g) of this section or subdivision  
21 (b) of Section 51.12. That limitation may be less exclusive, but  
22 shall at least require that the persons commencing any occupancy  
23 of a dwelling unit include a senior citizen who intends to reside in  
24 the unit as his or her primary residence on a permanent basis. The  
25 application of the rules set forth in this subdivision regarding  
26 limitations on occupancy may result in less than all of the dwellings  
27 being actually occupied by a senior citizen.

28 (d) The covenants, conditions, and restrictions or other  
29 documents or written policy shall permit temporary residency, as  
30 a guest of a senior citizen or qualified permanent resident, by a  
31 person of less than 55 years of age for periods of time, not more  
32 than 60 days in any year, that are specified in the covenants,  
33 conditions, and restrictions or other documents or written policy.

34 (e) Upon the death or dissolution of marriage, or upon  
35 hospitalization, or other prolonged absence of the qualifying  
36 resident, any qualified permanent resident shall be entitled to  
37 continue his or her occupancy, residency, or use of the dwelling  
38 unit as a permitted resident. This subdivision shall not apply to a  
39 permitted health care resident.

1 (f) The covenants, conditions, and restrictions or other  
2 documents or written policies applicable to any condominium,  
3 stock cooperative, limited-equity housing cooperative, planned  
4 development, or multiple-family residential property that contained  
5 age restrictions on January 1, 1984, shall be enforceable only to  
6 the extent permitted by this section, notwithstanding lower age  
7 restrictions contained in those documents or policies.

8 (g) Any person who has the right to reside in, occupy, or use  
9 the housing or an unimproved lot subject to this section on or after  
10 January 1, 1985, shall not be deprived of the right to continue that  
11 residency, occupancy, or use as the result of the enactment of this  
12 section by Chapter 1147 of the Statutes of 1996.

13 (h) A housing development may qualify as a senior citizen  
14 housing development under this section even though, as of January  
15 1, 1997, it does not meet the definition of a senior citizen housing  
16 development specified in subdivision (b), if the development  
17 complies with that definition for every unit that becomes occupied  
18 after January 1, 1997, and if the development was once within that  
19 definition, and then became noncompliant with the definition as  
20 the result of any one of the following:

21 (1) The development was ordered by a court or a local, state,  
22 or federal enforcement agency to allow persons other than  
23 qualifying residents, qualified permanent residents, or permitted  
24 health care residents to reside in the development.

25 (2) The development received a notice of a pending or proposed  
26 action in, or by, a court, or a local, state, or federal enforcement  
27 agency, which action could have resulted in the development being  
28 ordered by a court or a state or federal enforcement agency to allow  
29 persons other than qualifying residents, qualified permanent  
30 residents, or permitted health care residents to reside in the  
31 development.

32 (3) The development agreed to allow persons other than  
33 qualifying residents, qualified permanent residents, or permitted  
34 health care residents to reside in the development by entering into  
35 a stipulation, conciliation agreement, or settlement agreement with  
36 a local, state, or federal enforcement agency or with a private party  
37 who had filed, or indicated an intent to file, a complaint against  
38 the development with a local, state, or federal enforcement agency,  
39 or file an action in a court.

1 (4) The development allowed persons other than qualifying  
2 residents, qualified permanent residents, or permitted health care  
3 residents to reside in the development on the advice of counsel in  
4 order to prevent the possibility of an action being filed by a private  
5 party or by a local, state, or federal enforcement agency.

6 (i) The covenants, conditions, and restrictions or other  
7 documents or written policy of the senior citizen housing  
8 development shall permit the occupancy of a dwelling unit by a  
9 permitted health care resident during any period that the person is  
10 actually providing live-in, long-term, or hospice health care to a  
11 qualifying resident for compensation.

12 (j) This section shall only apply to the County of Riverside.

13 ~~SEC. 5.~~

14 *SEC. 7.* Section 682 of the Civil Code is amended to read:

15 682. The ownership of property by several persons is either:

16 ~~1.~~

17 (a) Of joint ~~interest~~; *interest*.

18 ~~2.~~

19 (b) Of partnership ~~interests~~; *interests*.

20 ~~3.~~

21 (c) Of interests in ~~common~~; *common*.

22 ~~4.~~

23 (d) Of community interest of ~~spouses~~; *wives or domestic*  
24 *partners*.

25 ~~SEC. 6.~~

26 *SEC. 8.* Section 682.1 of the Civil Code is amended to read:

27 682.1. (a) Community property of ~~spouses~~; *wives or domestic*  
28 *partners*, when expressly declared in the transfer document to be  
29 community property with right of survivorship, and which may  
30 be accepted in writing on the face of the document by a statement  
31 signed or initialed by the grantees, shall, upon the death of one of  
32 the ~~spouses~~; *wives or domestic partners*, pass to the survivor,  
33 without administration, pursuant to the terms of the instrument,  
34 subject to the same procedures, as property held in joint tenancy.  
35 Prior to the death of either ~~spouse~~; *wife or domestic partner*;  
36 the right of survivorship may be terminated pursuant to the same  
37 procedures by which a joint tenancy may be severed. Part I  
38 (commencing with Section 5000) of Division 5 of the Probate  
39 Code and Chapter 2 (commencing with Section 13540), Chapter  
40 3 (commencing with Section 13550) and Chapter 3.5 (commencing

1 with Section 13560) of Part 2 of Division 8 of the Probate Code  
2 apply to this property.

3 (b) This section does not apply to a joint account in a financial  
4 institution to which Part 2 (commencing with Section 5100) of  
5 Division 5 of the Probate Code applies.

6 (c) This section shall become operative on July 1, 2001, and  
7 shall apply to instruments created on or after that date.

8 ~~SEC. 7:~~

9 *SEC. 9.* Section 683 of the Civil Code is amended to read:

10 683. (a) A joint interest is one owned by two or more persons  
11 in equal shares, by a title created by a single will or transfer, when  
12 expressly declared in the will or transfer to be a joint tenancy, or  
13 by transfer from a sole owner to himself or herself and others, or  
14 from tenants in common or joint tenants to themselves or some of  
15 them, or to themselves or any of them and others, or from ~~spouses,~~  
16 *spouses or domestic partners*, when holding title as community  
17 property or otherwise to themselves or to themselves and others  
18 or to one of them and to another or others, when expressly declared  
19 in the transfer to be a joint tenancy, or when granted or devised to  
20 executors or trustees as joint tenants. A joint tenancy in personal  
21 property may be created by a written transfer, instrument, or  
22 agreement.

23 (b) Provisions of this section do not apply to a joint account in  
24 a financial institution if Part 2 (commencing with Section 5100)  
25 of Division 5 of the Probate Code applies to such account.

26 ~~SEC. 8:~~

27 *SEC. 10.* Section 1099 of the Civil Code is amended to read:

28 1099. (a) As soon as practical before transfer of title of any  
29 real property or the execution of a real property sales contract as  
30 defined in Section 2985, the transferor, fee owner, or his *or her*  
31 agent, shall deliver to the transferee a copy of a structural pest  
32 control inspection report prepared pursuant to Section 8516 of the  
33 Business and Professions Code upon which any certification in  
34 accordance with Section 8519 of the Business and Professions  
35 Code may be made, provided that certification or preparation of  
36 a report is a condition of the contract effecting that transfer, or is  
37 a requirement imposed as a condition of financing such transfer.

38 (b) If a notice of work completed as contemplated by Section  
39 8518 of the Business and Professions Code, indicating action by  
40 a structural pest control licensee in response to an inspection report

1 delivered or to be delivered under provisions of subdivision (a),  
 2 or a certification pursuant to Section 8519 of the Business and  
 3 Professions Code, has been received by a transferor or his *or her*  
 4 agent before transfer of title or execution of a real property sales  
 5 contract as defined in Section 2985, it shall be furnished to the  
 6 transferee as soon as practical before transfer of title or the  
 7 execution of such real property sales contract.

8 (c) Delivery to a transferee as used in this section means delivery  
 9 in person or by mail to the transferee himself *or herself* or any  
 10 person authorized to act for him *or her* in the transaction or to such  
 11 additional transferees who have requested such delivery from the  
 12 transferor or his *or her* agent in writing. For the purposes of this  
 13 section, delivery to either spouse *or either domestic partner* shall  
 14 be deemed delivery to a transferee, unless the contract affecting  
 15 the transfer states otherwise.

16 (d) No transfer of title of real property shall be invalidated solely  
 17 because of the failure of any person to comply with the provisions  
 18 of this section unless such failure is an act or omission which would  
 19 be a valid ground for rescission of such transfer in the absence of  
 20 this section.

21 ~~SEC. 9.~~

22 *SEC. 11.* Section 1569 of the Civil Code is amended to read:

23 1569. Duress consists ~~in:~~ *in any of the following:*

24 ~~1.~~

25 (a) Unlawful confinement of the person of the party, or of the  
 26 spouse *or domestic partner* of such party, or of an ancestor,  
 27 descendant, or adopted child of such ~~party or spouse;~~ *party, spouse,*  
 28 *or domestic partner.*

29 ~~2.~~

30 (b) Unlawful detention of the property of any such ~~person;~~ *or,*  
 31 *person.*

32 ~~3.~~

33 (c) Confinement of such person, lawful in form, but fraudulently  
 34 obtained, or fraudulently made unjustly harassing or oppressive.

35 ~~SEC. 10.~~

36 *SEC. 12.* Section 3390 of the Civil Code is amended to read:

37 3390. The following obligations cannot be specifically  
 38 enforced:

39 ~~1.~~

40 (a) An obligation to render personal ~~service;~~ *service.*

- 1     ~~2.~~
- 2     (b) An obligation to employ another in personal ~~service~~; *service*.
- 3     ~~3.~~
- 4     (c) An agreement to perform an act which the party has not
- 5     power lawfully to perform when required to do ~~so~~; *so*.
- 6     ~~4.~~
- 7     (d) An agreement to procure the act or consent of the spouse *or*
- 8     *domestic partner* of the contracting party, or of any other third
- 9     ~~person~~; *or, person*.
- 10    ~~5.~~
- 11    (e) An agreement, the terms of which are not sufficiently certain
- 12    to make the precise act which is to be done clearly ascertainable.
- 13    SEC. 13. *Section 17 of the Code of Civil Procedure is amended*
- 14    *to read:*
- 15    17. (a) Words used in this code in the present tense include
- 16    the future as well as the present. Words used in the masculine
- 17    gender include the feminine and neuter. The singular number
- 18    includes the plural and the plural number includes the singular.
- 19    (b) As used in this code, the following words have the following
- 20    meanings, unless otherwise apparent from the context:
- 21    (1) “Affinity” signifies the connection existing in consequence
- 22    of marriage, between each of the married persons and the blood
- 23    relatives of the other when applied to the marriage relation.
- 24    (2) “County” includes “city and county.”
- 25    (3) “Electronic signature” means an electronic sound, symbol,
- 26    or process attached to or logically associated with an electronic
- 27    record and executed or adopted by a person with the intent to sign
- 28    the electronic record.
- 29    (4) “Month” means a calendar month, unless otherwise
- 30    expressed.
- 31    (5) “Oath” includes an affirmation or declaration.
- 32    (A) “Depose” includes any written statement made under oath
- 33    or affirmation.
- 34    (B) “Testify” includes any mode of oral statement made under
- 35    oath or affirmation.
- 36    (6) “Person” includes a corporation as well as a natural person.
- 37    (7) “Process” signifies a writ or summons issued in the course
- 38    of a judicial proceeding.
- 39    (8) “Property” includes both personal and real property.

1 (A) “Personal property” includes money, goods, chattels, things  
2 in action, and evidences of debt.

3 (B) “Real property” is coextensive with lands, tenements, and  
4 hereditaments.

5 (9) “Section” refers to a section of this code, unless some other  
6 code or statute is expressly mentioned.

7 (10) “Sheriff” includes marshal.

8 (11) “Signature” or “subscription” includes a mark of a person’s  
9 name, if the person cannot write, with his or her name being written  
10 near it by a person who writes his or her own name as a witness.  
11 In order that a mark may be acknowledged or serve as the signature  
12 to any sworn statement, it shall be witnessed by two persons who  
13 shall subscribe their own names as witnesses thereto.

14 (12) “Spouse” includes “domestic partner,” as described in  
15 Section 297 of the Family Code.

16 ~~(12)~~

17 (13) “State” includes the District of Columbia and the territories  
18 when applied to the different parts of the United States, and the  
19 words “United States” may include the district and territories.

20 ~~(13)~~

21 (14) “Will” includes codicil.

22 ~~(14)~~

23 (15) “Writ” means an order or precept in writing, issued in the  
24 name of the people, or of a court or judicial officer.

25 ~~(15)~~

26 (16) “Writing” includes printing and typewriting.

27 ~~SEC. 11.~~

28 *SEC. 14.* Section 116.540 of the Code of Civil Procedure is  
29 amended to read:

30 116.540. (a) Except as permitted by this section, no individual  
31 other than the plaintiff and the defendant may take part in the  
32 conduct or defense of a small claims action.

33 (b) Except as additionally provided in subdivision (i), a  
34 corporation may appear and participate in a small claims action  
35 only through a regular employee, or a duly appointed or elected  
36 officer or director, who is employed, appointed, or elected for  
37 purposes other than solely representing the corporation in small  
38 claims court.

39 (c) A party who is not a corporation or a natural person may  
40 appear and participate in a small claims action only through a

1 regular employee, or a duly appointed or elected officer or director,  
2 or in the case of a partnership, a partner, engaged for purposes  
3 other than solely representing the party in small claims court.

4 (d) If a party is an individual doing business as a sole  
5 proprietorship, the party may appear and participate in a small  
6 claims action by a representative and without personally appearing  
7 if both of the following conditions are met:

8 (1) The claim can be proved or disputed by evidence of an  
9 account that constitutes a business record as defined in Section  
10 1271 of the Evidence Code, and there is no other issue of fact in  
11 the case.

12 (2) The representative is a regular employee of the party for  
13 purposes other than solely representing the party in small claims  
14 actions and is qualified to testify to the identity and mode of  
15 preparation of the business record.

16 (e) A plaintiff is not required to personally appear, and may  
17 submit declarations to serve as evidence supporting his or her claim  
18 or allow another individual to appear and participate on his or her  
19 behalf, if (1) the plaintiff is serving on active duty in the United  
20 States Armed Forces outside this state, (2) the plaintiff was  
21 assigned to his or her duty station after his or her claim arose, (3)  
22 the assignment is for more than six months, (4) the representative  
23 is serving without compensation, and (5) the representative has  
24 appeared in small claims actions on behalf of others no more than  
25 four times during the calendar year. The defendant may file a claim  
26 in the same action in an amount not to exceed the jurisdictional  
27 limits stated in Sections 116.220, 116.221, and 116.231.

28 (f) A party incarcerated in a county jail, a Department of  
29 Corrections and Rehabilitation facility, or a Division of Juvenile  
30 Facilities facility is not required to personally appear, and may  
31 submit declarations to serve as evidence supporting his or her  
32 claim, or may authorize another individual to appear and participate  
33 on his or her behalf if that individual is serving without  
34 compensation and has appeared in small claims actions on behalf  
35 of others no more than four times during the calendar year.

36 (g) A defendant who is a nonresident owner of real property  
37 may defend against a claim relating to that property without  
38 personally appearing by (1) submitting written declarations to  
39 serve as evidence supporting his or her defense, (2) allowing  
40 another individual to appear and participate on his or her behalf if

1 that individual is serving without compensation and has appeared  
2 in small claims actions on behalf of others no more than four times  
3 during the calendar year, or (3) taking the action described in both  
4 (1) and (2).

5 (h) A party who is an owner of rental real property may appear  
6 and participate in a small claims action through a property agent  
7 under contract with the owner to manage the rental of that property,  
8 if (1) the owner has retained the property agent principally to  
9 manage the rental of that property and not principally to represent  
10 the owner in small claims court, and (2) the claim relates to the  
11 rental property.

12 (i) A party that is an association created to manage a common  
13 interest development, as defined in Section 4100 or in Sections  
14 6528 and 6534 of the Civil Code, may appear and participate in a  
15 small claims action through an agent, a management company  
16 representative, or bookkeeper who appears on behalf of that  
17 association.

18 (j) At the hearing of a small claims action, the court shall require  
19 any individual who is appearing as a representative of a party under  
20 subdivisions (b) to (i), inclusive, to file a declaration stating (1)  
21 that the individual is authorized to appear for the party, and (2)  
22 the basis for that authorization. If the representative is appearing  
23 under subdivision (b), (c), (d), (h), or (i), the declaration also shall  
24 state that the individual is not employed solely to represent the  
25 party in small claims court. If the representative is appearing under  
26 subdivision (e), (f), or (g), the declaration also shall state that the  
27 representative is serving without compensation, and has appeared  
28 in small claims actions on behalf of others no more than four times  
29 during the calendar year.

30 (k) A spouse *or domestic partner* who sues or who is sued with  
31 his or her spouse *or domestic partner* may appear and participate  
32 on behalf of his or her spouse *or domestic partner* if (1) the claim  
33 is a joint claim, (2) the represented spouse *or domestic partner* has  
34 given his or her consent, and (3) the court determines that the  
35 interests of justice would be served.

36 (l) If the court determines that a party cannot properly present  
37 his or her claim or defense and needs assistance, the court may in  
38 its discretion allow another individual to assist that party.

1 (m) Nothing in this section shall operate or be construed to  
2 authorize an attorney to participate in a small claims action except  
3 as expressly provided in Section 116.530.

4 ~~SEC. 12.~~

5 *SEC. 15.* Section 371 of the Code of Civil Procedure is  
6 amended to read:

7 371. If spouses *or domestic partners* are sued together, each  
8 may defend for his or her own right, but if one spouse *or domestic*  
9 *partner* neglects to defend, the other spouse *or domestic partner*  
10 may defend for that spouse's *or domestic partner's* right also.

11 ~~SEC. 13.~~

12 *SEC. 16.* Section 703.140 of the Code of Civil Procedure is  
13 amended to read:

14 703.140. (a) In a case under Title 11 of the United States Code,  
15 all of the exemptions provided by this chapter, including the  
16 homestead exemption, other than the provisions of subdivision (b)  
17 are applicable regardless of whether there is a money judgment  
18 against the debtor or whether a money judgment is being enforced  
19 by execution sale or any other procedure, but the exemptions  
20 provided by subdivision (b) may be elected in lieu of all other  
21 exemptions provided by this chapter, as follows:

22 (1) If spouses *or domestic partners* are joined in the petition,  
23 they jointly may elect to utilize the applicable exemption provisions  
24 of this chapter other than the provisions of subdivision (b), or to  
25 utilize the applicable exemptions set forth in subdivision (b), but  
26 not both.

27 (2) If the petition is filed individually, and not jointly, for a  
28 ~~spouse~~, *spouse or domestic partner*, the exemptions provided by  
29 this chapter other than the provisions of subdivision (b) are  
30 applicable, except that, if both of the spouses *or domestic partners*  
31 effectively waive in writing the right to claim, during the period  
32 the case commenced by filing the petition is pending, the  
33 exemptions provided by the applicable exemption provisions of  
34 this chapter, other than subdivision (b), in any case commenced  
35 by filing a petition for either of them under Title 11 of the United  
36 States Code, then they may elect to instead utilize the applicable  
37 exemptions set forth in subdivision (b).

38 (3) If the petition is filed for an unmarried person, that person  
39 may elect to utilize the applicable exemption provisions of this

1 chapter other than subdivision (b), or to utilize the applicable  
2 exemptions set forth in subdivision (b), but not both.

3 (b) The following exemptions may be elected as provided in  
4 subdivision (a):

5 (1) The debtor's aggregate interest, not to exceed twenty-four  
6 thousand sixty dollars (\$24,060) in value, in real property or  
7 personal property that the debtor or a dependent of the debtor uses  
8 as a residence, in a cooperative that owns property that the debtor  
9 or a dependent of the debtor uses as a residence.

10 (2) The debtor's interest, not to exceed four thousand eight  
11 hundred dollars (\$4,800) in value, in one or more motor vehicles.

12 (3) The debtor's interest, not to exceed six hundred dollars  
13 (\$600) in value in any particular item, in household furnishings,  
14 household goods, wearing apparel, appliances, books, animals,  
15 crops, or musical instruments, that are held primarily for the  
16 personal, family, or household use of the debtor or a dependent of  
17 the debtor.

18 (4) The debtor's aggregate interest, not to exceed one thousand  
19 four hundred twenty-five dollars (\$1,425) in value, in jewelry held  
20 primarily for the personal, family, or household use of the debtor  
21 or a dependent of the debtor.

22 (5) The debtor's aggregate interest, not to exceed in value one  
23 thousand two hundred eighty dollars (\$1,280) plus any unused  
24 amount of the exemption provided under paragraph (1), in any  
25 property.

26 (6) The debtor's aggregate interest, not to exceed seven thousand  
27 one hundred seventy-five dollars (\$7,175) in value, in any  
28 implements, professional books, or tools of the trade of the debtor  
29 or the trade of a dependent of the debtor.

30 (7) Any unmaturred life insurance contract owned by the debtor,  
31 other than a credit life insurance contract.

32 (8) The debtor's aggregate interest, not to exceed in value twelve  
33 thousand eight hundred sixty dollars (\$12,860), in any accrued  
34 dividend or interest under, or loan value of, any unmaturred life  
35 insurance contract owned by the debtor under which the insured  
36 is the debtor or an individual of whom the debtor is a dependent.

37 (9) Professionally prescribed health aids for the debtor or a  
38 dependent of the debtor.

39 (10) The debtor's right to receive any of the following:

- 1 (A) A social security benefit, unemployment compensation, or
- 2 a local public assistance benefit.
- 3 (B) A veterans’ benefit.
- 4 (C) A disability, illness, or unemployment benefit.
- 5 (D) Alimony, support, or separate maintenance, to the extent
- 6 reasonably necessary for the support of the debtor and any
- 7 dependent of the debtor.
- 8 (E) A payment under a stock bonus, pension, profit-sharing,
- 9 annuity, or similar plan or contract on account of illness, disability,
- 10 death, age, or length of service, to the extent reasonably necessary
- 11 for the support of the debtor and any dependent of the debtor,
- 12 unless all of the following apply:
- 13 (i) That plan or contract was established by or under the auspices
- 14 of an insider that employed the debtor at the time the debtor’s
- 15 rights under the plan or contract arose.
- 16 (ii) The payment is on account of age or length of service.
- 17 (iii) That plan or contract does not qualify under Section 401(a),
- 18 403(a), 403(b), 408, or 408A of the Internal Revenue Code of
- 19 1986.
- 20 (11) The debtor’s right to receive, or property that is traceable
- 21 to, any of the following:
- 22 (A) An award under a crime victim’s reparation law.
- 23 (B) A payment on account of the wrongful death of an individual
- 24 of whom the debtor was a dependent, to the extent reasonably
- 25 necessary for the support of the debtor and any dependent of the
- 26 debtor.
- 27 (C) A payment under a life insurance contract that insured the
- 28 life of an individual of whom the debtor was a dependent on the
- 29 date of that individual’s death, to the extent reasonably necessary
- 30 for the support of the debtor and any dependent of the debtor.
- 31 (D) A payment, not to exceed twenty-four thousand sixty dollars
- 32 (\$24,060), on account of personal bodily injury of the debtor or
- 33 an individual of whom the debtor is a dependent.
- 34 (E) A payment in compensation of loss of future earnings of
- 35 the debtor or an individual of whom the debtor is or was a
- 36 dependent, to the extent reasonably necessary for the support of
- 37 the debtor and any dependent of the debtor.
- 38 ~~SEC. 14.~~
- 39 *SEC. 17.* Section 704.930 of the Code of Civil Procedure is
- 40 amended to read:

1 704.930. (a) A homestead declaration recorded pursuant to  
2 this article shall contain all of the following:

3 (1) The name of the declared homestead owner. Spouses *or*  
4 *domestic partners* both may be named as declared homestead  
5 owners in the same homestead declaration if each owns an interest  
6 in the dwelling selected as the declared homestead.

7 (2) A description of the declared homestead.

8 (3) A statement that the declared homestead is the principal  
9 dwelling of the declared homestead owner or such person's ~~spouse,~~  
10 *spouse or domestic partner*, and that the declared homestead owner  
11 or such person's *spouse or domestic partner* resides in the declared  
12 homestead on the date the homestead declaration is recorded.

13 (b) The homestead declaration shall be executed and  
14 acknowledged in the manner of an acknowledgment of a  
15 conveyance of real property by at least one of the following  
16 persons:

17 (1) The declared homestead owner.

18 (2) The spouse *or domestic partner* of the declared homestead  
19 owner.

20 (3) The guardian or conservator of the person or estate of either  
21 of the persons listed in paragraph (1) or (2). The guardian or  
22 conservator may execute, acknowledge, and record a homestead  
23 declaration without the need to obtain court authorization.

24 (4) A person acting under a power of attorney or otherwise  
25 authorized to act on behalf of a person listed in paragraph (1) or  
26 (2).

27 (c) The homestead declaration shall include a statement that the  
28 facts stated in the homestead declaration are known to be true as  
29 of the personal knowledge of the person executing and  
30 acknowledging the homestead declaration. If the homestead  
31 declaration is executed and acknowledged by a person listed in  
32 paragraph (3) or (4) of subdivision (b), it shall also contain a  
33 statement that the person has authority to so act on behalf of the  
34 declared homestead owner or the spouse *or domestic partner* of  
35 the declared homestead owner and the source of the person's  
36 authority.

37 *SEC. 18. Section 1201 of the Commercial Code is amended to*  
38 *read:*

39 1201. (a) Unless the context otherwise requires, words or  
40 phrases defined in this section, or in the additional definitions

1 contained in other divisions of this code that apply to particular  
2 divisions or chapters thereof, have the meanings stated.

3 (b) Subject to definitions contained in other divisions of this  
4 code that apply to particular divisions or chapters thereof:

5 (1) “Action,” in the sense of a judicial proceeding, includes  
6 recoupment, counterclaim, setoff, suit in equity, and any other  
7 proceeding in which rights are determined.

8 (2) “Aggrieved party” means a party entitled to pursue a remedy.

9 (3) “Agreement,” as distinguished from “contract,” means the  
10 bargain of the parties in fact, as found in their language or inferred  
11 from other circumstances, including course of performance, course  
12 of dealing, or usage of trade as provided in Section 1303.

13 (4) “Bank” means a person engaged in the business of banking,  
14 and includes a savings bank, savings and loan association, credit  
15 union, and trust company.

16 (5) “Bearer” means a person in possession of a negotiable  
17 instrument, document of title, or certificated security that is payable  
18 to bearer or endorsed in blank.

19 (6) “Bill of lading” means a document evidencing the receipt  
20 of goods for shipment issued by a person engaged in the business  
21 of transporting or forwarding goods.

22 (7) “Branch” includes a separately incorporated foreign branch  
23 of a bank.

24 (8) “Burden of establishing” a fact means the burden of  
25 persuading the trier of fact that the existence of the fact is more  
26 probable than its nonexistence.

27 (9) “Buyer in ordinary course of business” means a person that  
28 buys goods in good faith, without knowledge that the sale violates  
29 the rights of another person in the goods, and in the ordinary course  
30 from a person, other than a pawnbroker, in the business of selling  
31 goods of that kind. A person buys goods in the ordinary course if  
32 the sale to the person comports with the usual or customary  
33 practices in the kind of business in which the seller is engaged or  
34 with the seller’s own usual or customary practices. A person that  
35 sells oil, gas, or other minerals at the wellhead or minehead is a  
36 person in the business of selling goods of that kind. A buyer in  
37 ordinary course of business may buy for cash, by exchange of  
38 other property, or on secured or unsecured credit, and may acquire  
39 goods or documents of title under a preexisting contract for sale.  
40 Only a buyer that takes possession of the goods or has a right to

1 recover the goods from the seller under Division 2 (commencing  
2 with Section 2101) may be a buyer in ordinary course of business.  
3 “Buyer in ordinary course of business” does not include a person  
4 that acquires goods in a transfer in bulk or as security for or in  
5 total or partial satisfaction of a money debt.

6 (10) “Conspicuous,” with reference to a term, means so written,  
7 displayed, or presented that a reasonable person against whom it  
8 is to operate ought to have noticed it. Whether a term is  
9 “conspicuous” or not is a decision for the court. Conspicuous terms  
10 include the following:

11 (A) a heading in capitals equal to or greater in size than the  
12 surrounding text, or in contrasting type, font, or color to the  
13 surrounding text of the same or lesser size; and

14 (B) language in the body of a record or display in larger type  
15 than the surrounding text, or in contrasting type, font, or color to  
16 the surrounding text of the same size, or set off from surrounding  
17 text of the same size by symbols or other marks that call attention  
18 to the language.

19 (11) [Reserved]

20 (12) “Contract,” as distinguished from “agreement,” means the  
21 total legal obligation that results from the parties’ agreement as  
22 determined by this code and as supplemented by any other  
23 applicable laws.

24 (13) “Creditor” includes a general creditor, a secured creditor,  
25 a lien creditor, and any representative of creditors, including an  
26 assignee for the benefit of creditors, a trustee in bankruptcy, a  
27 receiver in equity, and an executor or administrator of an insolvent  
28 debtor’s or assignor’s estate.

29 (14) “Defendant” includes a person in the position of defendant  
30 in a counterclaim, cross-claim, or third-party claim.

31 (15) “Delivery,” with respect to an instrument, document of  
32 title, or chattel paper means voluntary transfer of possession.

33 (16) “Document of title” includes a bill of lading, dock warrant,  
34 dock receipt, warehouse receipt, or order for the delivery of goods,  
35 and also any other document which in the regular course of  
36 business or financing is treated as adequately evidencing that the  
37 person in possession of it is entitled to receive, hold, and dispose  
38 of the document and the goods it covers. To be a document of title,  
39 a document must purport to be issued by or addressed to a bailee

1 and purport to cover goods in the bailee's possession which are  
2 either identified or are fungible portions of an identified mass.

3 (17) "Fault" means a default, breach, or wrongful act or  
4 omission.

5 (18) "Fungible goods" means:

6 (A) Goods of which any unit, by nature or usage of trade, is the  
7 equivalent of any other like unit; or

8 (B) Goods that by agreement are treated as equivalent.

9 (19) "Genuine" means free of forgery or counterfeiting.

10 (20) "Good faith," except as otherwise provided in Division 5  
11 (commencing with Section 5101), means honesty in fact and the  
12 observance of reasonable commercial standards of fair dealing.

13 (21) "Holder," means:

14 (A) the person in possession of a negotiable instrument that is  
15 payable either to bearer or, to an identified person that is the person  
16 in possession; or

17 (B) the person in possession of a document of title if the goods  
18 are deliverable either to bearer or to the order of the person in  
19 possession.

20 (22) "Insolvency proceeding" includes an assignment for the  
21 benefit of creditors or other proceeding intended to liquidate or  
22 rehabilitate the estate of the person involved.

23 (23) "Insolvent" means:

24 (A) having generally ceased to pay debts in the ordinary course  
25 of business other than as a result of bona fide dispute;

26 (B) being unable to pay debts as they become due; or

27 (C) being insolvent within the meaning of federal bankruptcy  
28 law.

29 (24) "Money" means a medium of exchange currently authorized  
30 or adopted by a domestic or foreign government. The term includes  
31 a monetary unit of account established by an intergovernmental  
32 organization or by agreement between two or more countries.

33 (25) "Organization" means a person other than an individual.

34 (26) "Party," as distinguished from "third party," means a person  
35 that has engaged in a transaction or made an agreement subject to  
36 this code.

37 (27) "Person" means an individual, corporation, business trust,  
38 estate, trust, partnership, limited liability company, association,  
39 joint venture, government, governmental subdivision, agency, or

1 instrumentality, public corporation, or any other legal or  
2 commercial entity.

3 (28) “Present value” means the amount as of a date certain of  
4 one or more sums payable in the future, discounted to the date  
5 certain by use of either an interest rate specified by the parties if  
6 that rate is not manifestly unreasonable at the time the transaction  
7 is entered into or, if an interest rate is not so specified, a  
8 commercially reasonable rate that takes into account the facts and  
9 circumstances at the time the transaction is entered into.

10 (29) “Purchase” means taking by sale, lease, discount,  
11 negotiation, mortgage, pledge, lien, security interest, issue or  
12 reissue, gift, or any other voluntary transaction creating an interest  
13 in property.

14 (30) “Purchaser” means a person that takes by purchase.

15 (31) “Record” means information that is inscribed on a tangible  
16 medium or that is stored in an electronic or other medium and is  
17 retrievable in perceivable form.

18 (32) “Remedy” means any remedial right to which an aggrieved  
19 party is entitled with or without resort to a tribunal.

20 (33) “Representative” means a person empowered to act for  
21 another, including an agent, an officer of a corporation or  
22 association, and a trustee, executor, or administrator of an estate.

23 (34) “Right” includes remedy.

24 (35) “Security interest” means an interest in personal property  
25 or fixtures which secures payment or performance of an obligation.  
26 “Security interest” includes any interest of a consignor and a buyer  
27 of accounts, chattel paper, a payment intangible, or a promissory  
28 note in a transaction that is subject to Division 9 (commencing  
29 with Section 9101). “Security interest” does not include the special  
30 property interest of a buyer of goods on identification of those  
31 goods to a contract for sale under Section 2401, but a buyer may  
32 also acquire a “security interest” by complying with Division 9  
33 (commencing with Section 9101). Except as otherwise provided  
34 in Section 2505, the right of a seller or lessor of goods under  
35 Division 2 (commencing with Section 2101) or Division 10  
36 (commencing with Section 10101) to retain or acquire possession  
37 of the goods is not a “security interest,” but a seller or lessor may  
38 also acquire a “security interest” by complying with Division 9  
39 (commencing with Section 9101). The retention or reservation of  
40 title by a seller of goods notwithstanding shipment or delivery to

1 the buyer under Section 2401 is limited in effect to a reservation  
2 of a “security interest.”

3 Whether a transaction in the form of a lease creates a “security  
4 interest” is determined pursuant to Section 1203.

5 (36) “Send,” in connection with a writing, record, or notice  
6 means:

7 (A) to deposit in the mail or deliver for transmission by any  
8 other usual means of communication with postage or cost of  
9 transmission provided for and properly addressed and, in the case  
10 of an instrument, to an address specified thereon or otherwise  
11 agreed or, if there is none, to any address reasonable under the  
12 circumstances; or

13 (B) in any other way to cause to be received any record or notice  
14 within the time it would have arrived if properly sent.

15 (37) “Signed” includes using any symbol executed or adopted  
16 with present intention to adopt or accept a writing.

17 (38) “Spouse” includes “domestic partner,” as described in  
18 Section 297 of the Family Code.

19 ~~(38)~~

20 (39) “State” means a state of the United States, the District of  
21 Columbia, Puerto Rico, the United States Virgin Islands, or any  
22 territory or insular possession subject to the jurisdiction of the  
23 United States.

24 ~~(39)~~

25 (40) “Surety” includes a guarantor or other secondary obligor.

26 ~~(40)~~

27 (41) “Term” means a portion of an agreement that relates to a  
28 particular matter.

29 ~~(41)~~

30 (42) “Unauthorized signature” means a signature made without  
31 actual, implied, or apparent authority. The term includes a forgery.

32 ~~(42)~~

33 (43) “Warehouse receipt” means a receipt issued by a person  
34 engaged in the business of storing goods for hire.

35 ~~(43)~~

36 (44) “Writing” includes printing, typewriting, or any other  
37 intentional reduction to tangible form. “Written” has a  
38 corresponding meaning.

39 SEC. 19. Section 12.2 is added to the Corporations Code, to  
40 read:

1 12.2. “Spouse” includes “domestic partner,” as described in  
2 Section 297 of the Family Code.

3 ~~SEC. 15.~~

4 SEC. 20. Section 158 of the Corporations Code is amended to  
5 read:

6 158. (a) “Close corporation” means a corporation, including  
7 a close social purpose corporation, whose articles contain, in  
8 addition to the provisions required by Section 202, a provision that  
9 all of the corporation’s issued shares of all classes shall be held of  
10 record by not more than a specified number of persons, not  
11 exceeding 35, and a statement “This corporation is a close  
12 corporation.”

13 (b) The special provisions referred to in subdivision (a) may be  
14 included in the articles by amendment, but if such amendment is  
15 adopted after the issuance of shares only by the affirmative vote  
16 of all of the issued and outstanding shares of all classes.

17 (c) The special provisions referred to in subdivision (a) may be  
18 deleted from the articles by amendment, or the number of  
19 shareholders specified may be changed by amendment, but if such  
20 amendment is adopted after the issuance of shares, only by the  
21 affirmative vote of at least two-thirds of each class of the  
22 outstanding shares; provided, however, that the articles may  
23 provide for a lesser vote, but not less than a majority of the  
24 outstanding shares, or may deny a vote to any class, or both.

25 (d) In determining the number of shareholders for the purposes  
26 of the provision in the articles authorized by this section, spouses  
27 and the personal representative of either *or domestic partners and*  
28 *the personal representative of either* shall be counted as one  
29 regardless of how shares may be held by either or both of them, a  
30 trust or personal representative of a decedent holding shares shall  
31 be counted as one regardless of the number of trustees or  
32 beneficiaries, and a partnership or corporation or business  
33 association holding shares shall be counted as one (except that any  
34 such trust or entity the primary purpose of which was the  
35 acquisition or voting of the shares shall be counted according to  
36 the number of beneficial interests therein).

37 (e) A corporation shall cease to be a close corporation upon the  
38 filing of an amendment to its articles pursuant to subdivision (c)  
39 or, if it shall have more than the maximum number of holders of  
40 record of its shares specified in its articles as a result of an inter

1 vivos transfer of shares which is not void under subdivision (d) of  
2 Section 418, the transfer of shares on distribution by will or  
3 pursuant to the laws of descent and distribution, the dissolution of  
4 a partnership or corporation or business association, or the  
5 termination of a trust which holds shares, by court decree upon  
6 dissolution of a marriage or otherwise by operation of law.  
7 Promptly upon acquiring more than the specified number of holders  
8 of record of its shares, a close corporation shall execute and file  
9 an amendment to its articles deleting the special provisions referred  
10 to in subdivision (a) and deleting any other provisions not  
11 permissible for a corporation which is not a close corporation,  
12 which amendment shall be promptly approved and filed by the  
13 board and need not be approved by the outstanding shares.

14 (f) Nothing contained in this section shall invalidate any  
15 agreement among the shareholders to vote for the deletion from  
16 the articles of the special provisions referred to in subdivision (a)  
17 upon the lapse of a specified period of time or upon the occurrence  
18 of a certain event or condition or otherwise.

19 (g) The following sections contain specific references to close  
20 corporations: Sections 186, 202, 204, 300, 418, 421, 1111, 1201,  
21 1800, and 1904.

22 ~~SEC. 16.~~

23 *SEC. 21.* Section 704 of the Corporations Code is amended to  
24 read:

25 704. If shares stand of record in the names of two or more  
26 persons, whether fiduciaries, members of a partnership, joint  
27 tenants, tenants in common, spouses *or domestic partners* as  
28 community property, tenants by the entirety, voting trustees,  
29 persons entitled to vote under a shareholder voting agreement or  
30 otherwise, or if two or more persons (including proxyholders) have  
31 the same fiduciary relationship respecting the same shares, unless  
32 the secretary of the corporation is given written notice to the  
33 contrary and is furnished with a copy of the instrument or order  
34 appointing them or creating the relationship wherein it is so  
35 provided, their acts with respect to voting shall have the following  
36 effect:

37 (1) If only one votes, such act binds all;

38 (2) If more than one vote, the act of the majority so voting  
39 binds all;

1 (3) If more than one vote, but the vote is evenly split on any  
2 particular matter, each faction may vote the securities in question  
3 proportionately.  
4

5 If the instrument so filed or the registration of the shares shows  
6 that any such tenancy is held in unequal interests, a majority or  
7 even split for the purpose of this section shall be a majority or even  
8 split in interest.

9 ~~SEC. 17.~~

10 *SEC. 22.* Section 5612 of the Corporations Code is amended  
11 to read:

12 5612. If a membership stands of record in the names of two or  
13 more persons, whether fiduciaries, members of a partnership, joint  
14 tenants, tenants in common, spouses *or domestic partners* as  
15 community property, tenants by the entirety, or otherwise, or if  
16 two or more persons (including proxyholders) have the same  
17 fiduciary relationship respecting the same membership, unless the  
18 secretary of the corporation is given written notice to the contrary  
19 and is furnished with a copy of the instrument or order appointing  
20 them or creating the relationship wherein it is so provided, their  
21 acts with respect to voting shall have the following effect:

22 (a) If only one votes, such act binds all;

23 (b) If more than one vote, the act of the majority so voting binds  
24 all.

25 ~~SEC. 18.~~

26 *SEC. 23.* Section 7612 of the Corporations Code is amended  
27 to read:

28 7612. If a membership stands of record in the names of two or  
29 more persons, whether fiduciaries, members of a partnership, joint  
30 tenants, tenants in common, spouses *or domestic partners* as  
31 community property, tenants by the entirety, persons entitled to  
32 vote under a voting agreement or otherwise, or if two or more  
33 persons (including proxyholders) have the same fiduciary  
34 relationship respecting the same membership, unless the secretary  
35 of the corporation is given written notice to the contrary and is  
36 furnished with a copy of the instrument or order appointing them  
37 or creating the relationship wherein it is so provided, their acts  
38 with respect to voting shall have the following effect:

39 (a) If only one votes, such act binds all; or

1 (b) If more than one vote, the act of the majority so voting binds  
 2 all.

3 ~~SEC. 19.~~

4 *SEC. 24.* Section 12482 of the Corporations Code is amended  
 5 to read:

6 12482. Unless otherwise provided in the articles or bylaws, if  
 7 a membership stands of record in the names of two or more  
 8 persons, whether fiduciaries, members of a partnership, joint  
 9 tenants, tenants in common, spouses *or domestic partners* as  
 10 community property, tenants by the entirety, persons entitled to  
 11 vote under a voting agreement or otherwise, or if two or more  
 12 persons have the same fiduciary relationship respecting the same  
 13 membership, unless the secretary of the corporation is given written  
 14 notice to the contrary and is furnished with a copy of the instrument  
 15 or order appointing them or creating the relationship wherein it is  
 16 so provided, their acts with respect to voting shall have the  
 17 following effect:

18 (a) If only one vote, such act binds all; or

19 (b) If more than one vote, the act of the majority so voting binds  
 20 all.

21 ~~SEC. 20.~~

22 *SEC. 25.* Section 25102 of the Corporations Code is amended  
 23 to read:

24 25102. The following transactions are exempted from the  
 25 provisions of Section 25110:

26 (a) Any offer (but not a sale) not involving any public offering  
 27 and the execution and delivery of any agreement for the sale of  
 28 securities pursuant to the offer if (1) the agreement contains  
 29 substantially the following provision: “The sale of the securities  
 30 that are the subject of this agreement has not been qualified with  
 31 the Commissioner of Corporations of the State of California and  
 32 the issuance of the securities or the payment or receipt of any part  
 33 of the consideration therefor prior to the qualification is unlawful,  
 34 unless the sale of securities is exempt from the qualification by  
 35 Section 25100, 25102, or 25105 of the California Corporations  
 36 Code. The rights of all parties to this agreement are expressly  
 37 conditioned upon the qualification being obtained, unless the sale  
 38 is so exempt”; and (2) no part of the purchase price is paid or  
 39 received and none of the securities are issued until the sale of the  
 40 securities is qualified under this law unless the sale of securities

1 is exempt from the qualification by this section, Section 25100,  
2 or 25105.

3 (b) Any offer (but not a sale) of a security for which a  
4 registration statement has been filed under the Securities Act of  
5 1933 but has not yet become effective, or for which an offering  
6 statement under Regulation A has been filed but has not yet been  
7 qualified, if no stop order or refusal order is in effect and no public  
8 proceeding or examination looking towards an order is pending  
9 under Section 8 of the act and no order under Section 25140 or  
10 subdivision (a) of Section 25143 is in effect under this law.

11 (c) Any offer (but not a sale) and the execution and delivery of  
12 any agreement for the sale of securities pursuant to the offer as  
13 may be permitted by the commissioner upon application. Any  
14 negotiating permit under this subdivision shall be conditioned to  
15 the effect that none of the securities may be issued and none of  
16 the consideration therefor may be received or accepted until the  
17 sale of the securities is qualified under this law.

18 (d) Any transaction or agreement between the issuer and an  
19 underwriter or among underwriters if the sale of the securities is  
20 qualified, or exempt from qualification, at the time of distribution  
21 thereof in this state, if any.

22 (e) Any offer or sale of any evidence of indebtedness, whether  
23 secured or unsecured, and any guarantee thereof, in a transaction  
24 not involving any public offering.

25 (f) Any offer or sale of any security in a transaction (other than  
26 an offer or sale to a pension or profit-sharing trust of the issuer)  
27 that meets each of the following criteria:

28 (1) Sales of the security are not made to more than 35 persons,  
29 including persons not in this state.

30 (2) All purchasers either have a preexisting personal or business  
31 relationship with the offeror or any of its partners, officers,  
32 directors or controlling persons, or managers (as appointed or  
33 elected by the members) if the offeror is a limited liability  
34 company, or by reason of their business or financial experience or  
35 the business or financial experience of their professional advisers  
36 who are unaffiliated with and who are not compensated by the  
37 issuer or any affiliate or selling agent of the issuer, directly or  
38 indirectly, could be reasonably assumed to have the capacity to  
39 protect their own interests in connection with the transaction.

1 (3) Each purchaser represents that the purchaser is purchasing  
2 for the purchaser's own account (or a trust account if the purchaser  
3 is a trustee) and not with a view to or for sale in connection with  
4 any distribution of the security.

5 (4) The offer and sale of the security is not accomplished by  
6 the publication of any advertisement. The number of purchasers  
7 referred to above is exclusive of any described in subdivision (i),  
8 any officer, director, or affiliate of the issuer, or manager (as  
9 appointed or elected by the members) if the issuer is a limited  
10 liability company, and any other purchaser who the commissioner  
11 designates by rule. For purposes of this section, spouses *or*  
12 *domestic partners* (together with any custodian or trustee acting  
13 for the account of their minor children) are counted as one person  
14 and a partnership, corporation, or other organization that was not  
15 specifically formed for the purpose of purchasing the security  
16 offered in reliance upon this exemption, is counted as one person.  
17 The commissioner shall by rule require the issuer to file a notice  
18 of transactions under this subdivision.

19 The failure to file the notice or the failure to file the notice within  
20 the time specified by the rule of the commissioner shall not affect  
21 the availability of the exemption. Any issuer that fails to file the  
22 notice as provided by rule of the commissioner shall, within 15  
23 business days after discovery of the failure to file the notice or  
24 after demand by the commissioner, whichever occurs first, file the  
25 notice and pay to the commissioner a fee equal to the fee payable  
26 had the transaction been qualified under Section 25110. Neither  
27 the filing of the notice nor the failure by the commissioner to  
28 comment thereon precludes the commissioner from taking any  
29 action that the commissioner deems necessary or appropriate under  
30 this division with respect to the offer and sale of the securities.

31 (g) Any offer or sale of conditional sale agreements, equipment  
32 trust certificates, or certificates of interest or participation therein  
33 or partial assignments thereof, covering the purchase of railroad  
34 rolling stock or equipment or the purchase of motor vehicles,  
35 aircraft, or parts thereof, in a transaction not involving any public  
36 offering.

37 (h) Any offer or sale of voting common stock by a corporation  
38 incorporated in any state if, immediately after the proposed sale  
39 and issuance, there will be only one class of stock of the  
40 corporation outstanding that is owned beneficially by no more than

1 35 persons, provided all of the following requirements have been  
2 met:

3 (1) The offer and sale of the stock is not accompanied by the  
4 publication of any advertisement, and no selling expenses have  
5 been given, paid, or incurred in connection therewith.

6 (2) The consideration to be received by the issuer for the stock  
7 to be issued consists of any of the following:

8 (A) Only assets (which may include cash) of an existing business  
9 enterprise transferred to the issuer upon its initial organization, of  
10 which all of the persons who are to receive the stock to be issued  
11 pursuant to this exemption were owners during, and the enterprise  
12 was operated for, a period of not less than one year immediately  
13 preceding the proposed issuance, and the ownership of the  
14 enterprise immediately prior to the proposed issuance was in the  
15 same proportions as the shares of stock are to be issued.

16 (B) Only cash or cancellation of indebtedness for money  
17 borrowed, or both, upon the initial organization of the issuer,  
18 provided all of the stock is issued for the same price per share.

19 (C) Only cash, provided the sale is approved in writing by each  
20 of the existing shareholders and the purchaser or purchasers are  
21 existing shareholders.

22 (D) In a case where after the proposed issuance there will be  
23 only one owner of the stock of the issuer, only any legal  
24 consideration.

25 (3) No promotional consideration has been given, paid, or  
26 incurred in connection with the issuance. Promotional consideration  
27 means any consideration paid directly or indirectly to a person  
28 who, acting alone or in conjunction with one or more other persons,  
29 takes the initiative in founding and organizing the business or  
30 enterprise of an issuer for services rendered in connection with the  
31 founding or organizing.

32 (4) A notice in a form prescribed by rule of the commissioner,  
33 signed by an active member of the State Bar of California, is filed  
34 with or mailed for filing to the commissioner not later than 10  
35 business days after receipt of consideration for the securities by  
36 the issuer. That notice shall contain an opinion of the member of  
37 the State Bar of California that the exemption provided by this  
38 subdivision is available for the offer and sale of the securities. The  
39 failure to file the notice as required by this subdivision and the  
40 rules of the commissioner shall not affect the availability of this

1 exemption. An issuer who fails to file the notice within the time  
2 specified by this subdivision shall, within 15 business days after  
3 discovery of the failure to file the notice or after demand by the  
4 commissioner, whichever occurs first, file the notice and pay to  
5 the commissioner a fee equal to the fee payable had the transaction  
6 been qualified under Section 25110. The notice, except when filed  
7 on behalf of a California corporation, shall be accompanied by an  
8 irrevocable consent, in the form that the commissioner by rule  
9 prescribes, appointing the commissioner or his or her successor in  
10 office to be the issuer's attorney to receive service of any lawful  
11 process in any noncriminal suit, action, or proceeding against it  
12 or its successor that arises under this law or any rule or order  
13 hereunder after the consent has been filed, with the same force and  
14 validity as if served personally on the issuer. An issuer on whose  
15 behalf a consent has been filed in connection with a previous  
16 qualification or exemption from qualification under this law (or  
17 application for a permit under any prior law if the application or  
18 notice under this law states that the consent is still effective) need  
19 not file another. Service may be made by leaving a copy of the  
20 process in the office of the commissioner, but it is not effective  
21 unless (A) the plaintiff, who may be the commissioner in a suit,  
22 action, or proceeding instituted by him or her, forthwith sends  
23 notice of the service and a copy of the process by registered or  
24 certified mail to the defendant or respondent at its last address on  
25 file with the commissioner, and (B) the plaintiff's affidavit of  
26 compliance with this section is filed in the case on or before the  
27 return day of the process, if any, or within the further time as the  
28 court allows.

29 (5) Each purchaser represents that the purchaser is purchasing  
30 for the purchaser's own account, or a trust account if the purchaser  
31 is a trustee, and not with a view to or for sale in connection with  
32 any distribution of the stock.

33 For the purposes of this subdivision, all securities held by  
34 ~~spouses~~, *spouses or domestic partners*, whether or not jointly, shall  
35 be considered to be owned by one person, and all securities held  
36 by a corporation that has issued stock pursuant to this exemption  
37 shall be considered to be held by the shareholders to whom it has  
38 issued the stock.

39 All stock issued by a corporation pursuant to this subdivision as  
40 it existed prior to the effective date of the amendments to this

1 section made during the 1996 portion of the 1995–96 Regular  
2 Session that required the issuer to have stamped or printed  
3 prominently on the face of the stock certificate a legend in a form  
4 prescribed by rule of the commissioner restricting transfer of the  
5 stock in a manner provided for by that rule shall not be subject to  
6 the transfer restriction legend requirement and, by operation of  
7 law, the corporation is authorized to remove that transfer restriction  
8 legend from the certificates of those shares of stock issued by the  
9 corporation pursuant to this subdivision as it existed prior to the  
10 effective date of the amendments to this section made during the  
11 1996 portion of the 1995–96 Regular Session.

12 (i) Any offer or sale (1) to a bank, savings and loan association,  
13 trust company, insurance company, investment company registered  
14 under the Investment Company Act of 1940, pension or  
15 profit-sharing trust (other than a pension or profit-sharing trust of  
16 the issuer, a self-employed individual retirement plan, or individual  
17 retirement account), or other institutional investor or governmental  
18 agency or instrumentality that the commissioner may designate  
19 by rule, whether the purchaser is acting for itself or as trustee, or  
20 (2) to any corporation with outstanding securities registered under  
21 Section 12 of the Securities Exchange Act of 1934 or any wholly  
22 owned subsidiary of the corporation that after the offer and sale  
23 will own directly or indirectly 100 percent of the outstanding  
24 capital stock of the issuer, provided the purchaser represents that  
25 it is purchasing for its own account (or for the trust account) for  
26 investment and not with a view to or for sale in connection with  
27 any distribution of the security.

28 (j) Any offer or sale of any certificate of interest or participation  
29 in an oil or gas title or lease (including subsurface gas storage and  
30 payments out of production) if either of the following apply:

31 (1) All of the purchasers meet one of the following requirements:

32 (A) Are and have been during the preceding two years engaged  
33 primarily in the business of drilling for, producing, or refining oil  
34 or gas (or whose corporate predecessor, in the case of a corporation,  
35 has been so engaged).

36 (B) Are persons described in paragraph (1) of subdivision (i).

37 (C) Have been found by the commissioner upon written  
38 application to be substantially engaged in the business of drilling  
39 for, producing, or refining oil or gas so as not to require the

1 protection provided by this law (which finding shall be effective  
2 until rescinded).

3 (2) The security is concurrently hypothecated to a bank in the  
4 ordinary course of business to secure a loan made by the bank,  
5 provided that each purchaser represents that it is purchasing for  
6 its own account for investment and not with a view to or for sale  
7 in connection with any distribution of the security.

8 (k) Any offer or sale of any security under, or pursuant to, a  
9 plan of reorganization under Chapter 11 of the federal bankruptcy  
10 law that has been confirmed or is subject to confirmation by the  
11 decree or order of a court of competent jurisdiction.

12 (l) Any offer or sale of an option, warrant, put, call, or straddle,  
13 and any guarantee of any of these securities, by a person who is  
14 not the issuer of the security subject to the right, if the transaction,  
15 had it involved an offer or sale of the security subject to the right  
16 by the person, would not have violated Section 25110 or 25130.

17 (m) Any offer or sale of a stock to a pension, profit-sharing,  
18 stock bonus, or employee stock ownership plan, provided that (1)  
19 the plan meets the requirements for qualification under Section  
20 401 of the Internal Revenue Code, and (2) the employees are not  
21 required or permitted individually to make any contributions to  
22 the plan. The exemption provided by this subdivision shall not be  
23 affected by whether the stock is contributed to the plan, purchased  
24 from the issuer with contributions by the issuer or an affiliate of  
25 the issuer, or purchased from the issuer with funds borrowed from  
26 the issuer, an affiliate of the issuer, or any other lender.

27 (n) Any offer or sale of any security in a transaction, other than  
28 an offer or sale of a security in a rollup transaction, that meets all  
29 of the following criteria:

30 (1) The issuer is (A) a California corporation or foreign  
31 corporation that, at the time of the filing of the notice required  
32 under this subdivision, is subject to Section 2115, or (B) any other  
33 form of business entity, including without limitation a partnership  
34 or trust organized under the laws of this state. The exemption  
35 provided by this subdivision is not available to a “blind pool”  
36 issuer, as that term is defined by the commissioner, or to an  
37 investment company subject to the Investment Company Act of  
38 1940.

39 (2) Sales of securities are made only to qualified purchasers or  
40 other persons the issuer reasonably believes, after reasonable

1 inquiry, to be qualified purchasers. A corporation, partnership, or  
2 other organization specifically formed for the purpose of acquiring  
3 the securities offered by the issuer in reliance upon this exemption  
4 may be a qualified purchaser if each of the equity owners of the  
5 corporation, partnership, or other organization is a qualified  
6 purchaser. Qualified purchasers include the following:

7 (A) A person designated in Section 260.102.13 of Title 10 of  
8 the California Code of Regulations.

9 (B) A person designated in subdivision (i) or any rule of the  
10 commissioner adopted thereunder.

11 (C) A pension or profit-sharing trust of the issuer, a  
12 self-employed individual retirement plan, or an individual  
13 retirement account, if the investment decisions made on behalf of  
14 the trust, plan, or account are made solely by persons who are  
15 qualified purchasers.

16 (D) An organization described in Section 501(c)(3) of the  
17 Internal Revenue Code, corporation, Massachusetts or similar  
18 business trust, or partnership, each with total assets in excess of  
19 five million dollars (\$5,000,000) according to its most recent  
20 audited financial statements.

21 (E) With respect to the offer and sale of one class of voting  
22 common stock of an issuer or of preferred stock of an issuer  
23 entitling the holder thereof to at least the same voting rights as the  
24 issuer's one class of voting common stock, provided that the issuer  
25 has only one-class voting common stock outstanding upon  
26 consummation of the offer and sale, a natural person who, either  
27 individually or jointly with the person's ~~spouse~~, *spouse or domestic*  
28 *partner*, (i) has a minimum net worth of two hundred fifty thousand  
29 dollars (\$250,000) and had, during the immediately preceding tax  
30 year, gross income in excess of one hundred thousand dollars  
31 (\$100,000) and reasonably expects gross income in excess of one  
32 hundred thousand dollars (\$100,000) during the current tax year  
33 or (ii) has a minimum net worth of five hundred thousand dollars  
34 (\$500,000). "Net worth" shall be determined exclusive of home,  
35 home furnishings, and automobiles. Other assets included in the  
36 computation of net worth may be valued at fair market value.

37 Each natural person specified above, by reason of his or her  
38 business or financial experience, or the business or financial  
39 experience of his or her professional adviser, who is unaffiliated  
40 with and who is not compensated, directly or indirectly, by the

1 issuer or any affiliate or selling agent of the issuer, can be  
2 reasonably assumed to have the capacity to protect his or her  
3 interests in connection with the transaction. The amount of the  
4 investment of each natural person shall not exceed 10 percent of  
5 the net worth, as determined by this subparagraph, of that natural  
6 person.

7 (F) Any other purchaser designated as qualified by rule of the  
8 commissioner.

9 (3) Each purchaser represents that the purchaser is purchasing  
10 for the purchaser's own account (or trust account, if the purchaser  
11 is a trustee) and not with a view to or for sale in connection with  
12 a distribution of the security.

13 (4) Each natural person purchaser, including a corporation,  
14 partnership, or other organization specifically formed by natural  
15 persons for the purpose of acquiring the securities offered by the  
16 issuer, receives, at least five business days before securities are  
17 sold to, or a commitment to purchase is accepted from, the  
18 purchaser, a written offering disclosure statement that shall meet  
19 the disclosure requirements of Regulation D (17 C.F.R. 230.501  
20 et seq.), and any other information as may be prescribed by rule  
21 of the commissioner, provided that the issuer shall not be obligated  
22 pursuant to this paragraph to provide this disclosure statement to  
23 a natural person qualified under Section 260.102.13 of Title 10 of  
24 the California Code of Regulations. The offer or sale of securities  
25 pursuant to a disclosure statement required by this paragraph that  
26 is in violation of Section 25401, or that fails to meet the disclosure  
27 requirements of Regulation D (17 C.F.R. 230.501 et seq.), shall  
28 not render unavailable to the issuer the claim of an exemption from  
29 Section 25110 afforded by this subdivision. This paragraph does  
30 not impose, directly or indirectly, any additional disclosure  
31 obligation with respect to any other exemption from qualification  
32 available under any other provision of this section.

33 (5) (A) A general announcement of proposed offering may be  
34 published by written document only, provided that the general  
35 announcement of proposed offering sets forth the following  
36 required information:

37 (i) The name of the issuer of the securities.

38 (ii) The full title of the security to be issued.

39 (iii) The anticipated suitability standards for prospective  
40 purchasers.

1 (iv) A statement that (I) no money or other consideration is  
2 being solicited or will be accepted, (II) an indication of interest  
3 made by a prospective purchaser involves no obligation or  
4 commitment of any kind, and, if the issuer is required by paragraph  
5 (4) to deliver a disclosure statement to prospective purchasers,  
6 (III) no sales will be made or commitment to purchase accepted  
7 until five business days after delivery of a disclosure statement  
8 and subscription information to the prospective purchaser in  
9 accordance with the requirements of this subdivision.

10 (v) Any other information required by rule of the commissioner.

11 (vi) The following legend: "For more complete information  
12 about (Name of Issuer) and (Full Title of Security), send for  
13 additional information from (Name and Address) by sending this  
14 coupon or calling (Telephone Number)."

15 (B) The general announcement of proposed offering referred  
16 to in subparagraph (A) may also set forth the following  
17 information:

18 (i) A brief description of the business of the issuer.

19 (ii) The geographic location of the issuer and its business.

20 (iii) The price of the security to be issued, or, if the price is not  
21 known, the method of its determination or the probable price range  
22 as specified by the issuer, and the aggregate offering price.

23 (C) The general announcement of proposed offering shall  
24 contain only the information that is set forth in this paragraph.

25 (D) Dissemination of the general announcement of proposed  
26 offering to persons who are not qualified purchasers, without more,  
27 shall not disqualify the issuer from claiming the exemption under  
28 this subdivision.

29 (6) No telephone solicitation shall be permitted until the issuer  
30 has determined that the prospective purchaser to be solicited is a  
31 qualified purchaser.

32 (7) The issuer files a notice of transaction under this subdivision  
33 both (A) concurrent with the publication of a general announcement  
34 of proposed offering or at the time of the initial offer of the  
35 securities, whichever occurs first, accompanied by a filing fee, and  
36 (B) within 10 business days following the close or abandonment  
37 of the offering, but in no case more than 210 days from the date  
38 of filing the first notice. The first notice of transaction under  
39 subparagraph (A) shall contain an undertaking, in a form acceptable  
40 to the commissioner, to deliver any disclosure statement required

1 by paragraph (4) to be delivered to prospective purchasers, and  
2 any supplement thereto, to the commissioner within 10 days of  
3 the commissioner's request for the information. The exemption  
4 from qualification afforded by this subdivision is unavailable if  
5 an issuer fails to file the first notice required under subparagraph  
6 (A) or to pay the filing fee. The commissioner has the authority  
7 to assess an administrative penalty of up to one thousand dollars  
8 (\$1,000) against an issuer that fails to deliver the disclosure  
9 statement required to be delivered to the commissioner upon the  
10 commissioner's request within the time period set forth above.  
11 Neither the filing of the disclosure statement nor the failure by the  
12 commissioner to comment thereon precludes the commissioner  
13 from taking any action deemed necessary or appropriate under this  
14 division with respect to the offer and sale of the securities.

15 (o) An offer or sale of any security issued by a corporation or  
16 limited liability company pursuant to a purchase plan or agreement,  
17 or issued pursuant to an option plan or agreement, where the  
18 security at the time of issuance or grant is exempt from registration  
19 under the Securities Act of 1933, as amended, pursuant to Rule  
20 701 adopted pursuant to that act (17 C.F.R. 230.701), the provisions  
21 of which are hereby incorporated by reference into this section,  
22 provided that (1) the terms of any purchase plan or agreement shall  
23 comply with Sections 260.140.42, 260.140.45, and 260.140.46 of  
24 Title 10 of the California Code of Regulations, (2) the terms of  
25 any option plan or agreement shall comply with Sections  
26 260.140.41, 260.140.45, and 260.140.46 of Title 10 of the  
27 California Code of Regulations, and (3) the issuer files a notice of  
28 transaction in accordance with rules adopted by the commissioner  
29 no later than 30 days after the initial issuance of any security under  
30 that plan, accompanied by a filing fee as prescribed by subdivision  
31 (y) of Section 25608. The failure to file the notice of transaction  
32 within the time specified in this subdivision shall not affect the  
33 availability of this exemption. An issuer that fails to file the notice  
34 shall, within 15 business days after discovery of the failure to file  
35 the notice or after demand by the commissioner, whichever occurs  
36 first, file the notice and pay the commissioner a fee equal to the  
37 maximum aggregate fee payable had the transaction been qualified  
38 under Section 25110.

39 Offers and sales exempt pursuant to this subdivision shall be  
40 deemed to be part of a single, discrete offering and are not subject

1 to integration with any other offering or sale, whether qualified  
2 under Chapter 2 (commencing with Section 25110), or otherwise  
3 exempt, or not subject to qualification.

4 (p) An offer or sale of nonredeemable securities to accredited  
5 investors (Section 28031) by a person licensed under the Capital  
6 Access Company Law (Division 3 (commencing with Section  
7 28000) of Title 4), provided that all purchasers either (1) have a  
8 preexisting personal or business relationship with the offeror or  
9 any of its partners, officers, directors, controlling persons, or  
10 managers (as appointed or elected by the members), or (2) by  
11 reason of their business or financial experience or the business or  
12 financial experience of their professional advisers who are  
13 unaffiliated with and who are not compensated by the issuer or  
14 any affiliate or selling agent of the issuer, directly or indirectly,  
15 could be reasonably assumed to have the capacity to protect their  
16 own interests in connection with the transaction. All nonredeemable  
17 securities shall be evidenced by certificates that shall have stamped  
18 or printed prominently on their face a legend in a form to be  
19 prescribed by rule or order of the commissioner restricting transfer  
20 of the securities in the manner as the rule or order provides. The  
21 exemption under this subdivision shall not be available for any  
22 offering that is exempt or asserted to be exempt pursuant to Section  
23 3(a)(11) of the Securities Act of 1933 (15 U.S.C. Sec. 77c(a)(11))  
24 or Rule 147 (17 C.F.R. 230.147) thereunder or otherwise is  
25 conducted by means of any form of general solicitation or general  
26 advertising.

27 (q) Any offer or sale of any viatical or life settlement contract  
28 or fractionalized or pooled interest therein in a transaction that  
29 meets all of the following criteria:

30 (1) Sales of securities described in this subdivision are made  
31 only to qualified purchasers or other persons the issuer reasonably  
32 believes, after reasonable inquiry, to be qualified purchasers. A  
33 corporation, partnership, or other organization specifically formed  
34 for the purpose of acquiring the securities offered by the issuer in  
35 reliance upon this exemption may be a qualified purchaser only if  
36 each of the equity owners of the corporation, partnership, or other  
37 organization is a qualified purchaser. Qualified purchasers include  
38 the following:

39 (A) A person designated in Section 260.102.13 of Title 10 of  
40 the California Code of Regulations.

1 (B) A person designated in subdivision (i) or any rule of the  
2 commissioner adopted thereunder.

3 (C) A pension or profit-sharing trust of the issuer, a  
4 self-employed individual retirement plan, or an individual  
5 retirement account, if the investment decisions made on behalf of  
6 the trust, plan, or account are made solely by persons who are  
7 qualified purchasers.

8 (D) An organization described in Section 501(c)(3) of the  
9 Internal Revenue Code, corporation, Massachusetts or similar  
10 business trust, or partnership, each with total assets in excess of  
11 five million dollars (\$5,000,000) according to its most recent  
12 audited financial statements.

13 (E) A natural person who, either individually or jointly with the  
14 person's ~~spouse~~, *spouse or domestic partner*, (i) has a minimum  
15 net worth of one hundred fifty thousand dollars (\$150,000) and  
16 had, during the immediately preceding tax year, gross income in  
17 excess of one hundred thousand dollars (\$100,000) and reasonably  
18 expects gross income in excess of one hundred thousand dollars  
19 (\$100,000) during the current tax year or (ii) has a minimum net  
20 worth of two hundred fifty thousand dollars (\$250,000). "Net  
21 worth" shall be determined exclusive of home, home furnishings,  
22 and automobiles. Other assets included in the computation of net  
23 worth may be valued at fair market value.

24 Each natural person specified above, by reason of his or her  
25 business or financial experience, or the business or financial  
26 experience of his or her professional adviser, who is unaffiliated  
27 with and who is not compensated, directly or indirectly, by the  
28 issuer or any affiliate or selling agent of the issuer, can be  
29 reasonably assumed to have the capacity to protect his or her  
30 interests in connection with the transaction.

31 The amount of the investment of each natural person shall not  
32 exceed 10 percent of the net worth, as determined by this  
33 subdivision, of that natural person.

34 (F) Any other purchaser designated as qualified by rule of the  
35 commissioner.

36 (2) Each purchaser represents that the purchaser is purchasing  
37 for the purchaser's own account (or trust account, if the purchaser  
38 is a trustee) and not with a view to or for sale in connection with  
39 a distribution of the security.

1 (3) Each natural person purchaser, including a corporation,  
2 partnership, or other organization specifically formed by natural  
3 persons for the purpose of acquiring the securities offered by the  
4 issuer, receives, at least five business days before securities  
5 described in this subdivision are sold to, or a commitment to  
6 purchase is accepted from, the purchaser, the following information  
7 in writing:

8 (A) The name, principal business and mailing address, and  
9 telephone number of the issuer.

10 (B) The suitability standards for prospective purchasers as set  
11 forth in paragraph (1) of this subdivision.

12 (C) A description of the issuer's type of business organization  
13 and the state in which the issuer is organized or incorporated.

14 (D) A brief description of the business of the issuer.

15 (E) If the issuer retains ownership or becomes the beneficiary  
16 of the insurance policy, an audit report of an independent certified  
17 public accountant together with a balance sheet and related  
18 statements of income, retained earnings, and cashflows that reflect  
19 the issuer's financial position, the results of the issuer's operations,  
20 and the issuer's cashflows as of a date within 15 months before  
21 the date of the initial issuance of the securities described in this  
22 subdivision. The financial statements listed in this subparagraph  
23 shall be prepared in conformity with generally accepted accounting  
24 principles. If the date of the audit report is more than 120 days  
25 before the date of the initial issuance of the securities described  
26 in this subdivision, the issuer shall provide unaudited interim  
27 financial statements.

28 (F) The names of all directors, officers, partners, members, or  
29 trustees of the issuer.

30 (G) A description of any order, judgment, or decree that is final  
31 as to the issuing entity of any state, federal, or foreign country  
32 governmental agency or administrator, or of any state, federal, or  
33 foreign country court of competent jurisdiction (i) revoking,  
34 suspending, denying, or censuring for cause any license, permit,  
35 or other authority of the issuer or of any director, officer, partner,  
36 member, trustee, or person owning or controlling, directly or  
37 indirectly, 10 percent or more of the outstanding interest or equity  
38 securities of the issuer, to engage in the securities, commodities,  
39 franchise, insurance, real estate, or lending business or in the offer  
40 or sale of securities, commodities, franchises, insurance, real estate,

1 or loans, (ii) permanently restraining, enjoining, barring,  
2 suspending, or censuring any such person from engaging in or  
3 continuing any conduct, practice, or employment in connection  
4 with the offer or sale of securities, commodities, franchises,  
5 insurance, real estate, or loans, (iii) convicting any such person  
6 of, or pleading nolo contendere by any such person to, any felony  
7 or misdemeanor involving a security, commodity, franchise,  
8 insurance, real estate, or loan, or any aspect of the securities,  
9 commodities, franchise, insurance, real estate, or lending business,  
10 or involving dishonesty, fraud, deceit, embezzlement, fraudulent  
11 conversion, or misappropriation of property, or (iv) holding any  
12 such person liable in a civil action involving breach of a fiduciary  
13 duty, fraud, deceit, embezzlement, fraudulent conversion, or  
14 misappropriation of property. This subparagraph does not apply  
15 to any order, judgment, or decree that has been vacated, overturned,  
16 or is more than 10 years old.

17 (H) Notice of the purchaser's right to rescind or cancel the  
18 investment and receive a refund pursuant to Section 25508.5.

19 (I) The name, address, and telephone number of the issuing  
20 insurance company, and the name, address, and telephone number  
21 of the state or foreign country regulator of the insurance company.

22 (J) The total face value of the insurance policy and the  
23 percentage of the insurance policy the purchaser will own.

24 (K) The insurance policy number, issue date, and type.

25 (L) If a group insurance policy, the name, address, and telephone  
26 number of the group, and, if applicable, the material terms and  
27 conditions of converting the policy to an individual policy,  
28 including the amount of increased premiums.

29 (M) If a term insurance policy, the term and the name, address,  
30 and telephone number of the person who will be responsible for  
31 renewing the policy if necessary.

32 (N) That the insurance policy is beyond the state statute for  
33 contestability and the reason therefor.

34 (O) The insurance policy premiums and terms of premium  
35 payments.

36 (P) The amount of the purchaser's moneys that will be set aside  
37 to pay premiums.

38 (Q) The name, address, and telephone number of the person  
39 who will be the insurance policy owner and the person who will  
40 be responsible for paying premiums.

1 (R) The date on which the purchaser will be required to pay  
2 premiums and the amount of the premium, if known.

3 (S) A statement to the effect that any projected rate of return to  
4 the purchaser from the purchase of a viatical or life settlement  
5 contract or a fractionalized or pooled interest therein is based on  
6 an estimated life expectancy for the person insured under the life  
7 insurance policy; that the return on the purchase may vary  
8 substantially from the expected rate of return based upon the actual  
9 life expectancy of the insured that may be less than, equal to, or  
10 may greatly exceed the estimated life expectancy; and that the rate  
11 of return would be higher if the actual life expectancy were less  
12 than, and lower if the actual life expectancy were greater than the  
13 estimated life expectancy of the insured at the time the viatical or  
14 life settlement contract was closed.

15 (T) A statement that the purchaser should consult with his or  
16 her tax adviser regarding the tax consequences of the purchase of  
17 the viatical or life settlement contract or fractionalized or pooled  
18 interest therein and, if the purchaser is using retirement funds or  
19 accounts for that purchase, whether or not any adverse tax  
20 consequences might result from the use of those funds for the  
21 purchase of that investment.

22 (U) Any other information as may be prescribed by rule of the  
23 commissioner.

24 ~~SEC. 21.~~

25 *SEC. 26.* Section 25206 of the Corporations Code is amended  
26 to read:

27 25206. A broker licensed by the Real Estate Commissioner is  
28 exempt from the provisions of Section 25210 when engaged in  
29 transactions in any interest in any general or limited partnership,  
30 joint venture, unincorporated association, or similar organization  
31 (but not a corporation) owned beneficially by no more than 100  
32 persons and formed for the sole purpose of, and engaged solely  
33 in, investment in or gain from an interest in real property, including,  
34 but not limited to, a sale, exchange, trade, or development. An  
35 interest held by spouses *or domestic partners* shall be considered  
36 held by one person for the purposes of this section.

37 *SEC. 27. Section 73.2 is added to the Education Code, to read:*

38 73.2. “Spouse” includes “domestic partner,” as described in  
39 Section 297 of the Family Code.

1     ~~SEC. 22.~~

2     SEC. 28. Section 21100 of the Education Code is amended to  
3 read:

4     21100. Any person desiring in his or her lifetime to promote  
5 the public welfare by founding, endowing, and maintaining within  
6 this state a university, college, school, seminary of learning,  
7 mechanical institute, museum, botanic garden, public park, or  
8 gallery of art, or any or all thereof, may, for such purposes, by  
9 grant in writing convey to a trustee, or any number of trustees,  
10 named in the grant, and to their successors, any property, real or  
11 personal, belonging to him or her and situated within this state. If  
12 he or she is married *or in a registered domestic partnership* and  
13 the property is community property, then both spouses *or domestic*  
14 *partners* shall join in the grant.

15     ~~SEC. 23.~~

16     SEC. 29. Section 24803 of the Education Code is amended to  
17 read:

18     24803. (a) If any benefit is payable by a district retirement  
19 system to the estate of a deceased person, whether because the  
20 estate is the beneficiary of the person or because no beneficiary  
21 was designated or because an allowance payable to the person had  
22 accrued and remained unpaid at the date of the death, and the estate  
23 would not be administered if no amount were due from the system,  
24 then the benefit shall be paid directly without procuring letters of  
25 administration to the surviving next of kin of the deceased, or the  
26 guardians of the survivors' estates, share and share alike. The  
27 payment shall be made in the same order in which the following  
28 groups are listed:

29     ~~(1) Spouse.~~

30     (1) *Spouse or domestic partner.*

31     (2) Children and issue of deceased children by right of  
32 representation.

33     (3) Father and mother.

34     (4) Brothers and sisters.

35     (5) Nieces and nephews.

36     (b) Payment may also be made to persons in the groups listed  
37 in subdivision (a) to the extent those persons are the only  
38 beneficiaries under the last will and testament of a deceased former  
39 member of a district retirement system, without the probate of the  
40 will.

1 ~~SEC. 24.~~

2 *SEC. 30.* Section 68062 of the Education Code is amended to  
3 read:

4 68062. In determining the place of residence the following  
5 rules are to be observed:

6 (a) There can only be one residence.

7 (b) A residence is the place where one remains when not called  
8 elsewhere for labor or other special or temporary purpose, and to  
9 which he or she returns in seasons of repose.

10 (c) A residence cannot be lost until another is gained.

11 (d) The residence can be changed only by the union of act and  
12 intent.

13 (e) A man or woman may establish his or her residence. A  
14 person's residence shall not be derivative from that of his or her  
15 ~~spouse.~~ *spouse or domestic partner.*

16 (f) The residence of the parent with whom an unmarried minor  
17 child maintains his or her place of abode is the residence of the  
18 unmarried minor child. When the minor lives with neither parent  
19 his or her residence is that of the parent with whom he or she  
20 maintained his or her last place of abode, provided the minor may  
21 establish his or her residence when both parents are deceased and  
22 a legal guardian has not been appointed.

23 (g) The residence of an unmarried minor who has a parent living  
24 cannot be changed by his or her own act, by the appointment of a  
25 legal guardian, or by relinquishment of a parent's right of control.

26 (h) An alien, including an unmarried minor alien, may establish  
27 his or her residence, unless precluded by the Immigration and  
28 Nationality Act (8 U.S.C. *Sec.* 1101, et seq.) from establishing  
29 domicile in the United States.

30 (i) The residence of an unmarried minor alien shall be derived  
31 from his or her parents pursuant to the provisions of subdivisions  
32 (f) and (g).

33 *SEC. 31.* Section 356.5 is added to the Elections Code, to read:  
34 356.5. "Spouse" includes "domestic partner," as described  
35 in Section 297 of the Family Code.

36 *SEC. 32.* Section 215 is added to the Evidence Code, to read:  
37 215. "Spouse" includes "domestic partner," as described in  
38 Section 297 of the Family Code.

39 ~~SEC. 25.~~

40 *SEC. 33.* Section 917 of the Evidence Code is amended to read:

1 917. (a) If a privilege is claimed on the ground that the matter  
 2 sought to be disclosed is a communication made in confidence in  
 3 the course of the lawyer-client, lawyer referral service-client,  
 4 physician-patient, psychotherapist-patient, clergy-penitent, ~~marital,~~  
 5 *marital or domestic partnership*, sexual assault counselor-victim,  
 6 domestic violence counselor-victim, or human trafficking  
 7 caseworker-victim relationship, the communication is presumed  
 8 to have been made in confidence and the opponent of the claim of  
 9 privilege has the burden of proof to establish that the  
 10 communication was not confidential.

11 (b) A communication between persons in a relationship listed  
 12 in subdivision (a) does not lose its privileged character for the sole  
 13 reason that it is communicated by electronic means or because  
 14 persons involved in the delivery, facilitation, or storage of  
 15 electronic communication may have access to the content of the  
 16 communication.

17 (c) For purposes of this section, “electronic” has the same  
 18 meaning provided in Section 1633.2 of the Civil Code.

19 ~~SEC. 26.~~

20 *SEC. 34.* Section 980 of the Evidence Code is amended to read:

21 980. Subject to Section 912 and except as otherwise provided  
 22 in this article, a spouse *or domestic partner* (or his or her guardian  
 23 or conservator when he or she has a guardian or conservator),  
 24 whether or not a party, has a privilege during the marital *or*  
 25 *domestic partnership* relationship and afterwards to refuse to  
 26 disclose, and to prevent another from disclosing, a communication  
 27 if he or she claims the privilege and the communication was made  
 28 in confidence between him or her and the other spouse *or domestic*  
 29 *partner* while they were ~~spouses~~: *spouses or domestic partners*.

30 *SEC. 35.* Section 143 is added to the Family Code, to read:

31 143. “Spouse” includes “domestic partner,” as described in  
 32 Section 297.

33 *SEC. 36.* Section 11.2 is added to the Financial Code, to read:

34 11.2. “Spouse” includes “domestic partner,” as described in  
 35 Section 297 of the Family Code.

36 ~~SEC. 27.~~

37 *SEC. 37.* Section 14860 of the Financial Code is amended to  
 38 read:

39 14860. Except as provided in this section and Part 2  
 40 (commencing with Section 5100) of Division 5 of the Probate

1 Code, no credit union shall exercise trust powers except upon  
2 qualifying as a trust company pursuant to Division 1 (commencing  
3 with Section 99).

4 (a) Notwithstanding any other ~~provisions of law~~ relating to trusts  
5 and trust authority, subject to the regulations of the commissioner,  
6 a credit union may act as a trustee or custodian, and may receive  
7 reasonable compensation for so acting, under any written trust  
8 instrument or custodial agreement created or organized in the  
9 United States which is a part of a pension, education, or medical  
10 plan for its members or groups or organizations of its members,  
11 which qualifies or has qualified for specific tax treatment under  
12 Section 220, 223, 401, 408, 408A, 457, or 530 of the Internal  
13 Revenue Code, Title 26 of the United States Code, or any deferred  
14 compensation plan for the benefit of the credit union's employees,  
15 provided the funds received pursuant to these plans are invested  
16 as provided in Section 16040 of the Probate Code. All funds held  
17 by a credit union as trustee or in a custodial capacity shall be  
18 maintained in accordance with applicable laws and rules and  
19 regulations as may be promulgated by the Secretary of Labor, the  
20 Secretary of the Treasury, or any other authority exercising  
21 jurisdiction over the trust or custodial accounts. The credit union  
22 shall maintain individual records for each participant or beneficiary  
23 that show in detail all transactions relating to the funds of each  
24 participant or beneficiary.

25 The trust instrument or agreement shall provide for the  
26 appointment of a successor trustee or custodian by a person,  
27 committee, corporation, or organization other than the credit union  
28 or any person acting in his or her capacity as a director, employee,  
29 or agent of the credit union, upon notice from the credit union or  
30 the commissioner that the credit union is unwilling or unable to  
31 continue to act as trustee or custodian.

32 (b) Shares may be issued in a revocable or irrevocable trust  
33 subject to the following:

34 (1) When shares are issued in a revocable trust, the settlor shall  
35 be a member of the credit union issuing the shares in his or her  
36 own right. If the trust has ~~joint-settlers~~, *settlers*, who are ~~spouses~~,  
37 *spouses or domestic partners*, then only one settlor need be a  
38 member of the credit union.

39 (2) When shares are issued in an irrevocable trust, the settlor or  
40 the beneficiary shall be a member of this credit union in his or her

1 own right. For purposes of this section, shares issued pursuant to  
2 a pension plan authorized by this section shall be treated as an  
3 irrevocable trust unless otherwise indicated in rules and regulations  
4 issued by the commissioner.

5 (3) This subdivision does not apply to trust accounts established  
6 prior to the effective date of this subdivision.

7 ~~SEC. 28.~~

8 *SEC. 38.* Section 18220 of the Financial Code is amended to  
9 read:

10 18220. An industrial loan company shall not induce any ~~spouses~~  
11 *spouses or domestic partners*, jointly or severally, to become  
12 obligated, directly or contingently or both, under more than one  
13 contract of loan at the same time, with the result of obtaining a  
14 higher rate of charge than would otherwise be permitted by this  
15 division.

16 ~~SEC. 29.~~

17 *SEC. 39.* Section 18523 of the Financial Code is amended to  
18 read:

19 18523. The following described thrift obligations will be  
20 guaranteed by Guaranty Corporation in the amounts hereinafter  
21 set forth below:

22 (a) Single ownership investment certificates. Funds owned by  
23 an individual and invested in the manner set forth below shall be  
24 added together and guaranteed up to fifty thousand dollars  
25 (\$50,000) in the aggregate.

26 (1) Individual investment certificates (or investment certificates  
27 of the marital community of which the individual is a member)  
28 and invested in one or more investment certificates in his or her  
29 own name shall be guaranteed up to fifty thousand dollars  
30 (\$50,000) in the aggregate.

31 (2) Funds owned by a principal and invested in one or more  
32 investment certificates in the name or names of agents or nominees  
33 shall be added to any individual investment certificates of the  
34 principal and guaranteed up to fifty thousand dollars (\$50,000) in  
35 the aggregate.

36 (3) Investment certificates held by guardians, custodians, or  
37 conservators for the benefit of their wards or for the benefit of a  
38 minor under a Uniform Gifts to Minors Act and invested in one  
39 or more investment certificates in the name of the guardian,  
40 custodian, or conservator shall be added to any individual

1 investment certificates of the ward or minor and guaranteed up to  
2 fifty thousand dollars (\$50,000) in the aggregate.

3 (b) Testamentary investment certificates.

4 (1) Funds owned by an individual and invested in a revocable  
5 trust investment certificate, tentative trust investment certificate,  
6 payable-on-death investment certificate, or similar investment  
7 certificate evidencing an intention that on his or her death the funds  
8 shall belong to his or her spouse, ~~child~~ *domestic partner*, *child*, or  
9 grandchild, shall be guaranteed up to fifty thousand dollars  
10 (\$50,000) in the aggregate, as to each such named beneficiary,  
11 separately from any other investment certificates of the owner.

12 (2) If the named beneficiary of such an investment certificate  
13 is other than the owner's spouse, ~~child~~ *domestic partner*, *child*, or  
14 grandchild, the funds in the investment certificate shall be added  
15 to any individual investment certificates of such owner and  
16 guaranteed up to fifty thousand dollars (\$50,000) in the aggregate,  
17 separately from the individual investment certificates of the  
18 beneficiaries of the estate or of the executor or administrator.

19 (c) Investment certificates held by executors or administrators.  
20 Funds of a decedent held in the name of the decedent or in the  
21 name of the executor or administrator of his or her estate and  
22 invested in one or more investment certificates shall be guaranteed  
23 up to fifty thousand dollars (\$50,000) in the aggregate, separately  
24 from the individual investment certificates of the beneficiaries of  
25 the estate or of the executor or administrator.

26 (d) Corporation or partnership investment certificates.  
27 Investment certificates of a corporation or partnership engaged in  
28 any independent activity shall be guaranteed up to fifty thousand  
29 dollars (\$50,000) in the aggregate. An investment certificate of a  
30 corporation or partnership not engaged in an independent activity  
31 shall be deemed to be owned by the person or persons owning  
32 such corporation or comprising such partnership and, for guarantee  
33 purposes, the interest of each person in the investment certificate  
34 shall be added to any other investment certificates individually  
35 owned by such person and guaranteed up to fifty thousand dollars  
36 (\$50,000) in the aggregate. The term "independent activity" means  
37 any activity other than one directed solely at increasing guarantee  
38 coverage under this chapter.

39 (e) Unincorporated associations. Investment certificates of an  
40 unincorporated association engaged in any independent activity

1 shall be guaranteed up to fifty thousand dollars (\$50,000) in the  
2 aggregate. An investment certificate of an unincorporated  
3 association not engaged in an independent activity shall be deemed  
4 to be owned by the persons comprising such association and, for  
5 guarantee purposes, the interest of each owner in the investment  
6 certificate shall be added to any other investment certificates  
7 individually owned by such person and guaranteed up to fifty  
8 thousand dollars (\$50,000) in the aggregate.

9 (f) Joint investment certificates.

10 (1) Investment certificates owned jointly, whether as joint  
11 tenants with right of survivorship, as tenants by the entireties, as  
12 tenants in common, or by spouses *or domestic partners* as  
13 community property, shall be guaranteed separately from  
14 investment certificates individually owned by the ~~co-owners~~  
15 *coowners*.

16 (2) A joint investment certificate shall be deemed to exist, for  
17 purposes of guarantee of investment certificates, only if each  
18 ~~co-owner~~ *coowner* has personally executed an investment  
19 certificate signature card and possesses redemption rights.

20 (3) An investment certificate owned jointly which does not  
21 qualify as a joint investment certificate for purposes of guarantee  
22 of investment certificates shall be treated as owned by the named  
23 persons as individuals and the actual ownership interest of each  
24 such person in such investment certificate shall be added to any  
25 other investment certificates individually owned by such person  
26 and guaranteed up to fifty thousand dollars (\$50,000) in the  
27 aggregate.

28 (4) All joint investment certificates owned by the same  
29 combination of individuals shall first be added together and  
30 guaranteed up to fifty thousand dollars (\$50,000) in the aggregate.

31 (5) The interest of each ~~co-owner~~ *coowner* in all joint investment  
32 certificates owned by different combinations of individuals shall  
33 then be added together and guaranteed up to fifty thousand dollars  
34 (\$50,000) in the aggregate.

35 (g) Trust investment certificates. All trust interests for the same  
36 beneficiary invested in investment certificates established pursuant  
37 to valid trust arrangements created by the same settlor (grantor)  
38 shall be added together and guaranteed up to fifty thousand dollars  
39 (\$50,000) in the aggregate, separately from other investment

1 certificates of the trustee of such trust funds or the settlor or  
2 beneficiary of such trust arrangements.

3 (h) Thrift obligations withdrawn by checks that have not cleared  
4 a member's bank account at the time the commissioner has taken  
5 possession of the property and business of a member. The owner  
6 of the funds represented by such a check shall be recognized for  
7 all purposes of a claim for guaranteed thrift obligations to the same  
8 extent as if his or her name and interest were disclosed on the  
9 records of the member.

10 ~~SEC. 30.~~

11 *SEC. 40.* Section 22327 of the Financial Code is amended to  
12 read:

13 22327. No licensee shall knowingly induce any borrower to  
14 split up or divide any loan with any other licensee. No licensee  
15 shall induce or permit any borrower to be or to become obligated  
16 directly or indirectly, or both, under more than one contract of loan  
17 at the same time with the same licensee for the purpose or with  
18 the result of obtaining a higher rate of charge than would otherwise  
19 be permitted by this article, except as otherwise required by the  
20 federal Equal Credit Opportunity Act (15 U.S.C. Sec. 1691 et seq.;  
21 Public Law 93-495) and Regulation B promulgated by the Board  
22 of Governors of the Federal Reserve System (12 C.F.R. 202 et  
23 seq.). For the purpose of this section, "borrower" includes any  
24 ~~spouses~~, *spouses or domestic partners*, whether jointly or severally  
25 obligated.

26 *SEC. 41.* Section 9.2 is added to the Fish and Game Code, to  
27 read:

28 9.2. "Spouse" includes "domestic partner," as described in  
29 Section 297 of the Family Code.

30 ~~SEC. 31.~~

31 *SEC. 42.* Section 8552.3 of the Fish and Game Code is amended  
32 to read:

33 8552.3. The commission may, in consultation with  
34 representatives of the commercial herring roe fishery, and after  
35 holding at least one public hearing, adopt regulations intended to  
36 facilitate the transfer of herring permits, including, but not limited  
37 to, regulations that would do the following:

38 (a) Allow an individual to own a single permit for each of the  
39 different herring gillnet platoons in San Francisco Bay.

1 (b) Eliminate the point system for qualifying for a herring  
2 permit.

3 (c) Allow a herring permit to be passed from a parent to child,  
4 or between ~~spouses~~. *spouses or domestic partners.*

5 *SEC. 43. Section 36 is added to the Food and Agricultural*  
6 *Code, to read:*

7 36. “Spouse” includes “domestic partner,” as described in  
8 Section 297 of the Family Code.

9 *SEC. 44. Section 12.2 is added to the Government Code, to*  
10 *read:*

11 12.2. “Spouse” includes “domestic partner,” as described in  
12 Section 297 of the Family Code.

13 ~~SEC. 32.~~

14 *SEC. 45. Section 9359.9 of the Government Code is amended*  
15 *to read:*

16 9359.9. (a) If a beneficiary is not designated, or if the estate  
17 is the beneficiary and the estate would not be probated if no amount  
18 were due from this system, all of the amount due by reason of the  
19 death of a member or retired member, including retirement  
20 allowances accrued but not received prior to death, shall be paid  
21 directly without probate to the surviving next of kin of the  
22 deceased, or the guardians of such survivors’ estates, share and  
23 share alike.

24 ~~Such~~

25 (b) *Such* payment shall be made in the same order in which the  
26 following groups are listed:

27 ~~1. Spouse,~~

28 (1) *Spouse or domestic partner.*

29 ~~2. Children,~~

30 (2) *Children.*

31 ~~3.~~

32 (3) *Father and ~~mother~~, mother.*

33 ~~4. Grandchildren,~~

34 (4) *Grandchildren.*

35 ~~5.~~

36 (5) *Brothers and ~~sisters~~, sisters.*

37 ~~6.~~

38 (6) *Nieces and nephews.*

1 ~~SEC. 33.~~

2 *SEC. 46.* Section 9374 of the Government Code is amended  
3 to read:

4 9374. Upon the death of a member before retirement (a) the  
5 surviving spouse *or surviving domestic partner* of the member,  
6 who has the care of ~~unmarried~~ children, including stepchildren, of  
7 the member who *are not married or in registered domestic*  
8 *partnerships and* are under 18 years of age, or are incapacitated  
9 because of disability which began before and has continued without  
10 interruption after attainment of that age, or if there is no such  
11 ~~spouse~~; *spouse or domestic partner*; then (b) the guardian of  
12 surviving ~~unmarried~~ children, including stepchildren, of the  
13 member who *are not married or in registered domestic*  
14 *partnerships and* are under 18 years of age or so incapacitated, if  
15 any, or (c) the surviving ~~spouse~~ *spouse or surviving domestic*  
16 *partner* of the member, who does not qualify under (a), if any, or  
17 if no such children under (b) or such *spouse or domestic partner*  
18 under (c), then (d) each surviving parent of the member, shall be  
19 paid the following applicable survivor allowance, under the  
20 conditions stated and from contributions of the state:

21 (1) A widow or a widower who was married ~~to to~~, *or a surviving*  
22 *domestic partner who was in a registered domestic partnership*  
23 *with*, the member prior to the occurrence of the injury or onset of  
24 the illness that resulted in death, and has the care of ~~unmarried~~  
25 children, including stepchildren, of the deceased member *who are*  
26 *not married or in registered domestic partnerships and are* under  
27 18 years of age or so incapacitated, shall be paid three hundred  
28 sixty dollars (\$360) if there is one such child, or four hundred thirty  
29 dollars (\$430) per month if there are two or more such children.  
30 If there also are such children who are not in the care of the  
31 surviving ~~spouse~~; *spouse or surviving domestic partner*; the portion  
32 of the allowance payable under this paragraph, assuming that these  
33 children were in the care of the surviving ~~spouse~~; *spouse or*  
34 *surviving domestic partner*; which is in excess of one hundred  
35 eighty dollars (\$180) per month, shall be divided equally among  
36 all of those children and payments made to the *spouse or domestic*  
37 *partner* and other children, as the case may be.

38 (2) If there is no such surviving ~~spouse~~; *spouse or surviving*  
39 *domestic partner*; or if such surviving spouse ~~dies or remarries~~; *or*  
40 *surviving domestic partner dies, remarries, or enters into a*

1 *subsequent registered domestic partnership*, and if there are  
 2 ~~unmarried~~ children, including stepchildren, of the deceased member  
 3 *who are not married or in registered domestic partnerships and*  
 4 *are* under 18 years of age, or if there are such children not in the  
 5 care of such ~~spouse~~, *spouse or domestic partner*, such children  
 6 shall be paid an allowance as follows:

7 (a)

8 (A) If there is only one such child, such child shall be paid one  
 9 hundred eighty dollars (\$180) per ~~month~~; *month*.

10 (b)

11 (B) If there are two such children, such children shall be paid  
 12 three hundred sixty dollars (\$360) per month divided equally  
 13 between ~~them~~; *and them*.

14 (c)

15 (C) If there are three or more such children, such children shall  
 16 be paid four hundred thirty dollars (\$430) per month divided  
 17 equally among them.

18 (3) A surviving *spouse or surviving domestic partner* who has  
 19 attained or attains the age of 62 years, and, regardless of the gender  
 20 of the surviving ~~spouse~~, *spouse or surviving domestic partner*,  
 21 who was married ~~to~~ *to, or in a registered domestic partnership*  
 22 *with*, such member prior to the occurrence of the injury or onset  
 23 of the illness that resulted in death, and has not remarried *or*  
 24 *entered into a registered domestic partnership* subsequent to the  
 25 member's death, shall be paid one hundred eighty dollars (\$180)  
 26 per month. No allowance shall be paid under this ~~subdivision~~,  
 27 *paragraph*, while the surviving *spouse or surviving domestic*  
 28 *partner* is receiving an allowance under ~~subdivision (1) of this~~  
 29 ~~section, paragraph (1)~~, or while an allowance is being paid under  
 30 ~~subdivision (2)(c) of this section. subparagraph (C) of paragraph~~  
 31 ~~(2)~~. The allowance paid under this ~~subdivision~~ *paragraph* shall be  
 32 seventy dollars (\$70) per month while an allowance is being paid  
 33 under ~~subdivision (2)(b) of this section. subparagraph (B) of~~  
 34 *paragraph (2)*.

35 (4) If there is no surviving ~~spouse~~, *spouse or surviving domestic*  
 36 *partner*, or surviving children who qualify for a survivor allowance,  
 37 or if such surviving ~~spouse~~ *dies* or *surviving domestic partner dies*,  
 38 remarries, *or enters into a subsequent registered domestic*  
 39 *partnership*, or if such children reach ~~age 18 years of age~~ *or die*  
 40 ~~or marry~~ *die, marry, or enter into a registered domestic partnership*

1 prior thereto, each of the member's dependent mother and father  
2 who has attained or attains ~~the age of 62 years,~~ *years of age*, and  
3 who received at least one-half of his or her support from the  
4 member at the time of the member's death, shall be paid one  
5 hundred eighty dollars (\$180) per month.

6 "Stepchildren," for purposes of this section, shall include only  
7 stepchildren of the member living with him or her in a regular  
8 parent-child relationship at the time of his or her death.

9 ~~SEC. 34.~~

10 *SEC. 47.* Section 21571 of the Government Code is amended  
11 to read:

12 21571. (a) If the death benefit provided by Section 21532 is  
13 payable on account of a member's death that occurs under  
14 circumstances other than those described in subparagraph (F) of  
15 paragraph 1 of subdivision (a) of Section 21530, or if an allowance  
16 under Section 21546 is payable, the payment pursuant to  
17 subdivision (b) shall be made, in the following order of priority:

18 (1) The surviving spouse *or surviving domestic partner* of the  
19 member, who has the care of ~~unmarried~~ children, including  
20 stepchildren, of the member who *are not married or in registered*  
21 *domestic partnerships and* are under 22 years of age, or are  
22 incapacitated because of disability that began before and has  
23 continued without interruption after attainment of that age.

24 (2) The guardian or conservator of surviving ~~unmarried~~ children,  
25 including stepchildren, of the member who *are not married or in*  
26 *registered domestic partnerships and* are under 22 years of age or  
27 are so incapacitated.

28 (3) The surviving spouse *or surviving domestic partner* of the  
29 member, who does not qualify under paragraph (1).

30 (4) Each surviving parent of the member.

31 (b) Regardless of the benefit provided by Section 21532 and of  
32 the beneficiary designated by the member under that section, or  
33 regardless of the allowance provided under Section 21546, the  
34 following applicable 1959 survivor allowance, under the conditions  
35 stated and from contributions of the state, shall be paid:

36 (1) A surviving spouse *or surviving domestic partner* who was  
37 either continuously married ~~to~~ *to, or in a registered domestic*  
38 *partnership with*, the member for at least one year prior to death,  
39 or was married ~~to~~ *to, or in a registered domestic partnership with*,  
40 the member prior to the occurrence of the injury or onset of the

1 illness that resulted in death, and has the care of ~~unmarried~~  
2 children, including stepchildren, of the deceased member who *are*  
3 *not married or in registered domestic partnerships and* are under  
4 22 years of age or are so incapacitated, shall be paid three hundred  
5 sixty dollars (\$360) if there is one child or four hundred thirty  
6 dollars (\$430) per month if there are two or more children. If there  
7 also are children who are not in the care of the surviving ~~spouse,~~  
8 *spouse or surviving domestic partner*, the portion of the allowance  
9 payable under this paragraph, assuming that these children were  
10 in the care of the surviving ~~spouse,~~ *spouse or surviving domestic*  
11 *partner*, which is in excess of one hundred eighty dollars (\$180)  
12 per month, shall be divided equally among all those children and  
13 payments made to the spouse *or domestic partner* and other  
14 children, as the case may be.

15 (2) If there is no surviving ~~spouse,~~ *spouse or surviving domestic*  
16 *partner*, or if the surviving spouse *or surviving domestic partner*  
17 dies, and if there are ~~unmarried~~ children, including stepchildren,  
18 of the deceased member who *are not married or in registered*  
19 *domestic partnerships and* are under 22 years of age or are so  
20 incapacitated, or if there are children not in the care of the ~~spouse,~~  
21 *spouse or domestic partner*, the children shall be paid an allowance  
22 as follows:

23 (A) If there is only one child, the child shall be paid one hundred  
24 eighty dollars (\$180) per month.

25 (B) If there are two children, the children shall be paid three  
26 hundred sixty dollars (\$360) per month divided equally between  
27 them.

28 (C) If there are three or more children, the children shall be paid  
29 four hundred thirty dollars (\$430) per month divided equally among  
30 them.

31 (3) A surviving spouse *or surviving domestic partner* who has  
32 attained or attains ~~the 62 years of age of~~ 62 years and, with respect  
33 to that surviving ~~spouse,~~ *spouse or surviving domestic partner*,  
34 who was either continuously married ~~to~~ *to*, or in a registered  
35 *domestic partnership with*, the member for at least one year prior  
36 to death, or who was married ~~to~~ *to*, or in a registered *domestic*  
37 *partnership with*, the member prior to the occurrence of the injury  
38 or onset of the illness which resulted in death, shall be paid one  
39 hundred eighty dollars (\$180) per month. No allowance shall be  
40 paid under this paragraph, while the surviving spouse *or surviving*

1 *domestic partner* is receiving an allowance under paragraph (1),  
2 or while an allowance is being paid under subparagraph (C) of  
3 paragraph (2). The allowance paid under this paragraph shall be  
4 seventy dollars (\$70) per month while an allowance is being paid  
5 under subparagraph (B) of paragraph (2).

6 (4) If there is no surviving ~~spouse~~ *spouse, surviving domestic*  
7 *partner*, or surviving child who qualifies for a 1959 survivor  
8 allowance, or if the surviving spouse *or surviving domestic partner*  
9 dies and there is no surviving child, or if the surviving spouse *or*  
10 *surviving domestic partner* dies and the children die or marry or,  
11 if not incapacitated, reach ~~age 22~~, *22 years of age*, each of the  
12 member's dependent parents who has attained or attains ~~the age~~  
13 ~~of 62~~, *62 years of age*, and who received at least one-half of his  
14 or her support from the member at the time of the member's death,  
15 shall be paid one hundred eighty dollars (\$180) per month.

16 (c) "Stepchildren," for purposes of this section, shall include  
17 only stepchildren of the member living with him or her in a regular  
18 parent-child relationship at the time of his or her death.

19 (d) The amendments to this section by Chapter 1617 of the  
20 Statutes of 1971 shall apply only to 1959 survivor allowances  
21 payable April 1, 1972, and thereafter.

22 (e) This section does not apply to any member in the employ  
23 of an employer not subject to this section on January 1, 1994.

24 (f) On and after the date determined by the board, all assets and  
25 liabilities of all contracting agencies subject to this section, and  
26 their employees, on account of benefits provided under this article  
27 shall be pooled into a single account, and a single employer rate  
28 shall be established to provide benefits under this section on  
29 account of members employed by a contracting agency that is  
30 subject to this section.

31 (g) The rate of contribution of an employer subject to this section  
32 shall be figured using the term insurance valuation method. If a  
33 contracting agency that is subject to this section is projected to  
34 have a surplus in its 1959 survivor benefit account as of the date  
35 the assets and liabilities are first pooled, the surplus shall be applied  
36 to reduce its rate of contribution. If a contracting agency that is  
37 subject to this section is projected to have a deficit in its 1959  
38 survivor benefit account as of the date the assets and liabilities are  
39 first pooled, its rate of contribution shall be increased until the  
40 projected deficit is paid.

1     ~~SEC. 35.~~

2     SEC. 48. Section 21572 of the Government Code is amended  
3 to read:

4     21572. (a) In lieu of benefits provided in Section 21571, if the  
5 death benefit provided by Section 21532 is payable on account of  
6 a state member’s death that occurs under circumstances other than  
7 those described in subparagraph (F) of paragraph (1) of subdivision  
8 (a) of Section 21530, or if an allowance under Section 21546 is  
9 payable, the payment pursuant to subdivision (b) shall be made in  
10 the following order of priority:

11     (1) The surviving spouse *or surviving domestic partner* of the  
12 member who has the care of ~~unmarried~~ children, including  
13 stepchildren, of the member who *are not married or in registered*  
14 *domestic partnerships and* are under 22 years of age or are  
15 incapacitated because of a disability that began before and has  
16 continued without interruption after attainment of that age.

17     (2) The guardian of surviving ~~unmarried~~ children, including  
18 stepchildren, of the member who *are not married or in registered*  
19 *domestic partnerships and* are under 22 years of age or are so  
20 incapacitated.

21     (3) The surviving spouse *or surviving domestic partner* of the  
22 member who does not qualify under paragraph (1).

23     (4) Each surviving parent of the member.

24     (b) Regardless of the benefit provided by Section 21532 and of  
25 the beneficiary designated by the member under that section, or  
26 regardless of the allowance provided under Section 21546, the  
27 following applicable 1959 survivor allowance, under the conditions  
28 stated and from contributions of the state, shall be paid:

29     (1) A surviving spouse *or surviving domestic partner* who was  
30 either continuously married ~~to~~ *to, or in a registered domestic*  
31 *partnership with,* the member for at least one year prior to death,  
32 or was married ~~to~~ *to, or in a registered domestic partnership with,*  
33 the member prior to the occurrence of the injury or onset of the  
34 illness that resulted in death, and has the care of ~~unmarried~~  
35 children, including stepchildren, of the deceased member who *are*  
36 *not married or in registered domestic partnerships and* are under  
37 22 years of age or are so incapacitated, shall be paid four hundred  
38 fifty dollars (\$450) per month if there is one child or five hundred  
39 thirty-eight dollars (\$538) per month if there are two or more  
40 children. If there also are children who are not in the care of the

1 surviving ~~spouse~~, *spouse or surviving domestic partner*, the portion  
2 of the allowance payable under this paragraph, assuming that these  
3 children were in the care of the surviving ~~spouse~~, *spouse or*  
4 *surviving domestic partner*, that is in excess of two hundred  
5 twenty-five dollars (\$225) per month, shall be divided equally  
6 among all those children and payments made to the spouse *or*  
7 *domestic partner* and other children, as the case may be.

8 (2) If there is no surviving ~~spouse~~, *spouse or surviving domestic*  
9 *partner*, or if the surviving spouse *or surviving domestic partner*  
10 dies, and if there are ~~unmarried~~ children, including stepchildren,  
11 of the deceased member who *are not married or in registered*  
12 *domestic partnerships and* are under 22 years of age or are so  
13 incapacitated, or if there are children not in the care of the ~~spouse~~,  
14 *spouse or domestic partner*, the children shall be paid an allowance  
15 as follows:

16 (A) If there is only one child, the child shall be paid two hundred  
17 twenty-five dollars (\$225) per month.

18 (B) If there are two children, the children shall be paid four  
19 hundred fifty dollars (\$450) per month divided equally between  
20 them.

21 (C) If there are three or more children, the children shall be paid  
22 five hundred thirty-eight dollars (\$538) per month divided equally  
23 among them.

24 (3) A surviving spouse *or surviving domestic partner* who has  
25 attained or attains ~~the age of~~ 62 years *of age* and, with respect to  
26 that surviving ~~spouse~~, *spouse or surviving domestic partner*, who  
27 was either continuously married ~~to~~ *to, or in a registered domestic*  
28 *partnership with*, the member for at least one year prior to death,  
29 or was married ~~to~~ *to, or in a registered domestic partnership with*,  
30 the member prior to the occurrence of the injury or onset of the  
31 illness that resulted in death, shall be paid two hundred twenty-five  
32 dollars (\$225) per month. No allowance shall be paid under this  
33 paragraph while the surviving spouse *or surviving domestic partner*  
34 is receiving an allowance under paragraph (1) or while an  
35 allowance is being paid under subparagraph (C) of paragraph (2).  
36 The allowance paid under this paragraph shall be eighty-eight  
37 dollars (\$88) per month while an allowance is being paid under  
38 subparagraph (B) of paragraph (2).

39 (4) If there is no surviving ~~spouse~~ *spouse, surviving domestic*  
40 *partner*, or surviving child who qualifies for a 1959 survivor

1 allowance, or if the surviving spouse *or surviving domestic partner*  
2 dies and there is no surviving child, or if the surviving spouse *or*  
3 *surviving domestic partner* dies and the children die or marry or,  
4 if not incapacitated, reach 22 years of age, each of the member's  
5 dependent parents who has attained or attains ~~the age of 62 years,~~  
6 *years of age*, and who received at least one-half of his or her  
7 support from the member at the time of the member's death, shall  
8 be paid two hundred twenty-five dollars (\$225) per month.

9 (c) "Stepchildren," for purposes of this section, shall include  
10 only stepchildren of the member living with him or her in a regular  
11 parent-child relationship at the time of his or her death.

12 (d) This section shall apply to beneficiaries receiving 1959  
13 survivor allowances on July 1, 1975, as well as to beneficiaries  
14 with respect to the death of a state member occurring on or after  
15 July 1, 1975.

16 (e) This section shall apply, with respect to benefits payable on  
17 and after July 1, 1981, to all members employed by a school  
18 employer, and school safety members employed with a school  
19 district or community college district as defined in subdivision (i)  
20 of Section 20057, except that it shall not apply, without contract  
21 amendment, with respect to safety members who became members  
22 after July 1, 1981. All assets and liabilities of all school employers,  
23 and their employees, on account of benefits provided under this  
24 article shall be pooled into a single account, and a single employer  
25 rate shall be established to provide benefits under this section on  
26 account of all miscellaneous members employed by a school  
27 employer and all safety members who are members on July 1,  
28 1981.

29 (f) This section does not apply to any member in the employ of  
30 an employer not subject to this section on January 1, 1994.

31 (g) On and after January 1, 2000, all state members covered by  
32 this section shall be covered by the benefit provided under Section  
33 21574.7.

34 (h) On and after the date determined by the board, all assets and  
35 liabilities of all contracting agencies subject to this section, and  
36 their employees, on account of benefits provided under this article  
37 shall be pooled into a single account, and a single employer rate  
38 shall be established to provide benefits under this section on  
39 account of members employed by a contracting agency that is  
40 subject to this section.

1 (i) The rate of contribution of an employer subject to this section  
2 shall be figured using the term insurance valuation method. If a  
3 contracting agency that is subject to this section is projected to  
4 have a surplus in its 1959 survivor benefit account as of the date  
5 the assets and liabilities are first pooled, the surplus shall be applied  
6 to reduce its rate of contribution. If a contracting agency that is  
7 subject to this section is projected to have a deficit in its 1959  
8 survivor benefit account as of the date the assets and liabilities are  
9 first pooled, its rate of contribution shall be increased until the  
10 projected deficit is paid.

11 ~~SEC. 36.~~

12 *SEC. 49.* Section 21573 of the Government Code is amended  
13 to read:

14 21573. (a) In lieu of benefits provided in Section 21571 or  
15 Section 21572, if the death benefit provided by Section 21532 is  
16 payable on account of a state member's death that occurs under  
17 circumstances other than those described in subparagraph (F) of  
18 paragraph (1) of subdivision (a) of Section 21530, or if an  
19 allowance under Section 21546 is payable, the payment pursuant  
20 to subdivision (b) shall be made in the following order of priority:

21 (1) The surviving spouse *or surviving domestic partner* of the  
22 member who has the care of ~~unmarried~~ children, including  
23 stepchildren, of the member who *are not married or in registered*  
24 *domestic partnerships and* are under 22 years of age or are  
25 incapacitated because of a disability that began before and has  
26 continued without interruption after attainment of that age.

27 (2) The guardian of surviving ~~unmarried~~ children, including  
28 stepchildren, of the member who *are not married or in registered*  
29 *domestic partnerships and* are under 22 years of age or are so  
30 incapacitated.

31 (3) The surviving spouse *or surviving domestic partner* of the  
32 member who does not qualify under paragraph (1).

33 (4) Each surviving parent of the member.

34 (b) Regardless of the benefit provided by Section 21532 and of  
35 the beneficiary designated by the member under that section, or  
36 regardless of the allowance provided under Section 21546, the  
37 following applicable 1959 survivor allowance, under the conditions  
38 stated and from contributions of the state, shall be paid:

39 (1) A surviving spouse *or surviving domestic partner* who was  
40 either continuously married ~~to~~ *to, or in a registered domestic*

1 *partnership with*, the member for at least one year prior to death,  
2 or who was married ~~to~~ *to, or in a registered domestic partnership*  
3 *with*, the member prior to the occurrence of the injury or onset of  
4 the illness that resulted in death, and has the care of ~~unmarried~~  
5 children, including stepchildren, of the deceased member who *are*  
6 *not married or in registered domestic partnerships and* are under  
7 22 years of age or are so incapacitated, shall be paid seven hundred  
8 dollars (\$700) per month if there is one child, or eight hundred  
9 forty dollars (\$840) per month if there are two or more children.  
10 If there also are children who are not in the care of the surviving  
11 ~~spouse~~, *spouse or surviving domestic partner*, the portion of the  
12 allowance payable under this paragraph, assuming that these  
13 children were in the care of the surviving ~~spouse~~, *spouse or*  
14 *surviving domestic partner*, that is in excess of three hundred fifty  
15 dollars (\$350) per month, shall be divided equally among all those  
16 children and payments made to the *spouse or domestic partner*  
17 and other children, as the case may be.

18 (2) If there is no surviving ~~spouse~~, *spouse or surviving domestic*  
19 *partner*, or if the surviving *spouse or surviving domestic partner*  
20 dies, and if there are ~~unmarried~~ children, including stepchildren,  
21 of the deceased member who *are not married or in registered*  
22 *domestic partnerships and* are under 22 years of age or are so  
23 incapacitated, or if there are children not in the care of the ~~spouse~~,  
24 *spouse or domestic partner*, the children shall be paid an allowance  
25 as follows:

26 (A) If there is only one child, the child shall be paid three  
27 hundred fifty dollars (\$350) per month.

28 (B) If there are two children, the children shall be paid seven  
29 hundred dollars (\$700) per month divided equally between them.

30 (C) If there are three or more children, the children shall be paid  
31 eight hundred forty dollars (\$840) per month divided equally  
32 among them.

33 (3) A surviving *spouse or surviving domestic partner* who has  
34 attained or attains ~~the age of 62 years~~, *62 years of age*, and, with  
35 respect to that surviving ~~spouse~~, *spouse or surviving domestic*  
36 *partner*, who was either continuously married ~~to~~ *to, or in a*  
37 *registered domestic partnership with*, the member for at least one  
38 year prior to death, or who was married ~~to~~ *to, or in a registered*  
39 *domestic partnership with*, the member prior to the occurrence of  
40 the injury or onset of the illness that resulted in death, shall be paid

1 three hundred fifty dollars (\$350) per month. No allowance shall  
2 be paid under this paragraph while the surviving spouse *or*  
3 *surviving domestic partner* is receiving an allowance under  
4 paragraph (1) or while an allowance is being paid under  
5 subparagraph (C) of paragraph (2). The allowance paid under this  
6 paragraph shall be one hundred forty dollars (\$140) per month  
7 while an allowance is being paid under subparagraph (B) of  
8 paragraph (2).

9 (4) If there is no surviving ~~spouse~~ *spouse, surviving domestic*  
10 *partner*, or surviving child who qualifies for the 1959 survivor  
11 allowance, or if the surviving spouse *or surviving domestic partner*  
12 dies and there is no surviving child, or if the surviving spouse *or*  
13 *surviving domestic partner* dies and the children ~~die or marry~~ *die,*  
14 *marry, or enter into a registered domestic partnership* or, if not  
15 incapacitated, reach 22 years of age, each of the member's  
16 dependent parents who has attained or attains ~~the age of 62 years,~~  
17 *years of age*, and who received at least one-half of his or her  
18 support from the member at the time of the member's death, shall  
19 be paid three hundred fifty dollars (\$350) per month.

20 (c) "Stepchildren," for purposes of this section, shall include  
21 only stepchildren of the member living with the member in a  
22 regular parent-child relationship at the time of the death of the  
23 member.

24 (d) This section shall apply to beneficiaries of state members  
25 whose death occurred before January 1, 1985. Where a surviving  
26 spouse *or surviving domestic partner* attained ~~the age of 62 years~~  
27 *of age* prior to January 1, 1987, entitlement shall exist retroactive  
28 to January 1, 1985, or to his or her 62nd birthday, whichever is  
29 later. All assets and liabilities of all state agencies and their  
30 employees on account of benefits provided to beneficiaries  
31 specified in this subdivision shall be pooled into a single account.  
32 The board shall transfer from the reserve for 1959 survivor  
33 contributions retained in the retirement fund an amount sufficient  
34 to pay the cost of the increased benefits provided by this  
35 subdivision for beneficiaries of members who died on or before  
36 December 31, 1984.

37 (e) This section shall not apply to beneficiaries with respect to  
38 the death of a state member, except as provided in subdivision (i),  
39 occurring on or after January 1, 1985, unless provided for in a  
40 memorandum of understanding reached pursuant to Section 3517.5,

1 or authorized by the Director of Personnel Administration for  
2 classifications of state employees that are excluded from, or not  
3 subject to, collective bargaining. The memorandum of  
4 understanding adopting this section shall be controlling without  
5 further legislative action, except that if those provisions of a  
6 memorandum of understanding require the expenditure of funds,  
7 those provisions shall not become effective unless approved by  
8 the Legislature as provided by law.

9 (f) This section shall apply, with respect to benefits payable on  
10 and after January 1, 1985, to school members and to school safety  
11 members, as defined in Section 20444. All assets and liabilities of  
12 all school employers, and their employees, on account of benefits  
13 provided under this article shall be pooled into a single account,  
14 and a single employer rate shall be established to provide benefits  
15 under this section on account of school members employed by a  
16 school employer.

17 (g) This section shall apply to members of a contracting agency  
18 that, in its original contract or by amending its contract, first elects  
19 effective on or after January 1, 1985, and prior to July 1, 2001, to  
20 make this article applicable to local members employed by the  
21 agency. On or after January 1, 1985, and prior to July 1, 2001,  
22 contracting agencies already subject to Section 21571 or Section  
23 21572 may elect by contract amendment to be subject to this  
24 section. All assets and liabilities of all contracting agencies subject  
25 to this section, and their employees, on account of benefits provided  
26 under this article shall be pooled into a single account, and a single  
27 employer rate shall be established to provide benefits under this  
28 section on account of members employed by a contracting agency  
29 that is subject to this section. Any public agency first contracting  
30 with the board on or after January 1, 1994, and prior to July 1,  
31 2001, or any contracting agency amending its contract to remove  
32 exclusions of member classifications on or after January 1, 1994,  
33 and prior to July 1, 2001, that has not, pursuant to Section 418 of  
34 Title 42 of the United States Code, entered into an agreement with  
35 the federal government for the coverage of its employees under  
36 the federal system, shall be subject to this section.

37 (h) The rate of contribution of an employer subject to this section  
38 shall be figured using the term insurance valuation method. If a  
39 contracting agency that is subject to this section has a surplus in  
40 its 1959 survivor benefit account as of the date the contracting

1 agency becomes subject to this section, the surplus shall be applied  
2 to reduce its rate of contribution. If a contracting agency that is  
3 subject to this section has a deficit in its 1959 survivor benefit  
4 account as of the date the contracting agency becomes subject to  
5 this section, its rate of contribution shall be increased until the  
6 deficit is paid.

7 (i) This section shall not apply to beneficiaries with respect to  
8 the death of a state member employed by the California State  
9 University occurring on or after January 1, 1988, unless provided  
10 for in a memorandum of understanding reached pursuant to Chapter  
11 12 (commencing with Section 3560) of Division 4 of Title 1, or  
12 authorized by the Trustees of the California State University for  
13 employees excluded from collective bargaining. The memorandum  
14 of understanding shall be controlling without further legislative  
15 action, except that if the provisions of a memorandum of  
16 understanding require the expenditure of funds, the provisions  
17 shall not become effective unless approved by the Legislature in  
18 the annual Budget Act.

19 (j) This section shall apply to local members employed by a  
20 contracting agency that has included this benefit in its contract  
21 with the board on or before June 30, 2001.

22 (k) This section shall not apply to any contracting agency that  
23 first contracts with the board on or after July 1, 2001.

24 (l) On and after January 1, 2000, all eligible state and school  
25 members covered by this section shall be covered by the benefit  
26 provided under Section 21574.7.

27 *SEC. 50. Section 12.2 is added to the Harbors and Navigation*  
28 *Code, to read:*

29 *12.2. "Spouse" includes "domestic partner," as described in*  
30 *Section 297 of the Family Code.*

31 *SEC. 51. Section 12.2 is added to the Health and Safety Code,*  
32 *to read:*

33 *12.2. "Spouse" includes "domestic partner," as described in*  
34 *Section 297 of the Family Code.*

35 ~~SEC. 37.~~

36 *SEC. 52. Section 1373.5 of the Health and Safety Code is*  
37 *amended to read:*

38 *1373.5. When spouses or domestic partners are both employed*  
39 *as employees, and both have enrolled themselves and their eligible*  
40 *family members under a group health care service plan provided*

1 by their respective employers, and each spouse *or domestic partner*  
2 is covered as an employee under the terms of the same master  
3 contract, each spouse *or domestic partner* may claim on his or her  
4 behalf, or on behalf of his or her enrolled dependents, the combined  
5 maximum contractual benefits to which an employee is entitled  
6 under the terms of the master contract, not to exceed in the  
7 aggregate 100 percent of the charge for the covered expense or  
8 service.

9 This section shall apply to every group plan entered into,  
10 delivered, amended, or renewed in this state on or after January  
11 1, 1978.

12 ~~SEC. 38.~~

13 *SEC. 53.* Section 18080 of the Health and Safety Code is  
14 amended to read:

15 18080. Ownership registration and title to a manufactured  
16 home, mobilehome, commercial coach, or truck camper, or floating  
17 home subject to registration may be held by two or more coowners  
18 as follows:

19 (a) A manufactured home, mobilehome, commercial coach,  
20 truck camper, or floating home may be registered in the names of  
21 two or more persons as joint tenants. Upon the death of a joint  
22 tenant, the interest of the decedent shall pass to the survivor or  
23 survivors. The signature of each joint tenant or survivor or  
24 survivors, as the case may be, shall be required to transfer or  
25 encumber the title to the manufactured home, mobilehome,  
26 commercial coach, truck camper, or floating home.

27 (b) A manufactured home, mobilehome, commercial coach,  
28 truck camper, or floating home may be registered in the names of  
29 two or more persons as tenants in common. If the names of the  
30 tenants in common are separated by the word “and,” each tenant  
31 in common may transfer his or her individual interest in the  
32 manufactured home, mobilehome, commercial coach, truck camper,  
33 or floating home without the signature of the other tenant or tenants  
34 in common. However, the signature of each tenant in common  
35 shall be required to transfer full interest in the title to a new  
36 registered owner. If the names of the tenants in common are  
37 separated by the word “or,” any one of the tenants in common may  
38 transfer full interest in the title to the manufactured home,  
39 mobilehome, commercial coach, truck camper, or floating home  
40 to a new registered owner without the signature of the other tenant

1 or tenants in common. The signature of each tenant in common is  
2 required in all cases to encumber the title to the manufactured  
3 home, mobilehome, commercial coach, truck camper, or floating  
4 home.

5 (c) A manufactured home, mobilehome, commercial coach,  
6 truck camper, or floating home may be registered as community  
7 property in the names of the ~~spouses~~ *spouses or domestic partners*.  
8 The signature of each spouse *or domestic partner* shall be required  
9 to transfer or encumber the title to the manufactured home,  
10 mobilehome, commercial coach, truck camper, or floating home.

11 (d) All manufactured homes, mobilehomes, commercial  
12 coaches, truck campers, and floating homes registered, on or before  
13 January 1, 1985, in the names of two or more persons as tenants  
14 in common, as provided in subdivision (b), shall be considered to  
15 be the same as if the names of the tenants in common were  
16 separated by the word “or,” as provided in subdivision (b).

17 ~~SEC. 39.~~

18 *SEC. 54.* Section 25299.54 of the Health and Safety Code is  
19 amended to read:

20 25299.54. (a) Except as provided in subdivisions (b), (c), (d),  
21 (e), (g), and (h), an owner or operator, required to perform  
22 corrective action pursuant to Section 25296.10, or an owner or  
23 operator who, as of January 1, 1988, is required to perform  
24 corrective action, who has initiated this action in accordance with  
25 Division 7 (commencing with Section 13000) of the Water Code,  
26 who is undertaking corrective action in compliance with waste  
27 discharge requirements or other orders issued pursuant to Division  
28 7 (commencing with Section 13000) of the Water Code, or Chapter  
29 6.7 (commencing with Section 25280), may apply to the board for  
30 satisfaction of a claim filed pursuant to this article.

31 (b) A person who has failed to comply with Article 3  
32 (commencing with Section 25299.30) is ineligible to file a claim  
33 pursuant to this section.

34 (c) An owner or operator of an underground storage tank  
35 containing petroleum is ineligible to file a claim pursuant to this  
36 section if the person meets both of the following conditions:

37 (1) The person knew, before January 1, 1988, of the  
38 unauthorized release of petroleum which is the subject of the claim.

39 (2) The person did not initiate, on or before June 30, 1988, any  
40 corrective action in accordance with Division 7 (commencing with

1 Section 13000) of the Water Code concerning the release, or the  
2 person did not, on or before June 30, 1988, initiate corrective action  
3 in accordance with Chapter 6.7 (commencing with Section 25280)  
4 or the person did not initiate action on or before June 30, 1988, to  
5 come into compliance with waste discharge requirements or other  
6 orders issued pursuant to Division 7 (commencing with Section  
7 13000) of the Water Code concerning the release.

8 (d) An owner or operator who violates Section 25296.10 or a  
9 corrective action order, directive, notification, or approval order  
10 issued pursuant to this chapter, Chapter 6.7 (commencing with  
11 Section 25280) of this code, or Division 7 (commencing with  
12 Section 13000) of the Water Code, is liable for a corrective action  
13 cost that results from the owner's or operator's violation and is  
14 ineligible to file a claim pursuant to this section.

15 (e) Notwithstanding this chapter, a person who owns a tank  
16 located underground that is used to store petroleum may apply to  
17 the board for satisfaction of a claim, and the board may pay the  
18 claim pursuant to Section 25299.57 without making the finding  
19 specified in paragraph (3) of subdivision (d) of Section 25299.57  
20 if all of the following apply:

21 (1) The tank meets one of the following requirements:

22 (A) The tank is located at the residence of a person on property  
23 used exclusively for residential purposes at the time of discovery  
24 of the unauthorized release of petroleum.

25 (B) The tank owner demonstrates that the tank is located on  
26 property that, on and after January 1, 1985, is not used for  
27 agricultural purposes, the tank is of a type specified in  
28 subparagraph (B) of paragraph (1) of subdivision (y) of Section  
29 25281, and the petroleum in the tank is used solely for the purposes  
30 specified in subparagraph (B) of paragraph (1) of subdivision (y)  
31 of Section 25281 on and after January 1, 1985.

32 (2) The tank is not a tank described in subparagraph (A) of  
33 paragraph (1) of subdivision (y) of Section 25281 and the tank is  
34 not used on or after January 1, 1985, for the purposes specified in  
35 that subparagraph.

36 (3) The claimant has complied with Section 25299.31 and the  
37 permit requirements of Chapter 6.7 (commencing with Section  
38 25280), or the claimant is not subject to the requirements of those  
39 provisions.

1 (f) Whenever the board has authorized the prepayment of a  
2 claim pursuant to Section 25299.57, and the amount of money  
3 available in the fund is insufficient to pay the claim, the owner or  
4 operator shall remain obligated to undertake the corrective action  
5 in accordance with Section 25296.10.

6 (g) The board shall not reimburse a claimant for any eligible  
7 costs for which the claimant has been, or will be, compensated by  
8 another person. This subdivision does not affect reimbursement  
9 of a claimant from the fund under either of the following  
10 circumstances:

11 (1) The claimant has a written contract, other than an insurance  
12 contract, with another person that requires the claimant to  
13 reimburse the person for payments the person has provided the  
14 claimant pending receipt of reimbursement from the fund.

15 (2) An insurer has made payments on behalf of the claimant  
16 pursuant to an insurance contract and either of the following  
17 applies:

18 (A) The insurance contract explicitly coordinates insurance  
19 benefits with the fund and requires the claimant to do both of the  
20 following:

21 (i) Maintain the claimant's eligibility for reimbursement of costs  
22 pursuant to this chapter by complying with all applicable eligibility  
23 requirements.

24 (ii) Reimburse the insurer for costs paid by the insurer pending  
25 reimbursement of those costs by the fund.

26 (B) The claimant received a letter of commitment prior to June  
27 30, 1999, for the occurrence and the claimant is required to  
28 reimburse the insurer for any costs paid by the insurer pending  
29 reimbursement of those costs by the fund.

30 (h) (1) Except as provided in paragraph (2), a person who  
31 purchases or otherwise acquires real property on which an  
32 underground storage tank or tank specified in subdivision (e) is  
33 situated shall not be reimbursed by the board for a cost attributable  
34 to an occurrence that commenced prior to the acquisition of the  
35 real property if both of the following conditions apply:

36 (A) The purchaser or acquirer knew, or in the exercise of  
37 reasonable diligence would have discovered, that an underground  
38 storage tank or tank specified in subdivision (e) was located on  
39 the real property being acquired.

1 (B) A person who owned the site or owned or operated an  
2 underground storage tank or tank specified in subdivision (e) at  
3 the site during or after the occurrence and prior to acquisition by  
4 the purchaser or acquirer would not have been eligible for  
5 reimbursement from the fund.

6 (2) Notwithstanding paragraph (1), if the claim is filed on or  
7 after January 1, 2003, the board may reimburse the eligible costs  
8 claimed by a person who purchases or otherwise acquires real  
9 property on which an underground storage tank or tank specified  
10 in subdivision (e) is situated, if all of the following conditions  
11 apply:

12 (A) The claimant is the owner or operator of the underground  
13 storage tank or tank specified in subdivision (e) that had an  
14 occurrence that commenced prior to the owner's acquisition of the  
15 real property.

16 (B) The claimant satisfies all eligibility requirements, other than  
17 those specified in paragraph (1).

18 (C) The claimant is not an affiliate of a person whose act or  
19 omission caused or would cause ineligibility for the fund.

20 (3) If the board reimburses a claim pursuant to paragraph (2),  
21 a person specified in subparagraph (B) of paragraph (1), other than  
22 a person who is ineligible for reimbursement from the fund solely  
23 because the property was acquired from another person who was  
24 ineligible for reimbursement from the fund, shall be liable for the  
25 amount paid from the fund. The Attorney General, upon request  
26 of the board, shall bring a civil action to recover the liability  
27 imposed under this paragraph. All money recovered by the  
28 Attorney General under this paragraph shall be deposited in the  
29 fund.

30 (4) The liability established pursuant to paragraph (3) does not  
31 limit or supersede liability under any other provision of state or  
32 federal law, including common law.

33 (5) For purposes of this subdivision, the following definitions  
34 shall apply:

35 (A) "Affiliate" means a person who has one or more of the  
36 following relationships with another person:

37 (i) Familial relationship.

38 (ii) Fiduciary relationship.

39 (iii) A relationship of direct or indirect control or shared  
40 interests.

1 (B) Affiliates include, but are not limited to, any of the  
2 following:

- 3 (i) Parent corporation and subsidiary.
- 4 (ii) Subsidiaries that are owned by the same parent corporation.
- 5 (iii) Business entities involved in a reorganization, as defined  
6 in Section 181 of the Corporations Code.
- 7 (iv) Corporate officer and corporation.
- 8 (v) Shareholder that owns a controlling block of voting stock  
9 and the corporation.
- 10 (vi) Partner and the partnership.
- 11 (vii) Member and a limited liability company.
- 12 (viii) Franchiser and franchisee.
- 13 (ix) Settlor, trustee, and beneficiary of a trust.
- 14 (x) Debtor and bankruptcy trustee or debtor-in-possession.
- 15 (xi) Principal and agent.

16 (C) “Familial relationship” means relationships between family  
17 members, including, and limited to, a spouse, *domestic partner*;  
18 child, stepchild, parent, grandparent, grandchild, brother, sister,  
19 stepbrother, stepsister, stepmother, stepfather, mother-in-law,  
20 father-in-law, brother-in-law, sister-in-law, daughter-in-law,  
21 son-in-law, and, if related by blood, uncle, aunt, niece, or nephew.

22 (D) “Purchases or otherwise acquires real property” means the  
23 acquisition of fee title ownership or the acquisition of the lessee’s  
24 interest in a ground lease of real property on which one or more  
25 underground storage tanks are located if the lease has an initial  
26 original term, including unilateral extension or renewal rights, of  
27 not less than 35 years.

28 (i) The Legislature finds and declares that the changes made to  
29 subparagraph (A) of paragraph (1) of subdivision (e) by Chapter  
30 1290 of the Statutes of 1992 are declaratory of existing law.

31 (j) The Legislature finds and declares that the amendment of  
32 subdivisions (a) and (g) by Chapter 328 of the Statutes of 1999 is  
33 declaratory of existing law.

34 ~~SEC. 40.~~

35 *SEC. 55.* Section 32501 of the Health and Safety Code is  
36 amended to read:

37 32501. Any person desiring in his or her lifetime to promote  
38 the public welfare by founding, endowing, and having maintained  
39 within this state a hospital for the relief of the sick, and for use as  
40 a training school for nurses may, by grant in writing, convey to a

1 trustee named in the grant and to the successor of such trustee, any  
2 of his or her property situated within this state. If he or she is  
3 married *or in a registered domestic partnership* and the property  
4 is community, both spouses *or domestic partners* shall join in the  
5 grant.

6 *SEC. 56. Section 12.2 is added to the Insurance Code, to read:*  
7 *12.2. “Spouse” includes “domestic partner,” as described in*  
8 *Section 297 of the Family Code.*

9 ~~SEC. 41.~~

10 *SEC. 57. Section 10112 of the Insurance Code is amended to*  
11 *read:*

12 10112. Subject to Section 2459 of the Probate Code, in respect  
13 to life or disability insurance, or annuity contracts (except as  
14 provided in Sections 2500 to 2507, inclusive, of the Probate Code  
15 and Section 3500 of the Probate Code and Chapter 4 (commencing  
16 with Section 3600) of Part 8 of Division 4 of the Probate Code),  
17 heretofore or hereafter issued to or upon the life of any person not  
18 ~~of the a full-age of~~ 18 years *of age* for the benefit of such minor  
19 or for the benefit of the father, mother, spouse, *domestic partner*,  
20 child, brother, or sister, of such minor, or issued to such minor,  
21 subject to written consent of a parent or guardian, upon the life of  
22 any person in whom such minor has an insurable interest for the  
23 benefit of himself or such minor’s father, mother, spouse, *domestic*  
24 *partner*, child, brother or sister, such minor shall not, by reason  
25 only of such minority, be deemed incompetent to contract for such  
26 insurance or annuity, or for the surrender thereof, or to exercise  
27 all contractual rights thereunder, or, subject to approval of a parent  
28 or guardian, to give a valid discharge for any benefit accruing or  
29 for any money payable thereunder; provided, that all such contracts  
30 made by a minor ~~under the age of 16 years,~~ *years of age*, as  
31 determined by the nearest birthday, shall have the written consent  
32 of a parent or guardian, and that the exercise of all contractual  
33 rights under such contracts, or the surrender thereof, or the giving  
34 of a valid discharge for any benefit accruing or money payable  
35 thereunder, in the case of a minor ~~under the age of 16 years,~~ *years*  
36 *of age*, as determined by the nearest birthday, shall have the written  
37 consent of a parent or guardian.

38 All such contracts made by a minor ~~not of the a full-age of~~ 18  
39 years *of age* which may result in any personal liability for  
40 assessment shall have the written assumption of any such liability

1 by a parent or guardian in consideration of the issuance of the  
2 contract. Such assumption shall be in a form approved by the  
3 commissioner, reasonably designed to inform the parent or  
4 guardian of the liability thus assumed.

5 Such assumption of liability may be made a part of and included  
6 with any written consent of such parent or guardian required under  
7 other provisions of this section and it may be provided therein that  
8 such assumption shall cover only up to the anniversary date of the  
9 policy nearest to the member's birthday at which he or she attains  
10 ~~age 18:~~ *18 years of age.*

11 ~~SEC. 42.~~

12 *SEC. 58.* Section 10121.5 of the Insurance Code is amended  
13 to read:

14 10121.5. (a) When spouses *or domestic partners* are both  
15 employed as employees, and both have enrolled themselves and  
16 their eligible family members under a group policy of disability  
17 insurance provided by their respective employers, and each spouse  
18 *or domestic partner* is covered as an employee under the terms of  
19 the same master policy, each spouse *or domestic partner* may  
20 claim on his or her behalf, or on behalf of his or her enrolled  
21 dependents, the combined maximum contractual benefits to which  
22 an employee is entitled under the terms of the master policy, not  
23 to exceed in the aggregate 100 percent of the charge for the covered  
24 expense or service.

25 (b) When spouses *or domestic partners* are both employed as  
26 employees, and both have enrolled themselves and their eligible  
27 family members under a self-insured employee welfare benefit  
28 plan provided by their respective employers, and each spouse *or*  
29 *domestic partner* is covered as an employee under the terms of the  
30 same master contract, each spouse *or domestic partner* may claim  
31 on his or her behalf, or on behalf of his or her enrolled dependents,  
32 the combined maximum contractual benefits to which an employee  
33 is entitled under the terms of the master contract, not to exceed in  
34 the aggregate 100 percent of the charge for the covered expense  
35 or service.

36 (c) This section shall apply to every group disability insurance  
37 policy and self-insured employee welfare benefit plan which is  
38 entered into, issued, delivered, amended, or renewed in this state  
39 on or after January 1, 1978.

1     ~~SEC. 43.~~

2     ~~SEC. 59.~~ Section 10320 of the Insurance Code is amended to  
3 read:

4     10320. No policy of accident and sickness insurance shall be  
5 delivered or issued for delivery to any person in this State unless:

6     (a) The entire money and other considerations therefor are  
7 expressed therein; and

8     (b) The time at which the insurance takes effect and terminates  
9 is expressed therein; and

10    (c) It purports to insure only one person, except that a policy  
11 may insure, originally or by subsequent amendment, upon the  
12 application of the head of a family who shall be deemed the  
13 policyholder, any two or more eligible members of that family,  
14 including ~~spouse~~, *spouse or domestic partner*, dependent ~~children~~  
15 *children*, or any children under a specified age which shall not  
16 exceed 19 years *of age* and any other person dependent upon the  
17 policyholder; and

18    (d) The style, arrangement and over-all appearance of the policy  
19 give no undue prominence to any portion of the text, and unless  
20 every printed portion of the text of the policy and of any  
21 endorsements or attached papers is plainly printed in light-faced  
22 type of a style in general use, the size of which shall be uniform  
23 and not less than 10-point with a lower case unspaced alphabet  
24 length not less than 120-point (the “text” shall include all printed  
25 matter except the name and address of the insurer, name or title  
26 of the policy, the brief description, if any, and captions and  
27 subcaptions); and

28    (e) The exceptions and reductions of indemnity are set forth in  
29 the policy and, except those which are set forth in Article 4a or 5a  
30 of this chapter, are printed, at the insurer’s option, either included  
31 with the benefit provision to which they apply, or under an  
32 appropriate caption such as “Exceptions,” or “Exceptions and  
33 Reductions”; provided, that if an exception or reduction specifically  
34 applies only to a particular benefit of the policy, a statement of  
35 such exception or reduction shall be included with the benefit  
36 provision to which it applies; and

37    (f) Each such form, including riders and endorsements, shall be  
38 identified by a form number in the lower left-hand corner of the  
39 first page thereof; and

1 (g) It contains no provision purporting to make any portion of  
2 the charter, rules, constitution, or by-laws of the insurer a part of  
3 the policy unless such portion is set forth in full in the policy,  
4 except in the case of the incorporation of, or reference to, a  
5 statement of rates or classification of risks, or short-rate table filed  
6 with the commissioner; and

7 (h) If the policy contains amendment, change, limitation,  
8 alteration, or restriction of the printed text by endorsement, or by  
9 any means other than rider upon a separate piece of paper made a  
10 part of such policy; and

11 (i) If any portion of such policy purports to reduce benefits by  
12 reason of age of the insured and such reduction, in accordance  
13 with the age of the insured as stated in his or her application, would  
14 be effective on the issue date of the policy.

15 ~~SEC. 44.~~

16 *SEC. 60.* Section 10493 of the Insurance Code is amended to  
17 read:

18 10493. Any incorporated or unincorporated benefit and relief  
19 association organized before January 15, 1951, may procure a  
20 certificate of exemption from the commissioner if it complies with  
21 all of the following:

22 (a) All of the other requirements of this article.

23 (b) As respects life or disability or life and disability insurance  
24 transacted by it, it is of an entirely nonprofit nature.

25 (c) Any one of the following requirements as to membership  
26 and purpose:

27 (1) It is composed of and its membership limited to the  
28 appointive officers and employees of a public school district or  
29 districts and/or the pupils of any such district or districts, or of any  
30 private school or schools.

31 (2) It is composed of and its membership limited to the  
32 appointive officers and employees of a municipal playground  
33 system, or the systems of two or more municipalities united in a  
34 league, federation or other association for the purpose of promoting  
35 intercity competitions or other activities, and/or the participants  
36 in dancing, recreational, sporting, educational, social and/or  
37 theatrical activities sponsored and/or directed by such system or  
38 systems and carried on through the use of any of the facilities of  
39 such system or systems.

1 (3) Its membership in this state is 1,000 or more and it is either  
2 an organization of a purely religious or benevolent character or its  
3 membership is limited to the members of such an organization.

4 (4) It is composed of and its membership is limited to the  
5 members of another organization which other organization is of a  
6 purely religious or benevolent character and has a total membership  
7 in this state of not less than 1,000.

8 (5) It is a domestic organization, lodge, society or order which  
9 prior to September 19, 1947, provided life or disability benefits  
10 or both such benefits to its members and

11 (A) Is of a charitable, benevolent or beneficent character or  
12 becomes such within one year from September 4, 1951, and in  
13 both instances is thereafter of such character, and

14 (B) Operates in such a manner that the payment of such benefits  
15 even though it be one of the express purposes of such organization,  
16 lodge or order, is as a matter of fact incidental to its charitable,  
17 benevolent or beneficent purposes or within one year from  
18 September 4, 1951, operates in such a manner and in both instances  
19 thereafter operates in such a manner.

20 (6) Officers and employees of a common employer, and related  
21 dependents of such officers and employees, comprising spouses  
22 *or domestic partners* and ~~unmarried~~ dependent children *who are*  
23 *not married or in registered domestic partnerships and are* under  
24 19 years of age, and living in the same household.

25 (d) Pays a filing fee in the amount of seven hundred eight dollars  
26 (\$708).

27 ~~SEC. 45.~~

28 *SEC. 61.* Section 10494.6 of the Insurance Code is amended  
29 to read:

30 10494.6. Any employer who qualifies for a certificate of  
31 exemption under Section 10494.5 by virtue of which certificate  
32 he or she maintains a plan for furnishing disability benefits to his  
33 or her employees may, if he or she elects, make available for the  
34 related dependents of his or her employees, comprising spouses  
35 *or domestic partners* and ~~unmarried~~ dependent children *who are*  
36 *not married or in registered domestic partnerships* living in the  
37 same household, a supplemental plan of disability benefits  
38 containing any or all of the following benefits, hospital, surgical  
39 and medical; provided, that as to the supplemental plan the  
40 Insurance Commissioner finds that all of the following exist:

1 (a) The supplemental plan shall be separately stated, setting out  
2 all of the provisions of coverage.

3 (b) The plan shall set out the respective contributions of the  
4 employer and employees. All contributions of employees received  
5 or retained by the employer shall be trust funds and shall be  
6 separately accounted for by the employer and may not inure to the  
7 benefit of the employer in any manner whatsoever.

8 (c) The plan permits the disabled individual a free choice of  
9 physician and surgeon, or podiatrist in the case of those services  
10 that are within the scope of practice of podiatric medicine, as  
11 defined in Section 2472 of the Business and Professions Code,  
12 and hospital.

13 (d) The employer agrees to assume 50 percent of the cost of  
14 maintaining the plan, and he or she further agrees to guarantee the  
15 benefits if the contributions required for the supplementary benefits  
16 are not sufficient to pay the cost of same. The funds necessary to  
17 discharge the employer's 50 percent assumption shall be trust  
18 funds and shall be separately accounted for by him or her.

19 *SEC. 62. Section 12.2 is added to the Labor Code, to read:*

20 *12.2. "Spouse" includes "domestic partner," as described in*  
21 *Section 297 of the Family Code.*

22 ~~*SEC. 46.*~~

23 *SEC. 63. Section 3503 of the Labor Code is amended to read:*

24 *3503. No person is a dependent of any deceased employee*  
25 *unless in good faith a member of the family or household of the*  
26 *employee, or unless the person bears to the employee the relation*  
27 *of spouse, domestic partner, child, posthumous child, adopted*  
28 *child or stepchild, grandchild, father or mother, father-in-law or*  
29 *mother-in-law, grandfather or grandmother, brother or sister, uncle*  
30 *or aunt, brother-in-law or sister-in-law, or nephew or niece.*

31 *SEC. 64. Section 19 is added to the Military and Veterans*  
32 *Code, to read:*

33 *19. "Spouse" includes "domestic partner," as described in*  
34 *Section 297 of the Family Code.*

35 *SEC. 65. Section 7 of the Penal Code is amended to read:*

36 *7. Words used in this code in the present tense include the*  
37 *future as well as the present; words used in the masculine gender*  
38 *include the feminine and neuter; the singular number includes the*  
39 *plural, and the plural the singular; the word "person" includes a*  
40 *corporation as well as a natural person; the word "county" includes*

1 “city and county”; writing includes printing and typewriting; oath  
2 includes affirmation or declaration; and every mode of oral  
3 statement, under oath or affirmation, is embraced by the term  
4 “testify,” and every written one in the term “depose”; signature or  
5 subscription includes mark, when the person cannot write, his or  
6 her name being written near it, by a person who writes his or her  
7 own name as a witness; provided, that when a signature is made  
8 by mark it must, in order that the same may be acknowledged or  
9 serve as the signature to any sworn statement, be witnessed by two  
10 persons who must subscribe their own names as witnesses thereto.

11 The following words have in this code the signification attached  
12 to them in this section, unless otherwise apparent from the context:

13 1.

14 (1) The word “willfully,” when applied to the intent with which  
15 an act is done or omitted, implies simply a purpose or willingness  
16 to commit the act, or make the omission referred to. It does not  
17 require any intent to violate law, or to injure another, or to acquire  
18 any advantage.

19 2.

20 (2) The words “neglect,” “negligence,” “negligent,” and  
21 “negligently” import a want of such attention to the nature or  
22 probable consequences of the act or omission as a prudent man  
23 ordinarily bestows in acting in his own concerns.

24 3.

25 (3) The word “corruptly” imports a wrongful design to acquire  
26 or cause some pecuniary or other advantage to the person guilty  
27 of the act or omission referred to, or to some other person.

28 4.

29 (4) The words “malice” and “maliciously” import a wish to vex,  
30 annoy, or injure another person, or an intent to do a wrongful act,  
31 established either by proof or presumption of law.

32 5.

33 (5) The word “knowingly” imports only a knowledge that the  
34 facts exist which bring the act or omission within the provisions  
35 of this code. It does not require any knowledge of the unlawfulness  
36 of such act or omission.

37 6.

38 (6) The word “bribe” signifies anything of value or advantage,  
39 present or prospective, or any promise or undertaking to give any,  
40 asked, given, or accepted, with a corrupt intent to influence,

1 unlawfully, the person to whom it is given, in his or her action,  
2 vote, or opinion, in any public or official capacity.

3 ~~7.~~

4 (7) The word “vessel,” when used with reference to shipping,  
5 includes ships of all kinds, steamboats, canalboats, barges, and  
6 every structure adapted to be navigated from place to place for the  
7 transportation of merchandise or persons, except that, as used in  
8 Sections 192.5 and 193.5, the word “vessel” means a vessel as  
9 defined in subdivision (c) of Section 651 of the Harbors and  
10 Navigation Code.

11 ~~8.~~

12 (8) The words “peace officer” signify any one of the officers  
13 mentioned in Chapter 4.5 (commencing with Section 830) of Title  
14 3 of Part 2.

15 ~~9.~~

16 (9) The word “magistrate” signifies any one of the officers  
17 mentioned in Section 808.

18 ~~10.~~

19 (10) The word “property” includes both real and personal  
20 property.

21 ~~11.~~

22 (11) The words “real property” are coextensive with lands,  
23 tenements, and hereditaments.

24 ~~12.~~

25 (12) The words “personal property” include money, goods,  
26 chattels, things in action, and evidences of debt.

27 ~~13.~~

28 (13) The word “month” means a calendar month, unless  
29 otherwise expressed; the word “daytime” means the period between  
30 sunrise and sunset, and the word “nighttime” means the period  
31 between sunset and sunrise.

32 ~~14.~~

33 (14) The word “will” includes codicil.

34 ~~15.~~

35 (15) The word “writ” signifies an order or precept in writing,  
36 issued in the name of the people, or of a court or judicial officer,  
37 and the word “process” a writ or summons issued in the course of  
38 judicial proceedings.

39 ~~16.~~

1 (16) Words and phrases must be construed according to the  
2 context and the approved usage of the language; but technical  
3 words and phrases, and such others as may have acquired a peculiar  
4 and appropriate meaning in law, must be construed according to  
5 such peculiar and appropriate meaning.

6 ~~17.~~

7 (17) Words giving a joint authority to three or more public  
8 officers or other persons, are construed as giving such authority  
9 to a majority of them, unless it is otherwise expressed in the act  
10 giving the authority.

11 ~~18.~~

12 (18) When the seal of a court or public officer is required by  
13 law to be affixed to any paper, the word “seal” includes an  
14 impression of such seal upon the paper alone, or upon any  
15 substance attached to the paper capable of receiving a visible  
16 impression. The seal of a private person may be made in like  
17 manner, or by the scroll of a pen, or by writing the word “seal”  
18 against his or her name.

19 ~~19.~~

20 (19) The word “state,” when applied to the different parts of  
21 the United States, includes the District of Columbia and the  
22 territories, and the words “United States” may include the district  
23 and territories.

24 ~~20.~~

25 (20) The word “section,” whenever hereinafter employed, refers  
26 to a section of this code, unless some other code or statute is  
27 expressly mentioned.

28 ~~21.~~

29 (21) To “book” signifies the recordation of an arrest in official  
30 police records, and the taking by the police of fingerprints and  
31 photographs of the person arrested, or any of these acts following  
32 an arrest.

33 (22) *The word “spouse” includes a domestic partner, as*  
34 *described in Section 297 of the Family Code.*

35 ~~SEC. 47.~~

36 *SEC. 66.* Section 152.3 of the Penal Code is amended to read:

37 152.3. (a) Any person who reasonably believes that he or she  
38 has observed the commission of any of the following offenses  
39 where the victim is a child under ~~the age of~~ 14 years *of age* shall

1 notify a peace officer, as defined in Chapter 4.5 (commencing with  
2 Section 830) of Title 3 of Part 2:

3 (1) Murder.

4 (2) Rape.

5 (3) A violation of paragraph (1) of subdivision (b) of Section  
6 288 of the Penal Code.

7 (b) This section shall not be construed to affect privileged  
8 relationships as provided by law.

9 (c) The duty to notify a peace officer imposed pursuant to  
10 subdivision (a) is satisfied if the notification or an attempt to  
11 provide notice is made by telephone or any other means.

12 (d) Failure to notify as required pursuant to subdivision (a) is a  
13 misdemeanor and is punishable by a fine of not more than one  
14 thousand five hundred dollars (\$1,500), by imprisonment in a  
15 county jail for not more than six months, or by both that fine and  
16 imprisonment.

17 (e) The requirements of this section shall not apply to the  
18 following:

19 (1) A person who is related to either the victim or the offender,  
20 including a spouse, *domestic partner*, parent, child, brother, sister,  
21 grandparent, grandchild, or other person related by consanguinity  
22 or affinity.

23 (2) A person who fails to report based on a reasonable mistake  
24 of fact.

25 (3) A person who fails to report based on a reasonable fear for  
26 his or her own safety or for the safety of his or her family.

27 ~~SEC. 48.~~

28 *SEC. 67.* Section 197 of the Penal Code is amended to read:

29 197. Homicide is also justifiable when committed by any person  
30 in any of the following cases:

31 1. When resisting any attempt to murder any person, or to  
32 commit a felony, or to do some great bodily injury upon any  
33 person; or,

34 2. When committed in defense of habitation, property, or person,  
35 against one who manifestly intends or endeavors, by violence or  
36 surprise, to commit a felony, or against one who manifestly intends  
37 and endeavors, in a violent, ~~riotous~~ *riotous*, or tumultuous manner,  
38 to enter the habitation of another for the purpose of offering  
39 violence to any person therein; or,

1 3. When committed in the lawful defense of such person, or of  
2 a spouse, *domestic partner*, parent, child, master, mistress, or  
3 servant of such person, when there is reasonable ground to  
4 apprehend a design to commit a felony or to do some great bodily  
5 injury, and imminent danger of such design being accomplished;  
6 but such person, or the person in whose behalf the defense was  
7 made, if he was the assailant or engaged in mutual combat, must  
8 really and in good faith have endeavored to decline any further  
9 struggle before the homicide was committed; or,

10 4. When necessarily committed in attempting, by lawful ways  
11 and means, to apprehend any person for any felony committed, or  
12 in lawfully suppressing any riot, or in lawfully keeping and  
13 preserving the peace.

14 ~~SEC. 49.~~

15 *SEC. 68.* Section 270e of the Penal Code is amended to read:

16 270e. No other evidence shall be required to prove marriage  
17 of spouses, *registered domestic partnership of domestic partners*,  
18 or that a person is the lawful father or mother of a child or children,  
19 than is or shall be required to prove such facts in a civil action. In  
20 all prosecutions under either Section 270a or 270 of this code,  
21 Sections 970, 971, and 980 of the Evidence Code do not apply,  
22 and both spouses *or domestic partners* shall be competent to testify  
23 to any and all relevant matters, including the fact of marriage *or*  
24 *registered domestic partnership* and the parentage of a child or  
25 children. Proof of the abandonment and nonsupport of a ~~spouse~~,  
26 *spouse or domestic partner*, or of the omission to furnish necessary  
27 food, clothing, shelter, or of medical attendance for a child or  
28 children is prima facie evidence that such abandonment and  
29 nonsupport or omission to furnish necessary food, clothing, ~~shelter~~  
30 *shelter*, or medical attendance is willful. In any prosecution under  
31 Section 270, it shall be competent for the people to prove nonaccess  
32 of husband to wife or any other fact establishing nonpaternity of  
33 a husband. In any prosecution pursuant to Section 270, the final  
34 establishment of paternity or nonpaternity in another proceeding  
35 shall be admissible as evidence of paternity or nonpaternity.

36 ~~SEC. 50.~~

37 *SEC. 69.* Section 273.5 of the Penal Code is amended to read:

38 273.5. (a) Any person who willfully inflicts corporal injury  
39 resulting in a traumatic condition upon a victim described in  
40 subdivision (b) is guilty of a felony, and upon conviction thereof

1 shall be punished by imprisonment in the state prison for two,  
2 three, or four years, or in a county jail for not more than one year,  
3 or by a fine of up to six thousand dollars (\$6,000), or by both that  
4 fine and imprisonment.

5 (b) Subdivision (a) shall apply if the victim is or was one or  
6 more of the following:

7 (1) The offender's ~~spouse or~~ *spouse, domestic partner; former*  
8 ~~spouse; spouse, or former domestic partner.~~

9 (2) The offender's cohabitant or former cohabitant.

10 (3) The offender's fiancé or fiancée, or someone with whom  
11 the offender has, or previously had, an engagement or dating  
12 relationship, as defined in paragraph (10) of subdivision (f) of  
13 Section 243.

14 (4) The mother or father of the offender's child.

15 (c) Holding oneself out to be the spouse *or domestic partner* of  
16 the person with whom one is cohabiting is not necessary to  
17 constitute cohabitation as the term is used in this section.

18 (d) As used in this section, "traumatic condition" means a  
19 condition of the body, such as a wound, or external or internal  
20 injury, including, but not limited to, injury as a result of  
21 strangulation or suffocation, whether of a minor or serious nature,  
22 caused by a physical force. For purposes of this section,  
23 "strangulation" and "suffocation" include impeding the normal  
24 breathing or circulation of the blood of a person by applying  
25 pressure on the throat or neck.

26 (e) For the purpose of this section, a person shall be considered  
27 the father or mother of another person's child if the alleged male  
28 parent is presumed the natural father under Sections 7611 and 7612  
29 of the Family Code.

30 (f) (1) Any person convicted of violating this section for acts  
31 occurring within seven years of a previous conviction under  
32 subdivision (a), or subdivision (d) of Section 243, or Section 243.4,  
33 244, 244.5, or 245, shall be punished by imprisonment in a county  
34 jail for not more than one year, or by imprisonment in the state  
35 prison for two, four, or five years, or by both imprisonment and a  
36 fine of up to ten thousand dollars (\$10,000).

37 (2) Any person convicted of a violation of this section for acts  
38 occurring within seven years of a previous conviction under  
39 subdivision (e) of Section 243 shall be punished by imprisonment  
40 in the state prison for two, three, or four years, or in a county jail

1 for not more than one year, or by a fine of up to ten thousand  
2 dollars (\$10,000), or by both that imprisonment and fine.

3 (g) If probation is granted to any person convicted under  
4 subdivision (a), the court shall impose probation consistent with  
5 the provisions of Section 1203.097.

6 (h) If probation is granted, or the execution or imposition of a  
7 sentence is suspended, for any defendant convicted under  
8 subdivision (a) who has been convicted of any prior offense  
9 specified in subdivision (f), the court shall impose one of the  
10 following conditions of probation:

11 (1) If the defendant has suffered one prior conviction within the  
12 previous seven years for a violation of any offense specified in  
13 subdivision (f), it shall be a condition of probation, in addition to  
14 the provisions contained in Section 1203.097, that he or she be  
15 imprisoned in a county jail for not less than 15 days.

16 (2) If the defendant has suffered two or more prior convictions  
17 within the previous seven years for a violation of any offense  
18 specified in subdivision (f), it shall be a condition of probation, in  
19 addition to the provisions contained in Section 1203.097, that he  
20 or she be imprisoned in a county jail for not less than 60 days.

21 (3) The court, upon a showing of good cause, may find that the  
22 mandatory imprisonment required by this subdivision shall not be  
23 imposed and shall state on the record its reasons for finding good  
24 cause.

25 (i) If probation is granted upon conviction of a violation of  
26 subdivision (a), the conditions of probation may include, consistent  
27 with the terms of probation imposed pursuant to Section 1203.097,  
28 in lieu of a fine, one or both of the following requirements:

29 (1) That the defendant make payments to a battered women's  
30 shelter, up to a maximum of five thousand dollars (\$5,000),  
31 pursuant to Section 1203.097.

32 (2) (A) That the defendant reimburse the victim for reasonable  
33 costs of counseling and other reasonable expenses that the court  
34 finds are the direct result of the defendant's offense.

35 (B) For any order to pay a fine, make payments to a battered  
36 women's shelter, or pay restitution as a condition of probation  
37 under this subdivision, the court shall make a determination of the  
38 defendant's ability to pay. An order to make payments to a battered  
39 women's shelter shall not be made if it would impair the ability  
40 of the defendant to pay direct restitution to the victim or

1 court-ordered child support. If the injury to a ~~married~~ person *who*  
2 *is married or in a registered domestic partnership* is caused in  
3 whole or in part by the criminal acts of his or her spouse *or*  
4 *domestic partner* in violation of this section, the community  
5 property may not be used to discharge the liability of the offending  
6 spouse *or domestic partner* for restitution to the injured ~~spouse,~~  
7 *spouse or domestic partner*, required by Section 1203.04, as  
8 operative on or before August 2, 1995, or Section 1202.4, or to a  
9 shelter for costs with regard to the injured spouse *or domestic*  
10 *partner* and dependents, required by this section, until all separate  
11 property of the offending spouse *or domestic partner* is exhausted.

12 (j) Upon conviction under subdivision (a), the sentencing court  
13 shall also consider issuing an order restraining the defendant from  
14 any contact with the victim, which may be valid for up to 10 years,  
15 as determined by the court. It is the intent of the Legislature that  
16 the length of any restraining order be based upon the seriousness  
17 of the facts before the court, the probability of future violations,  
18 and the safety of the victim and his or her immediate family. This  
19 protective order may be issued by the court whether the defendant  
20 is sentenced to state prison or county jail, or if imposition of  
21 sentence is suspended and the defendant is placed on probation.

22 (k) If a peace officer makes an arrest for a violation of this  
23 section, the peace officer is not required to inform the victim of  
24 his or her right to make a citizen's arrest pursuant to subdivision  
25 (b) of Section 836.

26 ~~SEC. 51.~~

27 *SEC. 70.* Section 281 of the Penal Code is amended to read:

28 281. (a) Every person having a spouse *or domestic partner*  
29 living, who marries *or enters into a registered domestic partnership*  
30 *with any other person*, except in the cases specified in Section 282,  
31 is guilty of bigamy.

32 (b) Upon a trial for bigamy, it is not necessary to prove either  
33 of the marriages *or registered domestic partnerships* by the register,  
34 certificate, or other record evidence thereof, but the marriages *or*  
35 *registered domestic partnerships* may be proved by evidence which  
36 is admissible to prove a marriage *or registered domestic*  
37 *partnership* in other cases; and when the second marriage *or*  
38 *registered domestic partnership* took place out of this state, proof  
39 of that fact, accompanied with proof of cohabitation thereafter in  
40 this state, is sufficient to sustain the charge.

1     ~~SEC. 52.~~

2     ~~SEC. 71.~~ Section 282 of the Penal Code is amended to read:

3     282. Section 281 does not extend to any of the following:

4     (a) To any person by reason of any former marriage whose  
5 spouse by such ~~marriage~~ *marriage, or by reason of any former*  
6 *registered domestic partnership whose domestic partner by such*  
7 *registered domestic partnership, has been absent for five successive*  
8 years without being known to such person within that time to be  
9 living.

10    (b) To any person by reason of any former ~~marriage~~ *marriage,*  
11 *or any former registered domestic partnership, which has been*  
12 pronounced void, annulled, or dissolved by the judgment of a  
13 competent court.

14    ~~SEC. 53.~~

15    ~~SEC. 72.~~ Section 284 of the Penal Code is amended to read:

16    284. Every person who knowingly and willfully marries *or*  
17 *enters into a registered domestic partnership with the spouse or*  
18 *domestic partner* of another, in any case in which such spouse *or*  
19 *domestic partner* would be punishable under the provisions of this  
20 chapter, is punishable by fine not less than five thousand dollars  
21 (\$5,000), or by imprisonment pursuant to subdivision (h) of Section  
22 1170.

23    ~~SEC. 54.~~

24    ~~SEC. 73.~~ Section 534 of the Penal Code is amended to read:

25    534. Every ~~married~~ person *who is married or in a registered*  
26 *domestic partnership, who falsely and fraudulently represents*  
27 himself or herself as competent to sell or mortgage any real estate,  
28 to the validity of which sale or mortgage the assent or concurrence  
29 of his or her spouse *or domestic partner* is necessary, and under  
30 such representations willfully conveys or mortgages the same, is  
31 guilty of felony.

32    ~~SEC. 55.~~

33    ~~SEC. 74.~~ Section 4002 of the Penal Code is amended to read:

34    4002. (a) Persons committed on criminal process and detained  
35 for trial, persons convicted and under sentence, and persons  
36 committed upon civil process, shall not be kept or put in the same  
37 room, nor shall male and female prisoners, ~~except spouses,~~ *spouses*  
38 *or domestic partners,* sleep, dress or undress, bathe, or perform  
39 eliminatory functions in the same room. However, persons  
40 committed on criminal process and detained for trial may be kept

1 or put in the same room with persons convicted and under sentence  
2 for the purpose of participating in supervised activities and for the  
3 purpose of housing, provided, that the housing occurs as a result  
4 of a classification procedure that is based upon objective criteria,  
5 including consideration of criminal sophistication, seriousness of  
6 crime charged, presence or absence of assaultive behavior, age,  
7 and other criteria that will provide for the safety of the prisoners  
8 and staff.

9 (b) Inmates who are held pending civil process under the  
10 sexually violent predator laws shall be held in administrative  
11 segregation. For purposes of this subdivision, administrative  
12 segregation means separate and secure housing that does not  
13 involve any deprivation of privileges other than what is necessary  
14 to protect the inmates and staff. Consistent with Section 1610, to  
15 the extent possible, the person shall continue in his or her course  
16 of treatment, if any. An alleged sexually violent predator held  
17 pending civil process may waive placement in secure housing by  
18 petitioning the court for a waiver. In order to grant the waiver, the  
19 court must find that the waiver is voluntary and intelligent, and  
20 that granting the waiver would not interfere with any treatment  
21 programming for the person requesting the waiver. A person  
22 granted a waiver shall be placed with inmates charged with similar  
23 offenses or with similar criminal histories, based on the objective  
24 criteria set forth in subdivision (a).

25 (c) Nothing in this section shall be construed to impose any  
26 requirement upon a county to confine male and female prisoners  
27 in the same or an adjoining facility or impose any duty upon a  
28 county to establish or maintain programs which involve the joint  
29 participation of male and female prisoners.

30 ~~SEC. 56.~~

31 *SEC. 75.* Section 13700 of the Penal Code is amended to read:  
32 13700. As used in this title:

33 (a) “Abuse” means intentionally or recklessly causing or  
34 attempting to cause bodily injury, or placing another person in  
35 reasonable apprehension of imminent serious bodily injury to  
36 himself or herself, or another.

37 (b) “Domestic violence” means abuse committed against an  
38 adult or a minor who is a spouse, former spouse, *domestic partner*,  
39 *former domestic partner*, cohabitant, former cohabitant, or person  
40 with whom the suspect has had a child or is having or has had a

1 dating or engagement relationship. For purposes of this subdivision,  
2 “cohabitant” means two unrelated adult persons living together  
3 for a substantial period of time, resulting in some permanency of  
4 relationship. Factors that may determine whether persons are  
5 cohabiting include, but are not limited to, (1) sexual relations  
6 between the parties while sharing the same living quarters, (2)  
7 sharing of income or expenses, (3) joint use or ownership of  
8 property, (4) whether the parties hold themselves out as spouses,  
9 (5) the continuity of the relationship, and (6) the length of the  
10 relationship.

11 (c) “Officer” means any officer or employee of a local police  
12 department or sheriff’s office, and any peace officer of the  
13 Department of the California Highway Patrol, the Department of  
14 Parks and Recreation, the University of California Police  
15 Department, or the California State University and College Police  
16 Departments, as defined in Section 830.2, a peace officer of the  
17 Department of General Services of the City of Los Angeles, as  
18 defined in subdivision (c) of Section 830.31, a housing authority  
19 patrol officer, as defined in subdivision (d) of Section 830.31, a  
20 peace officer as defined in subdivisions (a) and (b) of Section  
21 830.32, or a peace officer as defined in subdivision (a) of Section  
22 830.33.

23 (d) “Victim” means a person who is a victim of domestic  
24 violence.

25 ~~SEC. 57.~~

26 *SEC. 76.* Section 59 of the Probate Code is amended to read:

27 59. “Predeceased spouse” means a person who died before the  
28 decedent while married to the decedent, except that the term does  
29 not include any of the following:

30 (a) A person who obtains or consents to a final decree or  
31 judgment of dissolution of marriage from the decedent or a final  
32 decree or judgment of annulment of their marriage, which decree  
33 or judgment is not recognized as valid in this state, unless they (1)  
34 subsequently participate in a marriage ceremony purporting to  
35 marry each to the other or (2) subsequently live together as spouses.

36 (b) A person who, following a decree or judgment of dissolution  
37 or annulment of marriage obtained by the decedent, participates  
38 in a marriage ceremony to a third person.

39 (c) A person who was a party to a valid proceeding concluded  
40 by an order purporting to terminate all marital property rights.

1 SEC. 77. Section 72 is added to the Probate Code, to read:

2 72. “Spouse” includes domestic partner, as defined in Section  
3 37.

4 ~~SEC. 58.~~

5 SEC. 78. Section 78 of the Probate Code is amended to read:

6 78. “Surviving spouse” does not include any of the following:

7 (a) A person whose marriage ~~to to, or registered domestic~~  
8 *partnership with*, the decedent has been dissolved or annulled,  
9 unless, by virtue of a subsequent ~~marriage, marriage or registered~~  
10 *domestic partnership*, the person is married ~~to to, or in a registered~~  
11 *domestic partnership with*, the decedent at the time of death.

12 (b) A person who obtains or consents to a final decree or  
13 judgment of dissolution of marriage *or termination of registered*  
14 *domestic partnership* from the decedent or a final decree or  
15 judgment of annulment of their ~~marriage, marriage or termination~~  
16 *of registered domestic partnership*, which decree or judgment is  
17 not recognized as valid in this state, unless they (1) subsequently  
18 participate in a marriage ceremony purporting to marry each to  
19 the other or (2) subsequently live together as ~~spouses. spouses or~~  
20 *domestic partners*.

21 (c) A person who, following a decree or judgment of dissolution  
22 or annulment of marriage *or registered domestic partnership*  
23 obtained by the decedent, participates in a marriage ceremony with  
24 a third person.

25 (d) A person who was a party to a valid proceeding concluded  
26 by an order purporting to terminate all marital *or registered*  
27 *domestic partnership* property rights.

28 ~~SEC. 59.~~

29 SEC. 79. Section 100 of the Probate Code is amended to read:

30 100. (a) Upon the death of a ~~married person, person who is~~  
31 *married or in a registered domestic partnership*, one-half of the  
32 community property belongs to the surviving spouse *or surviving*  
33 *domestic partner* and the other ~~half one-half~~ belongs to the  
34 decedent.

35 (b) Notwithstanding subdivision (a), spouses *or domestic*  
36 *partners* may agree in writing to divide their community property  
37 on the basis of a non pro rata division of the aggregate value of  
38 the community property or on the basis of a division of each  
39 individual item or asset of community property, or partly on each  
40 basis. Nothing in this subdivision shall be construed to require this

1 written agreement in order to permit or recognize a non pro rata  
2 division of community property.

3 ~~SEC. 60.~~

4 *SEC. 80.* Section 101 of the Probate Code is amended to read:

5 101. (a) Upon the death of a ~~married~~ person *who is married*  
6 *or in a registered domestic partnership, and is* domiciled in this  
7 state, one-half of the decedent's quasi-community property belongs  
8 to the surviving spouse *or surviving domestic partner* and the other  
9 ~~half one-half~~ belongs to the decedent.

10 (b) Notwithstanding subdivision (a), spouses *or domestic*  
11 *partners* may agree in writing to divide their quasi-community  
12 property on the basis of a non pro rata division of the aggregate  
13 value of the quasi-community property, or on the basis of a division  
14 of each individual item or asset of quasi-community property, or  
15 partly on each basis. Nothing in this subdivision shall be construed  
16 to require this written agreement in order to permit or recognize  
17 a non pro rata division of quasi-community property.

18 ~~SEC. 61.~~

19 *SEC. 81.* Section 103 of the Probate Code is amended to read:

20 103. Except as provided by Section 224, if spouses *or domestic*  
21 *partners* die leaving community or quasi-community property and  
22 it cannot be established by clear and convincing evidence that one  
23 spouse *or domestic partner* survived the other:

24 (a) One-half of the community property and one-half of the  
25 quasi-community property shall be administered or distributed, or  
26 otherwise dealt with, as if one spouse *or domestic partner* had  
27 survived and as if that half belonged to that ~~spouse.~~ *spouse or*  
28 *domestic partner.*

29 (b) The other half of the community property and the other half  
30 of the quasi-community property shall be administered or  
31 distributed, or otherwise dealt with, as if the other spouse *or*  
32 *domestic partner* had survived and as if that half belonged to that  
33 ~~spouse.~~ *spouse or domestic partner.*

34 ~~SEC. 62.~~

35 *SEC. 82.* Section 2407 of the Probate Code is amended to read:

36 2407. This chapter applies to property owned by spouses *or*  
37 *domestic partners* as community property only to the extent  
38 authorized by Part 6 (commencing with Section 3000).

39 ~~SEC. 63.~~

40 *SEC. 83.* Section 5040 of the Probate Code is amended to read:

1 5040. (a) Except as provided in subdivision (b), a nonprobate  
 2 transfer to the transferor’s former ~~spouse~~, *spouse or former*  
 3 *domestic partner*, in an instrument executed by the transferor before  
 4 or during the ~~marriage~~, *marriage or registered domestic*  
 5 *partnership*, fails if, at the time of the transferor’s death, the former  
 6 *spouse or former domestic partner* is not the transferor’s surviving  
 7 spouse as defined in Section 78, as a result of the dissolution or  
 8 annulment of the ~~marriage~~, *marriage or termination of registered*  
 9 *domestic partnership*. A judgment of legal separation that does  
 10 not terminate the status of *spouses or domestic partners* is not a  
 11 dissolution for purposes of this section.

12 (b) Subdivision (a) does not cause a nonprobate transfer to fail  
 13 in any of the following cases:

14 (1) The nonprobate transfer is not subject to revocation by the  
 15 transferor at the time of the transferor’s death.

16 (2) There is clear and convincing evidence that the transferor  
 17 intended to preserve the nonprobate transfer to the former ~~spouse~~.  
 18 *spouse or former domestic partner*.

19 (3) A court order that the nonprobate transfer be maintained on  
 20 behalf of the former *spouse or former domestic partner* is in effect  
 21 at the time of the transferor’s death.

22 (c) Where a nonprobate transfer fails by operation of this section,  
 23 the instrument making the nonprobate transfer shall be treated as  
 24 it would if the former *spouse or former domestic partner* failed to  
 25 survive the transferor.

26 (d) Nothing in this section affects the rights of a subsequent  
 27 purchaser or encumbrancer for value in good faith who relies on  
 28 the apparent failure of a nonprobate transfer under this section or  
 29 who lacks knowledge of the failure of a nonprobate transfer under  
 30 this section.

31 (e) As used in this section, “nonprobate transfer” means a  
 32 provision, other than a provision of a life insurance policy, of either  
 33 of the following types:

34 (1) A provision of a type described in Section 5000.

35 (2) A provision in an instrument that operates on death, other  
 36 than a will, conferring a power of appointment or naming a trustee.

37 ~~SEC. 64.~~

38 *SEC. 84.* Section 5042 of the Probate Code is amended to read:

39 5042. (a) Except as provided in subdivision (b), a joint tenancy  
 40 between the decedent and the decedent’s former ~~spouse~~, *spouse*

1 *or former domestic partner*, created before or during the ~~marriage~~,  
2 *marriage or registered domestic partnership*, is severed as to the  
3 decedent's interest if, at the time of the decedent's death, the former  
4 spouse *or former domestic partner* is not the decedent's surviving  
5 spouse as defined in Section 78, as a result of the dissolution or  
6 annulment of the ~~marriage~~. *marriage or registered domestic*  
7 *partnership*. A judgment of legal separation that does not terminate  
8 the status of spouses *or domestic partners* is not a dissolution for  
9 purposes of this section.

10 (b) Subdivision (a) does not sever a joint tenancy in either of  
11 the following cases:

12 (1) The joint tenancy is not subject to severance by the decedent  
13 at the time of the decedent's death.

14 (2) There is clear and convincing evidence that the decedent  
15 intended to preserve the joint tenancy in favor of the former ~~spouse~~.  
16 *spouse or former domestic partner*.

17 (c) Nothing in this section affects the rights of a subsequent  
18 purchaser or encumbrancer for value in good faith who relies on  
19 an apparent severance under this section or who lacks knowledge  
20 of a severance under this section.

21 (d) For purposes of this section, property held in "joint tenancy"  
22 includes property held as community property with right of  
23 survivorship, as described in Section 682.1 of the Civil Code.

24 ~~SEC. 65.~~

25 *SEC. 85.* Section 5203 of the Probate Code is amended to read:

26 5203. (a) Words in substantially the following form in a  
27 signature card, passbook, contract, or instrument evidencing an  
28 account, or words to the same effect, executed before, on, or after  
29 July 1, 1990, create the following accounts:

30 (1) Joint account: "This account or certificate is owned by the  
31 named parties. Upon the death of any of them, ownership passes  
32 to the survivor(s)."

33 (2) P.O.D. account with single party: "This account or certificate  
34 is owned by the named party. Upon the death of that party,  
35 ownership passes to the named pay-on-death payee(s)."

36 (3) P.O.D. account with multiple parties: "This account or  
37 certificate is owned by the named parties. Upon the death of any  
38 of them, ownership passes to the survivor(s). Upon the death of  
39 all of them, ownership passes to the named pay-on-death payee(s)."

1 (4) Joint account of spouses *or domestic partners* with right of  
2 survivorship: “This account or certificate is owned by the named  
3 parties, who are ~~spouses~~, *spouses or domestic partners*, and is  
4 presumed to be their community property. Upon the death of either  
5 of them, ownership passes to the survivor.”

6 (5) Community property account of ~~spouses~~: *spouses or*  
7 *domestic partners*: “This account or certificate is the community  
8 property of the named parties who are ~~spouses~~: *spouses or domestic*  
9 *partners*. The ownership during lifetime and after the death of a  
10 spouse *or domestic partner* is determined by the law applicable to  
11 community property generally and may be affected by a will.”

12 (6) Tenancy in common account: “This account or certificate  
13 is owned by the named parties as tenants in common. Upon the  
14 death of any party, the ownership interest of that party passes to  
15 the named pay-on-death payee(s) of that party or, if none, to the  
16 estate of that party.”

17 (b) Use of the form language provided in this section is not  
18 necessary to create an account that is governed by this part. If the  
19 contract of deposit creates substantially the same relationship  
20 between the parties as an account created using the form language  
21 provided in this section, this part applies to the same extent as if  
22 the form language had been used.

23 ~~SEC. 66.~~

24 *SEC. 86.* Section 6122 of the Probate Code is amended to read:

25 6122. (a) Unless the will expressly provides otherwise, if after  
26 executing a will the testator’s marriage is dissolved or annulled,  
27 the dissolution or annulment revokes all of the following:

28 (1) Any disposition or appointment of property made by the  
29 will to the former spouse.

30 (2) Any provision of the will conferring a general or special  
31 power of appointment on the former spouse.

32 (3) Any provision of the will nominating the former spouse as  
33 executor, trustee, conservator, or guardian.

34 (b) If any disposition or other provision of a will is revoked  
35 solely by this section, it is revived by the testator’s remarriage to  
36 the former spouse.

37 (c) In case of revocation by dissolution or annulment:

38 (1) Property prevented from passing to a former spouse because  
39 of the revocation passes as if the former spouse failed to survive  
40 the testator.

1 (2) Other provisions of the will conferring some power or office  
2 on the former spouse shall be interpreted as if the former spouse  
3 failed to survive the testator.

4 (d) For purposes of this section, dissolution or annulment means  
5 any dissolution or annulment which would exclude the spouse as  
6 a surviving spouse within the meaning of Section 78. A decree of  
7 legal separation which does not terminate the status of spouses is  
8 not a dissolution for purposes of this section.

9 (e) Except as provided in Section 6122.1, no change of  
10 circumstances other than as described in this section revokes a  
11 will.

12 (f) Subdivisions (a) to (d), inclusive, do not apply to any case  
13 where the final judgment of dissolution or annulment of marriage  
14 occurs before January 1, 1985. That case is governed by the law  
15 in effect prior to January 1, 1985.

16 ~~SEC. 67.~~

17 *SEC. 87.* Section 6227 of the Probate Code is amended to read:

18 6227. (a) If after executing a California statutory will the  
19 testator's marriage is dissolved or annulled, ~~the dissolution or~~  
20 ~~annulment~~ *or the testator's registered domestic partnership is*  
21 *terminated, the dissolution, annulment, or termination* revokes  
22 any disposition of property made by the will to the former spouse  
23 *or former domestic partner* and any nomination of the former  
24 spouse *or former domestic partner* as executor, trustee, guardian,  
25 or custodian made by the will. If any disposition or nomination is  
26 revoked solely by this section, it is revived by the testator's  
27 remarriage ~~to~~ *to, or entry into a subsequent registered domestic*  
28 *partnership with, the former spouse. spouse or former domestic*  
29 *partner.*

30 (b) In case of revocation by dissolution or annulment:

31 (1) Property prevented from passing to a former spouse *or*  
32 *former domestic partner* because of the revocation passes as if the  
33 former spouse *or former domestic partner* failed to survive the  
34 testator.

35 (2) Provisions nominating the former spouse *or former domestic*  
36 *partner* as executor, trustee, guardian, or custodian shall be  
37 interpreted as if the former spouse *or former domestic partner*  
38 failed to survive the testator.

39 (c) For purposes of this section, dissolution or annulment means  
40 any dissolution or annulment that would exclude the spouse *or*

1 *domestic partner* as a surviving spouse within the meaning of  
2 Section 78. A decree of legal separation which does not terminate  
3 the status of spouses *or domestic partners* is not a dissolution or  
4 annulment for purposes of this section.

5 (d) This section applies to any California statutory will, without  
6 regard to the time when the will was executed, but this section  
7 does not apply to any case where the final judgment of dissolution  
8 or annulment of marriage occurs before January 1, 1985; and, if  
9 the final judgment of dissolution or annulment of marriage occurs  
10 before January 1, 1985, the case is governed by the law that applied  
11 prior to January 1, 1985.

12 ~~SEC. 68.~~

13 *SEC. 88.* Section 6240 of the Probate Code is amended to read:  
14 6240. The following is the California Statutory Will form:

15  
16 QUESTIONS AND ANSWERS ABOUT THIS CALIFORNIA  
17 STATUTORY WILL  
18

19 The following information, in question and answer form, is not  
20 a part of the California Statutory Will. It is designed to help you  
21 understand about Wills and to decide if this Will meets your needs.  
22 This Will is in a simple form. The complete text of each paragraph  
23 of this Will is printed at the end of the Will.  
24

25 1. *What happens if I die without a Will?* If you die without a  
26 Will, what you own (your “assets”) in your name alone will be  
27 divided among your spouse, domestic partner, children, or other  
28 relatives according to state law. The court will appoint a relative  
29 to collect and distribute your assets.

30 2. *What can a Will do for me?* In a Will you may designate  
31 who will receive your assets at your death. You may designate  
32 someone (called an “executor”) to appear before the court, collect  
33 your assets, pay your debts and taxes, and distribute your assets  
34 as you specify. You may nominate someone (called a “guardian”)  
35 to raise your children who are under age 18. You may designate  
36 someone (called a “custodian”) to manage assets for your children  
37 until they reach any age from 18 to 25.

38 3. *Does a Will avoid probate?* No. With or without a Will,  
39 assets in your name alone usually go through the court probate  
40 process. The court’s first job is to determine if your Will is valid.

1 4. *What is community property?* Can I give away my share in  
2 my Will? If you are married *or in a domestic partnership* and you  
3 or your spouse *or domestic partner* earned money during your  
4 marriage *or domestic partnership* from work and wages, that  
5 money (and the assets bought with it) is community property. Your  
6 Will can only give away your one-half of community property.  
7 Your Will cannot give away your spouse's *or domestic partner's*  
8 one-half of community property.

9 5. *Does my Will give away all of my assets?* Do all assets go  
10 through probate? No. Money in a joint tenancy bank account  
11 automatically belongs to the other named owner without probate.  
12 If your spouse, domestic partner, or child is on the deed to your  
13 house as a joint tenant, the house automatically passes to him or  
14 her. Life insurance and retirement plan benefits may pass directly  
15 to the named beneficiary. A Will does not necessarily control how  
16 these types of “nonprobate” assets pass at your death.

17 6. *Are there different kinds of Wills?* Yes. There are  
18 handwritten Wills, typewritten Wills, attorney-prepared Wills, and  
19 statutory Wills. All are valid if done precisely as the law requires.  
20 You should see a lawyer if you do not want to use this Statutory  
21 Will or if you do not understand this form.

22 7. *Who may use this Will?* This Will is based on California  
23 law. It is designed only for California residents. You may use this  
24 form if you are single, married, a member of a domestic  
25 partnership, or divorced. You must be age 18 or older and of sound  
26 mind.

27 8. *Are there any reasons why I should NOT use this Statutory*  
28 *Will?* Yes. This is a simple Will. It is not designed to reduce death  
29 taxes or other taxes. Talk to a lawyer to do tax planning, especially  
30 if (i) your assets will be worth more than \$600,000 or the current  
31 amount excluded from estate tax under federal law at your death,  
32 (ii) you own business-related assets, (iii) you want to create a trust  
33 fund for your children's education or other purposes, (iv) you own  
34 assets in some other state, (v) you want to disinherit your spouse,  
35 domestic partner, or descendants, or (vi) you have valuable interests  
36 in pension or profit-sharing plans. You should talk to a lawyer  
37 who knows about estate planning if this Will does not meet your  
38 needs. This Will treats most adopted children like natural children.  
39 You should talk to a lawyer if you have stepchildren or foster  
40 children whom you have not adopted.

1 9. *May I add or cross out any words on this Will?* No. If you  
2 do, the Will may be invalid or the court may ignore the crossed  
3 out or added words. You may only fill in the blanks. You may  
4 amend this Will by a separate document (called a codicil). Talk to  
5 a lawyer if you want to do something with your assets which is  
6 not allowed in this form.

7 10. *May I change my Will?* Yes. A Will is not effective until  
8 you die. You may make and sign a new Will. You may change  
9 your Will at any time, but only by an amendment (called a codicil).  
10 You can give away or sell your assets before your death. Your  
11 Will only acts on what you own at death.

12 11. *Where should I keep my Will?* After you and the witnesses  
13 sign the Will, keep your Will in your safe deposit box or other safe  
14 place. You should tell trusted family members where your Will is  
15 kept.

16 12. *When should I change my Will?* You should make and sign  
17 a new Will if you marry, divorce, or terminate your domestic  
18 partnership after you sign this Will. Divorce, annulment, or  
19 termination of a domestic partnership automatically cancels all  
20 property stated to pass to a former spouse or domestic partner  
21 under this Will, and revokes the designation of a former spouse  
22 or domestic partner as executor, custodian, or guardian. You should  
23 sign a new Will when you have more children, or if your spouse  
24 or a child dies, or a domestic partner dies or marries. You may  
25 want to change your Will if there is a large change in the value of  
26 your assets. You may also want to change your Will if you enter  
27 a domestic partnership or your domestic partnership has been  
28 terminated after you sign this Will.

29 13. *What can I do if I do not understand something in this Will?*  
30 If there is anything in this Will you do not understand, ask a lawyer  
31 to explain it to you.

32 14. *What is an executor?* An “executor” is the person you name  
33 to collect your assets, pay your debts and taxes, and distribute your  
34 assets as the court directs. It may be a person or it may be a  
35 qualified bank or trust company.

36 15. *Should I require a bond?* You may require that an executor  
37 post a “bond.” A bond is a form of insurance to replace assets that  
38 may be mismanaged or stolen by the executor. The cost of the  
39 bond is paid from the estate’s assets.

1 16. *What is a guardian?* Do I need to designate one? If you  
2 have children under age 18, you should designate a guardian of  
3 their “persons” to raise them.

4 17. *What is a custodian?* Do I need to designate one? A  
5 “custodian” is a person you may designate to manage assets for  
6 someone (including a child) who is under the age of 25 and who  
7 receives assets under your Will. The custodian manages the assets  
8 and pays as much as the custodian determines is proper for health,  
9 support, maintenance, and education. The custodian delivers what  
10 is left to the person when the person reaches the age you choose  
11 (from 18 to 25). No bond is required of a custodian.

12 18. *Should I ask people if they are willing to serve before I*  
13 *designate them as executor, guardian, or custodian?* Probably  
14 yes. Some people and banks and trust companies may not consent  
15 to serve or may not be qualified to act.

16 19. *What happens if I make a gift in this Will to someone and*  
17 *that person dies before I do?* A person must survive you by 120  
18 hours to take a gift under this Will. If that person does not, then  
19 the gift fails and goes with the rest of your assets. If the person  
20 who does not survive you is a relative of yours or your ~~spouse,~~  
21 *spouse or domestic partner*, then certain assets may go to the  
22 relative’s descendants.

23 20. *What is a trust?* There are many kinds of trusts, including  
24 trusts created by Wills (called “testamentary trusts”) and trusts  
25 created during your lifetime (called “revocable living trusts”). Both  
26 kinds of trusts are long-term arrangements in which a manager  
27 (called a “trustee”) invests and manages assets for someone (called  
28 a “beneficiary”) on the terms you specify. Trusts are too  
29 complicated to be used in this Statutory Will. You should see a  
30 lawyer if you want to create a trust.

31 21. *What is a domestic partner?* You have a domestic partner  
32 if you have met certain legal requirements and filed a form entitled  
33 “Declaration of Domestic Partnership” with the Secretary of State.  
34 Notwithstanding Section 299.6 of the Family Code, if you have  
35 not filed a Declaration of Domestic Partnership with the Secretary  
36 of State, you do not meet the required definition and should not  
37 use the section of the Statutory Will form that refers to domestic  
38 partners even if you have registered your domestic partnership  
39 with another governmental entity. If you are unsure if you have a

1 domestic partner or if your domestic partnership meets the required  
2 definition, please contact the Secretary of State's office.

3

4

INSTRUCTIONS

5

6 1. *READ THE WILL.* Read the whole Will first. If you do not  
7 understand something, ask a lawyer to explain it to you.

8 2. *FILL IN THE BLANKS.* Fill in the blanks. Follow the  
9 instructions in the form carefully. Do not add any words to the  
10 Will (except for filling in blanks) or cross out any words.

11 3. *DATE AND SIGN THE WILL AND HAVE TWO WITNESSES*  
12 *SIGN IT.* Date and sign the Will and have two witnesses sign it.  
13 You and the witnesses should read and follow the Notice to  
14 Witnesses found at the end of this Will.

15 \*You do not need to have this document notarized. Notarization  
16 will not fulfill the witness requirement.

- 1 PRINTER PLEASE NOTE: TIP-IN MATERIAL TO BE
- 2 INSERTED

1



1



1

1 ~~SEC. 69.~~

2 *SEC. 89.* Section 13500 of the Probate Code is amended to  
3 read:

4 13500. Except as provided in this chapter, when a spouse *or*  
5 *domestic partner* dies intestate leaving property that passes to the  
6 surviving spouse *or surviving domestic partner* under Section  
7 6401, or dies testate and by his or her will devises all or a part of  
8 his or her property to the surviving ~~spouse~~, *spouse or surviving*  
9 *domestic partner*, the property passes to the survivor subject to  
10 the provisions of Chapter 2 (commencing with Section 13540) and  
11 Chapter 3 (commencing with Section 13550), and no administration  
12 is necessary.

13 ~~SEC. 70.~~

14 *SEC. 90.* Section 13600 of the Probate Code is amended to  
15 read:

16 13600. (a) At any time after a spouse *or domestic partner* dies,  
17 the surviving ~~spouse~~ *spouse, surviving domestic partner*, or the  
18 guardian or conservator of the estate of the surviving spouse *or*  
19 *surviving domestic partner* may, without procuring letters of  
20 administration or awaiting probate of the will, collect salary or  
21 other compensation owed by an employer for personal services of  
22 the deceased ~~spouse~~, *spouse or deceased domestic partner*,  
23 including compensation for unused vacation, not in excess of  
24 fifteen thousand dollars (\$15,000) net.

25 (b) Not more than fifteen thousand dollars (\$15,000) net in the  
26 aggregate may be collected by or for the surviving spouse *or*  
27 *surviving domestic partner* under this chapter from all of the  
28 employers of the decedent.

29 (c) For the purposes of this chapter, a guardian or conservator  
30 of the estate of the surviving spouse *or surviving domestic partner*  
31 may act on behalf of the surviving spouse *or surviving domestic*  
32 *partner* without authorization or approval of the court in which  
33 the guardianship or conservatorship proceeding is pending.

34 (d) The fifteen-thousand-dollar (\$15,000) net limitation set forth  
35 in subdivisions (a) and (b) does not apply to the surviving ~~spouse~~  
36 *spouse, surviving domestic partner*, or the guardian or conservator  
37 of the estate of the surviving spouse *or surviving domestic partner*  
38 of a firefighter or peace officer described in subdivision (a) of  
39 Section 22820 of the Government Code.

1 (e) On January 1, 2003, and on January 1 of each year thereafter,  
2 the maximum net amount of salary or compensation payable under  
3 subdivisions (a) and (b) to the surviving ~~spouse~~ *spouse, surviving*  
4 *domestic partner*, or the guardian or conservator of the estate of  
5 the surviving spouse *or surviving domestic partner* may be adjusted  
6 to reflect any increase in the cost of living occurring after January  
7 1 of the immediately preceding year. The United States city average  
8 of the “Consumer Price Index for All Urban Consumers,” as  
9 published by the United States Bureau of Labor Statistics, shall  
10 be used as the basis for determining the changes in the cost of  
11 living. The cost-of-living increase shall equal or exceed 1 percent  
12 before any adjustment is made. The net amount payable may not  
13 be decreased as a result of the cost-of-living adjustment.

14 *SEC. 91. Section 10430 of the Public Contract Code is amended*  
15 *to read:*

16 10430. This chapter does not apply to any of the following:

17 (a) The Regents of the University of California and the Trustees  
18 of the California State University, except that Article 9  
19 (commencing with Section 10420) shall apply to the Trustees of  
20 the California State University.

21 (b) (1) Transactions covered under Chapter 3 (commencing  
22 with Section 12100), except that Sections 10365.5, 10410, and  
23 10411 shall apply to all transactions under that chapter.

24 (2) Notwithstanding paragraph (1), Section 10365.5 shall not  
25 apply to incidental advice or suggestions made outside of the scope  
26 of a consulting services contract.

27 (3) (A) Notwithstanding paragraph (1), Section 10365.5 shall  
28 not apply to a contract that is part of a single competitive  
29 procurement conducted in more than one stage for information  
30 technology goods or services, when the Director of the Department  
31 of General Services and the Chief Information Officer determine  
32 that there is no conflict of interest under Section 10365.5 and that  
33 it is in the best interest of the state to utilize this procurement  
34 method. Nothing in this section shall preclude the applicability of  
35 Section 12112 to this procurement method.

36 (B) The Department of General Services shall annually submit  
37 a report on its Internet Web site describing each determination  
38 granted pursuant to subparagraph (A), listing the basis for the  
39 determination, and disclosing the total amount of money paid or  
40 to be paid to the contractor under the contract that was the subject

1 of the determination. The department shall provide notice to the  
2 Joint Legislative Budget Committee within 30 days of the posting  
3 of the report.

4 (C) For purposes of this paragraph, “information technology”  
5 means information technology goods or services, or both, as  
6 appropriate.

7 (c) Except as otherwise provided in this chapter, any entity  
8 exempted from Section 10295. However, the Board of Governors  
9 of the California Community Colleges shall be governed by this  
10 chapter, except as provided in Sections 10295, 10335, and 10389.  
11 The Department of Water Resources shall be governed by this  
12 chapter, except as provided in Sections 10295.6, 10304.1, 10335,  
13 and 10340.

14 (d) Transactions covered under Chapter 10 (commencing with  
15 Section 4525) of Division 5 of Title 1 of the Government Code.

16 (e) Except as provided for in subdivision (c), members of boards  
17 or commissions who receive no payment other than payment for  
18 each meeting of the board or commission, payment for preparatory  
19 time, and payment for per diem.

20 (f) The emergency purchase of protective vests for correctional  
21 peace officers whose duties require routine contact with state prison  
22 inmates. This subdivision shall remain operative only until January  
23 1, 1987.

24 (g) Spouses *or domestic partners* of state officers or employees  
25 and individuals and entities that employ spouses *or domestic*  
26 *partners* of state officers and employees, that are vendored to  
27 provide services to regional center clients pursuant to Section 4648  
28 of the Welfare and Institutions Code if the vendor of services, in  
29 that capacity, does not receive any material financial benefit,  
30 distinguishable from the benefit to the public generally, from any  
31 governmental decision made by the state officer or employee.

32 *SEC. 92. Section 12.2 is added to the Public Resources Code,*  
33 *to read:*

34 *12.2. “Spouse” includes “domestic partner,” as described in*  
35 *Section 297 of the Family Code.*

36 *SEC. 93. Section 12.2 is added to the Public Utilities Code, to*  
37 *read:*

38 *12.2. “Spouse” includes “domestic partner,” as described in*  
39 *Section 297 of the Family Code.*

1 SEC. 94. Section 12.2 is added to the Revenue and Taxation  
2 Code, to read:

3 12.2. “Spouse” includes “domestic partner,” as described in  
4 Section 297 of the Family Code.

5 ~~SEC. 71.~~

6 SEC. 95. Section 17021 of the Revenue and Taxation Code is  
7 amended to read:

8 17021. As used in this part, if the spouses *or domestic partners*  
9 therein referred to are ~~divorced~~, *divorced or are no longer domestic*  
10 *partners*, wherever appropriate to the meaning of this part, the  
11 term “spouse” shall be read “former spouse.”

12 ~~SEC. 72.~~

13 SEC. 96. Section 17039 of the Revenue and Taxation Code is  
14 amended to read:

15 17039. (a) Notwithstanding any provision in this part to the  
16 contrary, for the purposes of computing tax credits, the term “net  
17 tax” means the tax imposed under either Section 17041 or 17048  
18 plus the tax imposed under Section 17504 (relating to lump-sum  
19 distributions) less the credits allowed by Section 17054 (relating  
20 to personal exemption credits) and any amount imposed under  
21 paragraph (1) of subdivision (d) and paragraph (1) of subdivision  
22 (e) of Section 17560. Notwithstanding the preceding sentence, the  
23 “net tax” shall not be less than the tax imposed under Section  
24 17504 (relating to the separate tax on lump-sum distributions), if  
25 any. Credits shall be allowed against “net tax” in the following  
26 order:

27 (1) Credits that do not contain carryover or refundable  
28 provisions, except those described in paragraphs (4) and (5).

29 (2) Credits that contain carryover provisions but do not contain  
30 refundable provisions, except for those that are allowed to reduce  
31 “net tax” below the tentative minimum tax, as defined by Section  
32 17062.

33 (3) Credits that contain both carryover and refundable  
34 provisions.

35 (4) The minimum tax credit allowed by Section 17063 (relating  
36 to the alternative minimum tax).

37 (5) Credits that are allowed to reduce “net tax” below the  
38 tentative minimum tax, as defined by Section 17062.

39 (6) Credits for taxes paid to other states allowed by Chapter 12  
40 (commencing with Section 18001).

1 (7) Credits that contain refundable provisions but do not contain  
2 carryover provisions.

3 The order within each paragraph shall be determined by the  
4 Franchise Tax Board.

5 (b) Notwithstanding the provisions of Sections 17061 (relating  
6 to refunds pursuant to the Unemployment Insurance Code) and  
7 19002 (relating to tax withholding), the credits provided in those  
8 sections shall be allowed in the order provided in paragraph (6) of  
9 subdivision (a).

10 (c) (1) Notwithstanding any other provision of this part, no tax  
11 credit shall reduce the tax imposed under Section 17041 or 17048  
12 plus the tax imposed under Section 17504 (relating to the separate  
13 tax on lump-sum distributions) below the tentative minimum tax,  
14 as defined by Section 17062, except the following credits:

15 (A) The credit allowed by Section 17052.2 (relating to teacher  
16 retention tax credit).

17 (B) The credit allowed by former Section 17052.4 (relating to  
18 solar energy).

19 (C) The credit allowed by former Section 17052.5 (relating to  
20 solar energy, repealed on January 1, 1987).

21 (D) The credit allowed by former Section 17052.5 (relating to  
22 solar energy, repealed on December 1, 1994).

23 (E) The credit allowed by Section 17052.12 (relating to research  
24 expenses).

25 (F) The credit allowed by former Section 17052.13 (relating to  
26 sales and use tax credit).

27 (G) The credit allowed by former Section 17052.15 (relating to  
28 Los Angeles Revitalization Zone sales tax credit).

29 (H) The credit allowed by Section 17052.25 (relating to the  
30 adoption costs credit).

31 (I) The credit allowed by Section 17053.5 (relating to the  
32 renter's credit).

33 (J) The credit allowed by former Section 17053.8 (relating to  
34 enterprise zone hiring credit).

35 (K) The credit allowed by former Section 17053.10 (relating to  
36 Los Angeles Revitalization Zone hiring credit).

37 (L) The credit allowed by former Section 17053.11 (relating to  
38 program area hiring credit).

1 (M) For each taxable year beginning on or after January 1, 1994,  
2 the credit allowed by former Section 17053.17 (relating to Los  
3 Angeles Revitalization Zone hiring credit).

4 (N) The credit allowed by Section 17053.33 (relating to targeted  
5 tax area sales or use tax credit).

6 (O) The credit allowed by Section 17053.34 (relating to targeted  
7 tax area hiring credit).

8 (P) The credit allowed by Section 17053.49 (relating to qualified  
9 property).

10 (Q) The credit allowed by Section 17053.70 (relating to  
11 enterprise zone sales or use tax credit).

12 (R) The credit allowed by Section 17053.74 (relating to  
13 enterprise zone hiring credit).

14 (S) The credit allowed by Section 17054 (relating to credits for  
15 personal exemption).

16 (T) The credit allowed by Section 17054.5 (relating to the credits  
17 for a qualified joint custody head of household and a qualified  
18 taxpayer with a dependent parent).

19 (U) The credit allowed by Section 17054.7 (relating to the credit  
20 for a senior head of household).

21 (V) The credit allowed by former Section 17057 (relating to  
22 clinical testing expenses).

23 (W) The credit allowed by Section 17058 (relating to  
24 low-income housing).

25 (X) For taxable years beginning on or after January 1, 2014, the  
26 credit allowed by Section 17059.2 (relating to GO-Biz California  
27 Competes Credit).

28 (Y) The credit allowed by Section 17061 (relating to refunds  
29 pursuant to the Unemployment Insurance Code).

30 (Z) Credits for taxes paid to other states allowed by Chapter 12  
31 (commencing with Section 18001).

32 (AA) The credit allowed by Section 19002 (relating to tax  
33 withholding).

34 (AB) For taxable years beginning on or after January 1, 2014,  
35 the credit allowed by Section 17053.86 (relating to the College  
36 Access Tax Credit Fund).

37 (AC) For taxable years beginning on or after January 1, 2017,  
38 the credit allowed by Section 17053.87 (relating to the College  
39 Access Tax Credit Fund).

1 (2) Any credit that is partially or totally denied under paragraph  
2 (1) shall be allowed to be carried over and applied to the net tax  
3 in succeeding taxable years, if the provisions relating to that credit  
4 include a provision to allow a carryover when that credit exceeds  
5 the net tax.

6 (d) Unless otherwise provided, any remaining carryover of a  
7 credit allowed by a section that has been repealed or made  
8 inoperative shall continue to be allowed to be carried over under  
9 the provisions of that section as it read immediately prior to being  
10 repealed or becoming inoperative.

11 (e) (1) Unless otherwise provided, if two or more taxpayers  
12 (other than ~~spouses~~ *spouses or domestic partners*) share in costs  
13 that would be eligible for a tax credit allowed under this part, each  
14 taxpayer shall be eligible to receive the tax credit in proportion to  
15 his or her respective share of the costs paid or incurred.

16 (2) In the case of a partnership, the credit shall be allocated  
17 among the partners pursuant to a written partnership agreement in  
18 accordance with Section 704 of the Internal Revenue Code, relating  
19 to partner's distributive share.

20 (3) In the case of spouses *or domestic partners* who file separate  
21 returns, the credit may be taken by either or equally divided  
22 between them.

23 (f) Unless otherwise provided, in the case of a partnership, any  
24 credit allowed by this part shall be computed at the partnership  
25 level, and any limitation on the expenses qualifying for the credit  
26 or limitation upon the amount of the credit shall be applied to the  
27 partnership and to each partner.

28 (g) (1) With respect to any taxpayer that directly or indirectly  
29 owns an interest in a business entity that is disregarded for tax  
30 purposes pursuant to Section 23038 and any regulations thereunder,  
31 the amount of any credit or credit carryforward allowable for any  
32 taxable year attributable to the disregarded business entity shall  
33 be limited in accordance with paragraphs (2) and (3).

34 (2) The amount of any credit otherwise allowed under this part,  
35 including any credit carryover from prior years, that may be applied  
36 to reduce the taxpayer's "net tax," as defined in subdivision (a),  
37 for the taxable year shall be limited to an amount equal to the  
38 excess of the taxpayer's regular tax (as defined in Section 17062),  
39 determined by including income attributable to the disregarded  
40 business entity that generated the credit or credit carryover, over

1 the taxpayer’s regular tax (as defined in Section 17062), determined  
2 by excluding the income attributable to that disregarded business  
3 entity. No credit shall be allowed if the taxpayer’s regular tax (as  
4 defined in Section 17062), determined by including the income  
5 attributable to the disregarded business entity, is less than the  
6 taxpayer’s regular tax (as defined in Section 17062), determined  
7 by excluding the income attributable to the disregarded business  
8 entity.

9 (3) If the amount of a credit allowed pursuant to the section  
10 establishing the credit exceeds the amount allowable under this  
11 subdivision in any taxable year, the excess amount may be carried  
12 over to subsequent taxable years pursuant to subdivisions (c) and  
13 (d).

14 (h) (1) Unless otherwise specifically provided, in the case of a  
15 taxpayer that is a partner or shareholder of an eligible pass-thru  
16 entity described in paragraph (2), any credit passed through to the  
17 taxpayer in the taxpayer’s first taxable year beginning on or after  
18 the date the credit is no longer operative may be claimed by the  
19 taxpayer in that taxable year, notwithstanding the repeal of the  
20 statute authorizing the credit prior to the close of that taxable year.

21 (2) For purposes of this subdivision, “eligible pass-thru entity”  
22 means any partnership or “S” corporation that files its return on a  
23 fiscal year basis pursuant to Section 18566, and that is entitled to  
24 a credit pursuant to this part for the taxable year that begins during  
25 the last year the credit is operative.

26 (3) This subdivision shall apply to credits that become  
27 inoperative on or after the operative date of the act adding this  
28 subdivision.

29 ~~SEC. 73.~~

30 *SEC. 97.* Section 17045 of the Revenue and Taxation Code is  
31 amended to read:

32 17045. In the case of a joint return of a married couple *or*  
33 *domestic partners* under Section 18521, the tax imposed by Section  
34 17041 shall be twice the tax which would be imposed if the taxable  
35 income were cut in half.

36 For purposes of this section, a return of a surviving spouse (as  
37 defined in Section 17046) *or a surviving domestic partner* shall  
38 be treated as a joint return of a married ~~couple~~. *couple or domestic*  
39 *partners.*

1     ~~SEC. 74.~~

2     ~~SEC. 98.~~ Section 17053.5 of the Revenue and Taxation Code  
3 is amended to read:

4     17053.5. (a) (1) For a qualified renter, there shall be allowed  
5 a credit against his or her “net tax,” as defined in Section 17039.  
6 The amount of the credit shall be as follows:

7     (A) For married couples *or domestic partners* filing joint returns,  
8 heads of household, *surviving domestic partners*, and surviving  
9 spouses, as defined in Section 17046, the credit shall be equal to  
10 one hundred twenty dollars (\$120) if adjusted gross income is fifty  
11 thousand dollars (\$50,000) or less.

12     (B) For other individuals, the credit shall be equal to sixty dollars  
13 (\$60) if adjusted gross income is twenty-five thousand dollars  
14 (\$25,000) or less.

15     (2) Except as provided in subdivision (b), a married couple *or*  
16 *domestic partners* shall receive but one credit under this section.  
17 If the spouses *or domestic partners* file separate returns, the credit  
18 may be taken by either or equally divided between them, except  
19 as follows:

20     (A) If one spouse *or domestic partner* was a resident for the  
21 entire taxable year and the other spouse *or domestic partner* was  
22 a nonresident for part or all of the taxable year, the resident spouse  
23 *or domestic partner* shall be allowed one-half the credit allowed  
24 to married persons and the nonresident spouse *or domestic partner*  
25 shall be permitted one-half the credit allowed to married ~~persons;~~  
26 *persons or domestic partners*, prorated as provided in subdivision  
27 (e).

28     (B) If both spouses *or domestic partners* were nonresidents for  
29 part of the taxable year, the credit allowed to married persons *or*  
30 *domestic partners* shall be divided equally between them subject  
31 to the proration provided in subdivision (e).

32     (b) For a married ~~couple;~~ *couple or domestic partners*, if each  
33 spouse *or domestic partner* maintained a separate place of residence  
34 and resided in this state during the entire taxable year, each spouse  
35 *or domestic partner* will be allowed one-half the full credit allowed  
36 to married persons *or domestic partners* provided in subdivision  
37 (a).

38     (c) For purposes of this section, a “qualified renter” means an  
39 individual who satisfies both of the following:

40     (1) Was a resident of this state, as defined in Section 17014.

1 (2) Rented and occupied premises in this state which constituted  
2 his or her principal place of residence during at least 50 percent  
3 of the taxable year.

4 (d) “Qualified renter” does not include any of the following:

5 (1) An individual who for more than 50 percent of the taxable  
6 year rented and occupied premises that were exempt from property  
7 taxes, except that an individual, otherwise qualified, is deemed a  
8 qualified renter if he or she or his or her landlord pays possessory  
9 interest taxes, or the owner of those premises makes payments in  
10 lieu of property taxes that are substantially equivalent to property  
11 taxes paid on properties of comparable market value.

12 (2) An individual whose principal place of residence for more  
13 than 50 percent of the taxable year is with another person who  
14 claimed that individual as a dependent for income tax purposes.

15 (3) An individual who has been granted or whose spouse *or*  
16 *domestic partner* has been granted the homeowners’ property tax  
17 exemption during the taxable year. This paragraph does not apply  
18 to an individual whose spouse *or domestic partner* has been granted  
19 the homeowners’ property tax exemption if each spouse *or*  
20 *domestic partner* maintained a separate residence for the entire  
21 taxable year.

22 (e) An otherwise qualified renter who is a nonresident for any  
23 portion of the taxable year shall claim the credits set forth in  
24 subdivision (a) at the rate of one-twelfth of those credits for each  
25 full month that individual resided within this state during the  
26 taxable year.

27 (f) A person claiming the credit provided in this section shall,  
28 as part of that claim, and under penalty of perjury, furnish that  
29 information as the Franchise Tax Board prescribes on a form  
30 supplied by the board.

31 (g) The credit provided in this section shall be claimed on returns  
32 in the form as the Franchise Tax Board may from time to time  
33 prescribe.

34 (h) For purposes of this section, “premises” means a house or  
35 a dwelling unit used to provide living accommodations in a  
36 building or structure and the land incidental thereto, but does not  
37 include land only, unless the dwelling unit is a mobilehome. The  
38 credit is not allowed for any taxable year for the rental of land  
39 upon which a mobilehome is located if the mobilehome has been  
40 granted a homeowners’ exemption under Section 218 in that year.

1 (i) This section shall become operative on January 1, 1998, and  
2 applies to any taxable year beginning on or after January 1, 1998.

3 (j) For each taxable year beginning on or after January 1, 1999,  
4 the Franchise Tax Board shall recompute the adjusted gross income  
5 amounts set forth in subdivision (a). The computation shall be  
6 made as follows:

7 (1) The Department of Industrial Relations shall transmit  
8 annually to the Franchise Tax Board the percentage change in the  
9 California Consumer Price Index for all items from June of the  
10 prior calendar year to June of the current year, no later than August  
11 1 of the current calendar year.

12 (2) The Franchise Tax Board shall compute an inflation  
13 adjustment factor by adding 100 percent to the portion of the  
14 percentage change figure which is furnished pursuant to paragraph  
15 (1) and dividing the result by 100.

16 (3) The Franchise Tax Board shall multiply the amount in  
17 subparagraph (B) of paragraph (1) of subdivision (d) for the  
18 preceding taxable year by the inflation adjustment factor  
19 determined in paragraph (2), and round off the resulting products  
20 to the nearest one dollar (\$1).

21 (4) In computing the amounts pursuant to this subdivision, the  
22 amounts provided in subparagraph (A) of paragraph (1) of  
23 subdivision (a) shall be twice the amount provided in subparagraph  
24 (B) of paragraph (1) of subdivision (a).

25 ~~SEC. 75.~~

26 *SEC. 99.* Section 17054 of the Revenue and Taxation Code is  
27 amended to read:

28 17054. In the case of individuals, the following credits for  
29 personal exemption may be deducted from the tax imposed under  
30 Section 17041 or 17048, less any increases imposed under  
31 paragraph (1) of subdivision (d) or paragraph (1) of subdivision  
32 (e), or both, of Section 17560.

33 (a) In the case of a single individual, a head of household, or a  
34 married individual *or domestic partner* making a separate return,  
35 a credit of fifty-two dollars (\$52).

36 (b) In the case of a *surviving domestic partner*, surviving spouse  
37 (as defined in Section 17046), or a married couple *or domestic*  
38 *partners* making a joint return, a credit of one hundred four dollars  
39 (\$104). If one spouse *or domestic partner* was a resident for the  
40 entire taxable year and the other spouse *or domestic partner* was

1 a nonresident for all or any portion of the taxable year, the personal  
2 exemption shall be divided equally.

3 (c) In addition to any other credit provided in this section, in  
4 the case of an individual who is 65 years of age or over by the end  
5 of the taxable year, a credit of fifty-two dollars (\$52).

6 (d) (1) A credit of two hundred twenty-seven dollars (\$227)  
7 for each dependent (as defined in Section 17056) for whom an  
8 exemption is allowable under Section 151(c) of the Internal  
9 Revenue Code, relating to additional exemption for dependents.  
10 The credit allowed under this subdivision for taxable years  
11 beginning on or after January 1, 1999, shall not be adjusted  
12 pursuant to subdivision (i) for any taxable year beginning before  
13 January 1, 2000.

14 (2) (A) For taxable years beginning on or after January 1, 2015,  
15 a credit shall not be allowed under paragraph (1) with respect to  
16 any individual unless the identification number, as defined in  
17 Section 6109 of the Internal Revenue Code, of that individual is  
18 included on the return claiming the credit.

19 (B) A disallowance of a credit due to the omission of a correct  
20 identification number required under this paragraph, may be  
21 assessed by the Franchise Tax Board in the same manner as is  
22 provided by Section 19051 in the case of a mathematical error  
23 appearing on the return. A claimant shall have the right to claim  
24 a credit or refund of adjusted amounts within the period provided  
25 in Section 19306, 19307, 19308, or 19311, whichever period  
26 expires later.

27 (3) (A) For taxable years beginning on or after January 1, 2009,  
28 the credit allowed under paragraph (1) for each dependent shall  
29 be equal to the credit allowed under subdivision (a). This  
30 subparagraph shall cease to be operative for taxable years beginning  
31 on or after January 1, 2011, unless the Director of Finance makes  
32 the notification pursuant to Section 99040 of the Government  
33 Code, in which case this subparagraph shall cease to be operative  
34 for taxable years beginning on or after January 1, 2013.

35 (B) For taxable years that subparagraph (A) ceases to be  
36 operative, the credit allowed under paragraph (1) for each  
37 dependent shall be equal to the amount that would be allowed if  
38 subparagraph (A) had never been operative.

1 (e) A credit for personal exemption of fifty-two dollars (\$52)  
2 for the taxpayer if he or she is blind at the end of his or her taxable  
3 year.

4 (f) A credit for personal exemption of fifty-two dollars (\$52)  
5 for the spouse *or domestic partner* of the taxpayer if a separate  
6 return is made by the taxpayer, and if the spouse *or domestic*  
7 *partner* is blind and, for the calendar year in which the taxable  
8 year of the taxpayer begins, has no gross income and is not the  
9 dependent of another taxpayer.

10 (g) For the purposes of this section, an individual is blind only  
11 if either (1) his or her central visual acuity does not exceed 20/200  
12 in the better eye with correcting lenses, or (2) his or her visual  
13 acuity is greater than 20/200 but is accompanied by a limitation  
14 in the fields of vision such that the widest diameter of the visual  
15 field subtends an angle no greater than 20 degrees.

16 (h) In the case of an individual with respect to whom a credit  
17 under this section is allowable to another taxpayer for a taxable  
18 year beginning in the calendar year in which the individual's  
19 taxable year begins, the credit amount applicable to that individual  
20 for that individual's taxable year is zero.

21 (i) For each taxable year beginning on or after January 1, 1989,  
22 the Franchise Tax Board shall compute the credits prescribed in  
23 this section. That computation shall be made as follows:

24 (1) ~~The California~~ Department of Industrial Relations shall  
25 transmit annually to the Franchise Tax Board the percentage change  
26 in the California Consumer Price Index for all items from June of  
27 the prior calendar year to June of the current calendar year, no  
28 later than August 1 of the current calendar year.

29 (2) The Franchise Tax Board shall add 100 percent to the  
30 percentage change figure which is furnished to them pursuant to  
31 paragraph (1), and divide the result by 100.

32 (3) The Franchise Tax Board shall multiply the immediately  
33 preceding taxable year credits by the inflation adjustment factor  
34 determined in paragraph (2), and round off the resulting products  
35 to the nearest one dollar (\$1).

36 (4) In computing the credits pursuant to this subdivision, the  
37 credit provided in subdivision (b) shall be twice the credit provided  
38 in subdivision (a).

1 ~~SEC. 76.~~

2 *SEC. 100.* Section 17077 of the Revenue and Taxation Code  
3 is amended to read:

4 17077. Section 68 of the Internal Revenue Code, relating to  
5 overall limitation on itemized deductions, shall apply, except as  
6 otherwise provided.

7 (a) “Six percent” shall be substituted for “3 percent” in Section  
8 68(a)(1) of the Internal Revenue Code.

9 (b) Section 68(b)(1) of the Internal Revenue Code shall not  
10 apply and in lieu thereof the term “applicable amount” in each  
11 place it appears in Section 68(a) of the Internal Revenue Code  
12 means one hundred thousand dollars (\$100,000) in the case of a  
13 ~~single individual or a~~ *individual, married individual, or*  
14 *domestic partner* filing a separate return, one hundred fifty  
15 thousand dollars (\$150,000) in the case of a head of household,  
16 and two hundred thousand dollars (\$200,000) in the case of a  
17 ~~surviving spouse or a~~ *spouse, surviving domestic partner, married*  
18 ~~couple~~ *couple, or domestic partners* filing a joint return.

19 (c) Section 68(b)(2) of the Internal Revenue Code, relating to  
20 inflation adjustments, shall not apply. However, for any taxable  
21 year beginning on or after January 1, 1992, the applicable amounts  
22 specified in subdivision (b) shall be recomputed annually in the  
23 same manner as the recomputation of income tax brackets under  
24 subdivision (h) of Section 17041.

25 (d) Section 68(f) of the Internal Revenue Code, relating to  
26 phaseout of limitation, shall not apply.

27 (e) Section 68(g) of the Internal Revenue Code, relating to  
28 termination, shall not apply.

29 ~~SEC. 77.~~

30 *SEC. 101.* Section 17555 of the Revenue and Taxation Code  
31 is amended to read:

32 17555. In any case where spouses *or domestic partners* file  
33 separate returns, the Franchise Tax Board may distribute, apportion,  
34 or allocate gross income between the ~~spouses~~, *spouses or domestic*  
35 *partners*, if it is determined that such distribution, apportionment,  
36 or allocation is necessary in order to reflect the proper income of  
37 the ~~spouses~~. *spouses or domestic partners.*

38 ~~SEC. 78.~~

39 *SEC. 102.* Section 18501 of the Revenue and Taxation Code  
40 is amended to read:

1 18501. (a) Every individual taxable under Part 10  
2 (commencing with Section 17001) shall make a return to the  
3 Franchise Tax Board, stating specifically the items of the  
4 individual's gross income from all sources and the deductions and  
5 credits allowable, if the individual has any of the following for the  
6 taxable year:

7 (1) An adjusted gross income from all sources in excess of eight  
8 thousand dollars (\$8,000), if single.

9 (2) An adjusted gross income from all sources in excess of  
10 sixteen thousand dollars (\$16,000), if ~~married~~ *married or in a*  
11 *registered domestic partnership*.

12 (3) A gross income from all sources in excess of ten thousand  
13 dollars (\$10,000), if single, and twenty thousand dollars (\$20,000),  
14 if ~~married~~ *married or in a registered domestic partnership*,  
15 regardless of the amount of adjusted gross income.

16 (4) In the case of an individual described in Section 63(c)(5) of  
17 the Internal Revenue Code, relating to limitation on basic standard  
18 deduction in the case of certain dependents, a gross income from  
19 all sources that exceeds the amount of the standard deduction  
20 allowed under that section.

21 (b) If a married couple ~~has~~ *or domestic partners have* for the  
22 taxable year an adjusted gross income from all sources in excess  
23 of sixteen thousand dollars (\$16,000) or a gross income from all  
24 sources in excess of twenty thousand dollars (\$20,000), each spouse  
25 *or domestic partner* shall make a return or the income of each shall  
26 be included on a single joint return as otherwise provided in this  
27 article.

28 (c) For any individual described in paragraph (1) or (2), the  
29 Franchise Tax Board shall recompute the amounts provided in  
30 subdivision (b) and paragraphs (1) to (3), inclusive, of subdivision  
31 (a) as follows:

32 (1) For any individual eligible to claim the credit described in  
33 subdivision (c) of Section 17054, the Franchise Tax Board shall  
34 increase the income amounts described in subdivision (b) and  
35 paragraphs (1) to (3), inclusive, of subdivision (a), as adjusted by  
36 subdivision (d), by the quotient provided by dividing the credit  
37 described in subdivision (c) of Section 17054, as adjusted in  
38 subdivision (i) of Section 17054, by 2 percent.

39 (2) For any ~~individual or individual~~ *individual, married couple, or*  
40 *domestic partners* eligible to claim the credit described in

1 subdivision (d) of Section 17054, the Franchise Tax Board shall  
2 increase the income amounts described in subdivision (b) or  
3 paragraphs (1) to (3), inclusive, of subdivision (a), as adjusted by  
4 subdivision (d), by the quotient provided by dividing each credit  
5 described in subdivision (d) of Section 17054, as adjusted in  
6 subdivision (i) of Section 17054, by the following:

7 (A) If the ~~individual or individual~~, married ~~couple is couple~~, or  
8 *domestic partners* are not eligible to claim the credit allowed in  
9 subdivision (c) of Section 17054, 3 percent for the first dependent  
10 credit and 4 percent for the second dependent credit, if any.

11 (B) If the ~~individual or individual~~, married ~~couple is couple~~, or  
12 *domestic partners* are eligible to claim the credit allowed in  
13 subdivision (c) of Section 17054, 4 percent for the first dependent  
14 credit and 5 percent for the second dependent credit, if any.

15 (d) For each taxable year beginning on or after January 1, 1996,  
16 the Franchise Tax Board shall recompute the income amounts  
17 prescribed in paragraphs (1) to (3), inclusive, of subdivision (a)  
18 and in subdivision (b), as follows:

19 (1) The Department of Industrial Relations shall transmit  
20 annually to the Franchise Tax Board the percentage change in the  
21 California Consumer Price Index for all items from June of the  
22 prior calendar year to June of the current calendar year, no later  
23 than August 1 of the current calendar year.

24 (2) The Franchise Tax Board shall do both of the following:

25 (A) Compute an inflation adjustment factor by adding 100  
26 percent to the percentage change figure that is furnished pursuant  
27 to paragraph (1) and dividing the result by 100.

28 (B) Multiply the income amounts for the preceding taxable year  
29 by the inflation adjustment factor determined in subparagraph (A)  
30 and round off the resulting products to the nearest one dollar (\$1).

31 (e) The changes to subdivision (c) made by the act adding this  
32 subdivision shall apply to each taxable year beginning on or after  
33 January 1, 1999.

34 ~~SEC. 79.~~

35 *SEC. 103.* Section 18522 of the Revenue and Taxation Code  
36 is amended to read:

37 18522. If an individual has filed a separate return for a taxable  
38 year for which a joint return could have been made by him or her  
39 and his or her spouse under Section 18521, and the time prescribed  
40 for filing the return for that taxable year has expired, that individual

1 and his or her spouse may nevertheless make a joint return for that  
2 taxable year, provided a joint federal income tax return is made  
3 under the provisions of Section 6013(b) of the Internal Revenue  
4 Code. A joint return filed by the married couple in that case shall  
5 constitute the return of the married couple for that taxable year,  
6 and all payments, credits, refunds, or other repayments made or  
7 allowed with respect to the separate return of either spouse for that  
8 taxable year shall be taken into account in determining the extent  
9 to which the tax based upon the joint return has been paid.

10 ~~SEC. 80.~~

11 *SEC. 104.* Section 18530 of the Revenue and Taxation Code  
12 is amended to read:

13 18530. Where the amount shown as the tax by the married  
14 couple on a joint return made under Section 18522 exceeds the  
15 aggregate of the amounts shown as the tax upon the separate return  
16 of each spouse, each of the following shall apply:

17 (a) If any part of the excess is attributable to negligence or  
18 intentional disregard of rules and regulations (but without intent  
19 to defraud) at the time of the making of the separate return, then  
20 20 percent of the total amount of the excess shall be assessed,  
21 collected, and paid, in lieu of the 20 percent addition to the tax  
22 provided in subdivision (a) of Section 19164.

23 (b) If any part of the excess is attributable to fraud with intent  
24 to evade tax at the time of the making of the separate return, then  
25 75 percent of the total amount of the excess shall be assessed,  
26 collected, and paid, in lieu of the 75 percent addition to the tax  
27 provided in subdivision (b) of Section 19164.

28 ~~SEC. 81.~~

29 *SEC. 105.* Section 18531.5 of the Revenue and Taxation Code  
30 is amended to read:

31 18531.5. For purposes of Section 443 of the Internal Revenue  
32 Code, where the spouses have different taxable years because of  
33 the death of either spouse, the joint return shall be treated as if the  
34 taxable years of both spouses ended on the date of the closing of  
35 the surviving spouse's taxable year.

36 ~~SEC. 82.~~

37 *SEC. 106.* Section 18532 of the Revenue and Taxation Code  
38 is amended to read:

39 18532. For the purposes of this article, each of the following  
40 shall apply:

1 (a) The status as married *or as domestic partners* of two  
2 individuals having taxable years beginning on the same day shall  
3 be determined as follows:

4 (1) If both have the same taxable year, then as of the close of  
5 that year.

6 (2) If one dies before the close of the taxable year of the other,  
7 then as of the time of the death.

8 (b) An individual who is legally separated from his or her spouse  
9 *or domestic partner* under a decree of ~~divorce~~ *divorce, termination*  
10 *of registered domestic partnership*, or of separate maintenance  
11 shall not be considered as ~~married~~ *married or in a registered*  
12 *domestic partnership*.

13 (c) If a joint return is made, the tax shall be computed on the  
14 aggregate income and the liability with respect to the tax shall be  
15 joint and several.

16 ~~SEC. 83.~~

17 *SEC. 107.* Section 19006 of the Revenue and Taxation Code  
18 is amended to read:

19 19006. (a) The spouse *or domestic partner* who controls the  
20 disposition of or who receives or spends community income as  
21 well as the spouse *or domestic partner* who is taxable on the  
22 income is liable for the payment of the taxes imposed by Part 10  
23 (commencing with Section 17001) on that income.

24 (b) Whenever a joint return is filed by a ~~married couple~~, *couple*  
25 *or domestic partners*, the liability for the tax on the aggregate  
26 income is joint and several. The liability may be revised by a court  
27 in a proceeding for dissolution of the marriage of the married  
28 couple, *or for termination of the registered domestic partnership*  
29 *of the domestic partners*, provided:

30 (1) The order revising tax liability may not relieve a spouse *or*  
31 *domestic partner* of tax liability on income earned by or subject  
32 to the exclusive management and control of the ~~spouse~~. *spouse or*  
33 *domestic partner*. The liability of the spouse *or domestic partner*  
34 for the tax, penalties, and interest due for the taxable year shall be  
35 in the same ratio to total tax, penalties, and interest due for the  
36 taxable year as the income earned by or subject to the management  
37 and control of the spouse *or domestic partner* is to total gross  
38 income reportable on the return.

39 (2) The order revising tax liability:

1 (A) Must separately state the income tax liabilities for the  
2 taxable years for which revision of tax liability is granted.

3 (B) Shall not revise a tax liability that has been fully paid prior  
4 to the effective date of the order; however, any unpaid amount  
5 may be revised.

6 (C) Shall become effective when the Franchise Tax Board is  
7 served with or acknowledges receipt of the order.

8 (D) Shall not be effective if the gross income reportable on the  
9 return exceeds one hundred fifty thousand dollars (\$150,000) or  
10 the amount of tax liability the spouse *or domestic partner* is  
11 relieved of exceeds seven thousand five hundred dollars (\$7,500),  
12 unless a tax revision clearance certificate is obtained from the  
13 Franchise Tax Board and filed with the court.

14 (c) Notwithstanding subdivisions (a) and (b), whenever a joint  
15 return is filed by a married couple *or domestic partners* and the  
16 tax liability is not fully paid, that liability, including interest and  
17 penalties, may be revised by the Franchise Tax Board as to one  
18 ~~spouse~~: *spouse or domestic partner*.

19 (1) However, the liability shall not be revised:

20 (A) To relieve a spouse *or domestic partner* of tax liability on  
21 income earned by or subject to the exclusive management and  
22 control of the ~~spouse~~: *spouse or domestic partner*. The liability of  
23 the spouse *or domestic partner* for the tax, penalties, and interest  
24 due for the taxable year shall be in the same ratio to total tax,  
25 penalties, and interest due for the taxable year as the income earned  
26 by or subject to the management and control of the spouse *or*  
27 *domestic partner* is to total gross income reportable on the return.

28 (B) To relieve a spouse *or domestic partner* of liability below  
29 the amount actually paid on the liability prior to the granting of  
30 relief, including credit from any other taxable year available for  
31 application to the liability.

32 (2) The liability may be revised only if the spouse *or domestic*  
33 *partner* whose liability is to be revised establishes that he or she  
34 did not know of, and had no reason to know of, the nonpayment  
35 at the time the return was filed. For purposes of this paragraph,  
36 “reason to know” means whether or not a reasonably prudent  
37 person would have had reason to know of the nonpayment.

38 (3) For purposes of this section, the determination of the spouse  
39 *or domestic partner* to whom items of gross income are attributable  
40 shall be made without regard to community property laws.

1 (4) The determination of the Franchise Tax Board as to whether  
2 the liability is to be revised as to one spouse *or domestic partner*  
3 shall be made not less than 30 days after notification of the other  
4 spouse *or domestic partner* and shall be based upon whether, under  
5 all of the facts and circumstances surrounding the nonpayment, it  
6 would be inequitable to hold the spouse *or domestic partner*  
7 requesting revision liable for the nonpayment. Any action taken  
8 under this section shall be treated as though it were action on a  
9 protest taken under Section 19044 and shall become final upon  
10 the expiration of 30 days from the date that notice of the action is  
11 mailed to both ~~spouses~~, *wives or domestic partners*, unless,  
12 within that 30-day period, one or both spouses *or domestic partners*  
13 appeal the determination to the board as provided in Section 19045.

14 (5) This subdivision shall apply to all taxable years subject to  
15 the provisions of this part, but shall not apply to any taxable year  
16 which has been closed by a statute of limitations, *res judicata*, or  
17 otherwise.

18 ~~SEC. 84.~~

19 *SEC. 108.* Section 19035 of the Revenue and Taxation Code  
20 is amended to read:

21 19035. In the case of a joint return filed by a married ~~couple~~,  
22 *couple or domestic partners*, the notice of proposed deficiency  
23 assessment may be a single joint notice, except that if the Franchise  
24 Tax Board is notified by either spouse *or domestic partner* that  
25 separate residences have been established, it shall mail to each  
26 ~~spouse~~, *wife or domestic partner*, in lieu of the single joint  
27 notice, duplicate originals of the joint notice.

28 ~~SEC. 85.~~

29 *SEC. 109.* Section 19107 of the Revenue and Taxation Code  
30 is amended to read:

31 19107. Where an overpayment is made by any individual for  
32 any year, and a deficiency is owing from the spouse *or domestic*  
33 *partner* of the taxpayer for the same year, and both spouses *or*  
34 *domestic partners* notify the Franchise Tax Board in writing prior  
35 to the expiration of the time within which credit for the  
36 overpayment may be allowed that the overpayment may be credited  
37 against the deficiency, no interest shall be assessed on that portion  
38 of the deficiency as is extinguished by the credit for the period of  
39 time subsequent to the date the overpayment was made.

1     ~~SEC. 86.~~

2     ~~SEC. 110.~~ Section 19110 of the Revenue and Taxation Code  
3 is amended to read:

4     19110. (a) When the correction of an erroneous inclusion or  
5 deduction of an item or items in the computation of income of a  
6 trust, estate, parent, ~~or spouse~~ *spouse, or domestic partner* for any  
7 year results in an overpayment for that year by the trust, estate,  
8 parent, ~~or spouse, or domestic partner~~, and also results in a  
9 deficiency for the same year for a grantor of the trust or beneficiary  
10 of the estate or trust, or child of the parent, or spouse *or domestic*  
11 *partner* of the child, or the spouse *or domestic partner* of the  
12 ~~spouse, spouse or domestic partner~~, the overpayment, if the period  
13 within which credit for the overpayment may be allowed has not  
14 expired, shall be credited on the deficiency, if the period within  
15 which the deficiency may be proposed has not expired, and the  
16 balance, if any, shall be credited or refunded. No interest shall be  
17 assessed on the portion of the deficiency as is extinguished by the  
18 credit for the period of time subsequent to the date the overpayment  
19 was made.

20     (b) When the correction of an erroneous inclusion or deduction  
21 of an item or items in the computation of income of a grantor of  
22 a trust, beneficiary of an estate or trust, a child, or spouse *or*  
23 *domestic partner* of the child, or a spouse *or domestic partner* for  
24 any year results in an overpayment for that year by the grantor,  
25 beneficiary, child, ~~or spouse, or domestic partner~~, and also results  
26 in a deficiency for the same year for the grantor's or beneficiary's  
27 trust, the beneficiary's estate, the child's parent, or spouse *or*  
28 *domestic partner* of the child, or the beneficiary's ~~spouse, spouse~~  
29 *or domestic partner*, the overpayment, if the period within which  
30 credit for the overpayment may be allowed has not expired, shall  
31 be credited on the deficiency, if the period within which the  
32 deficiency may be proposed has not expired, and the balance, if  
33 any, shall be credited or refunded. No interest shall be assessed  
34 on the portion of the deficiency as is extinguished by the credit  
35 for the period of time subsequent to the date the overpayment was  
36 made.

37     (c) Subdivisions (a) and (b) are not intended, nor shall they be  
38 construed as a limitation on the Franchise Tax Board's right to  
39 offset or recoup barred assessments against overpayments.

1 ~~SEC. 87.~~

2 *SEC. 111.* Section 19701.5 of the Revenue and Taxation Code  
3 is amended to read:

4 19701.5. (a) Any person who signs his or her spouse's *or*  
5 *domestic partner's* name on any income tax return, or any  
6 schedules or attachments thereto, or who files electronically  
7 pursuant to Section 18621.5, without the consent of the spouse *or*  
8 *domestic partner* as provided in subdivision (b), is guilty of a  
9 misdemeanor and shall upon conviction be fined an amount not  
10 to exceed five thousand dollars (\$5,000) or be imprisoned for a  
11 term not to exceed one year, or both, at the discretion of the court,  
12 together with costs of investigation and prosecution.

13 (b) Notwithstanding subdivision (a), any person who signs his  
14 or her spouse's *or domestic partner's* name shall not be guilty of  
15 a misdemeanor when one spouse *or domestic partner* is physically  
16 unable by reason of disease or injury to sign a joint return, and the  
17 other ~~spouse~~, *spouse or domestic partner*, with the oral consent of  
18 the one who is incapacitated, signs the incapacitated spouse's *or*  
19 *domestic partner's* name in the proper place on the return followed  
20 by the words "By \_\_\_\_\_, Spouse (or Husband or ~~Wife~~)," *Wife*) *or*  
21 *Domestic Partner*," and by the signature of the signing spouse *or*  
22 *domestic partner* in his or her own right, provided that a dated  
23 statement signed by the spouse *or domestic partner* who is signing  
24 the return is attached to and made a part of the return stating each  
25 of the following:

26 (1) The name of the return being filed.

27 (2) The taxable year.

28 (3) The reason for the inability of the spouse *or domestic partner*  
29 who is incapacitated to sign the return.

30 (4) That the spouse *or domestic partner* who is incapacitated  
31 consented to the signing of the return and that the taxpayer and  
32 his or her agent, if any, are responsible for the return as made and  
33 incur liability for the penalties provided for erroneous, false, or  
34 fraudulent returns.

35 (c) The penalties provided by this section are cumulative and  
36 shall not be construed as restricting any other penalty provided by  
37 law based upon the same facts, including any penalty under Section  
38 470 of the Penal Code. However, an act or omission which is made  
39 punishable in different ways by this section and different provisions

1 of the Penal Code shall not be punished under more than one  
2 provision.

3 ~~SEC. 88.~~

4 *SEC. 112.* Section 20542 of the Revenue and Taxation Code  
5 is amended to read:

6 20542. (a) The Franchise Tax Board, pursuant to the provisions  
7 of Article 3 (commencing with Section 20561), of this chapter,  
8 shall provide assistance to the claimant based on a percentage of  
9 the property tax accrued and paid by the claimant on the residential  
10 dwelling as provided in Section 20543 or the statutory property  
11 tax equivalent pursuant to Section 20544. In case of an  
12 owner-claimant, the assistance shall be equal to the applicable  
13 percentage of property taxes paid on the full value of the residential  
14 dwelling up to, and including, thirty-four thousand dollars  
15 (\$34,000). No assistance shall be allowed for property taxes paid  
16 on that portion of full value of a residential dwelling exceeding  
17 thirty-four thousand dollars (\$34,000). No assistance shall be  
18 provided if the amount of the assistance claim is five dollars (\$5)  
19 or less.

20 (b) For purposes of allowing assistance provided for by this  
21 section:

22 (1) (A) Only one owner-claimant from one household each  
23 year shall be entitled to assistance under this chapter. When two  
24 or more individuals of a household are able to meet the  
25 qualifications for an owner-claimant, they may determine who the  
26 owner-claimant shall be. If they are unable to agree, the matter  
27 shall be referred to the Franchise Tax Board and its decision shall  
28 be final.

29 (B) When two or more individuals pay rent for the same  
30 premises and each individual meets the qualifications for a  
31 renter-claimant, each qualified individual shall be entitled to  
32 assistance under this part.

33 For the purposes of this subparagraph, spouses *or domestic*  
34 *partners* residing in the same premises shall be presumed to be  
35 one renter.

36 (2) Except as provided in paragraph (3), the right to file a claim  
37 shall be personal to the claimant and shall not survive his or her  
38 death; however, when a claimant dies after having filed a timely  
39 claim, the amount thereof may be disbursed to the surviving spouse  
40 *or surviving domestic partner* and, if no surviving ~~spouse~~, *spouse*

1 *or surviving domestic partner*, to any other member of the  
2 household who is a qualified claimant. If there is no surviving  
3 ~~spouse~~ *spouse, surviving domestic partner*, or otherwise qualified  
4 claimant, the claim shall be disbursed to any other member of the  
5 household. In the event two or more individuals qualify for  
6 payment as either an otherwise qualified claimant or a member of  
7 the household, they may determine which of them will be paid. If  
8 they are unable to agree, the matter shall be referred to the  
9 Franchise Tax Board and its decision shall be final.

10 (3) If, after January 1 of the property tax fiscal year for which  
11 a claim may be filed, a claimant dies without filing a timely claim,  
12 a claim on behalf of such claimant may be filed by the surviving  
13 *spouse or surviving domestic partner* within the filing period  
14 prescribed in subdivision (a) or (b) of Section 20563.

15 (4) If an individual postponed taxes for any given property tax  
16 fiscal year under Chapter 2 (commencing with Section 20581),  
17 Chapter 3 (commencing with Section 20625), Chapter 3.3  
18 (commencing with Section 20639), or Chapter 3.5 (commencing  
19 with Section 20640), then any claim for assistance under this  
20 chapter for the same property tax fiscal year shall be filed by such  
21 individual (assuming all other eligibility requirements in this  
22 chapter are satisfied) and not an otherwise qualified member of  
23 the individual's household.

24 *SEC. 113. Section 12.2 is added to the Streets and Highways*  
25 *Code, to read:*

26 *12.2. "Spouse" includes "domestic partner," as described in*  
27 *Section 297 of the Family Code.*

28 ~~SEC. 89.~~

29 *SEC. 114. Section 2804 of the Streets and Highways Code is*  
30 *amended to read:*

31 2804. (a) This division does not apply to irrigation districts,  
32 irrigation district improvement districts, fire districts, fire protection  
33 districts, or public cemetery districts, or to any proceeding  
34 otherwise subject to this division when one or more of the  
35 following situations exist:

36 (1) The proceedings are undertaken by a district or public  
37 corporation within one year of its incorporation.

38 (2) The improvement proceedings are by a chartered city,  
39 chartered county, or a county sanitation district which is governed  
40 ex officio by the board of supervisors of a chartered county, and

1 the city, county, or district has complied with Section 19 of Article  
2 XVI of the California Constitution.

3 (3) All of the owners of more than 60 percent in area of the  
4 property subject to assessment for the proposed improvements  
5 have signed and filed with the clerk or secretary of the legislative  
6 body undertaking the proceedings a written petition for the  
7 improvements meeting the requirements of Section 2804.5.

8 (b) As used in this section, “substantially described” means that  
9 additional improvements of the same or similar nature may not be  
10 provided unless the estimated cost of the improvements does not  
11 exceed 10 percent of the estimated cost of the improvements  
12 provided in the former report.

13 (c) As used in this section, “owner of land” means only a person  
14 who, at the time the petition is filed with the clerk or secretary of  
15 the legislative body, appears to be the owner upon the assessor’s  
16 roll or, in the case of transfers of land, or parts thereof, subsequent  
17 to the date upon which the last assessor’s roll was prepared, appear  
18 to be the owner on the records in the county assessor’s office which  
19 the county assessor will use to prepare the next assessor’s roll. If  
20 any person signing the petition appears on the assessor’s roll or  
21 the records in the county assessor’s office as an owner of property  
22 as a joint tenant or tenant in common, or as a ~~spouse~~, *spouse or*  
23 *domestic partner*, that property shall be counted as if all those  
24 persons had signed the petition.

25 *SEC. 115. Section 11.2 is added to the Unemployment*  
26 *Insurance Code, to read:*

27 *11.2. “Spouse” includes “domestic partner,” as described in*  
28 *Section 297 of the Family Code.*

29 ~~SEC. 90.~~

30 *SEC. 116. Section 13003 of the Unemployment Insurance Code*  
31 *is amended to read:*

32 13003. (a) Except where the context otherwise requires, the  
33 definitions set forth in this chapter, and in addition the definitions  
34 and provisions of the Personal Income Tax Law referred to and  
35 hereby incorporated by reference as set forth in the following  
36 provisions of the Revenue and Taxation Code, shall apply to and  
37 govern the construction of this division:

38 (1) “Corporation” as defined by Section 17009.

39 (2) “Fiduciary” as defined by Section 17006.

40 (3) “Fiscal year” as defined by Section 17011.

- 1 (4) “Foreign country” as defined by Section 17019.
- 2 (5) “Franchise Tax Board” as defined by Section 17003.
- 3 (6) “Spouse” as defined by Section 17021.
- 4 (7) “Individual” as defined by Section 17005.
- 5 (8) “Military or naval forces” as defined by Section 17022.
- 6 (9) “Nonresident” as defined by Section 17015.
- 7 (10) “Partnership” as defined by Section 17008.
- 8 (11) “Person” as defined by Section 17007.
- 9 (12) “Resident” as defined by Sections 17014 and 17016.
- 10 (13) “State” as defined by Section 17018.
- 11 (14) “Taxable year” as defined by Section 17010.
- 12 (15) “Taxpayer” as defined by Section 17004.
- 13 (16) “Trade or business” as defined by Section 17020.
- 14 (17) “United States” as defined by Section 17017.
- 15 (b) The provisions of Part 10 (commencing with Section 17001)
- 16 and Part 10.2 (commencing with Section 18401) of Division 2 of
- 17 the Revenue and Taxation Code, relating to the following items,
- 18 are hereby incorporated by reference and shall apply to and govern
- 19 construction of this division:
- 20 (1) Trade or business expense (Article 6 (commencing with
- 21 Section 17201) of Chapter 3 of Part 10).
- 22 (2) Deductions for retirement savings (Article 6 (commencing
- 23 with Section 17201) of Chapter 3 of Part 10).
- 24 (3) Distributions of property by a corporation to a shareholder
- 25 (Chapter 4 (commencing with Section 17321) of Part 10).
- 26 (4) Deferred compensation (Chapter 5 (commencing with
- 27 Section 17501) of Part 10).
- 28 (5) Partners and partnerships (Chapter 10 (commencing with
- 29 Section 17851) of Part 10).
- 30 (6) Gross income of nonresident taxpayers (Chapter 11
- 31 (commencing with Section 17951) of Part 10).
- 32 (7) Postponement of the time for certain acts by individuals in
- 33 or in support of the armed forces (Article 3 (commencing with
- 34 Section 18621) of Chapter 2 of Part 10.2).
- 35 (8) Disclosure of information (Article 2 (commencing with
- 36 Section 19542) of Chapter 7 of Part 10.2). For this purpose
- 37 “Franchise Tax Board” as used therein shall mean the Employment
- 38 Development Department in respect to information obtained in
- 39 the administration of this division.
- 40 *SEC. 117. Section 12.2 is added to the Vehicle Code, to read:*

1 12.2. “Spouse” includes “domestic partner,” as described in  
2 Section 297 of the Family Code.

3 SEC. 118. Section 12.2 is added to the Water Code, to read:

4 12.2. “Spouse” includes “domestic partner,” as described in  
5 Section 297 of the Family Code.

6 SEC. 119. Section 12.2 is added to the Welfare and Institutions  
7 Code, to read:

8 12.2. “Spouse” includes “domestic partner,” as described in  
9 Section 297 of the Family Code.

10 ~~SEC. 91.~~

11 SEC. 120. Section 742.16 of the Welfare and Institutions Code  
12 is amended to read:

13 742.16. (a) If a minor is found to be a person described in  
14 Section 602 by reason of the commission of an act prohibited by  
15 Section 594, 594.3, 594.4, 640.5, 640.6, or 640.7 of the Penal  
16 Code, and the court does not remove the minor from the physical  
17 custody of the parent or guardian, the court as a condition of  
18 probation, except in any case in which the court makes a finding  
19 and states on the record its reasons why that condition would be  
20 inappropriate, shall require the minor to wash, paint, repair, or  
21 replace the property defaced, damaged, or destroyed by the minor  
22 or otherwise pay restitution to the probation officer of the county  
23 for disbursement to the owner or possessor of the property or both.  
24 In any case in which the minor is not granted probation or in which  
25 the minor’s cleanup, repair, or replacement of the property will  
26 not return the property to its condition before it was defaced,  
27 damaged, or destroyed, the court shall make a finding of the  
28 amount of restitution that would be required to fully compensate  
29 the owner and possessor of the property for their damages. The  
30 court shall order the minor or the minor’s estate to pay that  
31 restitution to the probation officer of the county for disbursement  
32 to the owner or possessor of the property or both, to the extent the  
33 court determines that the minor or the minor’s estate have the  
34 ability to do so, except in any case in which the court makes a  
35 finding and states on the record its reasons why full restitution  
36 would be inappropriate. If full restitution is found to be  
37 inappropriate, the court shall require the minor to perform specified  
38 community service, except in any case in which the court makes  
39 a finding and states on the record its reasons why that condition  
40 would be inappropriate.

1 (b) If a minor is found to be a person described in Section 602  
2 by reason of the commission of an act prohibited by Section 594,  
3 594.3, 594.4, 640.5, 640.6, or 640.7 of the Penal Code, and the  
4 graffiti or other material inscribed by the minor has been removed,  
5 or the property defaced by the minor has been repaired or replaced  
6 by a public entity that has elected, pursuant to Section 742.14, to  
7 have the probation officer of the county recoup its costs through  
8 proceedings in accordance with this section and has made cost  
9 findings in accordance with subdivision (c) or (d) of Section  
10 742.14, the court shall determine the total cost incurred by the  
11 public entity for said removal, repair, or replacement, using, if  
12 applicable, the cost findings most recently adopted by the public  
13 entity pursuant to subdivision (c) or (d) of Section 742.14. The  
14 court shall order the minor or the minor's estate to pay those costs  
15 to the probation officer of the county to the extent the court  
16 determines that the minor or the minor's estate have the ability to  
17 do so.

18 (c) If the minor is found to be a person described in Section 602  
19 by reason of the commission of an act prohibited by Section 594,  
20 594.3, 594.4, 640.5, 640.6, or 640.7 of the Penal Code, and the  
21 minor was identified or apprehended by the law enforcement  
22 agency of a city or county that has elected, pursuant to Section  
23 742.14, to have the probation officer of the county recoup its costs  
24 through proceedings in accordance with this section, the court shall  
25 determine the cost of identifying or apprehending the minor, or  
26 both, using, if applicable, the cost findings adopted by the city or  
27 county pursuant to subdivision (b) of Section 742.14. The court  
28 shall order the minor or the minor's estate to pay those costs to  
29 the probation officer of the county to the extent the court  
30 determines that the minor or the minor's estate has the ability to  
31 do so.

32 (d) If the court determines that the minor or the minor's estate  
33 is unable to pay in full the costs and damages determined pursuant  
34 to subdivisions (a), (b), and (c), and if the minor's parent or parents  
35 have been cited into court pursuant to Section 742.18, the court  
36 shall hold a hearing to determine the liability of the minor's parent  
37 or parents pursuant to Section 1714.1 of the Civil Code for those  
38 costs and damages. Except when the court makes a finding setting  
39 forth unusual circumstances in which parental liability would not  
40 serve the interests of justice, the court shall order the minor's parent

1 or parents to pay those costs and damages to the probation officer  
2 of the county to the extent the court determines that the parent or  
3 parents have the ability to pay, if the minor was in the custody or  
4 control of the parent or parents at the time he or she committed  
5 the act that forms the basis for the finding that the minor is a person  
6 described in Section 602. In evaluating the parent's or parents'  
7 ability to pay, the court shall take into consideration the family  
8 income, the necessary obligations of the family, and the number  
9 of persons dependent upon this income.

10 (e) The hearing described in subdivision (d) may be held  
11 immediately following the disposition hearing or at a later date,  
12 at the option of the court.

13 (f) If the amount of costs and damages sought to be recovered  
14 in the hearing pursuant to subdivision (d) is five thousand dollars  
15 (\$5,000) or less, the parent or parents may not be represented by  
16 counsel and the probation officer of the county shall be represented  
17 by his or her nonattorney designee. The court shall conduct that  
18 hearing in accordance with Sections 116.510 and 116.520 of the  
19 Code of Civil Procedure. Notwithstanding the foregoing, if the  
20 court determines that a parent cannot properly present his or her  
21 defense, the court may, in its discretion, allow another individual  
22 to assist that parent. In addition, a spouse *or domestic partner* may  
23 appear and participate in the hearing on behalf of his or her spouse  
24 *or domestic partner* if the representative's spouse *or domestic*  
25 *partner* has given his or her consent and the court determines that  
26 the interest of justice would be served thereby.

27 (g) If the amount of costs and damages sought to be recovered  
28 in the hearing pursuant to subdivision (d) exceeds five thousand  
29 dollars (\$5,000), the parent or parents may be represented by  
30 counsel of his or her or their own choosing, and the probation  
31 officer of the county shall be represented by the district attorney  
32 or an attorney or nonattorney designee of the probation officer.  
33 The parent or parents shall not be entitled to court-appointed  
34 counsel or to counsel compensated at public expense.

35 (h) At the hearing conducted pursuant to subdivision (d), there  
36 shall be a presumption affecting the burden of proof that the  
37 findings of the court made pursuant to subdivisions (a), (b), and  
38 (c) represent the actual damages and costs attributable to the act  
39 of the minor that forms the basis of the finding that the minor is a  
40 person described in Section 602.

1 (i) If the parent or parents, after having been cited to appear  
2 pursuant to Section 742.18, fail to appear as ordered, the court  
3 shall order the parent or parents to pay the full amount of the costs  
4 and damages determined by the court pursuant to subdivisions (a),  
5 (b), and (c).

6 (j) Execution may be issued on an order issued by the court  
7 pursuant to this section in the same manner as on a judgment in a  
8 civil action, including any balance unpaid at the termination of the  
9 court's jurisdiction over the minor.

10 (k) At any time prior to the satisfaction of a judgment entered  
11 pursuant to this section, a person against whom the judgment was  
12 entered may petition the rendering court to modify or vacate the  
13 judgment on the showing of a change in circumstances relating to  
14 his or her ability to pay the judgment.

15 (l) For purposes of a hearing conducted pursuant to subdivision  
16 (d), the judge of the juvenile court shall have the jurisdiction of a  
17 judge of the superior court in a limited civil case, and if the amount  
18 of the demand is within the jurisdictional limits stated in Sections  
19 116.220 and 116.221 of the Code of Civil Procedure, the judge of  
20 the juvenile court shall have the powers of a judge presiding over  
21 the small claims court.

22 (m) Nothing in this section shall be construed to limit the  
23 authority of a juvenile court to provide conditions of probation.

24 (n) The options available to the court pursuant to subdivisions  
25 (a), (b), (c), (d), and (k), to order payment by the minor and his or  
26 her parent or parents of less than the full costs described in  
27 subdivisions (a), (b), and (c), on grounds of financial inability or  
28 for reasons of justice, shall not be available to a superior court in  
29 an ordinary civil proceeding pursuant to subdivision (b) of Section  
30 1714.1 of the Civil Code, except that in any proceeding pursuant  
31 to either subdivision (b) of Section 1714.1 of the Civil Code or  
32 this section, the maximum amount that a parent or a minor may  
33 be ordered to pay shall not exceed twenty thousand dollars  
34 (\$20,000) for each tort of the minor.

35 ~~SEC. 92.~~

36 *SEC. 121.* Section 7275 of the Welfare and Institutions Code  
37 is amended to read:

38 7275. (a) The spouse, *domestic partner*, father, mother, or  
39 children of a patient in a state hospital, the estates of these persons,  
40 and the guardian or conservator and administrator of the estate of

1 the patient shall cause him or her to be properly and suitably cared  
2 for and maintained, and shall pay the costs and charges for  
3 transportation to a state institution. The spouse, *domestic partner*,  
4 father, mother, or children of a patient in a state hospital and the  
5 administrators of their estates, and the estate of the person shall  
6 be liable for his or her care, support, and maintenance in a state  
7 institution of which he or she is a patient. The liability of these  
8 persons and estates shall be a joint and several liability, and the  
9 liability shall exist whether the person has become a patient of a  
10 state institution pursuant to the provisions of this code or pursuant  
11 to the provisions of Sections 1026, 1368, 1369, 1370, and 1372 of  
12 the Penal Code.

13 (b) This section does not impose liability for the care of persons  
14 with intellectual disabilities in state hospitals.

15 ~~SEC. 93.~~

16 *SEC. 122.* Section 12003 of the Welfare and Institutions Code  
17 is amended to read:

18 12003. For the purposes of this chapter, neither the residence  
19 nor domicile of the spouse *or domestic partner* shall be deemed  
20 the residence or domicile of the other, but each may have a separate  
21 residence or domicile dependent upon proof of the fact and not on  
22 legal presumption.

23 For the purposes of this chapter, a minor child shall be deemed  
24 to have resided in the state during any period in which such child  
25 has been physically present in the state.

26 ~~SEC. 94.~~

27 *SEC. 123.* Section 14140 of the Welfare and Institutions Code  
28 is amended to read:

29 14140. The following definitions shall apply to the provisions  
30 of this article:

31 (a) “Net worth” means:

32 (1) Personal property, which consists of cash, savings accounts,  
33 securities, and similar items; notes, mortgages, and deeds of trust;  
34 the cash surrender value of life insurance on the life of the applicant  
35 or beneficiary, on the life of the ~~spouse~~ *spouse, domestic partner*,  
36 or any member of the family, except as provided in Section 11158;  
37 motor vehicles, except one which meets the transportation needs  
38 of the person or family; any other property or equity other than  
39 real estate, except that property specified in subdivisions (1), ~~(2)~~  
40 (2), and (3) of Section 11155.

1 (2) Real property, including any interest in land of more than  
2 nominal interest which does not constitute the home of the  
3 applicant for aid under this chapter. The home of the applicant  
4 shall be exempt from consideration as net worth under this section  
5 to the extent of ten thousand dollars (\$10,000) in assessed  
6 valuation, as assessed by the county assessor.

7 (3) “Income” which consists of the sum of adjusted gross income  
8 as used for purposes of the Federal Income Tax Law.

9 (b) “Family unit” means:

10 (1) In the case of ~~an unmarried~~ *a patient who is not married or*  
11 *in a registered domestic partnership and is* under 21 years of age  
12 living with his or her parent or parents, the patient and his or her  
13 parents.

14 (2) In the case of a ~~married~~ *patient who is married or in a*  
15 *registered domestic partnership and is* under 21 years of age, the  
16 patient and his or her ~~spouse~~ *spouse or domestic partner*.

17 (3) In the case of a patient over ~~21~~, *21 years of age*, the patient,  
18 and if ~~married~~, *married or in a registered domestic partnership*,  
19 the patient’s ~~spouse~~ *spouse or domestic partner*.

20 ~~SEC. 95.~~

21 *SEC. 124.* Section 18291 of the Welfare and Institutions Code  
22 is amended to read:

23 18291. For purposes of this chapter:

24 (a) “Domestic violence” means abuse committed against an  
25 adult or a minor who is a spouse, former spouse, *domestic partner*,  
26 *former domestic partner*, cohabitant, former cohabitant, or person  
27 with whom the suspect has had a child or is having or has had a  
28 dating or engagement relationship.

29 (b) “Cohabitant” means two unrelated adult persons living  
30 together for a substantial period of time, resulting in some  
31 permanency of relationship. Factors that may determine whether  
32 persons are cohabiting include, but are not limited to, all of the  
33 following:

34 (1) Sexual relations between the parties while sharing the same  
35 living quarters.

36 (2) Sharing of income or expenses.

37 (3) Joint use or ownership of property.

38 (4) Whether the parties hold themselves out as spouses.

39 (5) The continuity of the relationship.

40 (6) The length of the relationship.

1 (c) “Domestic violence shelter” means a shelter for domestic  
2 violence victims that meets all of the following requirements:

3 (1) Provides shelter in an undisclosed and secured location.

4 (2) Provides staff that meet the requirements set forth in Section  
5 1037.1 of the Evidence Code.

6 (3) Meets the requirements set forth in Section 18294.

7 (d) “Undisclosed” means a location that is not advertised or  
8 publicized.

9 *SEC. 125. It is the intent of the Legislature that the changes*  
10 *made by this act have only technical and nonsubstantive effect.*  
11 *Hence, no change made by this act shall create any new right,*  
12 *duty, or other obligation that did not exist immediately preceding*  
13 *the effective date of this act, or result in the limitation or*  
14 *termination of any right, duty, or other obligation that existed*  
15 *immediately preceding the effective date of this act.*

16 *SEC. 126. Any section of any act, except for Senate Bill 1171,*  
17 *enacted by the Legislature during the 2016 calendar year that*  
18 *takes effect on or before January 1, 2017, and that amends, amends*  
19 *and renumbers, adds, repeals and adds, or repeals a section that*  
20 *is amended, amended and renumbered, added, repealed and added,*  
21 *or repealed by this act, shall prevail over this act, whether that*  
22 *act is enacted prior to, or subsequent to, the enactment of this act.*