## Senate Bill No. 856

CHAPTER 719

An act to amend Sections 159.5, 160, 23399, and 23954.5 of, and to add Sections 154.2 and 210 to, the Business and Professions Code, to amend Section 337.5 of, and to add Section 348.5 to, the Code of Civil Procedure, to amend Section 94949 of, and to add and repeal Section 94874.3 of, the Education Code, to amend Sections 927, 927.2, 927.3, 927.5, 927.6, 927.7, 927.9, 7076, 7097.1, 7114.2, 7591, 7592, 11544, 16429.1, 17556, and 17557 of, to add Sections 927.13, 7072.3, 11546.4, 17570, and 17570.1 to, to repeal Sections 926.16 and 926.19 of, and to repeal Chapter 2 (commencing with Section 13996) of Part 4.7 of Division 3 of Title 2 of, the Government Code, to amend Section 50199.9 of the Health and Safety Code, to amend Sections 62.9, 1771.3, 1771.5, 1771.7, 1771.75, 1771.8, and 1777.5 of the Labor Code, to add Section 11105.8 to the Penal Code, to amend Section 5164 of the Public Resources Code, to amend Sections 11006 and 19558 of the Revenue and Taxation Code, to amend Sections 1088, 1112.5, 1113.1, 1275, 13021, and 13050 of, and to add Article 9 (commencing with Section 1900) to Chapter 7 of Part 1 of Division 1 of, the Unemployment Insurance Code, to amend Section 1673.2 of the Vehicle Code, and to amend and supplement the Budget Act of 2009 (Chapter 1 of the 2009–10 Third Extraordinary Session) by amending Item 0820-001-3086 of Section 2.00 of that act, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 19, 2010. Filed with Secretary of State October 19, 2010.]

LEGISLATIVE COUNSEL'S DIGEST

SB 856, Committee on Budget and Fiscal Review. State government.

(1) Existing law provides for the regulation of various professions and vocations by regulatory boards within the Department of Consumer Affairs. Existing law creates in the department a Division of Investigation and authorizes the Director of Consumer Affairs to employ investigators, inspectors, and deputies as are necessary to investigate and prosecute all violations of any law, the enforcement of which is charged to the department or to any board in the department. Inspectors used by the boards are not required to be employees of the Division of Investigation, but may be employees of, or under contract to, the boards. Investigators of the Division of Investigation and of the Medical Board of California and the Dental Board of California have the authority of peace officers and are in the division and appointed by the director.

This bill would authorize specified healing arts boards to employ individuals to serve as experts and would authorize those boards and the

Division of Investigation to employ individuals who are not peace officers to provide investigative services. The bill would also provide that investigators of the Medical Board of California and the Dental Board of California who have the authority of peace officers are not required to be in the division.

(2) According to the strategic plan of the Department of Consumer Affairs, the BreEZe system is an integrated, enterprisewide enforcement and licensing system. Under existing law, the office of the State Chief Information Officer is responsible for, among other things, the approval and oversight of specified information technology projects.

This bill would authorize the department to enter into a contract with a vendor for the BreEZe system no sooner than 30 days after written notification to certain committees of the Legislature. The bill would require the amount of contract funds for the system to be consistent with costs approved by the office of the State Chief Information Officer, based on information provided by the department in a specified manner. The bill would provide that this cost provision is applicable to all Budget Act items for the department with an appropriation for the BreEZe system. If the department enters into a contract for the system, the bill would also require the department, by December 1, 2014, to submit to the Legislature and specified committees a report analyzing the workload of certain licensing personnel employed by boards participating in the BreEZe system.

(3) The Alcoholic Beverage Control Act authorizes the issuance of an event permit that allows specified licenses to sell beer, wine, and distilled spirits and requires an annual fee of $100 for an event permit and a fee of not more than $10 for each event authorization.

This bill would increase the fee for each event authorization to not more than $25.

(4) Under existing law, the Alcoholic Beverage Control Act establishes various types of licenses and various annual fees for different categories of licensees. Existing law establishing a fee for an original on-sale general license or an original off-sale general license as $12,000.

This bill would increase that fee to $13,800 and would permit adjustment of the fee, as specified.

(5) Existing law provides that the period for commencement of action upon any bonds or coupons issued by the State of California is 10 years.

This bill would delete that provision and instead provide that the period for commencement of an action upon any bonds or coupons issued by the State of California shall have no limitation.

(6) Existing law establishes the California Private Postsecondary Education Act of 2009, which, among other things, provides for student protections and regulatory oversight of private postsecondary schools in the state. Existing law establishes the Bureau for Private Postsecondary Education to regulate private postsecondary institutions through the powers granted, and the duties imposed, by the act.

This bill would prohibit the bureau, for the period July 1, 2010, to July 1, 2011, inclusive, from enforcing the act against institutions that offer flight

instruction or institutions that offer Federal Aviation Administration certified educational programs in aircraft maintenance. The bill would also require those institutions to notify the bureau if they operate during that period.

(7) Existing law also requires the Bureau for Private Postsecondary Education (bureau) to contract with the Bureau of State Audits to conduct a performance audit to evaluate the effectiveness and efficiency of the bureau's operation, on or before August 1, 2013, consistent with the requirements of the act. The act requires the Bureau of State Audits to report the results of the performance audit to the Legislature and the Governor.

This bill would additionally require the performance audit to include an evaluation of whether the bureau's staffing level and expertise are sufficient to fulfill their statutory responsibilities.

(8) The California Prompt Payment Act provides that a state agency that fails to make a payment for goods and services to certain entities pursuant to a contract is subject to an interest penalty fee, according to specified criteria. Existing law provides that in order to avoid late payment penalties, state agencies shall pay promptly submitted, undisputed invoices within 45 days, and specifies procedures and exclusions relating to that requirement. Existing law provides that penalties for late payments to certain small and nonprofit businesses accrue at 0.25% of the amount due, per calendar day.

Existing law provides that, subject to specified exceptions, a state agency that fails to pay a person an undisputed payment or refund due to that person within 31 days after the agency provides notice to that person that the payment is due is liable for interest on the undisputed amount.

This bill would revise and recast these provisions by requiring state agencies to pay refunds or other undisputed payments due to individuals within 45 days after receipt of a notice of refund or undisputed payment due, and would specify procedures and exclusions related to that requirement. The bill would also provide that penalties for late payments to certain small and nonprofit businesses accrue at a rate of 10% above the United States Prime Rate on June 30 of the prior fiscal year.

This bill would also delete obsolete provisions, cross-references, and references to the Year 2000 Problem.

(9) Existing law prescribes the duties and responsibilities of the Department of Housing and Community Development in connection with the establishment of various economic development areas, including enterprise zones, manufacturing enhancement areas, targeted tax areas, and local agency military base recovery areas. Existing law authorizes the department to assess each of these economic development areas a fee of not more than $10 for each application it accepts for the issuance of a specified tax certificate issued by a local government.

This bill would revise these provisions to require the department to collect a fee of $15 for each application it accepts for the issuance of the specified tax certificate. The bill would require the fees to be deposited in the Enterprise Zone Fund, which the bill would create. These funds would be available to the department, upon appropriation by the Legislature, for the

costs of administering the programs relating to each economic development area.

(10) Existing law appropriated $15,000,000 to the Trade and Commerce Agency for a loan for allocation over 3 years in 3 equal amounts to that nonprofit organization currently named the San Diego National Sports Training Foundation for purposes of developing and constructing a California Olympic Training Center. Existing law provides that these loan allocations be repaid in full no later than 20 years from the date of receipt, as specified. Existing law creates the California Olympic Training Account in the General Fund for the receipt of moneys from fees paid for commemorative olympic license plates, which are to be used for repayment of the loan described above.

This bill would cancel any of the outstanding balance and any accrued interest on the loan for the California Olympic Training Center described above. The bill would require the Controller to annually transfer the moneys from fees paid for commemorative olympic license plates to the General Fund.

(11) Existing law creates the Technology Services Revolving Fund, administered by the State Chief Information Officer, for the purpose of receiving revenue from the sale of technology or technology services, and for payment, upon appropriation by the Legislature, of specified costs. The Governor's Reorganization Plan No. 1 of 2009 renamed and transferred the Department of Technology Services in the State and Consumer Services Agency to the Office of the Department of Technology Services within the office of the State Chief Information Officer, and renamed the Department of Technology Services Revolving Fund the Technology Services Revolving Fund, and made conforming changes. The plan also transferred duties relating to the state's procurement of information technology from the Department of Finance, the Department of General Services, and the Department of Information Technology to the office of the State Chief Information Officer.

This bill would make certain statutory codification changes made necessary by the Governor's Reorganization Plan No. 1 of 2009 in connection with the Technology Services Revolving Fund. This bill would also authorize the fund to receive revenues for other services rendered by the office of the State Chief Information Officer and to pay for other specified costs. The bill would authorize the office of the State Chief Information Officer to collect payments from public agencies for services requested from, rather than contracted for, the office of the State Chief Information Officer, as specified. The bill would also revise the conditions used to determine whether a balance remains in the Technology Services Revolving Fund at the end of a fiscal year to limit the amount that is used to determine a reduction in billing rates. The bill would provide that these provisions apply to all revenue earned on or after July 1, 2010.

(12) Existing law imposes a duty on the office of the State Chief Information Officer to be responsible for the approval and oversight of information technology projects, including, but not limited to, consulting

with agencies during initial project planning to ensure that identified needs and benefits are consistent with statewide strategies, policies, and procedures.

This bill would, notwithstanding any other law, require the office to review, approve, and oversee any service contract proposed to be entered into by an agency that contains an information technology component, as specified.

(13) Existing law establishes the Manufacturing Technology Program within the Business, Transportation and Housing Agency, requires the agency to adopt regulations to implement the program, and requires the program to award grants, as specified, and to provide technical assistance to California nonprofit organizations and public agencies for the performance of specified functions relating to the improvement of the competitiveness and viability of specified manufacturing industries.

This bill would repeal these laws thereby eliminating the Manufacturing Technology Program.

(14) Existing law establishes the Local Agency Investment Fund, in trust in the custody of the Treasurer, to which specified local governmental individuals and entities, with the required consent, may remit money in its treasury that is not required for immediate needs for the purpose of investment. Existing law requires, immediately at the conclusion of each calendar quarter, that all interest earned and other increment derived from investments be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts remained therein. Existing law requires, however, that an amount equal to the reasonable costs incurred in carrying out duties related to the administration of the fund, not to exceed ½ of 1% of the earnings of the fund, be deducted from the earnings prior to distribution, and that this amount be credited as reimbursements to the state agencies having incurred costs in carrying out duties related to the administration of the fund.

This bill would increase the amount authorized to be deducted from earnings prior to distribution to be an amount equal to the reasonable costs incurred in carrying out these provisions, not to exceed a maximum of 5% of the earnings of the fund and not to exceed the amount appropriated in the annual Budget Act for this function.

(15) Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law establishes a test claim procedure for local governmental agencies to file claims for reimbursement of these costs with the Commission on State Mandates.

This bill would authorize specified entities to request that the commission adopt a new test claim decision to supersede a previously adopted test claim. This bill would authorize the commission to adopt a new test claim decision only upon a showing that the state's liability for the previously adopted test

claim decision has been modified based upon a subsequent change in law, as defined.

This bill would require that the commission adopt procedures for receiving these requests and for providing notice and a hearing on those requests, as prescribed, including a requirement that the submitted request be signed under penalty of perjury. Because this bill would expand the scope of an existing crime, this bill would impose a state-mandated local program.

(16) Existing law prohibits the commission from determining that certain costs in a test claim are mandated by the state if the costs meet specified conditions, including, among others, where the challenged costs result from a statute or executive order that imposes requirements mandated by federal law or regulation. Existing law provides that this prohibition applies regardless of whether the federal mandate was enacted before or after the statute or executive order.

This bill would provide that the exceptions for the other specified conditions likewise remain applicable regardless of whether the conditions occurred before or after the enactment of the statute or the adoption of the executive order that is the subject of the test claim.

(17) Existing law requires that the commission adopt parameters and guidelines for the reimbursement of approved test claims. Existing law authorizes a local agency, school district, or the state to file a written request with the commission to amend, modify, or supplement the parameters and guidelines, as specified.

This bill would authorize these entities to file a written request with the commission to amend the parameters and guidelines, and prescribe the types of changes for which the request may be filed, including, among others, deleting a reimbursable activity that has been repealed by statute or executive order.

(18) Existing law requires the California Tax Credit Allocation Committee to allocate specified tax credits for purposes of low-income housing projects. Existing law requires the committee to establish and charge fees it determines are reasonably sufficient to cover the costs in carrying out the responsibilities related to the low-income housing credit program and to deposit these fees in the Tax Credit Allocation Fee Account and the Occupancy Compliance Monitoring Account for specified purposes.

Existing law also authorizes the Governor, in certain circumstances, to direct the Controller to make transfers of money from any special funds and other accounts to the General Cash Revolving Fund.

This bill would authorize the Controller to use the fees deposited in the Tax Credit Allocation Fee Account and the Occupancy Compliance Monitoring Account for daily cash flow loans to the General Fund or the General Cash Revolving Fund in accordance with specified provisions of existing law.

(19) Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an injured employee for injuries sustained in the course of his or her employment. Existing law requires that the

Director of Industrial Relations levy and collect assessments from employers in an amount determined by the director to be sufficient to fund specified workers' compensation programs implemented in the state. In that connection, existing law requires the director to include in the total assessment amount the Department of Industrial Relations' costs for administering the assessment, including the collections process and the cost of reimbursing the Franchise Tax Board for its cost of collection activities.

This bill would also require the director to include in the total assessment amount the department's costs for administering the assessment, including the collections process and the cost of reimbursing another agency or department other than the Franchise Tax Board.

(20) Existing law authorizes the Director of Industrial Relations, with the approval of the Director of Finance, to determine and assess a fee on any awarding body using funds derived from any bond issued by the state to fund public works projects, and requires the fees collected to be deposited in the State Public Works Enforcement Fund, a continuously appropriated fund.

This bill would require the fee to be payable by the board, commission, department, agency, or official responsible for the allocation of bond proceeds from the bond funds awarded to each project, at the time the funds are released to the project or any other time agreed upon by the department and the allocating entity.

(21) Existing law requires an awarding body that chooses to use funds from the Kindergarten-University Public Education Facilities Bond Act of 2002 or the Kindergarten-University Public Education Facilities Bond Act of 2004 for a public works project to pay a fee to the Department of Industrial Relations sufficient to support the department's costs in ensuring compliance with and enforcing prevailing wage requirements on the project and labor compliance, and requires the fees collected to be deposited in the State Public Works Enforcement Fund. Existing law requires the department to notify the State Allocation Board of awarding bodies that have paid the fee.

This bill would instead require the State Allocation Board to notify the department of awarding bodies that are awarded funds subject to the fee. This bill would also require the State Allocation Board to pay the fee to the department at the time bond funds are released to the awarding body.

(22) Existing law authorizes the awarding body for a public works project to not require the payment of the general prevailing rate of per diem wages on public works projects of specified sizes and types of work if the awarding body elects to meet certain requirements with regard to any public works project under its authority, including payment of a fee to the Department of Industrial Relations for the enforcement of prevailing wage obligations, in lieu of authorizing the awarding body to initiate and enforce a labor compliance program, for contracts awarded after the effective date of regulations and fees adopted by the department, as specified.

This bill would make technical, conforming changes to those provisions.

(23) Existing law requires that every apprentice employed upon public works, as defined, be paid the prevailing rate of per diem wages for

apprentices in the trade to which he or she is registered, and requires that the apprentice be employed only at the work of the craft or trade to which he or she is registered. Existing law requires a contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade, to contribute to the California Apprenticeship Council the same amount that the Director of Industrial Relations determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. Existing law requires that all training contributions received pursuant to those provisions be deposited in the Apprenticeship Training Contribution Fund, and continuously appropriates that fund for purposes related to apprenticeship training and to pay the expenses of the Division of Apprenticeship Standards.

This bill would eliminate this continuous appropriation and instead specify that, upon appropriation by the Legislature, all moneys in the fund be used for apprenticeship training and to pay the expenses of the Division of Apprenticeship Standards.

(24) Existing law requires the Department of Justice to maintain a master record of information pertaining to the identification and criminal history of persons, as specified. Existing law authorizes the department to provide that information to various entities for law enforcement and other purposes, as specified, including providing that information through the California Law Enforcement Telecommunications System.

This bill would authorize nonprofit organizations that are funded by certain federal grants or contracts for identifying, targeting, or removing criminal and terrorist conspiracies and activities to access local, state, or federal criminal justice system information that is available to law enforcement agencies, including access to the California Law Enforcement Telecommunications System, provided that the nonprofit organization meet state and federal requirements for access to that information or system.

(25) Existing law prohibits a county, city, city and county, or special district from hiring a person for employment or a volunteer to perform services, at a county, city, city and county, or special district operated park, playground, recreational center, or beach used for recreational purposes, in a position having supervisory or disciplinary authority over a minor, if that person has been convicted of specified offenses. Existing law requires a county, city, city and county, or special district to require each of those prospective employees and volunteers to complete an application that inquires as to whether that person has been convicted of one of those offenses, and imposes a screening requirement on the county, city, city and county, or special district with respect to those prospective employees and volunteers.

This bill would authorize a county, city, city and county, or special district to charge those prospective employees and volunteers a fee to cover all of the county, city, city and county, or special district's costs attributable to those requirements.

(26) The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle

subject to registration in this state in the amount of 2% of the market value of that vehicle, as specified. Existing law requires the Controller, in consultation with the Department of Motor Vehicles and the Department of Finance, to calculate certain allocation amounts with respect to the vehicle license fees paid by commercial vehicle operators, and to transfer moneys in those amounts from the General Fund.

This bill would eliminate the requirement that the Controller transfer one of the allocation amounts from the General Fund, as provided.

(27) Existing law prohibits the Franchise Tax Board and specified individuals who have access to certain documents filed with the board from disclosing information set forth in the documents, except as provided. Existing law authorizes the board to provide the Public Employees' Retirement System with identification and location information from income tax returns or other records solely for the purposes of disbursing unclaimed benefits and distributing member statements on an annual basis. Under existing law, unauthorized disclosure is a misdemeanor. Existing federal law establishes the Early Retiree Reinsurance Program, which provides federal reimbursement to participating employment-based group health benefits plans, as provided.

This bill would, until June 30, 2016, authorize the board to provide the Public Employees' Retirement System with identification and location information from income tax returns or other records for the purpose of filing required data pursuant to the federal Early Retiree Reinsurance Program and related regulations and departmental directives. By expanding the definition of a crime, the bill would impose a state-mandated local program.

(28) Existing law requires each employer to file with the Director of the Employment Development Department, within a specified time period for the payment of employer contributions, a report of contributions and a report of wages paid to his or her workers in the form and containing any information as the director prescribes. Existing law also requires every employer who pays wages to an employee for services performed in this state to withhold from those wages, except as provided, specified income taxes, to file specified reports with the director, and to pay the withheld taxes.

This bill would, instead, require each employer, beginning with the first calendar quarter of 2011, to file with the director a quarterly return, including certain information regarding the total amount of wages, employer contributions, worker contributions required to be withheld by the employer, taxes withheld, and any other information prescribed by the director, as specified.

Existing law also requires each employer, in addition to the aforementioned reports, to file with the director an annual reconciliation return showing specified information pertaining to amounts required to be withheld for employer contributions, as determined by wages and other specified criteria, and taxes withheld as prescribed.

This bill also would eliminate the requirement that an employer file an annual reconciliation form with the director beginning in the 2012 calendar year, and would make related changes.

(29) Existing law provides for unemployment compensation benefits for eligible individuals in the state who are unemployed through no fault of their own. Existing law, for new claims filed on or after a specified date, but no later than April 3, 2011, for which a valid claim or benefit year cannot be established under the currently defined base periods, establish alternative base periods, as provided. Existing law also requires a claimant to submit specified information regarding wages to the Employment Development Department via an affidavit, under specified conditions, and requires the department to implement the technical changes necessary to establish claims under the alternative base period, as specified, as soon as possible, but no later than April 3, 2011.

This bill would extend to September 3, 2011, the time period within which the department is required to implement those changes related to the establishment of unemployment compensation benefit claims under the alternative base period program.

Existing law requires the department, until April 3, 2013, to report to the Joint Legislative Budget Committee, no less than quarterly, on the progress and effectiveness of implementation of the alternative base period program, as specified.

This bill would extend to September 3, 2013, the period during which those reports are required to be provided to the Joint Legislative Budget Committee.

This bill would authorize the Department of Industrial Relations to enter into an agreement that transfers all or part of the responsibility from the Department of Industrial Relations, or any office or division within the department, to the Employment Development Department for the collection of items including, but not limited to, delinquent fees, wages, penalties, judgments, assessments, costs, citations, debts, and any interest thereon, arising out of the enforcement of any law within the jurisdiction of the department, in accordance with specified requirements.

(30) Existing law creates in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from certain Indian tribes pursuant to the terms of gaming compacts entered into with the state. Existing law authorizes moneys in that fund to be used for specified purposes, including for grants for the support of state and local government agencies impacted by tribal government gaming.

Existing law, until January 1, 2021, creates a County Tribal Casino Account in the treasury of each county that contains a tribal casino. Existing law requires the Controller to divide the County Tribal Casino Account for each county that has gaming devices that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund into a separate account, known as an Individual Tribal Casino Account, for each tribe that operates a casino within the county. Each Individual Tribal Casino Account is required to be funded in proportion to the amount that each

individual tribe paid in the prior fiscal year to the Indian Gaming Special Distribution Fund, and used for grants to local agencies impacted by tribal casinos, as specified.

This bill would appropriate $30,000,000 from the Indian Gaming Special Distribution Fund to restore funding deleted from the Budget Act of 2007 for the purpose of providing grants to local government agencies impacted by tribal government gaming under the provisions described above.

(31) The Budget Act of 2009 (Chapter 1 of the 2009–10 3rd Extraordinary Session) and revisions to the Budget Act of 2009 (Chapter 1 of the 2009–10 4th Extraordinary Session) made appropriations for the support of state government during the 2009–10 fiscal year.

This bill would make an additional appropriation of moneys from the DNA Identification Fund to the Department of Justice for its support.

(32) Existing law gives the Citizens Redistricting Commission the responsibility for redrawing district boundaries for state Senate, Assembly, and Board of Equalization districts after each national decennial census. Existing law further directs the State Auditor to oversee the selection of members of the commission, and directs the Secretary of State to assist the commission in carrying out its redistricting responsibilities. Existing law requires the Legislature to include in the Budget Act, in each year ending in 9, an appropriation to meet the expenses of the commission, the State Auditor, and the Secretary of State in implementing the redistricting process. The appropriation is required to be a minimum of $3,000,000 and is required to be available for a 3-year period. The Legislature is permitted to make additional appropriations in any year in which it determines that the commission requires additional funding. The Budget Act of 2009 appropriated $3,000,000 for allocation by the Director of Finance among the Citizens Redistricting Commission, the Secretary of State, and the Bureau of State Audits to meet the expenses of those entities in implementing the redistricting process in connection with the 2010 national census.

This bill would provide that funds appropriated in the Budget Act of 2009 for expenses of the commission, the Secretary of State, and the Bureau of State Audits in connection with implementing the redistricting process shall be available until June 30, 2012, and would further provide that funds allocated pursuant to the Budget Act of 2010 for those purposes shall be available until June 30, 2013. The bill would prohibit those funds from being allocated by the Director of Finance until the State Auditor has selected the first 8 members of the commission and the Department of Finance has submitted to the Joint Legislative Budget Committee a 30-days' notice of intent to allocate those funds. The bill would require, in order for the Bureau of State Audits to receive an allocation of funds, that the bureau submit a request with a detailed cost estimate to the Chairperson of the Joint Legislative Budget Committee and the Director of Finance, and that the chairperson of the joint committee provide a written notification to the director that the requested allocation, or a lesser amount, is needed to carry out expenses of the bureau as set forth in the detailed cost estimate.

(33) Existing law creates the California Infrastructure and Economic Development Bank for the purpose of, among other things, providing financial assistance for public development facilities located in California. Existing law establishes the California Infrastructure Guarantee Trust Fund within which there is a guarantee reserve account to fund secure commitments under contracts to guarantee all or part of the bonds in the bank. Existing law permits the Legislature to establish for the guarantee reserve account a reserve account requirement. Existing law requires the bank to take all reasonable steps to maintain the reserve account requirement, and if the bank determines that the amount in the reserve account is below the reserve account requirement, the executive director of the bank is to certify to various parties in the Legislature the sum required to restore the reserve fund to the requirement, and upon making the certification, request an appropriation. Existing law provides that the obligation of the bank and the state to pay any guarantee is a limited obligation of the bank payable solely from amounts deposited in the guarantee trust fund that are made available under the respective contracts of guarantee, and prohibits the guarantee of loans or bonds from directly, indirectly, or contingently obligating the state to levy or to pledge any form of taxation or to make any appropriation for their payment. In 2003, the California Infrastructure and Economic Development Bank and the Imperial Irrigation District entered into a preliminary loan guarantee agreement.

This bill would require that funds in the California Infrastructure Guarantee Trust Fund, as of January 1, 2010, held for the benefit of the Imperial Irrigation District, be deposited in a guarantee reserve account in the fund, which the bill would establish, and would provide that this amount is the reserve account requirement, as specified, for the purpose of meeting the obligations of the Imperial Irrigation District up to $150,000,000 in connection with certain water agreements. The bill would require that the California Infrastructure and Economic Development Bank guarantee certain bonds relating to the Imperial Irrigation District projects, and that the reserve account be paid for the benefit of bondholders in the event of a shortfall, as specified. The bill would specify the characteristics of these bonds, and would establish the limits of the liability of the Imperial Irrigation District, the California Infrastructure and Economic Development Bank, and the state in connection to them.

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

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

(35) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

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

SECTION 1. Section 154.2 is added to the Business and Professions Code, to read:

154.2. (a) The healing arts boards within Division 2 (commencing with Section 500) may employ individuals, other than peace officers, to perform investigative services.

(b) The healing arts boards within Division 2 (commencing with Section 500) may employ individuals to serve as experts.

SEC. 2. Section 159.5 of the Business and Professions Code is amended to read:

159.5. There is in the department the Division of Investigation. The division is in the charge of a person with the title of chief of the division.

Except as provided in Section 160, investigators who have the authority of peace officers, as specified in subdivision (a) of Section 160 and in subdivision (a) of Section 830.3 of the Penal Code, shall be in the division and shall be appointed by the director.

SEC. 3. Section 160 of the Business and Professions Code is amended to read:

160. (a) The Chief and all investigators of the Division of Investigation of the department and all investigators of the Medical Board of California and the Dental Board of California have the authority of peace officers while engaged in exercising the powers granted or performing the duties imposed upon them or the division in investigating the laws administered by the various boards comprising the department or commencing directly or indirectly any criminal prosecution arising from any investigation conducted under these laws. All persons herein referred to shall be deemed to be acting within the scope of employment with respect to all acts and matters set forth in this section.

(b) The Division of Investigation of the department, the Medical Board of California, and the Dental Board of California may employ individuals, who are not peace officers, to provide investigative services.

SEC. 4. Section 210 is added to the Business and Professions Code, to read:

210. (a) (1) The department may enter into a contract with a vendor for the BreEZe system, the integrated, enterprisewide enforcement case management and licensing system described in the department's strategic plan, no sooner than 30 days after notification in writing to the chairpersons of the Appropriations Committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

(2) The amount of BreEZe system vendor contract funds, authorized pursuant to this section, shall be consistent with the project costs approved by the office of the State Chief Information Officer based on its review and approval of the most recent BreEZe Special Project Report to be submitted by the department prior to contract award at the conclusion of procurement activities.

(3) Paragraph (2) shall apply to all Budget Act items for the department that have an appropriation for the BreEZe system.

(b) (1) If the department enters into a contract with a vendor for the BreEZe system pursuant to subdivision (a), the department shall, by December 31, 2014, submit to the Legislature, the Senate Committee on Business, Professions and Economic Development, the Assembly Committee on Business, Professions and Consumer Protection, and the budget committees of each house, a report analyzing the workload of licensing personnel employed by boards within the department participating in the BreEZe system.

(2) A report to the Legislature pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(3) This subdivision shall become inoperative on December 1, 2018, pursuant to Section 10231.5 of the Government Code.

SEC. 5. Section 23399 of the Business and Professions Code is amended to read:

23399. (a) An on-sale general license authorizes the sale of beer, wine, and distilled spirits for consumption on the premises where sold. Any licensee under an on-sale general license, an on-sale beer and wine license, a club license, or a veterans' club license may apply to the department for a caterer's permit. A caterer's permit under an on-sale general license shall authorize the sale of beer, wine, and distilled spirits for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events held any place in the state approved by the department. A caterer's permit under an on-sale beer and wine license shall authorize the sale of beer and wine for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events held any place in the state approved by the department. A caterer's permit under a club license or a veterans' club license shall authorize sales at these events only upon the licensed club premises.

(b) Any licensee under an on-sale general license or an on-sale beer and wine license may apply to the department for an event permit. An event permit under an on-sale general license or an on-sale beer and wine license shall authorize, at events held no more frequently than four days in any single calendar year, the sale of beer, wine, and distilled spirits only under an on-sale general license or beer and wine only under an on-sale beer and wine license for consumption on property adjacent to the licensed premises and owned or under the control of the licensee. This property shall be secured and controlled by the licensee and not visible to the general public.

(c) This section shall in no way limit the power of the department to issue special licenses under the provisions of Section 24045 or to issue daily on-sale general licenses under the provisions of Section 24045.1. Consent for sales at each event shall be first obtained from the department in the form of a catering or event authorization issued pursuant to rules prescribed by it. Any event authorization shall be subject to approval by the appropriate local law enforcement agency. The fee for each catering or event authorization shall be issued at a fee not to exceed twenty-five dollars ($25)

and this fee shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

(d) At all approved events, the licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the act pertaining to the conduct of on-sale premises and violation of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises.

(e) The fee for a caterer's permit for a licensee under an on-sale general license, a caterer's permit for a licensee under an on-sale beer and wine license, or an event permit for a licensee under an on-sale general license or an on-sale beer and wine license shall be one hundred four dollars ($104) for permits issued during the 2002 calendar year, one hundred seven dollars ($107) for permits issued during the 2003 calendar year, one hundred ten dollars ($110) for permits issued during the 2004 calendar year, and for permits issued during the years thereafter, the annual fee shall be calculated pursuant to subdivisions (b) and (c) of Section 23320, and the fee for a caterer's permit for a licensee under a club license or a veterans' club license shall be as specified in Section 23320, and the permit may be renewable annually at the same time as the licensee's license. A caterer's or event permit shall be transferable as a part of the license.

SEC. 6. Section 23954.5 of the Business and Professions Code is amended to read:

23954.5. (a) An applicant for an original on-sale general license shall, at the time of filing the application for the license, accompany the application with a fee as determined by the department pursuant to subdivision (b) of this section. At the time of filing an application for a license, an applicant for an original on-sale general license for seasonal business shall accompany the application with a fee as determined by the department pursuant to subdivision (b) of this section. An applicant for an original on-sale beer and wine license shall accompany the application with a fee of three hundred dollars ($300). An applicant for an original on-sale beer license shall accompany the application with a fee of two hundred dollars ($200). An applicant for an original off-sale general license shall, at the time of filing the application for the license, accompany the application with a fee as determined by the department pursuant to subdivision (b) of this section. An applicant for an original off-sale beer and wine license or an original license not specified in this section, shall accompany the application with a fee of one hundred dollars ($100).

"Original on-sale general license," "original on-sale general license for seasonal business," "original on-sale beer and wine license," "original on-sale beer license," "original off-sale general license," and "original off-sale beer and wine license," as used in this division, do not include a license issued upon renewal or transfer of a license.

(b) The fee for an original on-sale general license or an original off-sale general license shall be thirteen thousand eight hundred dollars ($13,800).

Beginning January 1, 2011, and each January thereafter, the department may adjust this fee as provided in subdivisions (c) and (d) of Section 23320.

(c) All money collected from the fees provided for in this section shall be in the Alcohol Beverage Control Fund as provided in Section 25761.

SEC. 7. Section 337.5 of the Code of Civil Procedure is amended to read:

337.5. Within 10 years:

(a) An action upon any general obligation bonds or coupons, not secured in whole or in part by a lien on real property, issued by any county, city and county, municipal corporation, district (including school districts), or other political subdivision of the State of California.

(b) An action upon a judgment or decree of any court of the United States or of any state within the United States.

SEC. 8. Section 348.5 is added to the Code of Civil Procedure, to read:

348.5. An action upon any bonds or coupons issued by the State of California shall have no limitation.

SEC. 9. Section 94874.3 is added to the Education Code, to read:

94874.3. (a) For the period July 1, 2010, to July 1, 2011, inclusive, the bureau shall not enforce this chapter against an institution that offers flight instruction or an institution that offers Federal Aviation Administration certified educational programs in aircraft maintenance.

(b) An institution identified in subdivision (a) shall notify the bureau if the institution operates during the period of July 1, 2010, to July 1, 2011, inclusive.

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

SEC. 10. Section 94949 of the Education Code is amended to read:

94949. (a) On or before October 1, 2013, the Legislative Analyst's Office shall report to the Legislature and the Governor on the appropriateness of the exemptions provided in this chapter, with particular attention to the exemptions provided by Article 4 (commencing with Section 94874) that are based on accreditation. The report shall examine and make recommendations regarding the degree to which regional and national accrediting agencies provide oversight of institutions and protection of student interests, whether that oversight results in the same level of protection of students as provided by this chapter, and whether the exemptions provided in Article 4 (commencing with Section 94874) that are based on accreditation should be continued, adjusted, or removed.

(b) (1) On or before August 1, 2013, the bureau shall contract with the Bureau of State Audits to conduct a performance audit to evaluate the effectiveness and efficiency of the bureau's operations, consistent with the requirements of this chapter, and the Bureau of State Audits shall report the results of that audit to the Legislature and the Governor.

(2) The performance audit required by paragraph (1) shall include, but shall not be limited to, an evaluation of all of the following:

(A) The Student Tuition Recovery Fund, including the adequacy of its balance; the quality, timeliness, and consistency of claims processing; and the degree to which it has been, or will be, able to reimburse tuition for students.

(B) The bureau's enforcement program, including the means by which the bureau makes students and school employees aware of their ability to file complaints; the average time for investigating complaints; the standards for referring complaints to investigation; the average time to complete investigations; the adequacy of the bureau's inspections; the bureau's record of imposing discipline; the bureau's record of initiating investigations based upon publicly available information; the bureau's record of coordinating with law enforcement and public prosecutors; and whether the bureau has the enforcement resources necessary to protect consumers and ensure a fair and prompt resolution of complaints and investigations for both students and institutions.

(C) The bureau's efforts with respect to, and extent of institution compliance with, the public and student disclosure requirements of this chapter.

(D) Whether the bureau's staffing level and expertise are sufficient to fulfill its statutory responsibilities.

(c) Bureau staff and management shall cooperate with the Legislative Analyst's Office and the Bureau of State Audits and shall provide those agencies with access to data, case files, employees, and information as those agencies may, in their discretion, require for the purposes of this section.

SEC. 11. Section 926.16 of the Government Code is repealed.

SEC. 12. Section 926.19 of the Government Code is repealed.

SEC. 13. Section 927 of the Government Code is amended to read:

927. (a) This chapter shall be known and may be cited as the California Prompt Payment Act.

(b) It is the intent of the Legislature that state agencies pay properly submitted, undisputed invoices, refunds, or other undisputed payments due to individuals within 45 days of receipt or notification thereof, or automatically calculate and pay the appropriate late payment penalties as specified in this chapter.

(c) Notwithstanding any other provision of law, this chapter shall apply to all state agencies, including, but not limited to, the Public Employees' Retirement System, the State Teachers' Retirement System, the Treasurer, and the Department of General Services.

SEC. 14. Section 927.2 of the Government Code is amended to read:

927.2. The following definitions apply to this chapter:

(a) "Claim schedule" means a schedule of payment requests prepared and submitted by a state agency to the Controller for payment to the named claimant.

(b) "Grant" means a signed final agreement between any state agency and a local government agency or organization authorized to accept grant funding for victim services or prevention programs administered by any state agency. Any such grant is a contract and subject to this chapter.

(c) "Invoice" means a bill or claim that requests payment on a contract under which a state agency acquires property or services or pursuant to a signed final grant agreement.

(d) "Medi-Cal program" means the program established pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.

(e) "Nonprofit public benefit corporation" means a corporation, as defined by subdivision (b) of Section 5046 of the Corporations Code, that has registered with the Department of General Services as a small business.

(f) "Nonprofit service organization" means a nonprofit entity that is organized to provide services to the public.

(g) "Notice of refund or other payment due" means a state agency provides notice to the person that a refund or payment is owed to that person or the state agency receives notice from the person that a refund or undisputed payment is due.

(h) "Payment" means any form of the act of paying, including, but not limited to, the issuance of a warrant or a registered warrant by the Controller, or the issuance of a revolving fund check by a state agency, to a claimant in the amount of an undisputed invoice.

(i) "Reasonable cause" means a determination by a state agency that any of the following conditions are present:

(1) There is a discrepancy between the invoice or claimed amount and the provisions of the contract or grant.

(2) There is a discrepancy between the invoice or claimed amount and either the claimant's actual delivery of property or services to the state or the state's acceptance of those deliveries.

(3) Additional evidence supporting the validity of the invoice or claimed amount is required to be provided to the state agency by the claimant.

(4) The invoice has been improperly executed or needs to be corrected by the claimant.

(5) There is a discrepancy between the refund or other payment due as calculated by the person to whom the money is owed and by the state agency.

(j) "Received by a state agency" means the date an invoice is delivered to the state location or party specified in the contract or grant or, if a state location or party is not specified in the contract or grant, wherever otherwise specified by the state agency.

(k) "Required payment approval date" means the date on which payment is due as specified in a contract or grant or, if a specific date is not established by the contract or grant, 30 calendar days following the date upon which an undisputed invoice is received by a state agency.

(*l*) "Revolving fund" means a fund established pursuant to Article 5 (commencing with Section 16400) of Division 4 of Title 2.

(m) "Small business" means a business certified as a "small business" in accordance with subdivision (d) of Section 14837.

(n) "Small business" and "nonprofit organization" mean, in reference to providers under the Medi-Cal program, a business or organization that meets all of the following criteria:

(1) The principal office is located in California.
(2) The officers, if any, are domiciled in California.
(3) If a small business, it is independently owned and operated.
(4) The business or organization is not dominant in its field of operation.
(5) Together with any affiliates, the business or organization has gross receipts from business operations that do not exceed three million dollars ($3,000,000) per year, except that the Director of Health Services may increase this amount if the director deems that this action would be in furtherance of the intent of this chapter.

SEC. 15. Section 927.3 of the Government Code is amended to read:

927.3. (a) Except where payment is made directly by a state agency pursuant to Section 927.6, an undisputed invoice received by a state agency shall be submitted to the Controller for payment by the required payment approval date. A state agency may dispute an invoice submitted by a claimant for reasonable cause if the state agency notifies the claimant within 15 working days from receipt of the invoice, or delivery of property or services, whichever is later. No state employee shall dispute an invoice, on the basis of minor or technical defects, in order to circumvent or avoid the general intent or any of the specific provisions of this chapter.

(b) Except where payment is made directly by a state agency pursuant to Section 927.13, a notice of refund or other payment due received by a state agency shall be submitted to the Controller within 30 calendar days of the agency's receipt of the notice. A state agency may dispute a refund request for reasonable cause if the state agency notifies the claimant within 15 working days after the state agency receives notice from the individual that the refund is due.

SEC. 16. Section 927.5 of the Government Code is amended to read:

927.5. This chapter shall not apply to claims for reimbursement for health care services provided under the Medi-Cal program, unless the Medi-Cal health care services provider is a small business or nonprofit organization. In applying this section to claims submitted to the state, or its fiscal intermediary, by providers of services or equipment under the Medi-Cal program, payment for claims shall be due 30 days after a claim is received by the state or its fiscal intermediary, unless reasonable cause for nonpayment exists. With regard to Medi-Cal claims, reasonable cause shall include review of claims to determine medical necessity, review of claims for providers subject to special prepayment fraud and abuse controls, and claims that require review by the fiscal intermediary or State Department of Health Care Services due to special circumstances. Claims requiring special review as specified above shall not be eligible for a late payment penalty.

SEC. 17. Section 927.6 of the Government Code is amended to read:

927.6. (a) State agencies shall pay applicable penalties, without requiring that the claimant submit an additional invoice for these amounts, whenever the state agency fails to submit a correct claim schedule to the Controller by the required payment approval date and payment is not issued within 45 calendar days from the state agency receipt of an undisputed invoice. The

penalty shall cease to accrue on the date the state agency submits the claim schedule to the Controller for payment or pays the claimant directly, and shall be paid for out of the state agency's support appropriation. If the claimant is a certified small business, a nonprofit organization, a nonprofit public benefit corporation, or a small business or nonprofit organization that provides services or equipment under the Medi-Cal program, the state agency shall pay to the claimant a penalty at a rate of 10 percent above the United States Prime Rate on June 30 of the prior fiscal year. However, a nonprofit organization shall only be eligible to receive a penalty payment if it has been awarded a contract or grant in an amount less than five hundred thousand dollars ($500,000). If the amount of the penalty is ten dollars ($10) or less, the penalty shall be waived and not paid by the state agency.

(b) For all other businesses, the state agency shall pay a penalty at a rate of 1 percent above the Pooled Money Investment Account daily rate on June 30 of the prior fiscal year, not to exceed a rate of 15 percent. If the amount of the penalty is one hundred dollars ($100) or less, the penalty shall be waived and not paid by the state agency. On an exception basis, state agencies may avoid payment of penalties for failure to submit a correct claim schedule to the Controller by the required payment approval date by paying the claimant directly from the state agency's revolving fund within 45 calendar days following the date upon which an undisputed invoice is received by the state agency.

SEC. 18. Section 927.7 of the Government Code is amended to read:

927.7. The Controller shall pay claimants within 15 calendar days of receipt of a correct claim schedule from the state agency. If the Controller fails to make payment within 15 calendar days of receipt of the claim schedule from a state agency, and payment is not issued within 45 calendar days from state agency receipt of an undisputed invoice, the Controller shall pay applicable penalties to the claimant without requiring that the claimant submit an invoice for these amounts. Penalties shall cease to accrue on the date full payment is made, and shall be paid for out of the Controller's funds. If the claimant is a certified small business, a nonprofit organization, a nonprofit public benefit corporation, or a small business or nonprofit organization that provides services or equipment under the Medi-Cal program, the Controller shall pay to the claimant a penalty at a rate of 10 percent above the United States Prime Rate on June 30 of the prior fiscal year, from the 16th calendar day following receipt of the claim schedule from the state agency. However, a nonprofit organization shall only be eligible to receive a penalty payment if it has been awarded a contract or grant in an amount less than five hundred thousand dollars ($500,000). If the amount of the penalty is ten dollars ($10) or less, the penalty shall be waived and not paid by the Controller. For all other businesses, the Controller shall pay penalties at a rate of 1 percent above the Pooled Money Investment Account daily rate on June 30 of the prior fiscal year, not to exceed a rate of 15 percent. If the amount of the penalty is one hundred dollars ($100) or less, the penalty shall be waived and not paid by the Controller.

SEC. 19. Section 927.9 of the Government Code is amended to read:

927.9. (a) On an annual basis, within 90 calendar days following the end of each fiscal year, state agencies shall provide the Director of General Services with a report on late payment penalties that were paid by the state agency in accordance with this chapter during the preceding fiscal year.

(b) The report shall separately identify the total number and dollar amount of late payment penalties paid to small businesses, other businesses, and refunds or other payments to individuals. State agencies may, at their own initiative, provide the director with other relevant performance measures. The director shall prepare a report separately listing the number and total dollar amount of all late payment penalties paid to small businesses, other businesses, and refunds and other payments to individuals by each state agency during the preceding fiscal year, together with other relevant performance measures, and shall make the information available to the public.

SEC. 20. Section 927.13 is added to the Government Code, to read:

927.13. (a) Unless otherwise provided for by statute, any state agency that fails to submit a correct claim schedule to the Controller within 30 days of receipt of a notice of refund or other payment due, and fails to issue payment within 45 days from the notice of refund or other payment due, shall be liable for penalties on the undisputed amount pursuant to this section. The penalties shall be paid out of the agency's funds at a rate equal to the Pooled Money Investment Account daily rate on June 30 of the prior fiscal year minus 1 percent. The penalties shall cease to accrue on the date full payment or refund is made. If the amount of the penalty is ten dollars ($10) or less, the penalty shall be waived and not paid by the state agency. On an exception basis, state agencies may avoid payment of penalties for failure to submit a correct claim schedule to the Controller by paying the claimant directly from the state agency's revolving fund within 45 calendar days following the agency's receipt of the notice of refund or other payment due.

(b) The Controller shall pay claimants within 15 calendar days of receipt of a correct claim schedule from the state agency. If the Controller fails to make payment within 15 calendar days of receipt of the claim schedule from a state agency, and payment is not issued within 45 calendar days following the agency's receipt of a notice of refund or undisputed payment due, the Controller shall pay applicable penalties to the claimant. Penalties shall cease to accrue on the date full payment is made, and shall be paid out of the Controller's funds. If the amount of the penalty is ten dollars ($10) or less, the penalty shall be waived and not paid by the Controller.

(c) No person shall receive an interest payment pursuant to this section if it is determined that the person has intentionally overpaid on a liability solely for the purpose of receiving a penalty payment.

(d) No penalty shall accrue during any time period for which there is no Budget Act in effect, nor on any payment or refund that is the result of a federally mandated program or that is directly dependent upon the receipt of federal funds by a state agency.

(e) This section shall not apply to any of the following:

(1) Payments, refunds, or credits for income tax purposes.

(2) Payment of claims for reimbursement for health care services or mental health services provided under the Medi-Cal program, pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.

(3) Any payment made pursuant to a public social service or public health program to a recipient of benefits under that program.

(4) Payments made on claims by the California Victim Compensation and Government Claims Board.

(5) Payments made by the Commission on State Mandates.

(6) Payments made by the Department of Personnel Administration pursuant to Section 19823.

SEC. 21. Section 7072.3 is added to the Government Code, to read:

7072.3. The department shall deposit funds collected pursuant to subdivision (c) of Section 7076, subdivision (a) of Section 7097.1, and subdivision (a) of Section 7114.2 into the Enterprise Zone Fund, which is hereby created in the State Treasury. Moneys deposited into the fund shall be available to the department, upon appropriation by the Legislature, for expenditure in carrying out the provisions of this chapter, Chapter 12.93 (commencing with Section 7097), and Chapter 12.97 (commencing with Section 7105), including, but not limited to, establishing a reasonable reserve in the fund.

SEC. 22. Section 7076 of the Government Code is amended to read:

7076. (a) (1) The department shall provide technical assistance to the enterprise zones designated pursuant to this chapter with respect to all of the following activities:

(A) Furnish limited onsite assistance to the enterprise zones when appropriate.

(B) Ensure that the locality has developed a method to make residents, businesses, and neighborhood organizations aware of the opportunities to participate in the program.

(C) Help the locality develop a marketing program for the enterprise zone.

(D) Coordinate activities of other state agencies regarding the enterprise zones.

(E) Monitor the progress of the program.

(F) Help businesses to participate in the program.

(2) Notwithstanding existing law, the provision of services in subparagraphs (A) to (F), inclusive, shall be a high priority of the department.

(3) The department may, at its discretion, undertake other activities in providing management and technical assistance for successful implementation of this chapter.

(b) The applicant shall be required to begin implementation of the enterprise zone plan contained in the final application within six months after notification of final designation or the enterprise zone shall lose its designation.

(c) The department shall assess a fee of fifteen dollars ($15) on each enterprise zone and manufacturing enhancement area for each application

for issuance of a certificate pursuant to subdivision (j) of Section 17053.47 of, subdivision (c) of Section 17053.74 of, subdivision (c) of Section 23622.7 of, or subdivision (i) of Section 23622.8 of, the Revenue and Taxation Code. The department shall collect the fee for deposit into the Enterprise Zone Fund, pursuant to Section 7072.3, for the costs of administering this chapter. The enterprise zone or manufacturing enhancement area administrator shall collect this fee at the time an application is submitted for issuance of a certificate.

SEC. 23. Section 7097.1 of the Government Code is amended to read:

7097.1. (a) The department shall assess each targeted tax area a fee of fifteen dollars ($15) for each application for issuance of a certificate pursuant to subdivision (d) of Section 17053.34 of the Revenue and Taxation Code and subdivision (d) of Section 23634 of the Revenue and Taxation Code. The department shall collect the fee for deposit into the Enterprise Zone Fund, pursuant to Section 7072.3, for the costs of administering this chapter. The targeted tax area administrator shall collect this fee at the time an application is submitted for issuance of a certificate.

(b) The department shall adopt regulations governing the issuance of certificates pursuant to subdivision (d) of Section 17053.34 and subdivision (d) of Section 23634 of the Revenue and Taxation Code. The adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding subdivision (c) of Section 11346.1, the regulations shall remain in effect for not more than 360 days unless the department complies with all the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 as required by subdivision (e) of Section 11346.1.

SEC. 24. Section 7114.2 of the Government Code is amended to read:

7114.2. (a) The department shall assess each LAMBRA a fee of fifteen dollars ($15) for each application for issuance of a certificate pursuant to subdivision (c) of Section 17053.46 of the Revenue and Taxation Code and subdivision (c) of Section 23646 of the Revenue and Taxation Code. The department shall collect the fee for deposit into the Enterprise Zone Fund, pursuant to Section 7072.3, for the costs of administering this chapter. The LAMBRA administrator shall collect this fee at the time an application is submitted for issuance of a certificate.

(b) The department shall adopt regulations governing the imposition and collection of fees pursuant to this section and the issuance of certificates pursuant to subdivision (c) of Section 17053.46 of the Revenue and Taxation Code and subdivision (c) of Section 23646 of the Revenue and Taxation Code. The regulations shall provide for a notice or invoice to fee payers as to the amount and purpose of the fee. The adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding subdivision (e) of Section 11346.1, the regulations shall remain in effect for no more than 360 days unless the agency complies with all the provisions

of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 as required by subdivision (e) of Section 11346.1.

SEC. 25. Section 7591 of the Government Code is amended to read:

7591. (a) The amount of fifteen million dollars ($15,000,000) is appropriated, subject to subdivision (b), from the General Fund to the Trade and Commerce Agency for a loan for allocation over three years in three equal amounts to that nonprofit organization currently named the San Diego National Sports Training Foundation, for purposes of developing and constructing, with the participation and advice of the United States Olympic Committee, a California Olympic Training Center.

(b) The loan allocations provided for by this section shall be made no earlier than December 31, of 1990, 1991, and 1992, and shall be made only if the San Diego National Sports Training Foundation is able and willing by each of those dates to provide the sum of five million dollars ($5,000,000), for purposes of developing and constructing, with the participation and advice of the United States Olympic Committee, a California Olympic Training Center.

(c) Notwithstanding any other provision of law, any outstanding loan balance and any accrued interest that exist on the operative date of the act adding this subdivision shall not be required to be repaid.

SEC. 26. Section 7592 of the Government Code is amended to read:

7592. There is in the General Fund the California Olympic Training Account. The account shall consist of those revenues derived from the additional vehicle registration fees provided for in Section 5023 of the Vehicle Code and shall be annually transferred to the General Fund by the Controller.

SEC. 27. Section 11544 of the Government Code, as added by Section 1 of Chapter 533 of the Statutes of 2006, is amended to read:

11544. (a) The Technology Services Revolving Fund, hereafter known as the fund, is hereby created within the State Treasury. The fund shall be administered by the State Chief Information Officer to receive all revenues from the sale of technology or technology services provided for in this chapter, for other services rendered by the office of the State Chief Information Officer, and all other moneys properly credited to the office of the State Chief Information Officer from any other source, to pay, upon appropriation by the Legislature, all costs arising from this chapter and rendering of services to state and other public agencies, including, but not limited to, employment and compensation of necessary personnel and expenses, such as operating and other expenses of the board and the office of the State Chief Information Officer, and costs associated with approved information technology projects, and to establish reserves. At the discretion of the State Chief Information Officer, segregated, dedicated accounts within the fund may be established. The amendments made to this section by the act adding this sentence shall apply to all revenues earned on or after July 1, 2010.

(b) The fund shall consist of all of the following:

(1) Moneys appropriated and made available by the Legislature for the purposes of this chapter.

(2) Any other moneys that may be made available to the office of the State Chief Information Officer from any other source, including the return from investments of moneys by the Treasurer.

(c) The office of the State Chief Information Officer may collect payments from public agencies for providing services to those agencies that the agencies have requested from the office of the State Chief Information Officer. The office of the State Chief Information Officer may require monthly payments by client agencies for the services the agencies have requested. Pursuant to Section 11255, the Controller shall transfer any amounts so authorized by the office of the State Chief Information Officer, consistent with the annual budget of each department, to the fund. The office of the State Chief Information Officer shall notify each affected state agency upon requesting the Controller to make the transfer.

(d) At the end of any fiscal year, if the balance remaining in the fund at the end of that fiscal year exceeds 25 percent of the portion of the office of the State Chief Information Officer's current fiscal year budget used for support of data center and other client services, the excess amount shall be used to reduce the billing rates for services rendered during the following fiscal year.

SEC. 28. Section 11546.4 is added to the Government Code, to read:

11546.4. Notwithstanding any other law, any service contract proposed to be entered into by an agency that would not otherwise be subject to review, approval, or oversight by the office of the State Chief Information Officer but that contains an information technology component that would be subject to oversight by the office of the State Chief Information Officer if it was a separate information technology project, shall be subject to review, approval, and oversight by the office of the State Chief Information Officer as set forth in Section 11546.

SEC. 29. Chapter 2 (commencing with Section 13996) of Part 4.7 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 30. Section 16429.1 of the Government Code is amended to read:

16429.1. (a) There is in trust in the custody of the Treasurer the Local Agency Investment Fund, which fund is hereby created. The Controller shall maintain a separate account for each governmental unit having deposits in this fund.

(b) Notwithstanding any other provisions of law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(c) Notwithstanding any other provisions of law, an officer of any nonprofit corporation whose membership is confined to public agencies or public officials, or an officer of a qualified quasi-governmental agency, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the

Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(d) Notwithstanding any other provision of law or of this section, a local agency, with the approval of its governing body, may deposit in the Local Agency Investment Fund proceeds of the issuance of bonds, notes, certificates of participation, or other evidences of indebtedness of the agency pending expenditure of the proceeds for the authorized purpose of their issuance. In connection with these deposits of proceeds, the Local Agency Investment Fund is authorized to receive and disburse moneys, and to provide information, directly with or to an authorized officer of a trustee or fiscal agent engaged by the local agency, the Local Agency Investment Fund is authorized to hold investments in the name and for the account of that trustee or fiscal agent, and the Controller shall maintain a separate account for each deposit of proceeds.

(e) The local governmental unit, the nonprofit corporation, or the quasi-governmental agency has the exclusive determination of the length of time its money will be on deposit with the Treasurer.

(f) The trustee or fiscal agent of the local governmental unit has the exclusive determination of the length of time proceeds from the issuance of bonds will be on deposit with the Treasurer.

(g) The Local Investment Advisory Board shall determine those quasi-governmental agencies which qualify to participate in the Local Agency Investment Fund.

(h) The Treasurer may refuse to accept deposits into the fund if, in the judgment of the Treasurer, the deposit would adversely affect the state's portfolio.

(i) The Treasurer may invest the money of the fund in securities prescribed in Section 16430. The Treasurer may elect to have the money of the fund invested through the Surplus Money Investment Fund as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(j) Money in the fund shall be invested to achieve the objective of the fund which is to realize the maximum return consistent with safe and prudent treasury management.

(k) All instruments of title of all investments of the fund shall remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.

(*l*) Immediately at the conclusion of each calendar quarter, all interest earned and other increment derived from investments shall be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the Local Agency Investment Fund and the length of time the amounts remained therein. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of 5 percent of the

earnings of this fund and not to exceed the amount appropriated in the annual Budget Act for this function, shall be deducted from the earnings prior to distribution. The amount of this deduction shall be credited as reimbursements to the state agencies, including the Treasurer, the Controller, and the Department of Finance, having incurred costs in carrying out the provisions of this section.

(m) The Treasurer shall prepare for distribution a monthly report of investments made during the preceding month.

(n) As used in this section, "local agency," "local governmental unit," and "local governmental official" includes a campus or other unit and an official, respectively, of the California State University who deposits moneys in funds described in Sections 89721, 89722, and 89725 of the Education Code.

SEC. 31. Section 17556 of the Government Code is amended to read:

17556. The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency or school district, if, after a hearing, the commission finds any one of the following:

(a) The claim is submitted by a local agency or school district that requests or previously requested legislative authority for that local agency or school district to implement the program specified in the statute, and that statute imposes costs upon that local agency or school district requesting the legislative authority. A resolution from the governing body or a letter from a delegated representative of the governing body of a local agency or school district that requests authorization for that local agency or school district to implement a given program shall constitute a request within the meaning of this subdivision. This subdivision applies regardless of whether the resolution from the governing body or a letter from a delegated representative of the governing body was adopted or sent prior to or after the date on which the statute or executive order was enacted or issued.

(b) The statute or executive order affirmed for the state a mandate that has been declared existing law or regulation by action of the courts. This subdivision applies regardless of whether the action of the courts occurred prior to or after the date on which the statute or executive order was enacted or issued.

(c) The statute or executive order imposes a requirement that is mandated by a federal law or regulation and results in costs mandated by the federal government, unless the statute or executive order mandates costs that exceed the mandate in that federal law or regulation. This subdivision applies regardless of whether the federal law or regulation was enacted or adopted prior to or after the date on which the state statute or executive order was enacted or issued.

(d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service. This subdivision applies regardless of whether the authority to levy charges, fees, or assessments was enacted or adopted prior to or after the date on which the statute or executive order was enacted or issued.

(e) The statute, executive order, or an appropriation in a Budget Act or other bill provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, or includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate. This subdivision applies regardless of whether a statute, executive order, or appropriation in the Budget Act or other bill that either provides for offsetting savings that result in no net costs or provides for additional revenue specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate was enacted or adopted prior to or after the date on which the statute or executive order was enacted or issued.

(f) The statute or executive order imposes duties that are necessary to implement, or are expressly included in, a ballot measure approved by the voters in a statewide or local election. This subdivision applies regardless of whether the statute or executive order was enacted or adopted before or after the date on which the ballot measure was approved by the voters.

(g) The statute created a new crime or infraction, eliminated a crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

SEC. 32. Section 17557 of the Government Code is amended to read:

17557. (a) If the commission determines there are costs mandated by the state pursuant to Section 17551, it shall determine the amount to be subvened to local agencies and school districts for reimbursement. In so doing it shall adopt parameters and guidelines for reimbursement of any claims relating to the statute or executive order. The successful test claimants shall submit proposed parameters and guidelines within 30 days of adoption of a statement of decision on a test claim. The proposed parameters and guidelines may include proposed reimbursable activities that are reasonably necessary for the performance of the state-mandated program. At the request of a successful test claimant, the commission may provide for one or more extensions of this 30-day period at any time prior to its adoption of the parameters and guidelines. If proposed parameters and guidelines are not submitted within the 30-day period and the commission has not granted an extension, then the commission shall notify the test claimant that the amount of reimbursement the test claimant is entitled to for the first 12 months of incurred costs will be reduced by 20 percent, unless the test claimant can demonstrate to the commission why an extension of the 30-day period is justified.

(b) In adopting parameters and guidelines, the commission may adopt a reasonable reimbursement methodology.

(c) The parameters and guidelines adopted by the commission shall specify the fiscal years for which local agencies and school districts shall be reimbursed for costs incurred. However, the commission may not specify in the parameters and guidelines any fiscal year for which payment could be provided in the annual Budget Act.

(d) (1) A local agency, school district, or the state may file a written request with the commission to amend the parameters or guidelines. The commission may, after public notice and hearing, amend the parameters and guidelines. A parameters and guidelines amendment submitted within 90 days of the claiming deadline for initial claims, as specified in the claiming instructions pursuant to Section 17561, shall apply to all years eligible for reimbursement as defined in the original parameters and guidelines. A parameters and guidelines amendment filed more than 90 days after the claiming deadline for initial claims, as specified in the claiming instructions pursuant to Section 17561, and on or before the claiming deadline following a fiscal year, shall establish reimbursement eligibility for that fiscal year.

(2) For purposes of this subdivision, the request to amend parameters and guidelines may be filed to make any of the following changes to parameters and guidelines, consistent with the statement of decision:

(A) Delete any reimbursable activity that has been repealed by statute or executive order after the adoption of the original or last amended parameters and guidelines.

(B) Update offsetting revenues and offsetting savings that apply to the mandated program and do not require a new legal finding that there are no costs mandated by the state pursuant to subdivision (e) of Section 17556.

(C) Include a reasonable reimbursement methodology for all or some of the reimbursable activities.

(D) Clarify what constitutes reimbursable activities.

(E) Add new reimbursable activities that are reasonably necessary for the performance of the state-mandated program.

(F) Define what activities are not reimbursable.

(G) Consolidate the parameters and guidelines for two or more programs.

(H) Amend the boilerplate language. For purposes of this section, "boilerplate language" means the language in the parameters and guidelines that is not unique to the state-mandated program that is the subject of the parameters and guidelines.

(e) A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. The claimant may thereafter amend the test claim at any time, but before the test claim is set for a hearing, without affecting the original filing date as long as the amendment substantially relates to the original test claim.

(f) In adopting parameters and guidelines, the commission shall consult with the Department of Finance, the affected state agency, the Controller, the fiscal and policy committees of the Assembly and Senate, the Legislative Analyst, and the claimants to consider a reasonable reimbursement methodology that balances accuracy with simplicity.

SEC. 33. Section 17570 is added to the Government Code, to read:

17570. (a) For purposes of this section the following definitions shall apply:

(1) "Mandates law" means published court decisions arising from state mandate determinations by the State Board of Control or the Commission

on State Mandates, or that address this part or Section 6 of Article XIII B of the California Constitution. "Mandates law" also includes statutory amendments to this part and amendments to Section 6 of Article XIII B of the California Constitution.

(2) "Subsequent change in law" is a change in law that requires a finding that an incurred cost is a cost mandated by the state, as defined by Section 17514, or is not a cost mandated by the state pursuant to Section 17556, or a change in mandates law, except that a "subsequent change in law" does not include the amendments to Section 6 of Article XIII B of the California Constitution that were approved by the voters on November 2, 2004. A "subsequent change in law" also does not include a change in the statutes or executive orders that impose new state-mandated activities and require a finding pursuant to subdivision (a) of Section 17551.

(3) "Test claim decision" means a decision of the Commission on State Mandates on a test claim filed pursuant to Section 17551 or a decision of the State Board of Control on a claim for state reimbursement filed pursuant to Article 1 (commencing with Section 2201), Article 2 (commencing with Section 2227), and Article 3 (commencing with Section 2240) of Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code prior to January 1, 1985.

(b) The commission may adopt a new test claim decision to supersede a previously adopted test claim decision only upon a showing that the state's liability for that test claim decision pursuant to subdivision (a) of Section 6 of Article XIII B of the California Constitution has been modified based on a subsequent change in law.

(c) A local agency or school district, statewide association of local agencies or school districts, or the Department of Finance, the Controller, or other affected state agency may file a request with the commission to adopt a new test claim decision pursuant to this section.

(d) The commission shall adopt procedures for receiving requests to adopt a new test claim decision pursuant to this section and for providing notice and a hearing on those requests. The procedures shall do all of the following:

(1) Specify that all requests for adoption of a new test claim decision shall be filed on a form prescribed by the commission that shall contain at least the following elements and documents:

(A) The name, case number, and adoption date of the prior test claim decision.

(B) A detailed analysis of how and why the state's liability for mandate reimbursement has been modified pursuant to subdivision (a) of Section 6 of Article XIII B of the California Constitution based on a subsequent change in law.

(C) The actual or estimated amount of the annual statewide change in the state's liability for mandate reimbursement pursuant to subdivision (a) of Section 6 of Article XIII B of the California Constitution based on a subsequent change in law.

(D) Identification of all of the following, if relevant:

(i) Dedicated state funds appropriated for the program.
(ii) Dedicated federal funds appropriated for the program.
(iii) Fee authority to offset the costs of the program.
(iv) Federal law.
(v) Court decisions.
(vi) State or local ballot measures and the corresponding date of the election.

(E) All assertions of fact shall be supported with declarations made under penalty of perjury, based on the declarant's personal knowledge, information, or belief, and be signed by persons who are authorized and competent to do so, including, but not limited to, the following:

(i) Declarations of actual or estimated annual statewide costs that will or will not be incurred to implement the alleged mandate.

(ii) Declarations identifying all local, state, or federal funds, or fee authority that may or may not be used to offset the increased costs that will or will not be incurred by claimants to implement the alleged mandate or result in a finding of no costs mandated by the state pursuant to Section 17556.

(iii) Declarations describing new activities performed to implement specific provisions of the test claim statute or executive order alleged to impose a reimbursable state-mandated program.

(F) Specific references shall be made to chapters, articles, sections, or page numbers that are alleged to impose or not impose a reimbursable state-mandated program.

(2) Require that a request for the adoption of a new test claim decision be signed at the end of the document, under penalty of perjury, by the requester or its authorized representative, along with a declaration that the request is true and complete to the best of the declarant's personal knowledge, information, or belief. The procedures shall also require that the date of signing, the declarant's title, address, telephone number, facsimile machine telephone number, and electronic mail address be included.

(3) Provide that the commission shall return a submitted request that is incomplete to the requester and allow the requester to remedy the deficiencies. The procedures shall also provide that the commission may disallow the original filing if a complete request is not received by the commission within 30 calendar days from the date that the incomplete request was returned to the requester.

(4) Establish a two-step hearing process to consider requests for adoption of a new test claim decision pursuant to this section. As the first step, the commission shall conduct a hearing to determine if the requester has made a showing that the state's liability pursuant to subdivision (a) of Section 6 of Article XIII B of the California Constitution has been modified based on a subsequent change in law. If the commission determines that the requester has made this showing, then pursuant to the commission's authority in subdivision (b) of this section, the commission shall notice the request for a hearing to determine if a new test claim decision shall be adopted to supersede the previously adopted test claim decision.

(5) Provide for presentation of evidence and legal argument at the hearings by the requester, interested parties, the Department of Finance, the Controller, any other affected state agency, and interested persons.

(6) Permit a hearing to be postponed at the request of any party, without prejudice, until the next scheduled hearing.

(e) To implement the procedures described in subdivision (d), the commission shall initially adopt regulations as emergency regulations and, for purposes of Section 11349.6, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding subdivision (e) of Section 11346.1, the regulations shall be repealed within 180 days after their effective date, unless the commission complies with Chapter 3.5 (commencing with Section 11340) of Part 1 as provided in subdivision (e) of Section 11346.1.

(f) A request for adoption of a new test claim decision shall be filed on or before June 30 following a fiscal year in order to establish eligibility for reimbursement or loss of reimbursement for that fiscal year.

(g) The commission shall notify interested parties, the Controller, the Department of Finance, affected state agencies, and the Legislative Analyst of any complete request for the adoption of a new test claim decision that the commission receives.

(h) If the commission determines that the requester has made a showing that the state's liability pursuant to subdivision (a) of Section 6 of Article XIII B of the California Constitution has been modified based on a subsequent change in law, and the commission notices the request for a hearing to determine whether a new test claim decision shall be adopted that supersedes a prior test claim decision, the Controller shall notify eligible claimants that the request has been filed with the commission and that the original test claim decision may be superseded by a new decision adopted by the commission. The notification may be included in the next set of claiming instructions issued to eligible claimants.

(i) If the commission adopts a new test claim decision that supersedes the previously adopted test claim decision, the commission shall adopt new parameters and guidelines or amend existing parameters and guidelines or reasonable reimbursement methodology pursuant to Sections 17557, 17557.1, and 17557.2.

(j) Any new parameters and guidelines adopted or amendments made to existing parameters and guidelines or a reasonable reimbursement methodology shall conform to the new test claim decision adopted by the commission.

(k) The Controller shall follow the procedures in Sections 17558, 17558.5, 17560, 17561, and 17561.5, as applicable, for a new test claim decision adopted by the commission pursuant to this section.

(*l*) If the commission adopts a new test claim decision that will result in reimbursement pursuant to Section 6 of Article XIII B of the California Constitution because a cost is a cost mandated by the state, as defined in Section 17514, the commission shall determine the amount to be subvened

to local agencies and school districts by adopting a new statewide cost estimate pursuant to Section 17557.

(m) In addition to the reports required pursuant to Sections 17600 and 17601, the commission shall notify the Legislature within 30 days of adopting a new test claim decision that supersedes a prior test claim decision and determining the amount to be subvened to local agencies and school districts for reimbursement pursuant to this section.

SEC. 34. Section 17570.1 is added to the Government Code, to read:

17570.1. As part of its review and consideration pursuant to Sections 17581 and 17581.5, the Legislature may, by statute, request that the Department of Finance consider exercising its authority pursuant to subdivision (c) of Section 17570.

SEC. 45. Section 50199.9 of the Health and Safety Code is amended to read:

50199.9. (a) The committee shall establish and charge fees which it determines are reasonably sufficient to cover all of the costs of the committee in carrying out its responsibilities under this chapter. The Tax Credit Allocation Fee Account is hereby established in the State Treasury. The fees shall be deposited by the committee in the Tax Credit Allocation Fee Account and shall be available, upon appropriation by the Legislature, to the committee for the purpose of covering all of those costs, except that fees may be shared, in an amount determined by the committee, with any state or local agency that assists the committee in performing its duties.

(b) Funds deposited in the Tax Credit Allocation Fee Account are continuously appropriated without regard to fiscal year for purposes of sharing with state and local agencies pursuant to subdivision (a).

(c) Until the time that sufficient fee revenue is received by the committee, the committee may borrow any money as may be required for the purpose of meeting necessary expenses of the operation of the committee, not to exceed the amount appropriated. Any loan made to the committee pursuant to this subdivision shall be repayable solely from moneys appropriated to the committee from the Tax Credit Allocation Fee Account and shall not constitute a general obligation for which the faith and credit of the state are pledged.

(d) There shall be established a subaccount within the Tax Credit Allocation Fee Account named the Occupancy Compliance Monitoring Account.

(e) Fees collected for the purpose of paying the costs of monitoring projects with allocations of tax credits for compliance with federal and state law, as required by Section 42(m) of the federal Internal Revenue Code, and Section 50199.15, shall be deposited in the Occupancy Compliance Monitoring Account to be used solely for this purpose. Any performance deposits forfeited to the committee shall be deposited in the Occupancy Compliance Monitoring Account.

(f) Notwithstanding any other law, the Controller may use the fees deposited in the accounts established by this section for daily cash flow

loans to the General Fund or the General Cash Revolving Fund, as provided in Sections 16310 and 16381 of the Government Code.

SEC. 46. Section 62.9 of the Labor Code is amended to read:

62.9. (a) (1) The director shall levy and collect assessments from employers in accordance with this section. The total amount of the assessment collected shall be the amount determined by the director to be necessary to produce the revenue sufficient to fund the programs specified by Section 62.7, except that the amount assessed in any year for those purposes shall not exceed 50 percent of the amounts appropriated from the General Fund for the support of the occupational safety and health program for the 1993–94 fiscal year, adjusted for inflation. The director also shall include in the total assessment amount the department's costs for administering the assessment, including the collections process and the cost of reimbursing the Franchise Tax Board or another agency or department for its cost of collection activities pursuant to subdivision (c).

(2) The insured employers and private sector self-insured employers that, pursuant to subdivision (b), are subject to assessment shall be assessed, respectively, on the basis of their annual payroll subject to premium charges or their annual payroll that would be subject to premium charges if the employer were insured, as follows:

(A) An employer with a payroll of less than two hundred fifty thousand dollars ($250,000) shall be assessed one hundred dollars ($100).

(B) An employer with a payroll of two hundred fifty thousand dollars ($250,000) or more, but not more than five hundred thousand dollars ($500,000), shall be assessed two hundred dollars ($200).

(C) An employer with a payroll of more than five hundred thousand dollars ($500,000), but not more than seven hundred fifty thousand dollars ($750,000), shall be assessed four hundred dollars ($400).

(D) An employer with a payroll of more than seven hundred fifty thousand dollars ($750,000), but not more than one million dollars ($1,000,000), shall be assessed six hundred dollars ($600).

(E) An employer with a payroll of more than one million dollars ($1,000,000), but not more than one million five hundred thousand dollars ($1,500,000), shall be assessed eight hundred dollars ($800).

(F) An employer with a payroll of more than one million five hundred thousand dollars ($1,500,000), but not more than two million dollars ($2,000,000), shall be assessed one thousand dollars ($1,000).

(G) An employer with a payroll of more than two million dollars ($2,000,000), but not more than two million five hundred thousand dollars ($2,500,000), shall be assessed one thousand five hundred dollars ($1,500).

(H) An employer with a payroll of more than two million five hundred thousand dollars ($2,500,000), but not more than three million five hundred thousand dollars ($3,500,000), shall be assessed two thousand dollars ($2,000).

(I) An employer with a payroll of more than three million five hundred thousand dollars ($3,500,000), but not more than four million five hundred

thousand dollars ($4,500,000), shall be assessed two thousand five hundred dollars ($2,500).

(J) An employer with a payroll of more than four million five hundred thousand dollars ($4,500,000), but not more than five million five hundred thousand dollars ($5,500,000), shall be assessed three thousand dollars ($3,000).

(K) An employer with a payroll of more than five million five hundred thousand dollars ($5,500,000), but not more than seven million dollars ($7,000,000), shall be assessed three thousand five hundred dollars ($3,500).

(L) An employer with a payroll of more than seven million dollars ($7,000,000), but not more than twenty million dollars ($20,000,000), shall be assessed six thousand seven hundred dollars ($6,700).

(M) An employer with a payroll of more than twenty million dollars ($20,000,000) shall be assessed ten thousand dollars ($10,000).

(b) (1) In the manner as specified by this section, the director shall identify those insured employers having a workers' compensation experience modification rating of 1.25 or more, and private sector self-insured employers having an equivalent experience modification rating of 1.25 or more as determined pursuant to subdivision (e).

(2) The assessment required by this section shall be levied annually, on a calendar year basis, on those insured employers and private sector self-insured employers, as identified pursuant to paragraph (1), having the highest workers' compensation experience modification ratings or equivalent experience modification ratings, that the director determines to be required numerically to produce the total amount of the assessment to be collected pursuant to subdivision (a).

(c) The director shall collect the assessment from insured employers as follows:

(1) Upon the request of the director, the Department of Insurance shall direct the licensed rating organization designated as the department's statistical agent to provide to the director, for purposes of subdivision (b), a list of all insured employers having a workers' compensation experience rating modification of 1.25 or more, according to the organization's records at the time the list is requested, for policies commencing the year preceding the year in which the assessment is to be collected.

(2) The director shall determine the annual payroll of each insured employer subject to assessment from the payroll that was reported to the licensed rating organization identified in paragraph (1) for the most recent period for which one full year of payroll information is available for all insured employers.

(3) On or before September 1 of each year, the director shall determine each of the current insured employers subject to assessment, and the amount of the total assessment for which each insured employer is liable. The director immediately shall notify each insured employer, in a format chosen by the insurer, of the insured's obligation to submit payment of the assessment to the director within 30 days after the date the billing was

mailed, and warn the insured of the penalties for failure to make timely and full payment as provided by this subdivision.

(4) The director shall identify any insured employers that, within 30 days after the mailing of the billing notice, fail to pay, or object to, their assessments. The director shall mail to each of these employers a notice of delinquency and a notice of the intention to assess penalties, advising that, if the assessment is not paid in full within 15 days after the mailing of the notices, the director will levy against the employer a penalty equal to 25 percent of the employer's assessment, and will refer the assessment and penalty to the Franchise Tax Board or another agency or department for collection. The notices required by this paragraph shall be sent by United States first-class mail.

(5) If an assessment is not paid by an insured employer within 15 days after the mailing of the notices required by paragraph (4), the director shall refer the delinquent assessment and the penalty to the Franchise Tax Board, or another agency or department, as deemed appropriate by the director, for collection pursuant to Section 19290.1 of the Revenue and Taxation Code, or Section 1900 of the Unemployment Insurance Code.

(d) The director shall collect the assessment directly from private sector self-insured employers. The failure of any private sector self-insured employer to pay the assessment as billed constitutes grounds for the suspension or termination of the employer's certificate to self-insure.

(e) The director shall adopt regulations implementing this section that include provision for a method of determining experience modification ratings for private sector self-insured employers that is generally equivalent to the modification ratings that apply to insured employers and is weighted by both severity and frequency.

(f) The director shall determine whether the amount collected pursuant to any assessment exceeds expenditures, as described in subdivision (a), for the current year and shall credit the amount of any excess to any deficiency in the prior year's assessment or, if there is no deficiency, against the assessment for the subsequent year.

SEC. 47. Section 1771.3 of the Labor Code is amended to read:

1771.3. (a) (1) The State Public Works Enforcement Fund is hereby created as a special fund in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys in the fund shall be continuously appropriated for the purposes the Department of Industrial Relations' enforcement of prevailing wage requirements applicable to public works pursuant to this chapter, and labor compliance enforcement as set forth in subdivision (b) of Section 1771.55, and shall not be used or borrowed for any other purpose.

(2) The Director of Industrial Relations, with the approval of the Director of Finance, shall determine and assess a fee on any awarding body using funds derived from any bond issued by the state to fund public works projects, in an amount not to exceed one-fourth of 1 percent of the bond proceeds. The fee shall be set to cover the expenses of the Department of Industrial Relations for administering the prevailing wage requirements on

public works projects using those bond funds. The fee shall be payable by the board, commission, department, agency, or official responsible for the allocation of bond proceeds from the bond funds awarded to each project at the time the funds are released to the project or other such time the Department of Industrial Relations and the entity responsible for allocation of the bond proceeds may agree. All fees collected pursuant to this section shall be deposited in the State Public Works Enforcement Fund, and shall be used only for enforcement of prevailing wage requirements on projects using bond funds and other projects for which awarding bodies pay into the fund. The administration and enforcement of prevailing wage requirements is an administrative expense associated with public works construction.

(b) The fee imposed by this section shall not apply to any contract awarded prior to the effective date of regulations adopted by the department pursuant to paragraph (2) of subdivision (b) of Section 1771.55.

(c) The department shall report to the Legislature, not later than March 1, 2011, on its administration of the State Public Works Enforcement Fund, and the prevailing wage enforcement activities undertaken by the department utilizing that funding.

SEC. 48. Section 1771.5 of the Labor Code is amended to read:

1771.5. (a) Notwithstanding Section 1771, an awarding body may not require the payment of the general prevailing rate of per diem wages or the general prevailing rate of per diem wages for holiday and overtime work for any public works project of twenty-five thousand dollars ($25,000) or less when the project is for construction work, or for any public works project of fifteen thousand dollars ($15,000) or less when the project is for alteration, demolition, repair, or maintenance work, if the awarding body elects to initiate and enforce a labor compliance program pursuant to subdivision (b) for every public works project under the authority of the awarding body.

(b) For purposes of this section, a labor compliance program shall include, but not be limited to, the following requirements:

(1) All bid invitations and public works contracts shall contain appropriate language concerning the requirements of this chapter.

(2) A prejob conference shall be conducted with the contractor and subcontractors to discuss federal and state labor law requirements applicable to the contract.

(3) Project contractors and subcontractors shall maintain and furnish, at a designated time, a certified copy of each weekly payroll containing a statement of compliance signed under penalty of perjury.

(4) The awarding body shall review, and, if appropriate, audit payroll records to verify compliance with this chapter.

(5) The awarding body shall withhold contract payments when payroll records are delinquent or inadequate.

(6) The awarding body shall withhold contract payments equal to the amount of underpayment and applicable penalties when, after investigation, it is established that underpayment has occurred.

(c) For purposes of this chapter, "labor compliance program" means a labor compliance program that is approved, as specified in state regulations, by the Director of the Department of Industrial Relations.

(d) For purposes of this chapter, the Director of the Department of Industrial Relations may revoke the approval of a labor compliance program in the manner specified in state regulations.

SEC. 49. Section 1771.7 of the Labor Code is amended to read:

1771.7. (a) (1) An awarding body that chooses to use funds derived from either the Kindergarten-University Public Education Facilities Bond Act of 2002 or the Kindergarten-University Public Education Facilities Bond Act of 2004 for a public works project, shall initiate and enforce, or contract with a third party to initiate and enforce, a labor compliance program, as described in subdivision (b) of Section 1771.5, with respect to that public works project.

(2) If an awarding body described in paragraph (1) chooses to contract with a third party to initiate and enforce a labor compliance program for a project described in paragraph (1), that third party shall not review the payroll records of its own employees or the employees of its subcontractors, and the awarding body or an independent third party shall review these payroll records for purposes of the labor compliance program.

(b) This section applies to public works that commence on or after April 1, 2003. For purposes of this subdivision, work performed during the design and preconstruction phases of construction, including, but not limited to, inspection and land surveying work, does not constitute the commencement of a public work.

(c) (1) For purposes of this section, if any campus of the California State University chooses to use the funds described in subdivision (a), then the "awarding body" is the Chancellor of the California State University. For purposes of this subdivision, if the chancellor is required by subdivision (a) to initiate and enforce, or to contract with a third party to initiate and enforce, the labor compliance program described in that subdivision, then in addition to the requirements imposed upon an awarding body by subdivision (b) of Section 1771.5, the Chancellor of the California State University shall review the payroll records described in paragraphs (3) and (4) of subdivision (b) of Section 1771.5 on at least a monthly basis to ensure the awarding body's compliance with the labor compliance program.

(2) For purposes of this subdivision, if an awarding body described in subdivision (a) is the University of California or any campus of that university, and that awarding body is required by subdivision (a) to initiate and enforce, or to contract with a third party to initiate and enforce, the labor compliance program described in that subdivision, then in addition to the requirements imposed upon an awarding body by subdivision (b) of Section 1771.5, the payroll records described in paragraphs (3) and (4) of subdivision (b) of Section 1771.5 shall be reviewed on at least a monthly basis to ensure the awarding body's compliance with the labor compliance program.

(d) (1) An awarding body described in subdivision (a) shall make a written finding that the awarding body has initiated and enforced, or has

contracted with a third party to initiate and enforce, the labor compliance program described in subdivision (a).

(2) (A) If an awarding body described in subdivision (a) is a school district, the governing body of that district shall transmit to the State Allocation Board, in the manner determined by that board, a copy of the finding described in paragraph (1).

(B) The State Allocation Board shall not release the funds described in subdivision (a) to an awarding body that is a school district until the State Allocation Board has received the written finding described in paragraph (1).

(C) If the State Allocation Board conducts a postaward audit procedure with respect to an award of the funds described in subdivision (a) to an awarding body that is a school district, the State Allocation Board shall verify, in the manner determined by that board, that the school district has complied with the requirements of this subdivision.

(3) If an awarding body described in subdivision (a) is a community college district, the Chancellor of the California State University, or the office of the President of the University of California or any campus of the University of California, that awarding body shall transmit, in the manner determined by the Director of the Department of Industrial Relations, a copy of the finding described in paragraph (1) to the director of that department, or the director of any successor agency that is responsible for the oversight of employee wage and employee work hours laws.

(e) Notwithstanding Section 17070.63 of the Education Code, for purposes of this act, the State Allocation Board shall increase the grant amounts as described in Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1 of the Education Code to accommodate the state's share of the increased costs of a new construction or modernization project due to the initiation and enforcement of the labor compliance program.

(f) This section shall not apply to a contract awarded on or after the latter of the effective date of regulations adopted by the Department of Industrial Relations pursuant to paragraph (2) of subdivision (b) of Section 1771.55 or the effective date of the fees adopted by the department pursuant to Section 1771.75.

SEC. 50. Section 1771.75 of the Labor Code is amended to read:

1771.75. (a) An awarding body that chooses to use funds derived from either the Kindergarten-University Public Education Facilities Bond Act of 2002 or the Kindergarten-University Public Education Facilities Bond Act of 2004 for a public works project, shall pay a fee to the Department of Industrial Relations, in an amount that the department shall establish, and as it may from time to time amend, in an amount not to exceed one-fourth of 1 percent of the bond proceeds, sufficient to support the department's costs in ensuring compliance with and enforcing prevailing wage requirements on the project, and labor compliance enforcement as set forth in subdivision (b) of Section 1771.55. All fees collected pursuant to this subdivision shall be deposited in the State Public Works Enforcement Fund

created by Section 1771.3, and shall be used only for enforcement of prevailing wage requirements on those projects. The department may waive the fee set forth in this section for an awarding body that has previously been granted approval by the director to initiate and operate a labor compliance program on the awarding body's projects, and requests to continue to operate that labor compliance program on its projects in lieu of labor compliance by the department pursuant to subdivision (b) of Section 1771.55. This fee shall not be waived for an awarding body that contracts with a third party to initiate and enforce labor compliance programs on the awarding body's projects.

(b) This section applies to public works that commence on or after April 1, 2003. For purposes of this subdivision, work performed during the design and preconstruction phases of construction, including, but not limited to, inspection and land surveying work, does not constitute the commencement of a public work.

(c) (1) For purposes of this section, if any campus of the California State University chooses to use the funds described in subdivision (a), then the awarding body is the Chancellor of the California State University and the chancellor is required by subdivision (a) to pay a fee to the Department of Industrial Relations.

(2) For purposes of this subdivision, if an awarding body described in subdivision (a) is the University of California or any campus of that university, and that awarding body is required by subdivision (a) to pay a fee to the Department of Industrial Relations, then the university shall review the payroll records on at least a monthly basis to ensure the university's compliance with prevailing wage obligations.

(d) The State Allocation Board shall notify the Department of Industrial Relations of awarding bodies that are awarded funds subject to the fee required by subdivision (a).

(e) Notwithstanding Section 17070.63 of the Education Code, for purposes of this section, the State Allocation Board shall increase the grant amounts as described in Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1 of the Education Code to accommodate the state's share of the increased costs of a new construction or modernization project due to the fee required to be paid to the Department of Industrial Relations to ensure compliance with and enforcement of prevailing wage laws on the project. The State Allocation Board shall pay the fee to the Department of Industrial Relations at the time bond funds are released to the awarding body. All fees collected pursuant to this subdivision shall be deposited in the State Public Works Enforcement Fund created by Section 1771.3.

(f) This section shall only apply to a contract awarded on or after both the effective date of the department's adoption of the fee set forth in subdivision (a) and of regulations pursuant to paragraph (2) of subdivision (b) of Section 1771.55.

SEC. 51. Section 1771.8 of the Labor Code is amended to read:

1771.8. (a) The body awarding any contract for a public works project financed in any part with funds made available by the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Division 26.5 (commencing with Section 79500) of the Water Code) shall adopt and enforce, or contract with a third party to adopt and enforce, a labor compliance program pursuant to subdivision (b) of Section 1771.5 for application to that public works project.

(b) This section shall become operative only if the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Division 26.5 (commencing with Section 79500) of the Water Code) is approved by the voters at the November 5, 2002, statewide general election.

(c) This section shall not apply to a contract awarded on or after the latter of the effective date of the regulations adopted by the Department of Industrial Relations pursuant to paragraph (2) of subdivision (b) of Section 1771.55 or the effective date of the fees adopted by the department pursuant to Section 1771.85.

SEC. 52. Section 1777.5 of the Labor Code is amended to read:

1777.5. (a) Nothing in this chapter shall prevent the employment of properly registered apprentices upon public works.

(b) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) When the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts

under that program. “Apprenticeable craft or trade,” as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, “contractor” includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Prior to commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body if requested by the awarding body. Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program that can supply apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates where the contractor agrees to be bound by those standards, but, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Chief of the Division of Apprenticeship Standards, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section that has agreed to be covered by an apprenticeship program’s standards upon the issuance of the approval certificate, or that has been previously approved for an apprenticeship

program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Chief of the Division of Apprenticeship Standards may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(*l*) When an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors shall not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

(2) At the conclusion of the 2002–03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the

expenses of the Division of Apprenticeship Standards for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The funds shall be distributed as follows:

(A) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.

(B) If there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and geographic area for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices registered in each program.

(C) All training contributions not distributed under subparagraphs (A) and (B) shall be used to defray the future expenses of the Division of Apprenticeship Standards.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all money in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Division of Apprenticeship Standards.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars ($30,000).

(p) All decisions of an apprenticeship program under this section are subject to Section 3081.

SEC. 53. Section 11105.8 is added to the Penal Code, to read:

11105.8. A nonprofit organization that is funded pursuant to subsection (a) of Section 3796h of Title 42 of the United States Code may be granted access to local, state, or federal criminal justice system information available to law enforcement agencies, including access to the California Law Enforcement Telecommunications System, provided that the nonprofit agency meets all other federal and state requirements for access to that information or system.

SEC. 54. Section 5164 of the Public Resources Code is amended to read:

5164. (a) (1) A county, city, city and county, or special district shall not hire a person for employment, or hire a volunteer to perform services, at a county, city, city and county, or special district operated park, playground, recreational center, or beach used for recreational purposes, in a position having supervisory or disciplinary authority over a minor, if that person has been convicted of an offense specified in paragraph (2).

(2) (A) A violation or attempted violation of Section 220, 261.5, 262, 273a, 273d, or 273.5 of the Penal Code, or a sex offense listed in Section 290 of the Penal Code, except for the offense specified in subdivision (d) of Section 243.4 of the Penal Code.

(B) A felony or misdemeanor conviction specified in subparagraph (C) within 10 years of the date of the employer's request.

(C) A felony conviction that is over 10 years old, if the subject of the request was incarcerated within 10 years of the employer's request, for a violation or attempted violation of an offense specified in Chapter 3 (commencing with Section 207) of Title 8 of Part 1 of the Penal Code, Section 211 or 215 of the Penal Code, wherein it is charged and proved that the defendant personally used a deadly or dangerous weapon, as provided in subdivision (b) of Section 12022 of the Penal Code, in the commission of that offense, Section 217.1 of the Penal Code, Section 236 of the Penal Code, an offense specified in Chapter 9 (commencing with Section 240) of Title 8 of Part 1 of the Penal Code, or an offense specified in subdivision (c) of Section 667.5 of the Penal Code, provided that a record of a misdemeanor conviction shall not be transmitted to the requester unless the subject of the request has a total of three or more misdemeanor convictions, or a combined total of three or more misdemeanor and felony convictions, for violations listed in this section within the 10-year period immediately preceding the employer's request or has been incarcerated for any of those convictions within the preceding 10 years.

(b) (1) To give effect to this section, a county, city, city and county, or special district shall require each such prospective employee or volunteer to complete an application that inquires as to whether or not that individual has been convicted of an offense specified in subdivision (a). The county, city, city and county, or special district shall screen, pursuant to Section 11105.3 of the Penal Code, any such prospective employee or volunteer, having supervisory or disciplinary authority over a minor, for that person's criminal background.

(2) A local agency request for Department of Justice records pursuant to this subdivision shall include the prospective employee's or volunteer's fingerprints, which may be taken by the local agency, and any other data specified by the Department of Justice. The request shall be made on a form approved by the Department of Justice. A fee shall not be charged to the local agency for requesting the records of a prospective volunteer pursuant to this subdivision.

(3) A county, city, city and county, or special district may charge a prospective employee or volunteer described in subdivision (a) a fee to cover all of the county, city, city and county, or special district's costs attributable to the requirements imposed by this section.

SEC. 55. Section 11006 of the Revenue and Taxation Code is amended to read:

11006. (a) Commencing on December 31, 2001, the Controller, in consultation with the Department of Motor Vehicles and the Department of Finance, shall recalculate the distribution of the amount of motor vehicle

license fees paid by commercial vehicles that are subject to Section 9400.1 of the Vehicle Code and transfer the following sums from the General Fund in the following order:

(1) An amount sufficient to cover all allocations and interception of funds associated with all pledges, liens, encumbrances and priorities as set forth in Section 25350.6 of the Government Code, which shall be transferred so as to pay that allocation.

(2) An amount sufficient to continue allocations to the State Treasury to the credit of the Vehicle License Fee Account of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code, which would be in the same amount had the amendments made by the act that added this section to Section 10752 of the Revenue and Taxation Code not been enacted, which shall be deposited in the State Treasury to the credit of the Vehicle License Fee Account of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. This paragraph shall be inoperative commencing with the 2010–11 fiscal year.

(3) An amount sufficient to continue allocations to the State Treasury to the credit of the Vehicle License Fee Growth Account of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code, which would be in the same amount had the amendments made by the act that added this section to Section 10752 of the Revenue and Taxation Code not been enacted, which shall be deposited in the State Treasury to the credit of the Vehicle License Fee Growth Account of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code.

(4) An amount sufficient to cover all allocations and interception of funds associated with all pledges, liens, encumbrances and priorities, other than those referred to in paragraph (1), as set forth in Section 25350 and following of, Section 53584 and following of, 5450 and following of, the Government Code, which shall be transferred so as to pay those allocations.

(b) The balance of any funds not otherwise allocated pursuant to subdivision (a) shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(c) In enacting paragraphs (1) and (4) of subdivision (a), the Legislature declares that paragraphs (1) and (4) of subdivision (a), shall not be construed to obligate the State of California to make any payment to a city, city and county, or county from the Motor Vehicle License Fee Account in the Transportation Tax Fund in any amount or pursuant to any particular allocation formula, or to make any other payment to a city, city and county, or county, including, but not limited to, any payment in satisfaction of any debt or liability incurred or so guaranteed if the State of California had not so bound itself prior to the enactment of this section.

(d) Notwithstanding subdivisions (a) and (b), on and after July 1, 2010, that amount equal to the amount that would have been transferred pursuant

to paragraph (2) of subdivision (a) had the act adding this subdivision not been enacted, shall not be transferred from the General Fund.

SEC. 56. Section 19558 of the Revenue and Taxation Code is amended to read:

19558. (a) Subject to the limitations of this section and federal law, the Franchise Tax Board may provide the Public Employees' Retirement System with the names and addresses or other identification or location information from income tax returns or other records required under Part 10 (commencing with Section 17001) or this part, for both of the following:

(1) Solely for the purposes of disbursing unclaimed benefits pursuant to Chapter 13 (commencing with Section 21250) and Chapter 14 (commencing with Section 21490) of Part 3 of Division 5 of Title 2 of the Government Code and distributing member statements on an annual basis.

(2) Until June 30, 2016, solely for the purpose of filing required data pursuant to the Early Retiree Reinsurance Program (Sec. 1102, Public Law 111-148; 42 U.S.C. Sec. 18002), Part 149 of Title 45 of the Code of Federal Regulations, and related departmental directives.

(b) Neither the Public Employees' Retirement System, nor its agents, nor any of its current or former officers or employees, shall disclose or use any information obtained pursuant to this section except as provided in this section. Any disclosure not authorized by this section is a misdemeanor.

(c) The Franchise Tax Board may from time to time review the use of information provided to the Public Employees' Retirement System pursuant to this section and the Public Employees' Retirement System shall provide the Franchise Tax Board with access for that purpose. The reviews shall be limited to ensuring that the Public Employees' Retirement System uses the information provided by the Franchise Tax Board only in the manner specified in subdivision (a). The Franchise Tax Board shall report all findings to the Public Employees' Retirement System.

SEC. 57. Section 1088 of the Unemployment Insurance Code is amended to read:

1088. (a) (1) Each employer shall file with the director within the time required by subdivision (a) or (d) of Section 1110 for payment of employer contributions, a report of contributions, a quarterly return, and a report of wages paid to his or her workers in the form and containing any information as the director prescribes. An electronic funds transfer of contributions pursuant to subdivision (f) of Section 1110 shall satisfy the requirement for a report of contributions. The quarterly return shall include the total amount of wages, employer contributions required under Sections 976 and 976.6, worker contributions required under Section 984, the amounts required to be withheld under Section 13020, or withheld under Section 13028, and any other information as the director shall prescribe. The report of wages shall include individual amounts required to be withheld under Section 13020 or withheld under Section 13028.

(2) (A) In order to enhance efforts to reduce tax fraud and to reduce the personal income tax reporting burden, effective January 1, 1997, the report of wages shall also include the full first name of the employee and total

wages, as defined in Section 13009, paid to each employee. This paragraph shall apply to reports of wages for all periods ending on or before December 31, 1999.

(B) For all periods beginning on or after January 1, 2000, the report of wages shall also include total wages subject to personal income tax, as defined in Section 13009.5, paid to each employee.

(b) Each employer shall file with the director within the time required by subdivision (b) or (d) of Section 1110 for payment of worker contributions, a report of contributions containing the employer's business name, address, and account number, the total amount of worker contributions due, and any other information as the director shall prescribe. The director shall prescribe the form for the report of contributions. An electronic funds transfer of contributions pursuant to subdivision (f) of Section 1110 shall satisfy the requirement for a report of contributions.

(c) In addition to the report of contributions, quarterly return, and report of wages required by employers under subdivision (a), an individual who has elected coverage under subdivision (a) of Section 708 is also required to file a separate report of contributions, and quarterly return, subject to Part 2 (commencing with Section 2601).

(d) Any employer making an election under subdivision (d) of Section 1110 shall submit the report of wages described in subdivision (a), within the time required for submitting employer contributions under subdivision (a) of Section 1110.

(e) (1) In addition to the report of contributions, quarterly return, and report of wages described in subdivision (a), each employer shall file with the director an annual reconciliation return showing the total amount of wages, employer contributions required under Sections 976 and 976.6, worker contributions required under Section 984, the amounts required to be withheld under Section 13020 or withheld under Section 13028, and any other information as the director shall prescribe. This annual reconciliation return shall be due on the first day of January following the close of the prior calendar year and shall become delinquent if not filed on or before the last day of that month.

(2) This subdivision shall not apply to individuals electing coverage under Section 708 or 708.5 or employers electing financing under Section 821.

(3) The requirement to file the annual reconciliation return for the prior calendar year under this subdivision shall not apply to the 2012 calendar year and thereafter.

(f) For purposes of making a report of wages under subdivision (a), employers who are required under Section 6011 of the Internal Revenue Code and authorized regulations thereunder to file magnetic media returns, shall, within 90 days of becoming subject to this requirement, do one of the following:

(1) Submit a magnetic media format to the department for approval, and upon receiving approval from the department, submit any subsequent reports of wages on magnetic media.

(2) Establish to the satisfaction of the director that there is a lack of automation, a severe economic hardship, a current exemption from submitting magnetic media information returns for federal purposes, or other good cause for not complying with the provisions of this subdivision. Approved waivers shall be valid for six months or longer, at the discretion of the director.

(g) The Franchise Tax Board shall be allowed access to the information filed with the department pursuant to this section.

(h) The requirement in subdivision (a) to file a quarterly return shall begin with the first calendar quarter of the 2011 calendar year.

SEC. 58. Section 1112.5 of the Unemployment Insurance Code is amended to read:

1112.5. (a) Any employer who without good cause fails to file the return and reports required by subdivision (a) of Section 1088 and subdivision (a) of Section 13021 within 60 days of the time required under subdivision (a) of Section 1110 shall pay a penalty of 10 percent of the amount of contributions and personal income tax withholding required by this report. This penalty shall be in addition to the penalties required by Sections 1112 and 1126.

(b) For purposes of subdivision (a), the amount of contributions and personal income tax required by the report of contributions shall be reduced by the amount of any contributions and personal income tax paid on or before the prescribed payment dates.

SEC. 59. Section 1113.1 of the Unemployment Insurance Code is amended to read:

1113.1. An employer who, through an error caused by excusable neglect, makes an underpayment of the amount due on a report of contributions pursuant to subdivision (b) of Section 1088 shall not be liable for penalty or interest under Sections 1112, 1113, 1127 or 1129 if proper adjustment is made at the time of the filing of the quarterly report of contributions and quarterly return, for the same calendar quarter under subdivision (a) of Section 1088 and an explanation of the error is attached to the report or return.

SEC. 60. Section 1275 of the Unemployment Insurance Code is amended to read:

1275. (a) Unemployment compensation benefit award computations shall be based on wages paid in the base period. “Base period” means: for benefit years beginning in October, November, or December, the four calendar quarters ended in the next preceding month of June; for benefit years beginning in January, February, or March, the four calendar quarters ended in the next preceding month of September; for benefit years beginning in April, May, or June, the four calendar quarters ended in the next preceding month of December; for benefit years beginning in July, August, or September, the four calendar quarters ended with the next preceding month of March. Wages used in the determination of benefits payable to an individual during any benefit year may not be used in determining that individual’s benefits in any subsequent benefit year.

(b) For any new claim filed on or after September 3, 2011, or earlier if the department implements the technical changes necessary to establish claims under the alternate base period, as specified in subdivision (c), if an individual cannot establish a claim under subdivision (a), then "base period" means: for benefit years beginning in October, November, or December, the four calendar quarters ended in the next preceding month of September; for benefit years beginning in January, February, or March, the four calendar quarters ended in the next preceding month of December; for benefit years beginning in April, May, or June, the four calendar quarters ended in the next preceding month of March; for benefit years beginning in July, August, or September, the four calendar quarters ended in the next preceding month of June. As provided in Section 1280, the quarter with the highest wages shall be used to determine the individual's weekly benefit amount. Wages used in the determination of benefits payable to an individual during any benefit year may not be used in determining that individual's benefits in any subsequent benefit year.

(c) The department shall implement the technical changes necessary to establish claims under the alternate base period specified in subdivision (b) as soon as possible, but no later than September 3, 2011.

SEC. 61. Article 9 (commencing with Section 1900) is added to Chapter 7 of Part 1 of Division 1 of the Unemployment Insurance Code, to read:

## Article 9. Penalty Assessments

1900. (a) (1) Notwithstanding any other law, the Department of Industrial Relations may enter into an agreement with the department that provides for the transfer of all or part of the responsibility from the Department of Industrial Relations, or any office or division within that department, to the department for the collection of penalty assessments including, but not limited to, delinquent fees, wages, penalties, judgments, assessments, costs, citations, debts, and any interest thereon, arising out of the enforcement of any law within the jurisdiction of the Department of Industrial Relations or any office or division within. The agreement shall specify the terms under which those items and interest shall become subject to collection by the department.

(2) The agreement shall also prescribe a procedure for the Department of Industrial Relations to reimburse the department for the costs of collection, and provide that the amount of any reimbursement shall not exceed the actual costs of collection, including court costs and reasonable attorney's fees. Wherever possible the collection costs shall be borne by the debtor.

(b) For amounts referred for collection under subdivision (a), interest shall accrue at the adjusted annual rate and by the method established pursuant to Section 685.010 of the Code of Civil Procedure from and after the date of notice until paid.

(c) Amounts referred for collection under subdivision (a) shall be treated as final liabilities and due and payable to the State of California and may

be collected from the debtor by the department in any manner authorized under the law for collection of any amount imposed under this division. Any information, information sources, enforcement remedies, and capabilities available to the Department of Industrial Relations shall be available to the department to be used in conjunction with, or independent of, the information, information sources, remedies, and capabilities available to the department for purposes of administering this code.

(d) The provisions of Article 8 (commencing with Section 1870) and Section 1110.1 shall not apply to amounts referred for collection under subdivision (a).

SEC. 62. Section 13021 of the Unemployment Insurance Code is amended to read:

13021. (a) Every employer required to withhold any tax under Section 13020 shall for each calendar quarter, whether or not wages or payments are paid in the quarter, file a withholding report, a quarterly return, as prescribed in subdivision (a) of Section 1088, and a report of wages in a form prescribed by the department, and pay over the taxes so required to be withheld. The report of wages shall include individual amounts required to be withheld under Section 13020 or withheld under Section 13028. Except as provided in subdivisions (c) and (d), the employer shall file a withholding report, a quarterly return, as prescribed in subdivision (a) of Section 1088, and a report of wages, and remit the total amount of income taxes withheld during the calendar quarter on or before the last day of the month following the close of the calendar quarter.

(b) Every employer electing to file a single annual return under subdivision (d) of Section 1110 shall report and pay any taxes withheld under Section 13020 on an annual basis within the time specified in subdivision (d) of Section 1110.

(c) (1) Effective January 1, 1995, whenever an employer is required, for federal income tax purposes, to remit the total amount of withheld federal income tax in accordance with Section 6302 of the Internal Revenue Code and regulations thereunder, and the accumulated amount of state income tax withheld is more than five hundred dollars ($500), the employer shall remit the total amount of income tax withheld for state income tax purposes within the number of banking days as specified for withheld federal income taxes by Section 6302 of the Internal Revenue Code, and regulations thereunder.

(2) Effective January 1, 1996, the five hundred dollar ($500) amount referred to in paragraph (1) shall be adjusted annually as follows, based on the annual average rate of interest earned on the Pooled Money Investment Fund as of June 30 in the prior fiscal year:

| Average Rate of Interest | |
|---|---|
| Greater than or equal to 9 percent: | $ 75 |
| Less than 9 percent, but greater than or equal to 7 percent: | 250 |

| | |
|---|---|
| Less than 7 percent, but greater than or equal to 4 percent: | 400 |
| Less than 4 percent: | 500 |

(d) (1) Notwithstanding subdivisions (a) and (c), for calendar years beginning prior to January 1, 1995, if in the 12-month period ending June 30 of the prior year the cumulative average payment made pursuant to this division or Section 1110, for eight-month periods, as defined under Section 6302 of the Internal Revenue Code and regulations thereunder, was fifty thousand dollars ($50,000) or more, the employer shall remit the total amount of income tax withheld within three banking days following the close of each eight-month period, as defined by Section 6302 of the Internal Revenue Code and regulations thereunder. For purposes of this subdivision, payment shall be made by electronic funds transfer in accordance with Section 13021.5, for one calendar year beginning on January 1. Payment is deemed complete on the date the electronic funds transfer is initiated if settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed complete on the date settlement occurs. The department shall, on or before October 31 of the prior year, notify all employers required to make payment by electronic funds transfer of these requirements.

(2) Notwithstanding subdivisions (a) and (c), for calendar years beginning on or after January 1, 1995, if in the 12-month period ending June 30 of the prior year, the cumulative average payment made pursuant to this division or Section 1110 for any deposit periods, as defined under Section 6302 of the Internal Revenue Code and regulations thereunder, was twenty thousand dollars ($20,000) or more, the employer shall remit the total amount of income tax withheld within the number of banking days as specified for federal income taxes by Section 6302 of the Internal Revenue Code and regulations thereunder. For purposes of this subdivision, payment shall be made by electronic funds transfer in accordance with Section 13021.5, for one calendar year beginning on January 1. Payment is deemed complete on the date the electronic funds transfer is initiated if settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed complete on the date settlement occurs. The department shall, on or before October 31 of the prior year, notify all employers required by this paragraph to make payments by electronic funds transfer of these requirements.

(3) Notwithstanding paragraph (2), effective January 1, 1995, electronic funds transfer payments that are subject to the one-day deposit rule, as defined by Section 6302 of the Internal Revenue Code and regulations thereunder, shall be deemed timely if the payment settles to the state's

demand account within three banking days after the date the employer meets the threshold for the one-day deposit rule.

(4) Any taxpayer required to remit payments pursuant to paragraphs (1) and (2) may request from the department a waiver of those requirements. The department may grant a waiver only if it determines that the particular amounts paid in excess of fifty thousand dollars ($50,000) or twenty thousand dollars ($20,000), as stated in paragraphs (1) and (2), respectively, were the result of an unprecedented occurrence for that employer, and were not representative of the employer's cumulative average payment in prior years.

(5) Any state agency required to remit payments pursuant to paragraphs (1) and (2) may request a waiver of those requirements from the department. The department may grant a waiver if it determines that there will not be a negative impact on the interest earnings of the General Fund. If there is a negative impact to the General Fund, the department may grant a waiver if the requesting state agency follows procedures designated by the department to mitigate the impact to the General Fund.

(e) Any employer not required to make payment pursuant to subdivision (d) of this section may elect to make payment by electronic funds transfer in accordance with Section 13021.5 under the following conditions:

(1) The election shall be made in a form, and shall contain information, as prescribed by the director, and shall be subject to approval by the department.

(2) If approved, the election shall be effective on the date specified in the notification to the employer of approval.

(3) The election shall be operative from the date specified in the notification of approval, and shall continue in effect until terminated by the employer or the department.

(4) Funds remitted by electronic funds transfer pursuant to this subdivision shall be deemed complete in accordance with subdivision (d) or as deemed appropriate by the director to encourage use of this payment method.

(f) Notwithstanding Section 1112, no interest or penalties shall be assessed against any employer who remits at least 95 percent of the amount required by subdivision (c) or (d) if the failure to remit the full amount is not willful and any remaining amount due is paid with the next payment. The director may allow any employer to submit the amounts due from multiple locations upon a showing that those submissions are necessary to comply with subdivision (c) or (d).

(g) The department may, if it believes that action is necessary, require any employer to make the report or return required by this section and pay to it the tax deducted and withheld at any time, or from time to time but no less frequently than provided for in subdivision (a).

(h) Any employer required to withhold any tax and who is not required to make payment under subdivision (c) shall remit the total amount of income tax withheld during each month of each calendar quarter, on or before the 15th day of the subsequent month if the income tax withheld for any of the

three months or, cumulatively for two or more months, is three hundred fifty dollars ($350) or more.

(i) For purposes of subdivisions (a), (c), and (h), payment is deemed complete when it is placed in a properly addressed envelope, bearing the correct postage, and it is deposited in the United States mail.

(j) (1) In addition to the withholding report, quarterly return, and report of wages described in subdivision (a), each employer shall file with the director an annual reconciliation return showing the amount required to be withheld under Section 13020, and any other information the director shall prescribe. This annual reconciliation return shall be due on the first day of January following the close of the prior calendar year and shall become delinquent if not filed on or before the last day of that month.

(2) The requirement to file the annual reconciliation return for the prior calendar year under this subdivision shall not apply to the 2012 calendar year and thereafter.

(k) The requirement in subdivision (a) to file a quarterly return shall begin with the first calendar quarter of the 2011 calendar year.

SEC. 63. Section 13050 of the Unemployment Insurance Code is amended to read:

13050. (a) Every employer or person required to deduct and withhold from an employee a tax under Section 986, 3260, or 13020, or who would have been required to deduct and withhold a tax under Section 13020 (determined without regard to Section 13025) if the employee had claimed no more than one withholding exemption, shall furnish to each employee in respect of the remuneration paid by the person to the employee during the calendar year, on or before January 31 of the succeeding year, or, if his or her employment is terminated before the close of the calendar year, on the day on which the last payment of remuneration is made, a written statement showing all of the following:

(1) The name of the person.

(2) The name of the employee, and his or her social security or identifying number if wages have been paid.

(3) The total amount of wages subject to personal income tax, as defined by Section 13009.5.

(4) The total amount deducted and withheld as tax under Section 13020.

(5) The total amount of worker contributions paid by the employee pursuant to Section 986.

(6) The total amount of worker contributions paid by the employee pursuant to Section 3260.

(7) The total amount of elective deferrals (within the meaning of Section 402(g)(3) of the Internal Revenue Code) and compensation deferred pursuant to Section 457 of the Internal Revenue Code.

(b) The statement required to be furnished pursuant to this section in respect of any remuneration shall be furnished at other times, shall contain other information, and shall be in a form, as the department may by authorized regulations prescribe.

(c) If, during any calendar year, any person makes a payment of third-party sick pay to an employee, that person shall, on or before January 15 of the succeeding year, furnish a written statement to the employer in respect of whom the payment was made showing all of the following:

(1) The name and, if there is withholding under this division, the social security number of that employee.

(2) The total amount of the third-party sick pay paid to that employee during the calendar year.

(3) The total amount, if any, deducted and withheld from that sick pay under this division. For purposes of the preceding sentence, the term "third-party sick pay" means any sick pay, as defined in subdivision (b) of Section 13028.6, which does not constitute wages for purposes of this division, determined without regard to subdivision (a) of Section 13028.6.

(A) For purposes of Chapter 10 (commencing with Section 2101) of Part 1 of Division 1, the statements required to be furnished by this subdivision shall be treated as statements required under this section to be furnished to employees.

(B) Every employer who receives a statement under this subdivision with respect to sick pay paid to any employee during any calendar year shall, on or before January 31 of the succeeding year, furnish a written statement to that employee showing all of the information shown on the statement furnished under this subdivision.

(d) The Franchise Tax Board shall be allowed access to the information filed with the department pursuant to this section.

SEC. 64. Section 1673.2 of the Vehicle Code is amended to read:

1673.2. (a) The department, in coordination with the Department of Finance, shall do all of the following:

(1) Search its records to identify the registered owner or lessee. Except as required under Section 1673.4, the department shall mail to the registered owner or lessee a refund notification form notifying the registered owner or lessee that he or she is eligible for a refund of the smog impact fee. This form shall identify the vehicle make and year, and include a refund claim that shall be signed, under penalty of perjury, and returned to the department.

(2) Shall acknowledge by mail claims for refund from registered owners or lessees received prior to the effective date of this section.

(3) Except as provided in Section 1673.4, shall verify whether the information provided in any claim is true and correct and shall refund the three hundred dollar ($300) smog impact fee, plus the amount of any penalty collected for late payment of the smog impact fee, and any interest earned on those charges, to the person shown to be the registered owner or lessee.

(b) Notwithstanding any other provision of law, interest shall be paid on all claims at a single annual rate, calculated by the Department of Finance, that averages the annualized interest rates earned by the Pooled Money Investment Account for the period beginning October 1990 and ending on the effective date of this section. Interest on each refund shall be calculated from the date the smog impact fee and vehicle registration transaction was

completed to the date the refund is issued. Accrual of interest shall terminate one year after the effective date of this section.

(c) (1) Notwithstanding any other provision of law, those who paid the smog impact fee between October 15, 1990, and October 19, 1999, may file a claim for refund.

(2) Claims for refund by a registered owner or lessee shall be filed with the Department of Motor Vehicles within three years of the effective date of this section.

SEC. 65. (a) The Legislature finds and declares all of the following:

(1) The Legislature appropriated thirty million two hundred eighty-three thousand dollars ($30,283,000) in Item 0855-101-0367 of the Budget Act of 2007 for the purpose of providing grants to local government agencies to mitigate impacts from tribal government gaming.

(2) The Governor deleted thirty million dollars ($30,000,000) for grants to local government agencies, citing a Bureau of State Audits report finding in which some local governments were not using grant moneys for their sole intended purpose.

(3) In 2008, the Legislature passed, and the Governor signed into law, Chapter 754 of the Statutes of 2008 (A.B. 158), enacting several recommendations from the Bureau of State Audits to help ensure grant funds be spent for their intended purpose.

(b) The sum of thirty million dollars ($30,000,000) is hereby appropriated from the Indian Gaming Special Distribution Fund to restore funding deleted from the Budget Act of 2007 for the purpose of providing grants to local government agencies pursuant to Section 12715 of the Government Code. For the purpose of this specific appropriation, distribution of appropriations to local government agencies impacted by tribal gaming shall be in accordance with the method for determining appropriations into individual tribal casino accounts in effect in the 2006–07 fiscal year, and based on payments made into the Indian Gaming Special Distribution Fund in the 2006–07 fiscal year.

SEC. 66. The provisions of Section 67 this act are subject to the applicable provisions of the Budget Act of 2009 (Chapter 1 of the 2009–10 Third Extraordinary Session).

SEC. 67. Item 0820-001-3086 of Section 2.00 of the Budget Act of 2009, as amended by Section 72 of Chapter 1 of the 2009–10 Fourth Extraordinary Session, is amended to read:

| | |
|---|---|
| 0820-001-3086—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the DNA Identification Fund..... | 45,355,000 |

SEC. 68. (a) The remaining funds appropriated in Item 0911-001-0001 of Section 2.00 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.) shall be available until June 30, 2012. Any funds allocated pursuant to Item 0911-001-0001 of Section 2.00 of the Budget Act of 2010 shall be available until June 30, 2013. The

Director of Finance shall allocate those funds among the Citizens Redistricting Commission, the Secretary of State, and the Bureau of State Audits not sooner than the date that both of the following have occurred:

(1) The State Auditor has randomly drawn the names of eight individuals who shall serve on the Citizens Redistricting Commission pursuant to subdivision (f) of Section 8252 of the Government Code.

(2) Thirty days have elapsed since the Department of Finance has submitted to the Chairperson of the Joint Legislative Budget Committee a written notification of intent to allocate those funds, or whatever lesser time the chairperson of the joint committee may determine.

(b) In order to receive an allocation of funds under this section, the Bureau of State Audits shall submit a request with a detailed cost estimate to the Chairperson of the Joint Legislative Budget Committee and the Director of Finance. If the chairperson of the joint committee provides a written notification to the director that the requested allocation, or a lesser amount, is needed to carry out expenses of the Bureau of State Audits as set forth in the detailed cost estimate, the director shall make an allocation of funds as identified in the written notification.

SEC. 69. (a) For the purpose of this section, the following words and terms shall have the following meanings:

(1) "Bank" means the California Infrastructure and Economic Development Bank.

(2) "IID" means the Imperial Irrigation District.

(3) "IID Infrastructure Guarantee Trust Account" means the account within the California Infrastructure Guarantee Trust Fund established by this section.

(4) "Infrastructure Bank IID Guaranteed Project Bonds" means obligations of IID issued in a principal amount providing net project proceeds of up to one hundred fifty million dollars ($150,000,000) in 2003 dollars as adjusted to their present value by the construction cost index, comprising the net of costs of issuance and the funding of a reserve account in the maximum amount provided by federal law with respect to tax exempt obligations, the net project proceeds of which are for the purpose of completing Transfer Agreement Project Improvements.

(5) "SDCWA" means the San Diego County Water Authority.

(6) "Shortfall" means, to the extent the number is negative, revenues received by IID pursuant to the transfer agreement, less the operation and maintenance costs, administrative costs, other noncapital costs related to the Transfer Agreement Project Improvements, and debt service on the Infrastructure Bank IID Guaranteed Project Bonds, not to exceed the amount due as debt service on the Infrastructure Bank IID Guaranteed Project Bonds on any payment date for those bonds and subject to offset as set forth in this section.

(7) "Transfer agreement" means that Agreement for Transfer of Conserved Water by and between IID and SDCWA dated April 29, 1998, as amended as of October 10, 2003.

(8) "Transfer Agreement Project Improvements" means projects or programs undertaken by IID for the purposes of the development of "conserved water" as that term is used in, and for the purposes of, the Quantification Settlement Agreement that was executed on October 10, 2003, that are financed with proceeds of the Infrastructure Bank IID Guaranteed Project Bonds.

(9) "Triggering event" means any of the following:

(A) Termination of the transfer agreement on or before October 3, 2048, for reasons other than set forth in subparagraph (B) or (C).

(B) A default under the transfer agreement by SDCWA resulting in a reduction in revenues payable to IID, provided that IID has assigned to the bank that portion of its payment rights under the transfer agreement sufficient for the bank to be made whole in the event recovery is obtained from the SDCWA.

(C) A court or administrative body order or other action that results in a reduction or elimination of revenues under the transfer agreement.

(b) The amount in the California Infrastructure Guarantee Trust Fund or any account in that fund on January 1, 2010, that is held for the benefit of the IID pursuant to Resolution No. 03-18, adopted by the California Infrastructure and Economic Development Bank on June 27, 2003, shall be deposited in a guarantee reserve account within the fund, which is hereby established as the IID Infrastructure Guarantee Trust Account. This amount shall also constitute the "reserve account requirement" for the account for the purposes of Section 63064 of the Government Code.

(c) The Infrastructure Bank IID Guaranteed Project Bonds shall be guaranteed by the bank, and the IID Infrastructure Guarantee Trust Account shall constitute the guarantee reserve account for the Infrastructure Bank IID Guaranteed Project Bonds as provided in Section 63063 of the Government Code. Moneys in the IID Infrastructure Guarantee Trust Account, including any amounts appropriated to this account, shall be paid for the benefit of the holders of the Infrastructure Bank IID Guaranteed Project Bonds in the amount of the shortfall upon the occurrence of all of the following: (1) a triggering event; (2) the exhaustion of the bond reserve account funded in the maximum amount provided by federal law with respect to tax exempt obligations by the Infrastructure Bank IID Guaranteed Project Bonds; and (3) funding by IID of debt service payments for 12 consecutive months. Moneys shall be transferred from the IID Infrastructure Guarantee Trust Account by the bank to the trustee for the Infrastructure Bond IID Guaranteed Project Bonds in an amount not to exceed the shortfall for the purpose of making principal or interest payments on the Infrastructure Bank IID Guaranteed Project Bonds.

(d) If a triggering event occurs and IID enters into a water transfer agreement with one or more parties, or a subsequent water transfer agreement with SDCWA, for all or any portion of the water that otherwise would have been transferred to SDCWA pursuant to the transfer agreement, IID shall apply the net revenues received under the water transfer agreement or agreements as an offset against the shortfall.

(e) The Infrastructure Bank IID Guaranteed Project Bonds shall have maturities not to exceed 30 years from the date of issuance of each series of these obligations and bear a fixed rate of interest. The Infrastructure Bank IID Guaranteed Project Bonds shall be structured with level debt service unless the board of directors of the bank approves non-level debt service. The date or dates of issuance shall be as determined by IID.

(f) The guarantee by the bank of the Infrastructure Bank IID Guaranteed Project Bonds and any payment thereunder shall be without any rights of recourse, subrogation, reimbursement, contribution, or indemnity against IID, provided that IID shall reimburse any guarantee payments received in any IID fiscal year to the extent that transfer revenues in that fiscal year received under the transfer agreement, or under any subsequent water transfer agreements described in subdivision (d) exceed the amount required for IID to pay the operation and maintenance costs, administrative costs, and other noncapital costs related to the Transfer Agreement Project Improvements plus debt service on the Infrastructure Bank IID Guaranteed Project Bonds.

(g) The obligation of the bank and of the state to pay any guarantee benefit for the Infrastructure Bank IID Guaranteed Project Bonds shall be a limited obligation of the bank payable solely from amounts deposited in the IID Infrastructure Guarantee Trust Account pursuant to this section, or subsequently appropriated for deposit in the IID Infrastructure Guarantee Trust Account pursuant to subdivision (d) of Section 63064 of the Government Code. Upon the occurrence of a triggering event and satisfaction of the conditions precedent for funding described in subdivision (c), the executive director of the bank shall take the action as provided in Section 63064 of the Government Code. The guarantee of the Infrastructure Bank IID Guaranteed Project Bonds under this section shall not directly or indirectly or contingently obligate the state or any of its political subdivisions to levy or to pledge any form of taxation whatever for them or to make any appropriation for their payment. The contract of guarantee to be entered into by the bank shall contain on its face a statement to the following effect: "Neither the faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of, or interest on, this contract of guarantee."

(h) The bank shall enter into a guarantee agreement with IID that is consistent with the terms of this section, as approved by the board of directors of the bank. Article 3 (commencing with Section 63040), Article 4 (commencing with Section 63042), and Article 5 (commencing with Section 63043) of Chapter 2 of Division 1 of Title 6.7 of the Government Code shall not apply to the guarantee by the bank of the Infrastructure Bank IID Guaranteed Project Bonds.

(i) Pursuant to Section 63066 of the Government Code, the bank may charge and collect an insurance guarantee premium upon the issuance of the guarantee of the Infrastructure Bank IID Guaranteed Project Bonds, not to exceed 1 percent of the principal amount thereof from the proceeds of the bonds, in an amount established by the board of directors of the bank.

SEC. 70. The Employment Development Department until September 3, 2013, shall report to the Joint Legislative Budget Committee, no less than quarterly, on the progress and effectiveness of implementation of the alternative base period program prescribed in Sections 1275, 1277.1, 1277.5, and 1329.5 of the Unemployment Insurance Code.

SEC. 71. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 72. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the Budget Act of 2010 as soon as possible, it is necessary for this act to take immediate effect.

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