AB-1516 Maintenance of the codes. (2017-2018)

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Assembly Bill No. 1516

CHAPTER 561

An act to amend Sections 303, 2221.1, 4927, 7542, 7596.4, 10177, 19604, 19619, 22973.3, 22977.1, 24049.5, and 25600.3 of, to amend the heading of Chapter 3.5 (commencing with Section 19300) of Division 8 of, and to amend the heading of Division 8.6 (commencing with Section 22970) of, the Business and Professions Code, to amend Sections 19, 54.27, 56.06, 2079.13, and 4777 of the Civil Code, to amend Sections 9, 26, 469, 810, and 1002 of the Code of Civil Procedure, to amend Sections 2282 and 16955 of the Corporations Code, to amend Sections 8482.8, 17296, 22955.1, 35710, 41580, 44253.4, 44259.1, 44265.6, 44332.5, 44332.6, 48204, 48204.3, 48240, 51225.3, 52052.3, 56601, 60227, 60605.5, 67102, 67432, 67434, and 92965 of, and to amend and renumber the heading of Chapter 16 (commencing with Section 67380) of Part 40 of Division 5 of Title 3 of, the Education Code, to amend Sections 3017, 10010, 21534, 21535, and 23002 of the Elections Code, to amend Sections 452.5 and 754 of the Evidence Code, to amend Sections 14103, 14556, and 22370 of the Financial Code, to amend Sections 31603, 46003, 46004.1, 46013.2, 52255.5, 52289, and 67132 of the Food and Agricultural Code, to amend Sections 4216.24, 7514.7, 8590.7, 8593.2, 8920, 8921, 8922, 8924, 9111, 12587.1, 12588, 12589, 12591, 15643, 18152, 20931, 20969.3, 27521, 30025, 31462.05, 31653, 50079, 65057, 65073, 65850.6, 66474.02, 68203, 70395, and 82002 of, to amend the heading of Article 5 (commencing with Section 8585) of Chapter 7 of Division 1 of Title 2 of, and to amend and renumber Section 8455 of, the Government Code, to amend Section 655.1 of the Harbors and Navigation Code, to amend Sections 443.2, 1250.11, 1256.1, 1259, 1502, 1502.2, 1502.21, 1505, 1522.41, 1531.1, 1797.197a, 9002, 11362.775, 11375.7, 11400, 11401, 25257.2, 38530, 38561, 38562, 38562.5, 38562.7, 39713, 39730.7, 43212, 44559.13, 50833, 101993, 101996, 103526, 103527.5, 103885, 111070.5, 116555, 122450, 123955, and 128371 of the Health and Safety Code, to amend Sections 38.6, 1063.135, 1063.14, and 10235.52 of the Insurance Code, to amend Sections 139.21, 201.3, 1072, 1285, 1286, 1288, 1290, 1291, 1299, 1301, 1302, 1303, 1304, 1305, 1308, 1308.3, 1308.11, 1309, 1310, 1311, 1312, 1390, 1391, 1393, 1393.5, 1394, 1398, 1399, 1420, 1433, 4603.2, 4616.4, and 4800 of, to repeal the heading of Article 2 (commencing with Section 1285) of Chapter 2 of Part 4 of Division 2 of, and to repeal the heading of Article 2 (commencing with Section 1390) of Chapter 3 of Part 4 of Division 2 of, the Labor Code, to amend Sections 800 and 803 of the Military and Veterans Code, to amend Sections 186.22, 308, 653w, 830.3, 832.18, 987.8, 991.5, 1001.87, 1170, 1170.18, 1347.1, 3409, 11105.04, 11105.08, 11106, 11174.32, 12021.5, 12022.2, 12022.4, 13835.4, 29180, 29181, and 29182 of, the Penal Code, to amend Section 20928.2 of the Public Contract Code, to amend Sections 3357, 5795.20, 25402.12, 30960, and 33204.8 of the Public Resources Code, to amend Sections 372, 399.4, 399.13, 454.55, 913.4, 913.8, 955.5, 972, 2827.10, 2870, 2881.4, 5445.2, 9605, 99684.5, 185020, and 185040 of the Public Utilities Code, to amend Sections 5097, 6366.4, 7094, 12206, 12258, 12491, 12636, 17058, 17220, 17851.5, 18708, 19192, 19854, 21026, 23610.5, 25128, 45153.5, 50112.1, 55042.5, 60207.5, and 60632 of, and to amend the heading of Part 20 (commencing with Section 41001) of Division 2 of, the Revenue and Taxation Code, to amend Section 5898.16 of

the Streets and Highways Code, to amend Sections 1110, 2737, 11003, and 13002 of the Unemployment Insurance Code, to amend Sections 13353.6, 22513.1, 23301.5, 27427, and 34501.12 of, and to repeal Section 41501 of, the Vehicle Code, to amend Sections 366, 13321, and 71611.5 of the Water Code, to amend Sections 208.3, 361.2, 366.3, 727, 727.1, 4096.5, 4652.5, 5848.5, 5849.1, 5849.35, 5849.8, 5849.14, 5890, 5899, 10553.12, 10559, 10621, 11405, 14087.325, 14132.100, 14134.25, 14184.40, 14184.50, 14184.60, 14184.70, 14184.80, 14717.1, 14717.5, 18250, and 18986.50 of, to amend the heading of Chapter 12.86 (commencing with Section 18987.6) of Part 6 of Division 9 of, to amend and renumber Sections 18986.60, 18986.86, 18986.87, and 18986.89 of, and to amend and renumber the heading of Chapter 12.9 (commencing with Section 18986.40) and the heading of Chapter 12.95 (commencing with Section 18986.50) of Part 6 of Division 9 of, the Welfare and Institutions Code, to amend Section 5 of Chapter 10 of the Statutes of 2016, to amend Section 1 of Chapter 283 of the Statutes of 2016, to amend Section 501 of the North Fork Kings Groundwater Sustainability Agency (Chapter 392 of the Statutes of 2016), and to amend Section 3 of Chapter 535 of the Statutes of 2016, relating to the maintenance of the codes.

[Approved by Governor October 07, 2017. Filed with Secretary of State October 07, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1516, Cunningham. Maintenance of the codes.

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

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

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 303 of the Business and Professions Code is amended to read:

303. There is in the department a Division of Consumer Services under the supervision and control of a chief. The chief shall be appointed by the Governor and shall serve at his or her pleasure. His or her compensation shall be fixed by the director in accordance with law.

SEC. 2. Section 2221.1 of the Business and Professions Code is amended to read:

2221.1. (a) The board and the California Board of Podiatric Medicine shall investigate and may take disciplinary action, including, but not limited to, revocation or suspension of licenses, against physicians and surgeons and all others licensed or regulated by the board, or by the California Board of Podiatric Medicine, whichever is applicable, who, except for good cause, knowingly fail to protect patients by failing to follow infection control guidelines of the applicable board, thereby risking transmission of blood-borne infectious diseases from the physician and surgeon or other health care provider licensed or regulated by the applicable board to patients, from patients, and from patient to physician and surgeon or other health care provider regulated by the applicable board. In so doing, the boards shall consider referencing the standards, regulations, and guidelines of the State Department of Public Health developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, guidelines, and regulations pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, hepatitis B, and other blood-borne pathogens in health care settings. As necessary, the board and the California Board of Podiatric Medicine shall consult with the Dental Board of California, the Board of Registered Nursing, and the Board of Vocational Nursing and Psychiatric Technicians of the State of California to encourage appropriate consistency in the implementation of this section.

(b) Subdivision (a) does not apply to an organ transplant performed within the standard of care and in compliance with subdivision (d) of Section 1644.5 of the Health and Safety Code.

(c) The board shall seek to ensure that licentiates and others regulated by the board are informed of the responsibility of licentiates to follow infection control guidelines and of the most recent scientifically recognized safeguards for minimizing the transmission of blood-borne infectious diseases.

SEC. 3. Section 4927 of the Business and Professions Code is amended to read:

4927. As used in this chapter, unless the context otherwise requires:

(a) “Board” means the Acupuncture Board.

(b) “Person” means any individual, organization, or corporate body, except that only individuals may be licensed under this chapter.

(c) “Acupuncturist” means an individual to whom a license has been issued to practice acupuncture pursuant to this chapter, which is in effect and is not suspended or revoked.

(d) “Acupuncture” means the stimulation of a certain point or points on or near the surface of the body by the insertion of needles to prevent or modify the perception of pain or to normalize physiological functions, including pain control for the treatment of certain diseases or dysfunctions of the body, and includes the techniques of electroacupuncture, cupping, and moxibustion.

SEC. 4. Section 7542 of the Business and Professions Code is amended to read:

7542. (a) A licensee and qualified manager who in the course of his or her employment or business carries a deadly weapon shall complete a course of training in the exercise of the powers to arrest as specified in Section 7583.7 and a course of training in the carrying and use of firearms as specified in Article 4 (commencing with Section 7583) of Chapter 11.5. A licensee or qualified manager shall not carry or use a firearm unless he or she has met the requirements of Sections 7583.23, 7583.24, and 7583.28 and has in his or her possession a valid firearms qualification card. A licensee or qualified manager who possesses a valid firearms qualification card shall comply with, and be subject to, Sections 7583.25, 7583.26, 7583.27, 7583.30, 7583.31, 7583.32, and 7583.37. A licensee or qualified manager who possesses a valid firearms qualification card may carry a firearm capable of being concealed upon the person in a concealed manner if he or she complies with applicable provisions set forth in Chapter 4 (commencing with Section 26150) of Division 5 of Title 4 of Part 6 of the Penal Code.

(b) If a firearms qualification card is denied, the denial shall be in writing and shall describe the basis for the denial. The denial shall inform the applicant that if he or she desires a review by the Private Investigator Disciplinary Review Committee to contest the denial, the review shall be requested of the director within 30 days following the issuance of the denial. A review or hearing shall be held pursuant to Section 7519.3. However, no review or hearing shall be granted to an individual who is otherwise prohibited by law from carrying a firearm.

(c) (1) If a firearms qualification card is denied on the basis of the results of an assessment pursuant to Section 7583.47, the denial shall be in writing and shall describe the basis for the denial. The denial shall inform the applicant that if he or she desires to contest the denial, the applicant shall request a hearing within 30 days of the issuance of the denial.

(2) Appeals of denials pursuant to this subdivision shall be in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 5. Section 7596.4 of the Business and Professions Code is amended to read:

7596.4. (a) (1) If a firearms permit is denied, the denial of the permit shall be in writing and shall describe the basis for the denial. The denial shall inform the applicant that if he or she desires a review by the Alarm Company Operator Disciplinary Review Committee, the review shall be requested within 30 days of the issuance of the denial.

(2) A review or hearing shall be held pursuant to Section 7591.19. However, no review or hearing shall be granted to an individual who is otherwise prohibited by law from carrying a firearm.

(b) (1) If a firearms permit is denied on the basis of the results of an assessment required for a permit associated with a security guard registration pursuant to Section 7583.47, the denial shall be in writing and shall describe the basis for the denial. The denial shall inform the applicant that if he or she desires to contest the denial, the applicant shall request a hearing within 30 days of the issuance of the denial.

(2) Appeals of denials pursuant to this subdivision shall be in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 6. Section 10177 of the Business and Professions Code is amended to read:

10177. The commissioner may suspend or revoke the license of a real estate licensee, delay the renewal of a license of a real estate licensee, or deny the issuance of a license to an applicant, who has done any of the following, or may suspend or revoke

the license of a corporation, delay the renewal of a license of a corporation, or deny the issuance of a license to a corporation, if an officer, director, or person owning or controlling 10 percent or more of the corporation's stock has done any of the following:

(a) Procured, or attempted to procure, a real estate license or license renewal, for himself or herself or a salesperson, by fraud, misrepresentation, or deceit, or by making a material misstatement of fact in an application for a real estate license, license renewal, or reinstatement.

(b) (1) Entered a plea of guilty or nolo contendere to, or been found guilty of, or been convicted of, a felony, or a crime substantially related to the qualifications, functions, or duties of a real estate licensee, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, irrespective of an order granting probation following that conviction, suspending the imposition of sentence, or of a subsequent order under Section 1203.4 of the Penal Code allowing that licensee to withdraw his or her plea of guilty and to enter a plea of not guilty, or dismissing the accusation or information.

(2) Notwithstanding paragraph (1), and with the recognition that sentencing may not occur for months or years following the entry of a guilty plea, the commissioner may suspend the license of a real estate licensee upon the entry by the licensee of a guilty plea to any of the crimes described in paragraph (1). If the guilty plea is withdrawn, the suspension shall be rescinded and the license reinstated to its status prior to the suspension. The bureau shall notify a person whose license is subject to suspension pursuant to this paragraph of his or her right to have the issue of the suspension heard in accordance with Section 10100.

(c) Knowingly authorized, directed, connived at, or aided in the publication, advertisement, distribution, or circulation of a material false statement or representation concerning his or her designation or certification of special education, credential, trade organization membership, or business, or concerning a business opportunity or a land or subdivision, as defined in Chapter 1 (commencing with Section 11000) of Part 2, offered for sale.

(d) Willfully disregarded or violated the Real Estate Law (Part 1 (commencing with Section 10000)) or Chapter 1 (commencing with Section 11000) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000) of Part 2.

(e) Willfully used the term "realtor" or a trade name or insignia of membership in a real estate organization of which the licensee is not a member.

(f) Acted or conducted himself or herself in a manner that would have warranted the denial of his or her application for a real estate license, or either had a license denied or had a license issued by another agency of this state, another state, or the federal government revoked or suspended for acts that, if done by a real estate licensee, would be grounds for the suspension or revocation of a California real estate license, if the action of denial, revocation, or suspension by the other agency or entity was taken only after giving the licensee or applicant fair notice of the charges, an opportunity for a hearing, and other due process protections comparable to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and only upon an express finding of a violation of law by the agency or entity.

(g) Demonstrated negligence or incompetence in performing an act for which he or she is required to hold a license.

(h) As a broker licensee, failed to exercise reasonable supervision over the activities of his or her salespersons, or, as the officer designated by a corporate broker licensee, failed to exercise reasonable supervision and control of the activities of the corporation for which a real estate license is required.

(i) Used his or her employment by a governmental agency in a capacity giving access to records, other than public records, in a manner that violates the confidential nature of the records.

(j) Engaged in any other conduct, whether of the same or a different character than specified in this section, that constitutes fraud or dishonest dealing.

(k) Violated any of the terms, conditions, restrictions, and limitations contained in an order granting a restricted license.

(l) (1) Solicited or induced the sale, lease, or listing for sale or lease of residential property on the ground, wholly or in part, of loss of value, increase in crime, or decline of the quality of the schools due to the present or prospective entry into the neighborhood of a person or persons having a characteristic listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those characteristics are defined in Sections 12926 and 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, paragraph (1) shall not be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior

citizens. Subdivision (d) of Section 51 and Section 4760 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(m) Violated the Franchise Investment Law (Division 5 (commencing with Section 31000) of Title 4 of the Corporations Code) or regulations of the Commissioner of Corporations pertaining thereto.

(n) Violated the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code) or the regulations of the Commissioner of Corporations pertaining thereto.

(o) Failed to disclose to the buyer of real property, in a transaction in which the licensee is an agent for the buyer, the nature and extent of a licensee's direct or indirect ownership interest in that real property. The direct or indirect ownership interest in the property by a person related to the licensee by blood or marriage, by an entity in which the licensee has an ownership interest, or by any other person with whom the licensee has a special relationship shall be disclosed to the buyer.

(p) Violated Article 6 (commencing with Section 10237).

(q) Violated or failed to comply with Chapter 2 (commencing with Section 2920) of Title 14 of Part 4 of Division 3 of the Civil Code, relating to mortgages.

If a real estate broker that is a corporation has not done any of the foregoing acts, either directly or through its employees, agents, officers, directors, or persons owning or controlling 10 percent or more of the corporation's stock, the commissioner shall not deny the issuance or delay the renewal of a real estate license to, or suspend or revoke the real estate license of, the corporation, provided that any offending officer, director, or stockholder, who has done any of the foregoing acts individually and not on behalf of the corporation, has been completely disassociated from any affiliation or ownership in the corporation. A decision by the commissioner to delay the renewal of a real estate license shall toll the expiration of that license until the results of any pending disciplinary actions against that licensee are final or until the licensee voluntarily surrenders his, her, or its license, whichever is earlier.

SEC. 7. The heading of Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code is amended to read:

CHAPTER 3.5. Medical Cannabis Regulation and Safety Act

SEC. 8. Section 19604 of the Business and Professions Code is amended to read:

19604. The board may authorize a racing association, racing fair, betting system, or multijurisdictional wagering hub to conduct advance deposit wagering in accordance with this section. Racing associations, racing fairs, and their respective horsemen's organizations may form a partnership, joint venture, or any other affiliation in order to further the purposes of this section.

(a) As used in this section, the following definitions apply:

(1) "Advance deposit wagering" (ADW) means a form of parimutuel wagering in which a person residing within California or outside of this state establishes an account with an ADW provider, and subsequently issues wagering instructions concerning the funds in this account, thereby authorizing the ADW provider holding the account to place wagers on the account owner's behalf.

(2) "ADW provider" means a licensee, betting system, or multijurisdictional wagering hub, located within California or outside this state, that is authorized to conduct advance deposit wagering pursuant to this section.

(3) "Betting system" means a business conducted exclusively in this state that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu.

(4) "Breed of racing" means as follows:

(A) With respect to associations and fairs licensed by the board to conduct thoroughbred, fair, or mixed breed race meetings, "breed of racing" shall mean thoroughbred.

(B) With respect to associations licensed by the board to conduct quarter horse race meetings, "breed of racing" shall mean quarter horse.

(C) With respect to associations and fairs licensed by the board to conduct standardbred race meetings, "breed of racing" shall mean standardbred.

(5) "Contractual compensation" means the amount paid to an ADW provider from advance deposit wagers originating in this state. Contractual compensation includes, but is not limited to, hub fee payments, and may include host fee payments, if any, for out-of-state and out-of-country races. Contractual compensation is subject to the following requirements:

(A) Excluding contractual compensation for host fee payments, contractual compensation shall not exceed 6.5 percent of the amount wagered.

(B) The host fee payments included within contractual compensation shall not exceed 3.5 percent of the amount wagered. Notwithstanding this provision, the host fee payment with respect to wagers on the Kentucky Derby, Preakness Stakes, Belmont Stakes, and selected Breeders' Cup Championship races may be negotiated by the ADW provider, the racing associations accepting wagers on those races pursuant to Section 19596.2, and the horsemen's organization.

(C) In order to ensure fair and consistent market access fee distributions to associations, fairs, horsemen, and breeders, for each breed of racing, the percentage of wagers paid as contractual compensation to an ADW provider pursuant to the terms of a hub agreement with a racing association or fair when that racing association or fair is conducting live racing shall be the same as the percentage of wagers paid as contractual compensation to that ADW provider when that racing association or fair is not conducting live racing.

(6) "Horsemen's organization" means, with respect to a particular racing meeting, the organization recognized by the board as responsible for negotiating purse agreements on behalf of horsemen participating in that racing meeting.

(7) "Hub agreement" means a written agreement providing for contractual compensation paid with respect to advance deposit wagers placed by California residents on a particular breed of racing conducted outside of California. In the event a hub agreement exceeds a term of two years, then an ADW provider, one or more racing associations or fairs that together conduct no fewer than five weeks of live racing for the breed covered by the hub agreement, and the horsemen's organization responsible for negotiating purse agreements for the breed covered by the hub agreement shall be signatories to the hub agreement. A hub agreement is required for an ADW provider to receive contractual compensation for races conducted outside of California.

(8) "Hub agreement arbitration" means an arbitration proceeding pursuant to which the disputed provisions of the hub agreement pertaining to the hub or host fees from wagers on races conducted outside of California provided pursuant to paragraph (2) of subdivision (b) are determined in accordance with the provisions of this paragraph. If a hub agreement arbitration is requested, all of the following shall apply:

(A) The ADW provider shall be permitted to accept advance deposit wagers from California residents.

(B) The contractual compensation received by the ADW provider shall be the contractual compensation specified in the hub agreement that is the subject of the hub agreement arbitration.

(C) The difference between the contractual compensation specified in subparagraph (B) and the contractual compensation determined to be payable at the conclusion of the hub agreement arbitration shall be calculated and paid within 15 days following the arbitrator's decision and order. The hub agreement arbitration shall be held as promptly as possible, but in no event more than 60 days following the demand for that arbitration. The arbitrator shall issue a decision no later than 15 days following the conclusion of the arbitration. A single arbitrator jointly selected by the ADW provider and the party requesting a hub agreement arbitration shall conduct the hub agreement arbitration. However, if the parties cannot agree on the arbitrator within seven days of issuance of the written demand for arbitration, then the arbitrator shall be selected pursuant to the Streamlined Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services, or pursuant to the applicable rules of its successor organization. In making the hub agreement arbitration determination, the arbitrator shall be required to choose between the contractual compensation of the hub agreement agreed to by the ADW provider or whatever different terms for the hub agreement were proposed by the party requesting the hub agreement arbitration. The arbitrator shall not be permitted to impose new, different, or compromised terms to the hub agreement. The arbitrator's decision shall be final and binding on the parties. If an arbitration is requested, either party may bring an action in state court to compel a party to go into arbitration or to enforce the decision of the arbitrator. The cost of the hub agreement arbitration, including the cost of the arbitrator, shall be borne in equal shares by the parties to the hub agreement and the party or parties requesting a hub agreement arbitration. The hub agreement arbitration shall be administered by the Judicial Arbitration and Mediation Services pursuant to its Streamlined Arbitration Rules and Procedures or its successor organization.

(9) "Incentive awards" means those payments provided for in Sections 19617.2, 19617.7, 19617.8, 19617.9, and 19619. The amount determined to be payable for incentive awards under this section shall be payable to the applicable official registering agency and thereafter distributed as provided in this chapter.

(10) "Licensee" means a racing association or fair licensed to conduct a live racing meet in this state, or affiliation thereof, authorized under this section.

(11) "Market access fee" means the amount of advance deposit wagering handle remaining after the payment of winning wagers, and after the payment of contractual compensation, if any, to an ADW provider. Market access fees shall be distributed

in accordance with subdivision (f).

(12) “Multijurisdictional wagering hub” means a business conducted in more than one jurisdiction that facilitates parimutuel wagering on races it simulcasts and other races it offers in its wagering menu.

(13) “Racing fair” means a fair authorized by the board to conduct live racing.

(14) “Zone” means the zone of the state, as defined in Section 19530.5, except as modified by subdivision (f) of Section 19601. For these purposes, the central and southern zones shall together be considered one zone.

(b) Wagers shall be accepted according to the procedures set forth in this subdivision.

(1) An ADW provider shall not accept wagers or wagering instructions on races conducted in California from a resident of California unless all of the following conditions are met:

(A) The ADW provider is licensed by the board.

(B) A written agreement allowing those wagers exists with the racing association or fair conducting the races on which the wagers are made.

(C) The agreement referenced in subparagraph (B) shall have been approved in writing by the horsemen’s organization responsible for negotiating purse agreements for the breed on which the wagers are made in accordance with the federal Interstate Horseracing Act of 1978 (15 U.S.C. Sec. 3001 et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen’s groups to the terms and conditions of the acceptance of those wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider. For purposes of this subdivision, the substantive provisions of the federal Interstate Horseracing Act of 1978 shall be taken into account without regard to whether, by its own terms, that act is applicable to advance deposit wagering on races conducted in California accepted from residents of California.

(2) An ADW provider shall not accept wagers or wagering instructions on races conducted outside of California from a resident of California unless all of the following conditions are met:

(A) The ADW provider is licensed by the board.

(B) There is a hub agreement between the ADW provider and one or both of (i) one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed, and (ii) the horsemen’s organization responsible for negotiating purse agreements for the breed on which wagering is conducted.

(C) If the parties referenced in clauses (i) and (ii) of subparagraph (B) are both signatories to the hub agreement, then no party shall have the right to request a hub agreement arbitration.

(D) If only the party or parties referenced in clause (i) of subparagraph (B) is a signatory to the hub agreement, then the signatories to the hub agreement shall, within five days of execution of the hub agreement, provide a copy of the hub agreement to the horsemen’s organization responsible for negotiating purse agreements for the breed on which wagering is conducted for each race conducted outside of California on which California residents may place advance deposit wagers. Before receipt of the hub agreement, the horsemen’s organization shall sign a nondisclosure agreement with the ADW provider agreeing to hold confidential all terms of the hub agreement. If the horsemen’s organization wants to request a hub agreement arbitration, it shall send written notice of its election to the signatories to the hub agreement within 10 days after receipt of the copy of the hub agreement, and shall provide its alternate proposal to the hub and host fees specified in the hub agreement with that written notice. If the horsemen’s organization does not provide that written notice within the 10-day period, then no party shall have the right to request a hub agreement arbitration. If the horsemen’s organization does provide that written notice within the 10-day period, then the ADW provider shall have 10 days to elect in writing to do one of the following:

(i) Abandon the hub agreement.

(ii) Accept the alternate proposal submitted by the horsemen’s organization.

(iii) Proceed with a hub agreement arbitration.

(E) If only the party referenced in clause (ii) of subparagraph (B) is a signatory to the hub agreement, then the signatories to the hub agreement shall, within five days of execution of the hub agreement, provide written notice of the host and hub fees applicable pursuant to the hub agreement for each race conducted outside of California on which California residents may

place advance deposit wagers, which notice shall be provided to all racing associations and fairs conducting live racing of the same breed covered by the hub agreement. If any racing association or fair wants to request a hub agreement arbitration, it shall send written notice of its election to the signatories to the hub agreement within 10 days after receipt of the notice of host and hub fees. It shall also provide its alternate proposal to the hub and host fees specified in the hub agreement with the notice of its election. If more than one racing association or fair provides notice of their request for hub agreement arbitration, those racing associations or fairs, or both, shall have a period of five days to jointly agree upon which of their alternate proposals shall be the official proposal for purposes of the hub agreement arbitration. If one or more racing associations or fairs that together conduct no fewer than five weeks of live racing on the breed on which wagering is conducted during the calendar year during which the wager is placed does not provide written notice of their election to arbitrate within the 10-day period, then no party shall have the right to request a hub agreement arbitration. If a valid hub agreement arbitration request is made, then the ADW provider shall have 10 days to elect in writing to do one of the following:

(i) Abandon the hub agreement.

(ii) Accept the alternate proposal submitted by the racing associations or fairs.

(iii) Proceed with a hub agreement arbitration.

The results of a hub agreement arbitration elected pursuant to this subdivision shall be binding on all other associations and fairs conducting live racing of that breed.

(F) The acceptance thereof is in compliance with the provisions of the federal Interstate Horseracing Act of 1978 (15 U.S.C. Sec. 3001 et seq.), regardless of the location of the ADW provider, whether in California or otherwise, including, without limitation, any and all requirements contained therein with respect to written consents and required written agreements of horsemen's groups to the terms and conditions of the acceptance of the wagers and any arrangements as to the exclusivity between the host racing association or fair and the ADW provider.

(c) An advance deposit wager may be made only by the ADW provider holding the account pursuant to wagering instructions issued by the owner of the funds communicated by telephone call or through other electronic media. The ADW provider shall ensure the identification of the account's owner by using methods and technologies approved by the board. An ADW provider that accepts wagering instructions concerning races conducted in California, or accepts wagering instructions originating in California, shall provide a full accounting and verification of the source of the wagers thereby made, including the postal ZIP Code and breed of the source of the wagers, in the form of a daily download of parimutuel data to a database designated by the board. The daily download shall be delivered in a timely basis using file formats specified by the database designated by the board, and shall include any and all data necessary to calculate and distribute moneys according to the rules and regulations governing California parimutuel wagering. All reasonable costs associated with the creation, provision, and transfer of this data shall be borne by the ADW provider.

(d) (1) (A) The board shall develop and adopt rules to license and regulate all phases of operation of advance deposit wagering for ADW providers operating in California, including advance deposit wagering activity that takes place within a minisatellite wagering facility. The board may recover costs associated with the licensing or regulation of advance deposit wagering activities in a minisatellite wagering facility either directly from the ADW provider or through an appropriate increase in the funding formula devised by the board pursuant to paragraph (1) of subdivision (a) of Section 19616.51.

(B) The board shall not approve an application for an original or renewal license as an ADW provider unless the entity, if requested in writing by a bona fide labor organization no later than 90 days before licensing, has entered into a contractual agreement with that labor organization that provides all of the following:

(i) The labor organization has historically represented employees who accept or process any form of wagering at the nearest horse racing meeting located in California.

(ii) The agreement establishes the method by which the ADW provider will agree to recognize and bargain in good faith with a labor organization that has demonstrated majority status by submitting authorization cards signed by those employees who accept or process any form of wagering for which a California ADW license is required.

(iii) The agreement requires the ADW provider to maintain its neutrality concerning the choice of those employees who accept or process any form of wagering for which a California ADW license is required whether or not to authorize the labor organization to represent them with regard to wages, hours, and other terms and conditions of employment.

(iv) The agreement applies to those classifications of employees who accept or process wagers for which a California ADW license is required whether the facility is located within or outside of California.

(C) (i) The agreement required by subparagraph (B) shall not be conditioned by either party upon the other party agreeing to matters outside the requirements of subparagraph (B).

(ii) The requirement in subparagraph (B) shall not apply to an ADW provider that has entered into a collective bargaining agreement with a bona fide labor organization that is the exclusive bargaining representative of employees who accept or process parimutuel wagers on races for which an ADW license is required whether the facility is located within or outside of California.

(D) Permanent state or county employees and nonprofit organizations that have historically performed certain services at county, state, or district fairs may continue to provide those services.

(E) Parimutuel clerks employed by racing associations or fairs or employees of ADW providers who accept or process any form of wagers who are laid off due to lack of work shall have preferential hiring rights for new positions with their employer in occupations whose duties include accepting or processing any form of wagers, or the operation, repair, service, or maintenance of equipment that accepts or processes any form of wagering at a racetrack, satellite wagering facility, or ADW provider licensed by the board. The preferential hiring rights established by this subdivision shall be conditioned upon the employee meeting the minimum qualification requirements of the new job.

(2) The board shall develop and adopt rules and regulations requiring ADW providers to establish security access policies and safeguards, including, but not limited to, the following:

(A) The ADW provider shall use board-approved methods to perform location and age verification confirmation with respect to persons establishing an advance deposit wagering account.

(B) The ADW provider shall use personal identification numbers (PINs) or other technologies to ensure that only the accountholder has access to the advance deposit wagering account.

(C) The ADW provider shall provide for withdrawals from the wagering account only by means of a check made payable to the accountholder and sent to the address of the accountholder or by means of an electronic transfer to an account held by the verified accountholder or the accountholder may withdraw funds from the wagering account at a facility approved by the board by presenting verifiable account identification information.

(D) The ADW provider shall allow the board access to its premises to visit, investigate, audit, and place expert accountants and other persons it deems necessary for the purpose of ensuring that its rules and regulations concerning credit authorization, account access, and other security provisions are strictly complied with. To ensure that the amounts retained from the parimutuel handle are distributed under law, rules, or agreements, any ADW provider that accepts wagering instructions concerning races conducted in California or accepts wagering instructions originating in California shall provide an independent “agreed-upon procedures” audit for each California racing meeting, within 60 days of the conclusion of the race meeting. The auditing firm to be used and the content and scope of the audit, including host fee obligations, shall be set forth in the applicable agreement. The ADW provider shall provide the board, horsemen’s organizations, and the host racing association with an annual parimutuel audit of the financial transactions of the ADW provider with respect to wagers authorized pursuant to this section, prepared in accordance with generally accepted auditing standards and the requirements of the board. Any and all reasonable costs associated with those audits shall be borne by the ADW provider.

(3) The board shall prohibit advance deposit wagering advertising that it determines to be deceptive to the public. The board shall also require, by regulation, that every form of advertising contain a statement that minors are not allowed to open or have access to advance deposit wagering accounts.

(e) In order for a licensee, betting system, or multijurisdictional wagering hub to be approved by the board as an ADW provider, it shall meet both of the following requirements:

(1) All wagers thereby made shall be included in the appropriate parimutuel pool under a contractual agreement with the applicable host track.

(2) The amounts deducted from advance deposit wagers shall be in accordance with the provisions of this chapter.

(f) After the payment of contractual compensation, the amounts received as market access fees from advance deposit wagers, which shall not be considered for purposes of Section 19616.51, shall be distributed as follows:

(1) An amount equal to 0.0011 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Center for Equine Health to establish the Kenneth L. Maddy Fund for the benefit of the School of Veterinary Medicine at the University of California at Davis.

(2) An amount equal to 0.0003 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting shall be distributed to the Public Employment Relations Board to cover costs associated with audits conducted pursuant to Section 19526 and for purposes of reimbursing the State Mediation and Conciliation Service for costs incurred pursuant to this section. However, if that amount would exceed the costs of the Public Employment Relations Board, the amount distributed to that board shall be reduced, and that reduction shall be forwarded to an organization designated by the racing association or fair described in subdivision (a) for the purpose of augmenting a compulsive gambling prevention program specifically addressing that problem.

(3) An amount equal to 0.00165 multiplied by the amount handled on advance deposit wagers that originate in California for each racing meeting shall be distributed as follows:

(A) One-half of the amount shall be distributed to supplement the trainer-administered pension plans for backstretch personnel established pursuant to Section 19613. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19613 or any other provision of law.

(B) One-half of the amount shall be distributed to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

(4) With respect to wagers on each breed of racing that originate in California, an amount equal to 2 percent of the first two hundred fifty million dollars ($250,000,000) of handle from all advance deposit wagers originating from within California annually, an amount equal to 1.5 percent of the next two hundred fifty million dollars ($250,000,000) of handle from all advance deposit wagers originating from within California annually, an amount equal to 1 percent of the next two hundred fifty million dollars ($250,000,000) of handle from all advance deposit wagers originating from within California annually, and an amount equal to 0.50 percent of handle from all advance deposit wagers originating from within California in excess of seven hundred fifty million dollars ($750,000,000) annually, shall be distributed as satellite wagering commissions. Satellite wagering facilities that were not operational in 2001, other than one each in the Cities of Inglewood and San Mateo, and two additional facilities each operated by the Alameda County Fair and the Los Angeles County Fair and their partners and other than existing facilities that are relocated, are not eligible for satellite wagering commission distributions under this section. The satellite wagering facility commissions calculated in accordance with this subdivision shall be distributed to each satellite wagering facility and racing association or fair in the zone in which the wager originated in the same relative proportions that the satellite wagering facility or the racing association or fair generated satellite commissions during the previous calendar year. If there is a reduction in the satellite wagering commissions pursuant to this section, the benefits therefrom shall be distributed equitably as purses and commissions to all associations and racing fairs generating advance deposit wagers in proportion to the handle generated by those associations and racing fairs. If a satellite wagering facility is permanently closed other than for renovation or remodeling, or if a satellite wagering facility is unwilling or unable to accept all of the signals that are available to that facility, the commissions otherwise provided for in this subdivision that would be payable to that facility shall be proportionately reduced to take into account the time that satellite wagering is no longer conducted by that facility, or the payment of those commissions shall be eliminated entirely if the facility is permanently closed, and, in either case, the satellite wagering commissions not paid shall be proportionately redistributed to the other eligible satellite wagering facilities. For purposes of this section, the purse funds distributed pursuant to Section 19605.72 shall be considered to be satellite wagering facility commissions attributable to thoroughbred races at the locations described in that section.

(5) After the distribution of the amounts set forth in paragraphs (1) to (4), inclusive, the remaining market access fees from advance deposit wagers originating in California shall be as follows:

(A) With respect to wagers on each breed of racing, the amount remaining shall be distributed to the racing association or fair that is conducting live racing of that breed during the calendar period in the zone in which the wager originated. That amount shall be allocated to that racing association or fair as commissions, to horsemen participating in that racing meeting in the form of purses, and as incentive awards, in the same relative proportion as they were generated or earned during the prior calendar year at that racing association or fair on races conducted or imported by that racing association or fair after making all deductions required by applicable law. Notwithstanding any other law, the distributions with respect to each breed of racing set forth in this subparagraph may be altered upon the approval of the board, in accordance with an agreement signed by the respective associations, fairs, horsemen’s organizations, and breeders organizations receiving those distributions.

(B) If the provisions of Section 19601.2 apply, then the amount distributed to the applicable racing associations or fairs shall first be divided between those racing associations or fairs in direct proportion to the total amount wagered in the applicable zone on the live races conducted by the respective association or fair. Notwithstanding this requirement, when the provisions of subdivision (b) of Section 19607.5 apply to the 2nd District Agricultural Association in Stockton or the California

Exposition and State Fair in Sacramento, then the total amount distributed to the applicable racing associations or fairs shall first be divided equally, with 50 percent distributed to applicable fairs and 50 percent distributed to applicable associations.

(C) Notwithstanding any provisions of this section to the contrary, with respect to wagers on out-of-state and out-of-country thoroughbred races conducted after 6 p.m., Pacific standard time, 50 percent of the amount remaining shall be distributed as commissions to thoroughbred associations and racing fairs, as thoroughbred and fair purses, and as incentive awards in accordance with subparagraph (A), and the remaining 50 percent, together with the total amount remaining from advance deposit wagering originating from California out-of-state and out-of-country harness and quarter horse races conducted after 6 p.m., Pacific standard time, shall be distributed as commissions on a pro rata basis to the applicable licensed quarter horse association and the applicable licensed harness association, based upon the amount handled in state, both on- and off-track, on each breed's own live races in the previous year by that association, or its predecessor association. One-half of the amount thereby received by each association shall be retained by that association as a commission, and the other one-half of the money received shall be distributed as purses to the horsemen participating in its current or next scheduled licensed racing meeting.

(D) Notwithstanding any provisions of this section to the contrary, with respect to wagers on out-of-state and out-of-country nonthoroughbred races conducted before 6 p.m., Pacific standard time, 50 percent of the amount remaining shall be distributed as commissions as provided in subparagraph (C) for licensed quarter horse and harness associations, and the remaining 50 percent shall be distributed as commissions to the applicable thoroughbred associations or fairs, as thoroughbred and fair purses, and as incentive awards in accordance with subparagraph (A).

(E) Notwithstanding any provision of this section to the contrary, the distribution of market access fees pursuant to this subparagraph may be altered upon the approval of the board, in accordance with an agreement signed by all parties whose distributions would be affected.

(g) A racing association, a fair, a satellite wagering facility, or a minisatellite wagering facility may enter into an agreement with an ADW provider to accept and facilitate the placement of any wager from a patron at its facility that a California resident could make through that ADW provider. Deductions from wagers made pursuant to this agreement shall be distributed in accordance with the provisions of this chapter governing wagers placed at that facility, except that the board may authorize alternative distributions as agreed to by the ADW provider, the operator of the facility accepting the wager, the association or fair conducting that breed of racing in the zone where the wager is placed, and the respective horsemen's organization.

(h) Any issue concerning the interpretation or application of this section shall be resolved by the board.

(i) Amounts distributed under this section shall be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advance deposit wagers originating in California for each racing meeting, except for harness racing meetings, provided that the amount of this reduction shall not exceed two million dollars ($2,000,000). The method used to calculate the reduction in proportionate share shall be approved by the board. The amount deducted shall be distributed as follows:

(1) (A) Fifty percent of the money to the board to establish, and to administer jointly with the organization certified as the majority representative of California-licensed jockeys pursuant to Section 19612.9, a defined contribution retirement plan for California-licensed jockeys who retired from racing on or after January 1, 2009.

(B) A person becomes a participant in the retirement plan when he or she is licensed as a jockey in California.

(2) The remaining 50 percent of the money shall be distributed as follows:

(A) Seventy percent shall be distributed to supplement the trainer-administered pension plans for backstretch personnel established pursuant to Section 19613. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19613 or any other provision of law.

(B) Thirty percent shall be distributed to the welfare fund established for the benefit of horsemen and backstretch personnel pursuant to subdivision (b) of Section 19641. Moneys distributed pursuant to this subparagraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

(j) Amounts distributed under this section shall be proportionally reduced by an amount equal to 0.00295 multiplied by the amount handled on advance deposit wagers originating in California for each harness racing meeting, provided that the amount of this reduction shall not exceed five hundred thousand dollars ($500,000). The method used to calculate the reduction in proportionate share shall be approved by the board. The amount deducted shall be distributed as follows:

(1) First to the welfare fund established for the benefit of horsemen and backstretch personnel, pursuant to subdivision (b) of Section 19641, and administered by the organization representing the horsemen participating in the race meeting, in the

amount requested by the welfare fund. Moneys distributed pursuant to this paragraph shall supplement, and not supplant, moneys distributed to that fund pursuant to Section 19641 or any other provision of law.

(2) The amount remaining, if any, shall be utilized for the benefit of the horsemen as specified in a written agreement between the racing association that conducts the live harness race meeting and the organization representing the horsemen participating in the race meeting.

(k) Notwithstanding subdivision (j), amounts generated that were deducted from amounts handled on advance deposit wagering for harness racing meetings pursuant to subdivision (i), as that section read before the enactment of subdivision (j), that have been held in trust by the California Exposition and State Fair shall be distributed as follows:

(1) Fifty percent to the harness racing horsemen who participated in the racing meeting that concluded June 16, 2012, in the form of purses.

(2) Fifty percent to the California Exposition and State Fair in the form of commissions.

SEC. 9. Section 19619 of the Business and Professions Code is amended to read:

19619. (a) Since the purpose of this chapter is to encourage agriculture and the breeding of horses in this state, a California Standardbred Sires Stakes Program is hereby established for standardbred horses bred in the State of California.

(b) Horses eligible to race in the California Standardbred Sires Stakes Program shall be the offspring of a registered California standardbred stallion standing in California during an entire breeding season, or the offspring of a registered standardbred stallion standing in Iowa, Maine, Michigan, Minnesota, or Wisconsin, or the Province of Alberta, Canada.

(c) (1) Responsibility for the California Standardbred Sires Stakes Program is with the board. Administration of the California Standardbred Sires Stakes Program is the responsibility of the California Standardbred Sires Stakes Committee. The committee shall consist of five members and one alternate selected from and by the California Harness Horsemen's Association.

(2) Administrative expenses of the committee in any given year shall not exceed 4 percent of that year's income to the California Standardbred Sires Stakes Program, and all expenses shall be approved by the board.

(d) The board may do all that is necessary to ensure that the California Standardbred Sires Stakes Program is appropriately administered and shall prepare, issue, and adopt rules and regulations providing for all of the following:

(1) Classes and divisions of races, eligibility of horses and owners therefor, and prizes and awards to be awarded.

(2) Nominating, sustaining, and entry fees for horses and races.

(3) Registration and certification of California stallions, mares bred to those stallions, and foals produced thereby.

(4) Any other matter that is considered to be necessary and appropriate for the proper administration and implementation of the California Standardbred Sires Stakes Program.

(e) The funds for the California Standardbred Sires Stakes Program made available pursuant to Section 19491.7 and the nominating, sustaining, and entry fees provided for in this section shall be deposited with the California Standardbred Sires Stakes Committee. The committee shall distribute the funds deposited with it in accordance with this section for the purposes of the program in the manner approved by the board.

(f) Pursuant to Section 19491.7, the breakage used to fund the California Standardbred Sires Stakes Program and to increase purses shall be divided in accordance with the following criteria:

	California Standardbred Sires Stakes Program	Purses
1977	10%	90%
1978	20%	80%
1979	25%	75%
1980	50%	50%
January 1 to June 30, 1981	75%	25%
July 1, 1981, and thereafter	100%	0%

(g) An amount equal to 10 percent of the total purses raced for in the California sires stakes races shall be awarded to the standardbred breeders of the horses that earned purse money in the California standardbred sires stakes races in proportion to the amount of purse money earned by each horse.

(h) An amount equal to 2 percent of the total purses raced for in the California sires stakes races shall be awarded to the owners of the registered California standardbred stallions that sired horses that earned purse money in the California standardbred sires stakes races in proportion to the amount of purse money earned by each horse so sired.

(i) Notwithstanding subdivision (b), the board may establish a series of races for two-year-old and three-year-old fillies that are wholly owned by a California resident on the first day of January of the year that they become two years old and are wholly owned by a California resident on the day of the race.

(j) The balance of the remaining funds, including nominating, sustaining, and entry fees, and after the expenditures described in subdivisions (e), (g), (h), and (i) have been made, shall be allocated to purses for races comprising the California Standardbred Sires Stakes Program.

(k) The schedule of races that shall comprise the California Standardbred Sires Stakes Program during each year shall be set by the board in accordance with the following criteria:

(1) California standardbred sires stakes races shall be scheduled for two-year-old or three-year-old trotters and two-year-old and three-year-old pacers at the discretion of the California Standardbred Sires Stakes Committee, except that no two-year-old races shall be held before the first day of June of any year. Races for four-year-old or aged trotters and four-year-old or aged pacers may also be scheduled.

(2) Base purses for each set of races conducted during any given year at any race meeting shall be determined by the committee.

(3) In each division of each race in the California standardbred sires stakes races, the purse shall be divided in the following manner:

1st 50%

2nd 25%

3rd 12%

4th 8%

5th 5%

SEC. 10. The heading of Division 8.6 (commencing with Section 22970) of the Business and Professions Code is amended to read:

DIVISION 8.6. CIGARETTE AND TOBACCO PRODUCTS LICENSING ACT OF 2003

SEC. 11. Section 22973.3 of the Business and Professions Code is amended to read:

22973.3. (a) Notwithstanding any other law, an application for a license for the sale of a tobacco product, as defined in subdivision (d) of Section 22950.5, that is not subject to a tax imposed by the Cigarette and Tobacco Products Tax Law pursuant to Part 13 (commencing with Section 30001) of Division 2 of the Revenue and Taxation Code shall be filed on a form prescribed by the board and shall include the following:

(1) The name, address, and telephone number of the applicant.

(2) The business name, address, and telephone number of each retail location. For applicants who control more than one retail location, an address for receipt of correspondence or notices from the board, such as a headquarters or corporate office of the retailer, shall also be included on the application and listed on the license. Citations issued to licensees shall be forwarded to all addressees on the license.

(3) A statement by the applicant affirming that the applicant has not been convicted of a felony and has not violated and will not violate or cause or permit to be violated any of the provisions of this division or any rule of the board applicable to the applicant or pertaining to the manufacture, sale, or distribution of cigarettes or tobacco products. If the applicant is unable to affirm this statement, the application shall contain a statement by the applicant of the nature of any violation or the reasons that will prevent the applicant from complying with the requirements with respect to the statement.

(4) If any other licenses or permits have been issued by the board or the Department of Alcoholic Beverage Control to the applicant, the license or permit number of those licenses or permits then in effect.

(5) A statement by the applicant that the contents of the application are complete, true, and correct. Any person who signs a statement pursuant to this subdivision that asserts the truth of any material matter that he or she knows to be false is guilty of a misdemeanor punishable by imprisonment of up to one year in a county jail, or a fine of not more than one thousand dollars ($1,000), or both the imprisonment and the fine.

(6) The signature of the applicant.

(7) Any other information the board may require.

(b) The board may investigate to determine the truthfulness and completeness of the information provided in the application. The board may issue a license without further investigation to an applicant for a retail location if the applicant holds a valid license from the Department of Alcoholic Beverage Control for that same location.

(c) The board shall provide electronic means for applicants to download and submit applications.

(d) A fee of two hundred sixty-five dollars ($265) shall be submitted with each application. An applicant that owns or controls more than one retail location shall obtain a separate license for each retail location, but may submit a single application for those licenses with an application license fee of two hundred sixty-five dollars ($265) per location. The fee shall be for the period provided in subdivision (d) of Section 22972 and shall not be prorated.

(e) Every retailer shall file an application for renewal of its license, accompanied with a fee of two hundred sixty-five dollars ($265) per retail location in the form and manner prescribed by the board.

(f) (1) The board shall report back to the Legislature no later than January 1, 2019, regarding the adequacy of funding for the Cigarette and Tobacco Products Licensing Act of 2003 with regard to tobacco products for which a license is required by this section. The report shall include data and recommendations about whether the annual licensing fee funding levels are set at an appropriate level to maintain an effective enforcement program.

(2) The report required by paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(g) (1) This section applies to a retailer who sells a tobacco product, as defined in subdivision (d) of Section 22950.5, that is not subject to a tax imposed by the Cigarette and Tobacco Products Tax Law pursuant to Part 13 (commencing with Section 30001) of Division 2 of the Revenue and Taxation Code, and who does not already possess a valid license to sell cigarettes or tobacco products issued pursuant to Section 22972.

(2) A retailer that possesses a valid license to sell cigarettes and tobacco products issued pursuant to Section 22972 may also sell under that license a tobacco product, as defined in subdivision (d) of Section 22950.5, that is not subject to a tax imposed by the Cigarette and Tobacco Products Tax Law pursuant to Part 13 (commencing with Section 30001) of Division 2 of the Revenue and Taxation Code.

(h) This section shall become operative January 1, 2017.

SEC. 12. Section 22977.1 of the Business and Professions Code is amended to read:

22977.1. (a) Every distributor and every wholesaler shall file an application, as prescribed in Section 22977, on or before April 15, 2004. Each application shall be accompanied by a fee of one thousand dollars ($1,000) for each location. The fee shall be for a calendar year and may not be prorated. Subject to meeting the requirements of this section and Section 22977.2, the board shall issue a license.

(b) Every distributor and every wholesaler who commences business after the last day of May 2004, or who commences selling or distributing cigarettes or tobacco products at a new or different place of business in this state after the last day of May 2004, shall file with the board an application as prescribed in Section 22977 at least 30 days prior to commencing such business or commencing such sales or distributions; and all distributors and all wholesalers that fail to timely file an application for a license under subdivision (a) shall file with the board an application as prescribed in Section 22977. Each application shall be accompanied by a fee of one thousand two hundred dollars ($1,200) for each location. The fee shall be for a calendar year and may not be prorated. Subject to Section 22977.2, the board, within 30 days after receipt of an application and payment of the proper fee, shall issue a license.

(c) For calendar years beginning on and after January 1, 2005, and before January 1, 2017, every distributor and every wholesaler shall file an application for renewal of the license prescribed in Section 22977, accompanied with a fee of one thousand dollars ($1,000) for each location where cigarettes and tobacco products are sold, in the form and manner as prescribed by the board. For calendar years beginning on and after January 1, 2017, the fee accompanying an application for renewal of the license prescribed in Section 22977 shall be one thousand two hundred dollars ($1,200) for each location where cigarettes and tobacco products are sold.

SEC. 13. Section 24049.5 of the Business and Professions Code is amended to read:

24049.5. (a) The State Board of Equalization or the Franchise Tax Board may seize and sell the license of any off-sale or on-sale general licensee who, upon termination of business is delinquent in the payment of any taxes due under the Sales and Use Tax Law, Personal Income Tax Law, or Bank and Corporation Tax Law, respectively. In order for a seizure and sale of a license to be accomplished under this section, the licensee shall have either surrendered the license to the department or failed to pay the annual renewal fee to the department. Immediately upon seizure the State Board of Equalization or Franchise Tax Board shall give written notice by first-class mail to the department and to the licensee of the seizure and of the intention of the board to sell the license. The seizure and sale shall be in accordance with the provisions of Article 6 (commencing with Section 6796) of Chapter 6 of Part 1 of Division 2 of the Revenue and Taxation Code or Article 4 (commencing with Section 19251) of Chapter 5 of Part 10.2 of Division 2 of the Revenue and Taxation Code, respectively, and with the provisions of this division. Nothing within these provisions shall be construed to permit the State Board of Equalization or Franchise Tax Board to sell alcoholic beverages.

(b) For the purposes of this section, "termination of business" means the licensee has ceased business operations and has either surrendered the license to the department or the license has expired pursuant to Section 24048.

(c) The licensee may redeem the license at any time before the date of sale of the license by the board or the appropriate reinstatement deadline, whichever occurs first, by conforming to the requirements for reinstatement of a license pursuant to subdivision (f) of Section 24048.

The person who purchases the license at the sale may reinstate the license by paying the applicable fees, but the transfer shall be effective only on approval of the department after the purchaser has complied with the requirements for transfer provided in this division.

(d) Paragraph (1) of subdivision (a) of Section 699.720 of the Code of Civil Procedure shall not be construed to limit the authority of the State Board of Equalization or the Franchise Tax Board to seize and sell licenses pursuant to this section.

SEC. 14. Section 25600.3 of the Business and Professions Code is amended to read:

25600.3. (a) A nonretail licensee shall not offer, fund, produce, sponsor, promote, furnish, or redeem any type of coupon.

(b) A licensee authorized to sell alcoholic beverages at retail shall not accept, redeem, possess, or utilize any type of coupon that is funded, produced, sponsored, promoted, or furnished by a nonretail licensee.

(c) For purposes of this section:

(1) "Nonretail licensee" means any person who owns or holds any interest, directly or indirectly, in any license, authorization, or permit issued pursuant to this division that authorizes the manufacture, production, rectification, importation, or wholesaling of alcoholic beverages, except for a brewpub restaurant license issued pursuant to Section 23396.3.

(2) "Cider" has the same meaning set forth in Section 4.21(e)(5) of Title 27 of the Code of Federal Regulations.

(3) "Perry" has the same meaning set forth in Section 4.21(e)(5) of Title 27 of the Code of Federal Regulations.

(4) "Coupon" means any method by which a consumer receives an instant discount at the time of a purchase of any item if an alcoholic beverage purchase is required in connection with such purchase that is funded, produced, sponsored, promoted, or furnished, either directly or indirectly, by a nonretail licensee, including, but not limited to, a paper coupon, a digital coupon, an instant redeemable coupon (IRC), or an electronic coupon commonly referred to as a scan or scanback. "Coupon" does not include:

(A) A mail-in rebate by which the consumer purchases an item and submits required information in order to receive a rebate or discount from the nonretail licensee.

(B) A discount that is offered and funded by a distilled spirits manufacturer, distilled manufacturer's agent, brandy manufacturer, brandy importer, distilled spirits rectifier general, holder of an out-of-state distilled spirits shipper certificate, distilled spirits importer general, distilled spirits importer, rectifier, brandy wholesaler, distilled spirits wholesaler, or a holder of a craft distiller's license, regardless of other licenses held, that offers a discount on the purchase of a distilled spirits product if beer, malt beverages, or wine products are not advertised in connection with the coupon.

(C) A discount that is offered and funded by a beer manufacturer on the purchase of beer, malt beverages, cider, or perry at the licensed premises of production or other licensed premises owned or leased and operated by the beer manufacturer.

(D) A discount that is offered and funded by a winegrower on the purchase of wine sold directly by the winegrower to a consumer at or from the licensed premises of production or other licensed premises owned or leased and operated by the

winegrower or through the Internet where a consumer buys directly from a winegrower.

(E) A discount offered and funded by a beer and wine wholesaler, a beer and wine importer, a wine importer general, or a wine broker that offers a discount on the purchase of a nonalcoholic beverage item if beer, malt beverages, or wine products are not advertised in connection with the discount.

(d) Until and including March 31, 2017, a nonretail licensee may reimburse a licensee authorized to sell alcoholic beverages at retail for any coupon providing a consumer with an instant discount at the time of purchase of wine, if beer, malt beverages, cider, or perry are not advertised in connection with such coupon, that is otherwise prohibited by this section, that was received, accepted, or possessed by such licensee authorized to sell alcoholic beverages at retail on or before December 31, 2016.

(e) This section is not intended to preclude or prevent or otherwise restrict an on-sale or off-sale retail licensee that is not also a nonretail licensee from offering, funding, producing, sponsoring, promoting, furnishing, or redeeming a discount to consumers on the purchase of alcoholic beverages that is not otherwise prohibited by this section or any other provision of law.

SEC. 15. Section 19 of the Civil Code is amended to read:

19. Every person who has actual notice of circumstances sufficient to put a prudent person upon inquiry as to a particular fact has constructive notice of the fact itself in all cases in which, by prosecuting such inquiry, he or she might have learned that fact.

SEC. 16. Section 54.27 of the Civil Code is amended to read:

54.27. (a) An attorney who provides a prelitigation letter to an education entity shall do both of the following:

(1) Include the attorney's State Bar license number in the prelitigation letter.

(2) Within five business days of providing the prelitigation letter, send a copy of the prelitigation letter to the California Commission on Disability Access.

(b) An attorney who sends or serves a complaint against an education entity shall do both of the following:

(1) Send a copy of the complaint and submit information about the complaint in a standard format specified by the California Commission on Disability Access to the commission within five business days of sending or serving the complaint.

(2) Notify the California Commission on Disability Access within five business days of judgment, settlement, or dismissal of the claim or claims alleged in the complaint of the following information in a standard format specified by the commission:

(A) The date of the judgment, settlement, or dismissal.

(B) Whether or not the construction-related accessibility violations alleged in the complaint were remedied in whole or in part after the plaintiff filed a complaint.

(C) If the construction-related accessibility violations alleged in the complaint were not remedied in whole or in part after the plaintiff filed a complaint, whether or not another favorable result was achieved after the plaintiff filed the complaint.

(c) A violation of paragraph (2) of subdivision (a) or subdivision (b) shall constitute cause for the imposition of discipline of an attorney if a copy of the prelitigation letter, complaint, or notification of a case outcome is not sent to the California Commission on Disability Access within five business days. In the event the State Bar of California receives information indicating that an attorney has failed to send a copy of the prelitigation letter, complaint, or notification of a case outcome to the California Commission on Disability Access within five business days, the State Bar of California shall investigate to determine whether paragraph (2) of subdivision (a) or subdivision (b) has been violated.

(d) Notwithstanding subdivisions (a) and (b), an attorney is not required to send to the California Commission on Disability Access a copy of any subsequent prelitigation letter or amended complaint in the same dispute following the initial prelitigation letter or complaint, unless that subsequent prelitigation letter or amended complaint alleges a new construction-related accessibility claim.

(e) A prelitigation letter or notification of a case outcome sent to the California Commission on Disability Access shall be for the informational purposes of Section 8299.08 of the Government Code.

(f) The California Commission on Disability Access shall review and report on the prelitigation letters, complaints, and notifications of case outcomes it receives in the same manner as provided in Section 8299.08 of the Government Code.

(g) Paragraph (2) of subdivision (a) and subdivision (b) does not apply to a prelitigation letter or complaint sent or filed by an attorney employed or retained by a qualified legal services project or a qualified support center, as defined in Section 6213 of the Business and Professions Code, when acting within the scope of employment in asserting a construction-related accessibility

claim. The Legislature finds and declares that qualified legal services projects and support centers are extensively regulated by the State Bar of California, and that there is no evidence of any abusive use of demand letters or complaints by these organizations. The Legislature further finds that, in light of the evidence of the extraordinarily small number of construction-related accessibility cases brought by regulated legal services programs, and given the resources of those programs, exempting regulated legal services programs from the requirements of this section to report to the California Commission on Disability Access will not affect the purpose of the reporting to, and tabulation by, the commission of all other construction-related accessibility claims.

(h) This section does not apply to a claim for money or damages against a public entity governed by Division 3.6 (commencing with Section 810) of Title 1 of the Government Code or make the requirements of this section applicable to such a claim.

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

(1) “Complaint” means a civil complaint that is filed or is to be filed with a court and is sent to or served upon a defendant on the basis of one or more construction-related accessibility claims.

(2) “Construction-related accessibility claim” or “claim” means any claim of a violation of any construction-related accessibility standard, as defined in paragraph (6) of subdivision (a) of Section 55.52, with respect to a public building, public facility, or other public place of an education entity. “Construction-related accessibility claim” does not include a claim of interference with housing within the meaning of paragraph (2) of subdivision (b) of Section 54.1, or any claim of interference caused by something other than the construction-related accessibility condition of the property, including, but not limited to, the conduct of any person.

(3) “Education entity” means the Regents of the University of California, the Trustees of the California State University and the California State University, the office of the Chancellor of the California Community Colleges, a K–12 school district, or any local education agency.

(4) “Prelitigation letter” means a prelitigation written document that alleges the site is in violation of one or more construction-related accessibility standards, as defined in paragraph (6) of subdivision (a) of Section 55.52 and is provided to the education entity whether or not the attorney intends to file a complaint, or eventually files a complaint, in state or federal court. A prelitigation letter does not include a claim for money or damages against a local public entity governed by Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

SEC. 17. Section 56.06 of the Civil Code is amended to read:

56.06. (a) Any business organized for the purpose of maintaining medical information, as defined in subdivision (j) of Section 56.05, in order to make the information available to an individual or to a provider of health care at the request of the individual or a provider of health care, for purposes of allowing the individual to manage his or her information, or for the diagnosis and treatment of the individual, shall be deemed to be a provider of health care subject to the requirements of this part. However, this section shall not be construed to make a business specified in this subdivision a provider of health care for purposes of any law other than this part, including laws that specifically incorporate by reference the definitions of this part.

(b) Any business that offers software or hardware to consumers, including a mobile application or other related device that is designed to maintain medical information, as defined in subdivision (j) of Section 56.05, in order to make the information available to an individual or a provider of health care at the request of the individual or a provider of health care, for purposes of allowing the individual to manage his or her information, or for the diagnosis, treatment, or management of a medical condition of the individual, shall be deemed to be a provider of health care subject to the requirements of this part. However, this section shall not be construed to make a business specified in this subdivision a provider of health care for purposes of any law other than this part, including laws that specifically incorporate by reference the definitions of this part.

(c) Any business described in subdivision (a) or (b) shall maintain the same standards of confidentiality required of a provider of health care with respect to medical information disclosed to the business.

(d) Any business described in subdivision (a) or (b) is subject to the penalties for improper use and disclosure of medical information prescribed in this part.

SEC. 18. Section 2079.13 of the Civil Code is amended to read:

2079.13. As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) “Agent” means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained.

(b) “Associate licensee” means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker’s agent in connection with acts requiring a real estate license and to function under the broker’s supervision in the capacity of an associate licensee.

The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.

(c) “Buyer” means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. “Buyer” includes vendee or lessee.

(d) “Commercial real property” means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29.

(e) “Dual agent” means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction.

(f) “Listing agreement” means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer.

(g) “Listing agent” means a person who has obtained a listing of real property to act as an agent for compensation.

(h) “Listing price” is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.

(i) “Offering price” is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.

(j) “Offer to purchase” means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller.

(k) “Real property” means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year’s duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.

(l) “Real property transaction” means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.

(m) “Sell,” “sale,” or “sold” refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year’s duration.

(n) “Seller” means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. “Seller” includes both a vendor and a lessor.

(o) “Selling agent” means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller.

(p) “Subagent” means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, “subagent” does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

SEC. 19. Section 4777 of the Civil Code is amended to read:

4777. (a) For the purposes of this section:

(1) “Adjacent separate interest” means a separate interest that is directly beside, above, or below a particular separate interest or the common area.

(2) “Authorized agent” means an individual, organization, or other entity that has entered into an agreement with the association to act on the association’s behalf.

(3) “Broadcast application” means spreading pesticide over an area greater than two square feet.

(4) “Electronic delivery” means delivery of a document by electronic means to the electronic address at, or through which, an owner of a separate interest has authorized electronic delivery.

(5) “Licensed pest control operator” means anyone licensed by the state to apply pesticides.

(6) “Pest” means a living organism that causes damage to property or economic loss, or transmits or produces diseases.

(7) “Pesticide” means any substance, or mixture of substances, that is intended to be used for controlling, destroying, repelling, or mitigating any pest or organism, excluding antimicrobial pesticides as defined by the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136(mm)).

(b) (1) An association or its authorized agent that applies any pesticide to a separate interest or to the common area without a licensed pest control operator shall provide the owner and, if applicable, the tenant of an affected separate interest and, if making broadcast applications, or using total release foggers or aerosol sprays, the owner and, if applicable, the tenant in an adjacent separate interest that could reasonably be impacted by the pesticide use with written notice that contains the following statements and information using words with common and everyday meaning:

(A) The pest or pests to be controlled.

(B) The name and brand of the pesticide product proposed to be used.

(C) “State law requires that you be given the following information:

CAUTION – PESTICIDES ARE TOXIC CHEMICALS. The California Department of Pesticide Regulation and the United States Environmental Protection Agency allow the unlicensed use of certain pesticides based on existing scientific evidence that there are no appreciable risks if proper use conditions are followed or that the risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized.

If within 24 hours following application of a pesticide, a person experiences symptoms similar to common seasonal illness comparable to influenza, the person should contact a physician, appropriate licensed health care provider, or the California Poison Control System (1-800-222-1222).

For further information, contact any of the following: for Health Questions – the County Health Department (telephone number) and for Regulatory Information – the Department of Pesticide Regulation (916-324-4100).”

(D) The approximate date, time, and frequency with which the pesticide will be applied.

(E) The following notification:

“The approximate date, time, and frequency of this pesticide application is subject to change.”

(2) At least 48 hours prior to application of the pesticide to a separate interest, the association or its authorized agent shall provide individual notice to the owner and, if applicable, the tenant of the separate interest and notice to an owner and, if applicable, the tenant occupying any adjacent separate interest that is required to be notified pursuant to paragraph (1).

(3) (A) At least 48 hours prior to application of the pesticide to a common area, the association or its authorized agent shall, if practicable, post the written notice described in paragraph (1) in a conspicuous place in or around the common area in which the pesticide is to be applied. Otherwise, if not practicable, the association or its authorized agent shall provide individual notice to the owner and, if applicable, the tenant of the separate interest that is adjacent to the common area.

(B) If the pest poses an immediate threat to health and safety, thereby making compliance with notification prior to the pesticide application unreasonable, the association or its authorized agent shall post the written notice as soon as practicable, but not later than one hour after the pesticide is applied.

(4) Notice to tenants of separate interests shall be provided, in at least one of the following ways:

(A) First-class mail.

(B) Personal delivery to a tenant 18 years of age or older.

(C) Electronic delivery, if an electronic mailing address has been provided by the tenant.

(5) (A) Upon receipt of written notification, the owner of the separate interest or the tenant may agree in writing or, if notification was delivered electronically, the tenant may agree through electronic delivery, to allow the association or authorized agent to apply a pesticide immediately or at an agreed upon time.

(B) (i) Prior to receipt of written notification, the association or authorized agent may agree orally to an immediate pesticide application if the owner or, if applicable, the tenant requests that the pesticide be applied before the 48-hour notice of the pesticide product proposed to be used.

(ii) With respect to an owner or, if applicable, a tenant entering into an oral agreement for immediate pesticide application, the association or authorized agent, no later than the time of pesticide application, shall leave the written notice specified in paragraph (1) in a conspicuous place in the separate interest or at the entrance of the separate interest in a manner in which a reasonable person would discover the notice.

(iii) If any owner or, if applicable, any tenant of a separate interest or an owner or, if applicable, a tenant of an adjacent separate interest is also required to be notified pursuant to this subparagraph, the association or authorized agent shall provide that person with this notice as soon as practicable after the oral agreement is made authorizing immediate pesticide application, but in no case later than commencement of application of the pesticide.

(6) A copy of a written notice provided pursuant to paragraph (1) shall be attached to the minutes of the board meeting immediately subsequent the application of the pesticide.

SEC. 20. Section 9 of the Code of Civil Procedure is amended to read:

9. When a limitation or period of time prescribed in any existing statute for acquiring a right or barring a remedy, or for any other purpose, has begun to run before this code goes into effect, and the same or any limitation is prescribed in this code, the time that has already run shall be deemed part of the time prescribed as such limitation by this code.

SEC. 21. Section 26 of the Code of Civil Procedure is amended to read:

26. An obligation is a legal duty, by which one person is bound to do or not to do a certain thing, and arises from either of the following:

(a) Contract.

(b) Operation of law.

SEC. 22. Section 469 of the Code of Civil Procedure is amended to read:

469. Variance between the allegation in a pleading and the proof shall not be deemed material, unless it has actually misled the adverse party to his or her prejudice in maintaining his or her action or defense upon the merits. If it appears that a party has been so misled, the court may order the pleading to be amended, upon such terms as may be just.

SEC. 23. Section 810 of the Code of Civil Procedure is amended to read:

810. If the action is brought upon the information or application of a private party, the Attorney General may require that party to enter into an undertaking, with sureties to be approved by the Attorney General, conditioned on the party or the sureties paying any judgment for costs or damages recovered against the plaintiff, and all the costs and expenses incurred in prosecuting the action.

SEC. 24. Section 1002 of the Code of Civil Procedure is amended to read:

1002. (a) Notwithstanding any other law, a provision within a settlement agreement that prevents the disclosure of factual information related to the action is prohibited in any civil action the factual foundation for which establishes a cause of action for civil damages for any of the following:

(1) An act that may be prosecuted as a felony sex offense.

(2) An act of childhood sexual abuse, as defined in Section 340.1.

(3) An act of sexual exploitation of a minor, as defined in Section 11165.1 of the Penal Code, or conduct prohibited with respect to a minor pursuant to Section 311.1, 311.5, or 311.6 of the Penal Code.

(4) An act of sexual assault, as defined in paragraphs (1) to (9), inclusive, of subdivision (e) of Section 15610.63 of the Welfare and Institutions Code, against an elder or dependent adult, as defined in Sections 15610.23 and 15610.27 of the Welfare and Institutions Code.

(b) Notwithstanding any other law, in a civil action described in paragraphs (1) to (4), inclusive, of subdivision (a), a court shall not enter, by stipulation or otherwise, an order that restricts the disclosure of information in a manner that conflicts with subdivision (a).

(c) Subdivisions (a) and (b) do not preclude an agreement preventing the disclosure of any medical information or personal identifying information, as defined in subdivision (b) of Section 530.55 of the Penal Code, regarding the victim of the offense listed in subdivision (a) or of any information revealing the nature of the relationship between the victim and the defendant. This subdivision shall not be construed to limit the right of a crime victim to disclose this information.

(d) Except as authorized by subdivision (c), a provision within a settlement agreement that prevents the disclosure of factual information related to the action described in subdivision (a) that is entered into on or after January 1, 2017, is void as a matter of law and against public policy.

(e) An attorney's failure to comply with the requirements of this section by demanding that a provision be included in a settlement agreement that prevents the disclosure of factual information related to the action described in subdivision (a) that is not otherwise authorized by subdivision (c) as a condition of settlement, or advising a client to sign an agreement that includes such a provision, may be grounds for professional discipline and the State Bar of California shall investigate and take appropriate action in any such case brought to its attention.

SEC. 25. Section 2282 of the Corporations Code is amended to read:

2282. (a) When an aggrieved person obtains a final judgment in a court of competent jurisdiction against a corporation based upon the corporation's fraud, misrepresentation, or deceit, made with intent to defraud, or obtains a criminal restitution order against an agent based upon the agent's fraud, misrepresentation, or deceit, made with intent to defraud while acting in the agent's capacity as the corporation's officer or director, the aggrieved person may, upon the judgment becoming final and after diligent collection efforts are made, file an application with the Secretary of State for payment from the fund, within the limitations specified in Section 2289, for the amount unpaid on the judgment that represents the awarded actual and direct loss, any awarded compensatory damages, and awarded costs to the claimant in the final judgment, excluding punitive damages.

(b) The application shall be delivered in person or by certified mail to the Secretary of State not later than 18 months after the judgment has become final.

(c) The application shall be made on a form prescribed by the Secretary of State and shall include each of the following:

(1) The name and address of the claimant.

(2) If the claimant is represented by an attorney for the application, the name, business address, and telephone number of the attorney. If the claimant is not represented by an attorney for the application, a telephone number where the claimant can be reached during regular business hours shall be included.

(3) The name and address of the corporation and the agent, if any.

(4) The identification of the final judgment, the amount of the claim that remains unreimbursed from any source, and an explanation of the claim's computation.

(5) A copy of a final judgment and a copy of the civil complaint and any amendments thereto upon which the judgment finding fraud, misrepresentation, or deceit, made with the intent to defraud, was made shall be deemed to satisfy compliance with the requirements prescribed in this paragraph. The claimant may also provide any additional documentation that he or she believes may help the Secretary of State in evaluating the application, including, but not limited to, evidence submitted to the court in the underlying judgment or a detailed narrative statement of facts in explanation of the allegations of the complaint upon which the underlying judgment is based.

(6) If the final judgment is a criminal restitution order, the claimant shall provide the charging document and the restitution order, and if the defendant is an agent, documentation showing the defendant named in the restitution order is an agent as defined in this chapter.

(7) A description of searches and inquiries conducted by or on behalf of the claimant with respect to the judgment debtor's assets liable to be sold or applied to satisfaction of the judgment. A court's determination or finding of the judgment debtor's insolvency or lack of assets to pay the claimant shall be deemed to satisfy the requirements prescribed in this paragraph.

(8) Each of the following representations by the claimant:

(A) That the claimant is not a spouse, registered domestic partner, or an immediate family member of an employee, officer, director, managing agent, or other principal of the corporation nor a personal representative of the spouse, registered domestic partner, or an immediate family member of an employee, officer, director, managing agent, or other principal of the corporation.

(B) That the claimant has complied with all of the requirements of this section.

(C) That the judgment underlying the claim meets the requirements of subdivisions (a) and (b), including all of the following:

(i) That the judgment was for fraud, misrepresentation, or deceit by the corporation or the agent of the corporation, with the intent to defraud.

(ii) That the judgment is unpaid in part or in whole.

(iii) That the underlying judgment and debt have not been discharged in bankruptcy, or the underlying judgment is statutorily nondischargeable, or, in the case of a bankruptcy proceeding that is open at or after the time of the filing of the application, that the judgment and debt have been declared to be nondischargeable by the judge or stipulated as nondischargeable by the parties in the proceeding and that the claimant has been granted permission by the bankruptcy court to proceed with collection or otherwise proceed with the claimant's claims against the judgment debtor or debtors.

(D) That the claimant does not have a pending claim and has not collected on the final judgment from any other restitution fund. If the claimant has a pending claim or has collected from another fund, a description of the nature of the pending claim and the recovery amounts from any restitution fund.

(d) (1) Except as provided in paragraphs (2), (3), and (4) the Secretary of State shall not condition an award of payment from the fund upon a claimant providing any additional information or documents other than those prescribed in subdivision (c).

(2) If the final judgment in favor of the claimant was by default, stipulated, a consent judgment, or pursuant to Section 594 of the Code of Civil Procedure or if the action against the corporation or its agent was defended by a trustee in bankruptcy, the Secretary of State may request additional documents and information from the claimant to determine whether the claim is valid.

(3) If the final judgment does not expressly set forth the amount of damages that were awarded for actual loss and compensatory damages that are payable from the fund pursuant to Section 2289, the Secretary of State may ask the claimant to provide copies of documentation pertaining to the amount of the actual and direct loss and the awarded compensatory damages or both of those findings. For purposes of this section, "sufficient proof of money damages" may include any of the following: copies of bank account statements showing or confirming particular transactions, copies of the front and back of checks made payable to the corporation that have been negotiated, credit card statements showing or confirming particular transactions, or similar documentation demonstrating financial loss directly resulting from the fraudulent acts by the corporation or its agent and the amount of compensatory damages awarded by the court.

(4) If there is no court determination or finding of the insolvency of the judgment debtor or lack of assets to pay the claimant, the Secretary of State may request additional information and documentation from the claimant to determine what assets, if any, are available to satisfy the final judgment.

(e) The Secretary of State shall include with the application form a notice to the claimant of his or her obligation to protect the underlying judgment from discharge in bankruptcy, to be appended to the application.

(f) If a claimant is a spouse, registered domestic partner, or an immediate family member of an employee, officer, director, managing agent, or other principal of the corporation, or is a personal representative of the spouse, registered domestic partner, or an immediate family member of an employee, officer, director, managing agent, or other principal of the corporation, the claimant shall not be precluded for that reason alone from receiving an award where the claimant can otherwise meet the requirements of this section.

SEC. 26. Section 16955 of the Corporations Code is amended to read:

16955. (a) A domestic partnership, other than a limited partnership, may convert to a registered limited liability partnership by the vote of the partners possessing a majority of the interests of its partners in the current profits of the partnership or by a different vote as may be required in its partnership agreement.

(b) When such a conversion takes effect, all of the following apply:

(1) All property, real and personal, tangible and intangible, of the converting partnership remains vested in the converted registered limited liability partnership.

(2) All debts, obligations, liabilities, and penalties of the converting partnership continue as debts, obligations, liabilities, and penalties of the converted registered limited liability partnership.

(3) Any action, suit, or proceeding, civil or criminal, then pending by or against the converting partnership may be continued as if the conversion had not occurred.

(4) To the extent provided in the agreement of conversion and in this chapter, the partners of a partnership shall continue as partners in the converted registered limited liability partnership.

(5) A partnership that has been converted to a registered limited liability partnership pursuant to this chapter is the same person that existed prior to the conversion.

SEC. 27. Section 8482.8 of the Education Code is amended to read:

8482.8. (a) (1) If there is a significant barrier to pupil participation in a program established pursuant to this article at the school of attendance, a grantee may request approval from the department to transfer program services to another schoolsite within the same local educational agency. The schoolsite to which the program will be transferred shall satisfy either of the following requirements:

(A) The schoolsite shall agree to receive pupils from, and have an existing grant of the same type as, the transferring school.

(B) The schoolsite shall not have a 10-percent lower percentage of pupils eligible for free or reduced-price meals than the transferring school. If the proposed schoolsite is not yet open, feeder school free or reduced-price meal data, as determined by the department, shall be considered in evaluating the proposed transfer.

(2) The schoolsite shall not increase the funding at the proposed schoolsite above the maximum after school grant amount established in subparagraph (C) of paragraph (1) of subdivision (a) of Section 8483.7. An applicant that requests approval to transfer program services shall describe the manner in which the applicant intends to provide safe, supervised transportation; ensure communication among teachers in the regular school program, staff in the before school and after school components of the program, and parents of pupils; and coordinate the educational and literacy component of the before and after school components of the program with the regular school programs of participating pupils.

(b) For purposes of this article, a significant barrier to pupil participation in the before or after school component of a program established pursuant to this chapter means any of the following:

(1) Fewer than 20 pupils participating in the component of the program.

(2) Extreme transportation constraints, including, but not limited to, desegregation bussing, bussing for magnet or open enrollment schools, or pupil dependence on public transportation.

(3) A local educational agency opens a new schoolsite and either merges an existing schoolsite into the new schoolsite or splits an existing schoolsite's pupils with the new schoolsite so that the existing schoolsite before or after school component of the program is subject to a grant reduction pursuant to subparagraph (A) of paragraph (1) of subdivision (a) of Section 8483.7.

(c) In addition to the authority to transfer funds among school programs pursuant to Sections 8483.7 and 8483.75, and in addition to the flexibility provided by subdivisions (a) and (b), a program grantee that is temporarily prevented from operating a program established pursuant to this article at the program site due to natural disaster, civil unrest, or imminent danger to pupils or staff may shift program funds to the sites of other programs established pursuant to this article to meet attendance targets during that time period.

(d) If a program grantee is temporarily prevented from operating its entire program due to natural disaster, civil unrest, or imminent danger to pupils or staff, the department may approve a request by the grantee for pupil attendance credits equal to the average annual attendance that the grantee would have received if it had been able to operate its entire program during that time period.

(e) Upon the request of a program grantee, the department may approve other unforeseen events as qualifying a program grantee to use the authority provided by subdivisions (c) and (d).

SEC. 28. Section 17296 of the Education Code is amended to read:

17296. Notwithstanding any other law, a school-based facility providing social services or support services, or health care, that is established through agreements with local governments and school districts pursuant to Chapter 5 (commencing with Section 8800) of Part 6 or as part of an integrated children's services program pursuant to Chapter 12.82 (commencing with Section

18986.40) of Part 6 of Division 9 of the Welfare and Institutions Code, respectively, is located on school property, and meets all the requirements of the Uniform Building Code and has been approved by the building department of the appropriate local jurisdiction, as well as those of the appropriate local jurisdiction, shall not be required to obtain approval of plans by the Department of General Services pursuant to Section 17295.

SEC. 29. Section 22955.1 of the Education Code is amended to read:

22955.1. (a) Notwithstanding Section 13340 of the Government Code, commencing July 1, 2003, a continuous appropriation is hereby annually made from the General Fund to the Controller, pursuant to this section, for transfer to the Teachers' Retirement Fund. The total amount of the appropriation for each year shall be equal to 2.017 percent of the total of the creditable compensation of the fiscal year ending in the immediately preceding calendar year upon which members' contributions are based, as reported annually to the Director of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Legislative Analyst pursuant to Section 22955.5, and shall be divided into four equal payments. The payments shall be made on, or the following business day after, July 1, October 1, December 15, and April 15 of each fiscal year.

(b) (1) Commencing July 1, 2014, the amount of the appropriation required under subdivision (a) shall increase by the following percentages of the creditable compensation upon which that appropriation is based:

(A) On July 1, 2014, by 1.437 percent.

(B) On July 1, 2015, by 2.874 percent.

(C) On July 1, 2016, by 4.311 percent.

(2) For fiscal year 2017–18 and each fiscal year thereafter, the board shall increase or decrease the percentage specified in this subdivision from the percentage paid during the prior fiscal year to reflect the contribution required to eliminate the remaining unfunded actuarial obligation, as determined by the board based upon a recommendation from its actuary. If a rate increase is required, the adjustment may be for no more than 0.50 percent per year of the total of the creditable compensation of the fiscal year ending in the immediately preceding calendar year upon which members' contributions are based. At any time when there is not an unfunded actuarial obligation as determined by the board, the percentage specified in this subdivision shall be reduced to zero.

(c) Pursuant to Section 22001 and case law, members are entitled to a financially sound retirement system. It is the intent of the Legislature that this section shall provide the retirement fund stable and full funding over the long term.

(d) This section continues in effect but in a somewhat different form, fully performs, and does not in any way unreasonably impair, the contractual obligations determined by the court in California Teachers Association v. Cory (1984) 155 Cal.App.3d 494.

(e) Subdivision (b) shall not be construed to be applicable to any unfunded actuarial obligation resulting from any benefit increase or change in contribution rate under this part that occurs after July 1, 1990, except that state contributions made pursuant to subdivision (b) shall be allocated to reduce the unfunded actuarial obligation resulting from the benefits and contribution rates in effect as of July 1, 1990.

(f) The provisions of this section shall be construed and implemented to be in conformity with the judicial intent expressed by the court in California Teachers Association v. Cory (1984) 155 Cal.App.3d 494.

(g) (1) Except as described in paragraph (2), this section shall become inoperative on July 1, 2046, and as of January 1, 2047, is repealed.

(2) Notwithstanding paragraph (1), on July 1 of the first fiscal year after a 30-day notice has been sent to the Joint Legislative Budget Committee and the Controller in compliance with subdivision (d) of Section 22957, this section shall become inoperative and, as of the following January 1, is repealed.

SEC. 30. Section 35710 of the Education Code is amended to read:

35710. (a) For all other petitions to transfer territory, if the county committee finds that the conditions enumerated in paragraphs (1) to (10), inclusive, of subdivision (a) of Section 35753 substantially are met, the county committee may approve the petition. If the petition is approved, the county committee shall notify the county superintendent of schools, who shall call an election in the territory of the affected districts, as determined by the county committee, to be conducted at the next election of any kind, in accordance with one of the following:

(1) Section 1002 of the Elections Code and Part 4 (commencing with Section 5000) of Division 1 of Title 1 of this code.

(2) Division 4 (commencing with Section 4000) of the Elections Code.

(b) A county committee also may approve a petition to form one or more new districts if the requirements of subdivision (a), and the following conditions, are met:

(1) Each county superintendent of schools with jurisdiction over an affected district elects to grant approval authority to the county committee on school district organization for which he or she is secretary pursuant to Section 4012, and that county committee chooses to accept that authority.

(2) The governing board of each of the affected districts consents to the petition.

(3) The secretary of the county committee designated as the lead agency pursuant to Section 35710.3 enters into an agreement on behalf of the county committee for any or all affected districts to share among those districts the costs of complying with the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(c) A petition to form one or more new districts that meets the conditions described in subdivision (b), but is not approved by the county committee, shall be transmitted to the state board pursuant to subdivision (a) of Section 35707 and heard by the state board pursuant to Section 35708. The state board, rather than the county committee, shall be the lead agency, as defined in Section 21067 of the Public Resources Code, for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for each petition transmitted pursuant to this subdivision, including a petition disapproved by the county committee after determining the project is exempt from the California Environmental Quality Act pursuant to paragraph (5) of subdivision (b) of Section 21080 of the Public Resources Code.

SEC. 31. Section 41580 of the Education Code is amended to read:

41580. (a) The sum of two hundred million dollars ($200,000,000) is hereby appropriated from the General Fund to the Superintendent for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent to establish the College Readiness Block Grant in the manner and for the purposes set forth in this section.

(b) The College Readiness Block Grant is hereby established for the purposes of providing California's high school pupils, particularly unduplicated pupils as defined in Sections 42238.01 and 42238.02, additional supports to increase the number who enroll at institutions of higher education and complete an undergraduate degree within four years.

(c) The Superintendent shall allocate an equal amount per unduplicated pupil enrolled in grades 9 to 12, inclusive, during the 2015–16 fiscal year to school districts, county offices of education, and charter schools. No school district, county office of education, or charter school serving at least one unduplicated pupil in grades 9 to 12, inclusive, during the 2015–16 fiscal year shall receive a total allocation of less than seventy-five thousand dollars ($75,000). A school district, county office of education, or charter school shall be eligible for an allocation pursuant to this subdivision only for unduplicated pupils, as defined in Sections 42238.01 and 42238.02, attending a school that is currently accredited or in the process of obtaining accreditation from the Accrediting Commission for Schools, Western Association of Schools and Colleges. These funds are available for expenditure or encumbrance through the 2018–19 fiscal year.

(d) Block grant funds apportioned to eligible local educational agencies shall be used for activities that directly support pupil access and successful matriculation to institutions of higher education. Eligible activities may include, but are not limited to, the following:

(1) Providing teachers, administrators, and counselors with professional development opportunities to improve pupil A–G course completion rates, pupil college-going rates, and college readiness of pupils, including providing for the development of honors and Advanced Placement courses.

(2) Beginning or increasing counseling services to pupils and their families regarding college admission requirements and financial aid programs.

(3) Developing or purchasing materials that support college readiness, including materials that support high performance on assessments required for admittance to a postsecondary educational institution.

(4) Developing comprehensive advising plans to support pupil completion of A–G course requirements.

(5) Implementing collaborative partnerships between high schools and postsecondary educational institutions that support pupil transition to postsecondary education, including, but not limited to, strengthening existing partnerships with the University of California and the California State University to establish early academic outreach and college preparatory programs.

(6) Providing subsidies to unduplicated pupils, as defined in Sections 42238.01 and 42238.02, to pay fees for taking Advanced Placement examinations.

(7) Expanding access to coursework or other opportunities to satisfy A–G course requirements to all pupils, including, but not necessarily limited to, pupils enrolled in schools identified by the department as high schools with 75 percent or greater enrollment of unduplicated pupils, pursuant to subdivision (g). These opportunities may include, but shall not be limited to, new or expanded partnerships with other secondary or postsecondary educational institutions.

(e) As a condition for receiving funds under this article, a school district, county office of education, or charter school shall develop a plan describing how the funds will increase or improve services for unduplicated pupils to ensure college readiness. The plan shall include information regarding how it aligns with the school district's local control and accountability plan required pursuant to Section 52060, the county superintendent of schools' local control and accountability plan required pursuant to Section 52066, or the charter school's local control and accountability plan required pursuant to Section 47605 or 47605.6 and Section 47606.5. The plan shall also include a description of the extent to which all pupils within the school district, county office of education, or charter school, particularly unduplicated pupils, as defined in Sections 42238.01 and 42238.02, will have access to A–G courses approved by the University of California. In order to ensure community and stakeholder input, the plan shall be discussed at a regularly scheduled meeting by the governing board of the school district, county board of education, or governing body of the charter school and adopted at a subsequent regularly scheduled meeting.

(f) As a condition for receiving funds under this article, grant recipients shall report to the Superintendent by January 1, 2017, on how they will measure the impact of the funds received on their unduplicated pupils' access and successful matriculation to institutions of higher education, as identified within their plan. The department shall compile the information reported pursuant to this subdivision and submit a report to the appropriate policy and fiscal committees of the Legislature on or before April 30, 2017, and shall update the state board on the contents of that report at a regularly scheduled meeting of the state board.

(g) The Superintendent shall annually post on the department's Internet Web site a list of each school with a percentage of unduplicated pupils in grades 9 to 12, inclusive, of at least 75 percent of the school's total enrollment in grades 9 to 12, inclusive.

(h) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2015–16 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the 2015–16 fiscal year.

SEC. 32. Section 44253.4 of the Education Code is amended to read:

44253.4. (a) The commission shall issue an authorization for a teacher to provide all of the following services to limited-English-proficient pupils:

(1) Instruction for English language development in preschool, kindergarten, grades 1 to 12, inclusive, and classes organized primarily for adults, except when the requirement specified in paragraph (1) of subdivision (b) is satisfied by the possession of a children's center instructional permit pursuant to Sections 8363 and 44252.7, a children's center supervision permit pursuant to Section 8363, or a designated subjects teaching credential in adult education pursuant to Section 44260.2. If the requirement specified in paragraph (1) of subdivision (b) is satisfied by the possession of a children's center instructional permit or a children's center supervision permit, instruction for English language development shall be limited to the programs authorized by that permit. If the requirement specified in paragraph (1) of subdivision (b) is satisfied by the possession of a designated subjects teaching credential in adult education, instruction for English language development shall be limited to classes organized primarily for adults.

(2) Specially designed content instruction delivered in English in the subjects and at the levels authorized by the teacher's prerequisite credential or permit used to satisfy the requirement specified in paragraph (1) of subdivision (b).

(3) Content instruction delivered in the pupil's primary language in the subjects and at the levels authorized by the teacher's prerequisite credential or permit used to satisfy the requirement specified in paragraph (1) of subdivision (b).

(4) Instruction for primary language development in preschool, kindergarten, grades 1 to 12, inclusive, and classes organized primarily for adults, except when the requirement specified in paragraph (1) of subdivision (b) is satisfied by the possession of a children's center instructional permit, a children's center supervision permit, or a designated subjects teaching credential in adult education. If the requirement specified in paragraph (1) of subdivision (b) is satisfied by the possession of a children's center instructional permit or a children's center supervision permit, instruction for primary language development is limited to the programs authorized by that permit. If the requirement specified in paragraph (1) of subdivision (b) is satisfied by the possession of a designated subjects teaching credential in adult education, instruction for primary language development is limited to classes organized primarily for adults.

(b) The minimum requirements for the authorization, which may be completed at the same time as the initial preparation for the prerequisite credential or at a later date, shall include both of the following:

(1) Possession of a valid California teaching credential, services credential, visiting faculty permit, children's center instructional permit, or children's center supervision permit which credential or permit authorizes the holder to provide instruction to pupils in preschool, kindergarten, any of grades 1 to 12, inclusive, or classes primarily organized for adults, except for the following:

(A) Emergency credentials or permits.

(B) Exchange credentials as specified in Section 44333.

(C) District intern credentials as specified in Section 44325.

(D) Sojourn certificated employee credentials as specified in Section 44856.

(E) Teacher education internship credentials as specified in Article 3 (commencing with Section 44450) of Chapter 3.

(2) Passage of one or more examinations, or by completing an approved program that consists of coursework or a combination of coursework and examinations, that the commission determines is necessary for demonstrating the knowledge, skills, and language proficiency required for effective delivery of the services included in the authorization.

(c) To earn the authorization, teachers who hold the authorization described in Section 44253.3, or in Article 3.5 (commencing with Section 44475) of Chapter 3, as that section and that article existed on December 31, 1992, shall not be required to pass examinations that primarily assess the skills and knowledge necessary for effective delivery of the services included in the authorizations they possess.

(d) The authorization shall remain valid as long as the prerequisite credential or permit specified in paragraph (1) of subdivision (b) remains valid.

(e) The commission initially shall issue authorizations for languages spoken by the largest numbers of limited-English-proficient pupils for which there are reasonable numbers of teachers or potential teachers who speak those languages. The commission shall explore alternative ways to make authorizations available for other languages.

(f) A teacher who possesses a credential or permit described in paragraph (1) of subdivision (b), and who is able to present a valid out-of-state credential or certificate that authorizes content instruction delivered in a pupil's primary language, may qualify for the authorization issued pursuant to this section by submitting an application and a fee to the commission.

SEC. 33. Section 44259.1 of the Education Code is amended to read:

44259.1. (a) (1) An integrated program of professional preparation shall enable candidates for teaching credentials to engage in professional preparation, concurrently with subject matter preparation, while completing baccalaureate degrees at regionally accredited postsecondary educational institutions. An integrated program shall provide opportunities for candidates to complete intensive field experiences, including student teaching, in public elementary and secondary schools early in the undergraduate sequence. The development and implementation of an integrated program shall be based on intensive collaboration among subject matter departments and education units within postsecondary educational institutions and local public elementary and secondary school districts.

(2) A postsecondary educational institution may offer a four-year or five-year integrated program of professional preparation that allows a student to earn a baccalaureate degree and a preliminary multiple or single subject teaching credential, or an education specialist instruction credential authorizing the holder to teach special education, including student teaching requirements, concurrently and within four or five years of study.

(3) The commission shall encourage postsecondary educational institutions to offer integrated programs of professional preparation that follow the guidelines developed pursuant to this section. In approving integrated programs, the commission shall not compromise or reduce its standards of subject matter preparation pursuant to Article 6 (commencing with Section 44310) or its standards of professional preparation pursuant to paragraph (3) of subdivision (b) of Section 44259.

(4) The commission shall, as part of its accreditation process, collect information about integrated programs of professional preparation, including which postsecondary educational institutions offer integrated programs of professional preparation and the number and type of credentials the programs produce.

(b) (1) Commencing with the 2005–06 school year, an integrated program offered by the California State University shall be designed to concurrently lead to a preliminary multiple subject or single subject teaching credential, or an education specialist instruction credential authorizing the holder to teach special education, and a baccalaureate degree. Recommendation for each shall be contingent upon satisfactory completion of the requirements for each.

(2) By July 1, 2004, the Chancellor of the California State University, in consultation with California State University faculty members, shall develop a framework defining appropriate balance for an integrated program of general education, subject

matter preparation, and professional education courses, for both lower division and upper division students, including an appropriate range of units to be taken in professional education courses. In developing the framework, the Chancellor of the California State University and California State University faculty members shall consult with the Academic Senate for California Community Colleges on matters related to the effective and efficient use of, and appropriate role for, lower division coursework in an integrated program.

(c) (1) By January 1, 2005, the Chancellor of the California State University and the Chancellor of the California Community Colleges shall collaboratively ensure that both of the following occur:

(A) Lower division coursework completed by a community college student transferring to a California State University integrated program is articulated with the corresponding coursework of the California State University.

(B) The articulated community college lower division coursework is accepted as the equivalent to the coursework offered to students who enter that integrated program as freshman students.

(2) Commencing with the 2005–06 school year, each campus of the California State University shall invite the community colleges in its region that send significant numbers of transfer students to that campus to enter into articulation agreements. These articulation agreements shall be based on a fully transferable education curriculum that is developed pursuant to the framework developed under paragraph (2) of subdivision (b). Approval of one or more of the articulation agreements will enable the coursework of a community college student to be accepted as the equivalent to the coursework offered to students who enter that integrated program as freshman students.

(d) A postbaccalaureate program of professional preparation shall enable candidates for teaching credentials to commence and complete professional preparation after they have completed baccalaureate degrees at regionally accredited postsecondary educational institutions. The development and implementation of a postbaccalaureate program of professional preparation shall be based on intensive collaboration among the postsecondary educational institution and local public elementary and secondary school districts.

(e) (1) The commission shall develop and implement a program to award grants of up to two hundred fifty thousand dollars ($250,000) each to postsecondary educational institutions for the development of transition plans to guide the creation of four-year integrated programs of professional preparation including student teaching.

(2) A postsecondary educational institution awarded a grant under this subdivision may use the transition plan to create a new four-year integrated program of professional preparation or to adapt an existing integrated program of professional preparation to a four-year integrated program of professional preparation.

(3) A postsecondary educational institution awarded a grant under this subdivision may use grant funds for any proper purpose in support of planning for a four-year integrated program of professional preparation, including, but not limited to, any of the following:

(A) To provide faculty release time to redesign existing courses.

(B) To provide program coordinators to assist in collaboration with subject-matter professors and pedagogy professors.

(C) To create summer courses for students in a four-year integrated program of professional preparation.

(D) To recruit individuals for participation as students in four-year integrated programs of professional preparation.

(4) In awarding grants pursuant to the program, the commission shall grant priority to proposals for the establishment of four-year integrated programs of professional preparation designed to do both of the following:

(A) Produce teachers with either an education specialist instruction credential authorizing the holder to teach special education or a single subject teaching credential in the areas of mathematics or science, or teaching in the area of bilingual education.

(B) Partner with a California community college to create a four-year integrated program of professional preparation.

(5) As a condition of the receipt of a grant, a postsecondary educational institution shall provide to the commission program and outcome data for at least three years after receiving the grant. The information shall include program design and features, the number of graduates, the number and type of credentials earned, the time taken to earn a degree and credential, and any other information the commission may require for the purpose of documenting the effect of the grant and identifying effective practices in program design and implementation.

(6) The requirements of this subdivision are contingent upon the appropriation of funds for the purposes of this subdivision in the annual Budget Act or another statute.

(7) The commission may use up to one hundred thousand dollars ($100,000) to administer the grants pursuant to Department of Finance approval.

SEC. 34. Section 44265.6 of the Education Code is amended to read:

44265.6. (a) Upon the request of an employing school district, county office of education, or state special school, the Commission on Teacher Credentialing shall determine specific requirements for and issue a one-year specialist instruction emergency permit, solely for the purpose of instructing deaf or hard-of-hearing pupils, to a prelingually deaf candidate upon medical or other appropriate professional verifications.

(b) The applicant is exempted from the requirements in Section 44252 and subdivision (b) of Section 44830.

(c) “Prelingually deaf” means, for purposes of this section, having suffered a hearing loss before three years of age that prevents the processing of linguistic information through hearing, with or without amplification.

(d) The emergency specialist instruction permit issued under this section authorizes the holder to teach deaf and hard-of-hearing pupils who are enrolled in state special schools or in special classes for pupils who are deaf or hard of hearing.

(e) A one-year specialist instruction emergency permit issued pursuant to subdivision (a) may be reissued at the request of the employing school district, county office of education, or state special school in accordance with criteria determined by the Commission on Teacher Credentialing.

SEC. 35. Section 44332.5 of the Education Code is amended to read:

44332.5. (a) (1) A school district that may issue warrants pursuant to Section 42647 may, at its discretion, provide for the registration of a valid certification or other document authorizing the holder to serve in a position requiring certification qualifications as an employee of the school district.

(2) A school district shall not provide for the registration of a valid certification or other document authorizing the holder to serve in a position requiring certification qualifications as an employee of the school district until the school district has obtained a certificate of clearance from the commission.

(b) During any period when summary criminal history information is not available from the Federal Bureau of Investigation, an applicant for an initial credential, certificate, or permit shall not be employed in a position requiring certification qualifications until he or she has met the minimum requirements for a temporary certificate of clearance. A temporary certificate of clearance or a credential, certificate, or permit authorizing service in the public schools shall be issued when the applicant has:

(1) Made full disclosure of all facts necessary to establish his or her true identity.

(2) Made a statement under penalty of perjury that he or she has not been convicted of a crime which would constitute grounds for the denial of the credential, permit, or certificate applied for.

An applicant shall not be required to disclose, and the Committee of Credentials shall not inquire into or consider, any acts or omissions not related to the applicant’s fitness to teach or to perform other duties for which he or she is certificated, or that is related to his or her competence to perform the duties authorized by his or her credential.

(3) Paid to the commission the amount of twelve dollars ($12) or the fees or costs that have been or will be assessed by the Federal Bureau of Investigation for the issuance of its summary criminal history of the applicant when this information is once again made available to the commission. The fees authorized by this paragraph shall be applicable to all credentials, permits, and certificates that were applied for or issued after October 1, 1981.

(c) Upon receipt of a statement from the Federal Bureau of Investigation that it has no summary criminal history information on the applicant, or upon receipt of the summary criminal history information and clearance by the Committee of Credentials, a temporary certificate of clearance shall be converted to a regular certificate of clearance.

SEC. 36. Section 44332.6 of the Education Code is amended to read:

44332.6. (a) (1) Before issuing a temporary certificate pursuant to Section 44332, a county board of education or city and county board of education shall obtain a certificate of clearance from the commission and shall not issue a temporary certificate if the applicant has been convicted of a violent or serious felony.

(2) Before issuing a temporary certificate of clearance pursuant to Section 44332.5, a school district shall obtain a certificate of clearance from the commission and shall not issue a temporary certificate of clearance if the applicant has been convicted of a violent or serious felony.

(b) This section applies to any violent or serious offense that, if committed in this state, would have been punishable as a violent or serious felony.

(c) For purposes of this section, a violent felony is any felony listed in subdivision (c) of Section 667.5 of the Penal Code and a serious felony is any felony listed in subdivision (c) of Section 1192.7 of the Penal Code.

(d) Notwithstanding subdivision (a), a person shall not be denied a temporary certificate or a temporary certificate of clearance solely on the basis that he or she has been convicted of a violent or serious felony if the person has obtained a certificate of rehabilitation and pardon pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

(e) Notwithstanding subdivision (a), a person shall not be denied a temporary certificate or a temporary certificate of clearance solely on the basis that the person has been convicted of a serious felony that is not also a violent felony, if that person can prove to the sentencing court of the offense in question, by clear and convincing evidence, that he or she has been rehabilitated for the purposes of school employment for at least one year. If the offense in question occurred outside this state, then the person may seek a finding of rehabilitation from the court in the school district in which he or she is a resident.

(f) (1) Notwithstanding paragraph (1) of subdivision (a), a county board of education or city and county board of education may issue a temporary certificate to an employee currently and continuously employed by a school district within the county who is serving under a valid credential and has applied for a renewal of that credential or for an additional credential without obtaining a certificate of clearance from the commission for that employee.

(2) Notwithstanding paragraph (2) of subdivision (a), a county board of education or city and county board of education may issue a temporary certificate of clearance to an employee currently and continuously employed by a school district within the county who is serving under a valid credential and has applied for a renewal of that credential or for an additional credential without obtaining a certificate of clearance from the commission for that employee.

SEC. 37. Section 48204 of the Education Code is amended to read:

48204. (a) Notwithstanding Section 48200, a pupil complies with the residency requirements for school attendance in a school district if he or she is any of the following:

(1) (A) A pupil placed within the boundaries of that school district in a regularly established licensed children's institution or a licensed foster home as defined in Section 56155.5, or a family home pursuant to a commitment or placement under Chapter 2 (commencing with Section 200) of Part 1 of Division 2 of the Welfare and Institutions Code.

(B) An agency placing a pupil in a home or institution described in subparagraph (A) shall provide evidence to the school that the placement or commitment is pursuant to law.

(2) A pupil who is a foster child who remains in his or her school of origin pursuant to subdivisions (f) and (g) of Section 48853.5.

(3) A pupil for whom interdistrict attendance has been approved pursuant to Chapter 5 (commencing with Section 46600) of Part 26.

(4) A pupil whose residence is located within the boundaries of that school district and whose parent or legal guardian is relieved of responsibility, control, and authority through emancipation.

(5) A pupil who lives in the home of a caregiving adult that is located within the boundaries of that school district. Execution of an affidavit under penalty of perjury pursuant to Part 1.5 (commencing with Section 6550) of Division 11 of the Family Code by the caregiving adult is a sufficient basis for a determination that the pupil lives in the home of the caregiver, unless the school district determines from actual facts that the pupil is not living in the home of the caregiver.

(6) A pupil residing in a state hospital located within the boundaries of that school district.

(7) A pupil whose parent or legal guardian resides outside of the boundaries of that school district but is employed and lives with the pupil at the place of his or her employment within the boundaries of the school district for a minimum of three days during the school week.

(b) (1) A school district may deem a pupil to have complied with the residency requirements for school attendance in the school district if at least one parent or the legal guardian of the pupil is physically employed within the boundaries of that school district for a minimum of 10 hours during the school week.

(2) This subdivision does not require the school district within which at least one parent or the legal guardian of a pupil is employed to admit the pupil to its schools. A school district shall not, however, refuse to admit a pupil under this subdivision on

the basis, except as expressly provided in this subdivision, of race, ethnicity, sex, parental income, scholastic achievement, or any other arbitrary consideration.

(3) The school district in which the residency of either the parents or the legal guardian of the pupil is established, or the school district to which the pupil is to be transferred under this subdivision, may prohibit the transfer of the pupil under this subdivision if the governing board of the school district determines that the transfer would negatively impact the court-ordered or voluntary desegregation plan of the school district.

(4) The school district to which the pupil is to be transferred under this subdivision may prohibit the transfer of the pupil if the school district determines that the additional cost of educating the pupil would exceed the amount of additional state aid received as a result of the transfer.

(5) The governing board of a school district that prohibits the transfer of a pupil pursuant to paragraph (2), (3), or (4) is encouraged to identify, and communicate in writing to the parents or the legal guardian of the pupil, the specific reasons for that determination and is encouraged to ensure that the determination, and the specific reasons for the determination, are accurately recorded in the minutes of the board meeting in which the determination was made.

(6) The average daily attendance for pupils admitted pursuant to this subdivision is calculated pursuant to Section 46607.

(7) Unless approved by the sending school district, this subdivision does not authorize a net transfer of pupils out of a school district, calculated as the difference between the number of pupils exiting the school district and the number of pupils entering the school district, in a fiscal year in excess of the following amounts:

(A) For a school district with an average daily attendance for that fiscal year of less than 501 pupils, 5 percent of the average daily attendance of the school district.

(B) For a school district with an average daily attendance for that fiscal year of 501 pupils or more, but less than 2,501 pupils, 3 percent of the average daily attendance of the school district or 25 pupils, whichever amount is greater.

(C) For a school district with an average daily attendance of 2,501 pupils or more, 1 percent of the average daily attendance of the school district or 75 pupils, whichever amount is greater.

(8) Once a pupil is deemed to have complied with the residency requirements for school attendance pursuant to this subdivision and is enrolled in a school in a school district the boundaries of which include the location where at least one parent or the legal guardian of a pupil is physically employed, the pupil does not have to reapply in the next school year to attend a school within that school district and the governing board of the school district shall allow the pupil to attend school through grade 12 in that school district if the parent or legal guardian so chooses and if at least one parent or the legal guardian of the pupil continues to be physically employed by an employer situated within the attendance boundaries of the school district, subject to paragraphs (2) to (7), inclusive.

SEC. 38. Section 48204.3 of the Education Code is amended to read:

48204.3. (a) For purposes of this section, the following definitions apply:

(1) “Active military duty” means full-time military duty status in the active uniformed service of the United States, including by members of the California National Guard and the State Military Reserve on active duty orders pursuant to Title 10 or 32 of the United States Code or Part 1 (commencing with Section 100) of Division 2 of the Military and Veterans Code.

(2) “Military installation” means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Department of Defense or the United States Coast Guard.

(3) “Parent” means the natural or adoptive parent or guardian of a dependent child.

(b) Notwithstanding Section 48200, a pupil complies with the residency requirements for school attendance in a school district, if he or she is a pupil whose parent is transferred or is pending transfer to a military installation within the boundaries of the school district while on active military duty pursuant to an official military order.

(c) A school district shall accept applications by electronic means for enrollment, including enrollment in a specific school or program within the school district, and course registration for pupils described in subdivision (b).

(d) (1) The parent shall provide proof of residence within 10 days after the published arrival date provided on official documentation.

(2) For purposes of paragraph (1), a parent may use any of the following addresses as related to his or her military move:

(A) A temporary on-base billeting facility.

(B) A purchased or leased home or apartment.

(C) Federal government or public-private venture off-base military housing.

SEC. 39. Section 48240 of the Education Code is amended to read:

48240. (a) The governing board of each school district and each county superintendent of schools shall appoint a supervisor of attendance and any assistant supervisors of attendance as may be necessary to supervise the attendance of pupils in the school district or county. The governing board of the school district or county superintendent of schools shall prescribe the duties of the supervisor of attendance and assistant supervisors of attendance to include, among other duties that may be required, those specific duties related to compulsory full-time education, truancy, work permits, compulsory continuation education, and opportunity schools, classes, and programs, now required of the attendance supervisors by this chapter and Article 4 (commencing with Section 48450) of Chapter 3 and Article 2 (commencing with Section 48640) of Chapter 4 of this part.

(b) It is the intent of the Legislature that in performing his or her duties, the supervisor of attendance promote a culture of attendance and establish a system to accurately track pupil attendance in order to achieve all of the following:

(1) Raise the awareness of school personnel, parents, guardians, caregivers, community partners, and local businesses of the effects of chronic absenteeism and truancy and other challenges associated with poor attendance.

(2) Identify and respond to grade level or pupil subgroup patterns of chronic absenteeism or truancy.

(3) Identify and address factors contributing to chronic absenteeism and habitual truancy, including suspension and expulsion.

(4) Ensure that pupils with attendance problems are identified as early as possible to provide applicable support services and interventions.

(5) Evaluate the effectiveness of strategies implemented to reduce chronic absenteeism rates and truancy rates.

(c) The supervisor of attendance may provide support services and interventions, which may include, but are not limited to, any or all of the following:

(1) A conference between school personnel, the pupil's parent or guardian, and the pupil.

(2) Promoting cocurricular and extracurricular activities that increase pupil connectedness to school, such as tutoring, mentoring, the arts, service learning, or athletics.

(3) Recognizing pupils who achieve excellent attendance or demonstrate significant improvement in attendance.

(4) Referral to a school nurse, school counselor, school psychologist, school social worker, and other pupil support personnel for case management and counseling.

(5) Collaboration with child welfare services, law enforcement, courts, public health care agencies, or government agencies, or medical, mental health, and oral health care providers to receive necessary services.

(6) Collaborating with school study teams, guidance teams, school attendance review teams, or other intervention-related teams to assess the attendance or behavior problem in partnership with the pupil and his or her parents, guardians, or caregivers.

(7) In schools with significantly higher rates of chronic absenteeism, identify barriers to attendance that may require schoolwide strategies rather than case management.

(8) Referral for a comprehensive psychosocial or psychoeducational assessment, including for purposes of creating an individualized education program for an individual with exceptional needs, as that term is defined in Section 56026, or plan adopted for a qualified handicapped person, as that term is defined in regulations promulgated by the United States Department of Education pursuant to Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794).

(9) Referral to a school attendance review board established by the county or by a school district pursuant to Section 48321 or to the probation department pursuant to Section 48263.

(10) Referral to a truancy mediation program operated by the county's district attorney or probation officer pursuant to Section 48260.6.

SEC. 40. Section 51225.3 of the Education Code, as amended by Section 1 of Chapter 53 of the Statutes of 2016, is amended to read:

51225.3. (a) A pupil shall complete all of the following while in grades 9 to 12, inclusive, in order to receive a diploma of graduation from high school:

(1) At least the following numbers of courses in the subjects specified, each course having a duration of one year, unless otherwise specified:

(A) Three courses in English.

(B) Two courses in mathematics. If the governing board of a school district requires more than two courses in mathematics for graduation, the governing board of the school district may award a pupil up to one mathematics course credit pursuant to Section 51225.35.

(C) Two courses in science, including biological and physical sciences.

(D) Three courses in social studies, including United States history and geography; world history, culture, and geography; a one-semester course in American government and civics; and a one-semester course in economics.

(E) One course in visual or performing arts, foreign language, or, commencing with the 2012–13 school year, career technical education.

(i) For purposes of satisfying the requirement specified in this subparagraph, a course in American Sign Language shall be deemed a course in foreign language.

(ii) For purposes of this subparagraph, “a course in career technical education” means a course in a district-operated career technical education program that is aligned to the career technical model curriculum standards and framework adopted by the state board, including courses through a regional occupational center or program operated by a county superintendent of schools or pursuant to a joint powers agreement.

(iii) This subparagraph does not require a school or school district that currently does not offer career technical education courses to start new career technical education programs for purposes of this section.

(iv) If a school district or county office of education elects to allow a career technical education course to satisfy the requirement imposed by this subparagraph, the governing board of the school district or county office of education, before offering that alternative to pupils, shall notify parents, teachers, pupils, and the public at a regularly scheduled meeting of the governing board of all of the following:

(I) The intent to offer career technical education courses to fulfill the graduation requirement specified in this subparagraph.

(II) The impact that offering career technical education courses, pursuant to this subparagraph, will have on the availability of courses that meet the eligibility requirements for admission to the California State University and the University of California, and whether the career technical education courses to be offered pursuant to this subparagraph are approved to satisfy those eligibility requirements. If a school district elects to allow a career technical education course to satisfy the requirement imposed by this subparagraph, the school district shall comply with subdivision (m) of Section 48980.

(III) The distinction, if any, between the high school graduation requirements of the school district or county office of education, and the eligibility requirements for admission to the California State University and the University of California.

(F) Two courses in physical education, unless the pupil has been exempted pursuant to the provisions of this code.

(2) Other coursework requirements adopted by the governing board of the school district.

(b) The governing board, with the active involvement of parents, administrators, teachers, and pupils, shall adopt alternative means for pupils to complete the prescribed course of study that may include practical demonstration of skills and competencies, supervised work experience or other outside school experience, career technical education classes offered in high schools, courses offered by regional occupational centers or programs, interdisciplinary study, independent study, and credit earned at a postsecondary educational institution. Requirements for graduation and specified alternative modes for completing the prescribed course of study shall be made available to pupils, parents, and the public.

(c) On or before July 1, 2017, the department shall submit a comprehensive report to the appropriate policy committees of the Legislature on the addition of career technical education courses to satisfy the requirement specified in subparagraph (E) of paragraph (1) of subdivision (a), including, but not limited to, the following information:

(1) A comparison of the pupil enrollment in career technical education courses, foreign language courses, and visual and performing arts courses for the 2005–06 to 2011–12 school years, inclusive, to the pupil enrollment in career technical education courses, foreign language courses, and visual and performing arts courses for the 2012–13 to 2016–17 school years, inclusive.

(2) The reasons, reported by school districts, that pupils give for choosing to enroll in a career technical education course to satisfy the requirement specified in subparagraph (E) of paragraph (1) of subdivision (a).

(3) The type and number of career technical education courses that were conducted for the 2005–06 to 2011–12 school years, inclusive, compared to the type and number of career technical education courses that were conducted for the 2012–13 to 2016–17 school years, inclusive.

(4) The number of career technical education courses that satisfied the subject matter requirements for admission to the University of California or the California State University.

(5) The extent to which the career technical education courses chosen by pupils are aligned with the California Career Technical Education Model Curriculum Standards, and prepare pupils for employment, advanced training, and postsecondary education.

(6) The number of career technical education courses that also satisfy the visual and performing arts requirement, and the number of career technical education courses that also satisfy the foreign language requirement.

(7) Annual pupil dropout and graduation rates for the 2011–12 to 2014–15 school years, inclusive.

(d) For purposes of completing the report described in subdivision (c), the Superintendent may use existing state resources and federal funds. If state or federal funds are not available or sufficient, the Superintendent may apply for and accept grants, and receive donations and other financial support from public or private sources for purposes of this section.

(e) For purposes of completing the report described in subdivision (c), the Superintendent may accept support, including, but not limited to, financial and technical support, from high school reform advocates, teachers, chamber organizations, industry representatives, research centers, parents, and pupils.

(f) This section shall become inoperative on the earlier of the following two dates:

(1) On July 1, immediately following the first fiscal year after the enactment of the act that adds this paragraph in which the number of career technical education courses that, as determined by the department, satisfy the foreign language requirement for admission to the California State University and the University of California is at least twice the number of career technical education courses that meet these admission requirements as of January 1, 2012. This section shall be repealed on the following January 1, unless a later enacted statute, that becomes operative on or before that date, deletes or extends the dates on which it becomes inoperative and is repealed. It is the intent of the Legislature that new career technical education courses that satisfy the foreign language requirement for admission to the California State University and the University of California focus on world languages aligned with career preparation, emphasizing real-world application and technical content in related career and technical education courses.

(2) On July 1, 2022, and, as of January 1, 2023, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2023, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 41. Section 52052.3 of the Education Code is amended to read:

52052.3. (a) As part of the alternative accountability system for schools developed pursuant to subdivision (g) of Section 52052, or any successor system, the Superintendent and the state board shall allow no more than 10 dropout recovery high schools, as defined in subdivision (b), to report, in lieu of other indicators, the results of an individual pupil growth model that is proposed by the school and certified by the Superintendent pursuant to subdivision (c).

(b) For purposes of this section, “dropout recovery high school” means a school offering instruction in any of grades 9 to 12, inclusive, in which 50 percent or more of its pupils are either designated as dropouts pursuant to the exit and withdrawal codes developed by the department or left a school and were not otherwise enrolled in a school for a period of at least 180 days and the school provides instruction in partnership with any of the following:

(1) The federal Workforce Innovation and Opportunity Act (Public Law 113-128).

(2) Federally affiliated Youthbuild programs (29 U.S.C. Sec. 3226 et seq.).

(3) Federal job corps training or instruction provided pursuant to a memorandum of understanding with the federal provider.

(4) The California Conservation Corps or local conservation corps certified by the California Conservation Corps pursuant to Section 14406 or 14507.5 of the Public Resources Code.

(c) A dropout recovery high school shall submit to the Superintendent a certification that the high school meets the criteria specified in subdivision (b) and provide a summary of data derived from the California Longitudinal Pupil Achievement Data System pursuant to Chapter 10 (commencing with Section 60900) of Part 33 to support that designation. A dropout recovery high school shall also submit a proposed individual pupil growth model, and the Superintendent shall review and certify that model if it meets all of the following criteria:

(1) The model measures learning based on valid and reliable nationally normed or criterion-referenced reading and mathematics tests.

(2) The model measures skills and knowledge aligned with state standards.

(3) The model measures the extent to which a pupil scored above an expected amount of growth based on the individual pupil's initial achievement score.

(4) The model demonstrates the extent to which a school is able to accelerate learning on an annual basis.

(d) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

SEC. 42. Section 56601 of the Education Code is amended to read:

56601. (a) Each special education local plan area shall submit to the Superintendent at least annually information, in a form and manner prescribed by the Superintendent and developed in consultation with the special education local plan areas, in order for the Superintendent to carry out the evaluation responsibilities pursuant to Section 56602. This information shall include other statistical data, program information, and fiscal information that the Superintendent may require. The Superintendent shall use this information to answer questions from the Legislature and other state and federal agencies on program, policy, and fiscal issues of statewide interest.

(b) In order to assist the state in evaluating the effectiveness of special education programs, including transition and work experience programs, the Superintendent shall, commencing with the 2017–18 fiscal year and phased in over a two-year period, assign a pupil identification number to individuals with exceptional needs for purposes of evaluating special education programs and related services. The Superintendent shall not disclose personally identifiable, individual pupil records to any person, institution, agency, or organization except as authorized by Section 1232g of Title 20 of the United States Code and Part 99 of Title 34 of the Code of Federal Regulations.

SEC. 43. Section 60227 of the Education Code is amended to read:

60227. (a) For purposes of this section, a followup adoption is any adoption other than the primary adoption that occurs within the eight-year cycle established pursuant to subdivision (b) of Section 60200.

(b) Before conducting a followup adoption in a given subject area, the department shall post an appropriate notice on the department's Internet Web site pursuant to subdivision (c) and notify all publishers or manufacturers known to produce basic instructional materials in that subject area.

(c) The notice shall specify that each publisher or manufacturer choosing to participate in the followup adoption shall be assessed a fee based on the number of programs the publisher or manufacturer indicates will be submitted for review and the number of grade levels proposed to be covered by each program.

(d) The fee shall offset the cost of conducting the followup adoption process and shall reflect the department's best estimate of the cost. The department shall take reasonable steps to limit costs of the followup adoption and to keep the fee modest, recognizing that some of the work necessary for the primary adoption need not be duplicated.

(e) The department, before incurring substantial costs for the followup adoption, shall require that a publisher or manufacturer who wishes to participate in the followup adoption first declare the intent to submit one or more specific programs for the followup adoption and specify the specific grade levels to be covered by each program. After a publisher or manufacturer has declared the intent to submit one or more programs and the grade levels to be covered by each program, the department shall assess a fee. The fee shall be payable by the publisher or manufacturer even if the publisher or manufacturer subsequently chooses to withdraw a program or reduce the number of grade levels covered. A submission by a publisher or manufacturer shall not be reviewed for purposes of adoption, either in a followup adoption or in any other primary or followup adoption conducted thereafter, until the fee assessed has been paid in full.

(f) (1) It is the intent of the Legislature that the fee not be so substantial that it prevents small publishers or manufacturers from participating in a followup adoption.

(2) Upon the request of a small publisher or manufacturer, the state board may reduce the fee for participation in the followup adoption.

(3) For purposes of this section, “small publisher” and “small manufacturer” mean an independently owned or operated publisher or manufacturer who is not dominant in its field of operation, and who, together with its affiliates, has 100 or fewer employees, and has average annual gross receipts of ten million dollars ($10,000,000) or less over the previous three years.

(g) Revenue derived from fees charged pursuant to subdivision (e) shall be budgeted as reimbursements and subject to review through the annual budget process and may be used to pay costs associated with any adoption and any costs associated with the review of instructional materials.

(h) If the department determines that there is little or no interest by publishers and manufacturers in participating in a followup adoption, the department shall recommend to the state board that the followup adoption not be conducted and the state board may choose not to conduct the followup adoption.

(i) General Fund revenue shall not be used for the cost of conducting a followup adoption pursuant to this section.

(j) This section shall remain in effect only until January 1, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2024, deletes or extends that date.

SEC. 44. Section 60605.5 of the Education Code is amended to read:

60605.5. (a) (1) In consultation with the Instructional Quality Commission, the Superintendent shall recommend to the state board revisions to the World Language Content Standards for California Public Schools adopted by the state board in 2009 pursuant to Section 60605.3.

(2) These recommended revisions shall be based on the work of the group of experts convened pursuant to subdivision (b).

(3) On or before January 31, 2019, the Superintendent, in consultation with the Instructional Quality Commission, shall present his or her recommended revisions to the state board.

(b) In consultation with the Instructional Quality Commission and the state board, the Superintendent shall select a group of experts in this subject area to assist the Superintendent in developing recommended revisions pursuant to this section. A majority of this group of experts shall be current public school elementary or secondary classroom teachers who have a professional teaching credential that is valid under state law.

(c) (1) Before presenting his or her recommended revisions to the state board pursuant to paragraph (3) of subdivision (a), the Superintendent, in consultation with the Instructional Quality Commission, shall hold a minimum of two public hearings in order for the public to provide input on the recommended revisions.

(2) The public hearings required by this subdivision shall be held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(d) (1) On or before March 31, 2019, the state board shall adopt, reject, or modify the recommended revisions.

(2) If the state board modifies the recommended revisions, it shall do both of the following:

(A) It shall explain, in writing, to the Governor and the Legislature the reasons for those modifications.

(B) It shall, in a meeting conducted pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), provide written reasons for its modifications. The state board shall not adopt its modified revisions at the same meeting it provides its written reasons, but, instead, shall adopt these modified revisions at a subsequent meeting conducted on or before May 31, 2019.

(3) If the state board rejects the recommended revisions, the state board shall transmit to the Superintendent, the Governor, and the appropriate policy and fiscal committees of the Legislature a detailed written explanation of its reasons for rejecting the recommended revisions.

(e) If the state board adopts revisions to the World Language Content Standards for California Public Schools pursuant to paragraph (1) of subdivision (d) or subparagraph (B) of paragraph (2) of subdivision (d), the state board shall consider adopting curriculum framework and evaluation criteria for instructional materials that are aligned to the revised World Language Content Standards for California Public Schools on or before September 30, 2020, based on any recommendations the Instructional Quality Commission may make.

(f) If the state board adopts revisions to the World Language Content Standards for California Public Schools pursuant to paragraph (1) of subdivision (d) or subparagraph (B) of paragraph (2) of subdivision (d), the state board may adopt instructional materials for kindergarten and grades 1 to 8, inclusive, that are aligned to the revised World Language Content Standards for California Public Schools on or before January 31, 2022, based on any recommendations the Instructional Quality Commission may make.

SEC. 45. Section 67102 of the Education Code is amended to read:

67102. As used in this chapter, the following terms have the following meanings:

(a) An "academic year" is July 1 to June 30, inclusive. The starting date of a session shall determine the academic year in which it is included.

(b) "CSAAVE" is the California State Approving Agency for Veterans Education.

(c) (1) "Qualifying institution" means a degree-granting institution that complies with paragraphs (2), (3), and (4), or a non-degree-granting institution that complies with paragraphs (2) and (4).

(2) (A) The institution shall provide information on where to access California license examination passage rates for the most recent available year from graduates of its undergraduate programs leading to employment for which passage of a California licensing examination is required, if that data is electronically available through the Internet Web site of a California licensing or regulatory agency. For purposes of this paragraph, "provide" may exclusively include placement of an Internet Web site address labeled as an access point for the data on the passage rates of recent program graduates on the Internet Web site where enrollment information is also located, on an Internet Web site that provides centralized admissions information for postsecondary educational systems with multiple campuses, or on applications for enrollment or other program information distributed to prospective students.

(B) The institution shall be responsible for certifying to CSAAVE compliance with the requirements of subparagraph (A).

(3) (A) A degree-granting institution shall provide evidence of accreditation of the institution and of all degree programs to CSAAVE. The accrediting agency shall be recognized by the United States Department of Education. An unaccredited degree-granting institution participating in the Title 38 award program on January 1, 2015, shall satisfy both of the following to remain eligible to receive Title 38 awards:

(i) The institution shall obtain and provide evidence to CSAAVE of its candidacy or preaccreditation status, with an accrediting agency recognized by the United States Department of Education, by January 1, 2016, for the institution to be eligible for Title 38 awards for the academic year of 2015–16 or 2016–17, or both.

(ii) The institution shall obtain and provide evidence to CSAAVE of accreditation from the accrediting agency with which it had candidacy or preaccreditation status by January 1, 2017, for the institution to be eligible for Title 38 awards for the academic year of 2017–18, and each academic year thereafter.

(B) If an unaccredited degree-granting institution participating in the Title 38 award program fails to satisfy the accreditation requirements provided in clause (i) of subparagraph (A), a veteran enrolled in a degree program offered by the institution prior to January 1, 2016, shall remain eligible for Title 38 awards through his or her completion of that degree program. If an unaccredited degree-granting institution participating in the Title 38 award program fails to satisfy the accreditation requirements provided in clause (ii) of subparagraph (A), a veteran enrolled in a degree program offered by the institution prior to January 1, 2017, shall remain eligible for Title 38 awards through his or her completion of that degree program.

(C) An unaccredited degree-granting institution that does not satisfy the accreditation requirements provided in clause (i) of subparagraph (A), shall not enroll any new Title 38 eligible students to any of its degree programs after January 1, 2016. An unaccredited degree-granting institution that does not satisfy the accreditation requirements provided in clause (ii) of subparagraph (A), shall not enroll any new Title 38 students to any of its degree programs after January 1, 2017, without first providing these prospective students with the following written disclosure:

"If you choose to attend this institution, you will not be eligible to receive a Title 38 award because this institution did not satisfy one or more of the accreditation requirements to receive Title 38 awards."

(D) An institution that obtains and provides evidence to CSAAVE of accreditation from the Committee of Bar Examiners pursuant to Sections 6046.7 and 6060.6 of the Business and Professions Code does not have to comply with subparagraphs (A), (B), and (C), if the institution complies with both of the following:

(i) (I) The institution provides disclosures to applicants of the school of the institution's admissions data, tuition, fees, financial aid, conditional scholarships, refund policies, average class size of each required course, number of clinical offerings, number of full-time and part-time faculty, technically trained librarians, and administrators, enrollment data, bar passage data, and employment outcomes for graduates.

(II) For purposes of this clause, CSAAVE may develop a standardized information report template or use a standardized information report template developed by the State Bar.

(III) For purposes of this clause, the following terms have the following meanings:

(ia) "Admissions data" means information from the most recently enrolled fall semester class including the total number of applications, the total number of accepted students, and the 75th, 50th, and 25th percentile scores for the undergraduate grade point averages and law school admission test scores of admitted students.

(ib) "Bar passage data" means the most current cumulative bar pass rates defined and reported by the examining committee of the State Bar.

(ic) "Conditional scholarship" means any financial aid award, the retention of which is dependent upon the student maintaining a minimum grade point average or class standing other than that ordinarily required to remain in good academic standing.

(id) "Employment outcomes for graduates" means the results of a survey by the law school, taken three years after graduation, that breaks down the employment rate of graduates in each of the first three years after graduation, including the rate of employment of graduates in jobs where a juris doctor degree is required by the employer and the rate of employment of graduates in jobs where a juris doctor degree is an advantage in employment.

(ie) "Enrollment data" means information about the number of students who are admitted to the school per class per year for the past three years, the number of students who transfer to and from the school per class per year for the past three years, and the number of students who do not continue to attend the school each year for the past three years on either a voluntary or involuntary basis.

(ii) The institution is in compliance with all applicable CSAAVE rules and regulations and is in good standing with the Committee of Bar Examiners.

(4) The institution shall be one of the following to be eligible for Title 38 awards:

(A) A campus of the California Community Colleges, the California State University, or the University of California.

(B) An independent institution of higher education, as defined in subdivision (b) of Section 66010.

(C) (i) For purposes of the 2015–16 award year, a private postsecondary educational institution, as defined in Section 94858.

(ii) For purposes of the 2016–17 award year, and every award year thereafter, a private postsecondary educational institution, as defined in Section 94858, that has an approval to operate from the Bureau for Private Postsecondary Education, is subject to the regulatory oversight and enforcement of student protections provided by the bureau, and has its approval to operate certified by CSAAVE.

(D) An institution described in subdivision (i) of Section 94874 that satisfies all of the requirements provided in Section 94947.

(E) An institution that is accredited by the Committee of Bar Examiners pursuant to Sections 6046.7 and 6060.7 of the Business and Professions Code.

SEC. 46. The heading of Chapter 16 (commencing with Section 67380) of Part 40 of Division 5 of Title 3 of the Education Code, as renumbered by Section 9 of Chapter 8 of the Statutes of 1993, is amended and renumbered to read:

CHAPTER 15.5. Student Safety

SEC. 47. Section 67432 of the Education Code is amended to read:

67432. The California Promise is hereby established to support California State University students in earning a baccalaureate degree within four academic years of the student's first year of enrollment or, for transfer students, within two academic years of the student's first year of enrollment to the campus.

SEC. 48. Section 67434 of the Education Code is amended to read:

67434. (a) The trustees shall develop and implement a California Promise program that complies with this part.

(b) Commencing with the 2017–18 academic year, a minimum of eight campuses shall have established a California Promise program by which the campus enters into a pledge with a qualifying student who is enrolled at the campus and who is not a transfer student to support the student in earning a baccalaureate degree within four academic years of the academic year of the student's first year of enrollment.

(c) Commencing with the 2017–18 academic year, a minimum of 15 campuses shall have established a California Promise program by which the campus enters into a pledge with a qualifying transfer student to support the student in earning a baccalaureate degree program within two academic years of the student's first year of enrollment to the campus, as applicable.

(d) Commencing with the 2018–19 academic year, a minimum of 20 campuses shall have established a California Promise program by which the campus enters into a pledge with a qualifying transfer student to support the student in earning a baccalaureate degree within two academic years of the student's first year of enrollment to the campus, as applicable.

(e) To be a qualifying entering student or transfer student at the California State University, a student shall comply with both of the following:

(1) Be a California resident for purposes of in-state tuition eligibility.

(2) Commit to completing at least 30 semester units or the quarter equivalent per academic year. Units completed by the student during a summer term may count towards the previous or following academic year as determined by the trustees.

(f) Each College Promise program shall be reviewed by a graduation initiative advisory committee of the campus or a committee with similar functions designated by the president of the campus.

(g) (1) A campus shall guarantee participation in the program to, at a minimum, any student who is any of the following:

(A) A low-income student. For purposes of this section, "low-income student" shall have the same meaning as specified in Section 89295.

(B) A student who has graduated from a high school located in a community that is underrepresented in college attendance.

(C) A student who is a first-generation college student.

(D) A transfer student.

(2) It is the intent of the Legislature that the California Promise program at each campus accommodate as many students into the program as feasible and in consideration of available funding.

(h) Support provided by a California State University campus to a student who participates in the California Promise program shall include, but not necessarily be limited to, both of the following:

(1) (A) Priority registration in coursework.

(B) For purposes of this paragraph, a student shall not receive priority registration in coursework under the program if he or she qualifies for priority registration under another policy or program, as determined by the campus or the Office of the Chancellor of the California State University.

(C) A graduation initiative advisory committee of the campus, or a committee with similar functions designated by the president of the campus, shall consider pre-existing priority registration policies when implementing this section.

(2) Academic advisement that includes monitoring the student's academic progress.

(i) (1) The trustees shall develop application criteria, administrative guidelines, and additional requirements, including how campuses will measure student success, for purposes of implementing and administering the California Promise program.

(2) As a condition of continued participation in a California Promise program, a student may be required to demonstrate both of the following:

(A) Completion of at least 30 semester units, or the quarter equivalent, in each prior academic year.

(B) Attainment of a grade point average in excess of a standard established by the campus.

(3) In implementing this part, the trustees shall take into consideration the report on graduation rates required pursuant to Item 6610-001-0001 of Section 2.00 of the Budget Act of 2016.

(j) (1) The trustees shall submit a report to the appropriate policy and fiscal committees of the Legislature by July 1, 2021, that includes all of the following:

(A) The number of students participating in the program in total, by campus, and disaggregated based on the following:

(i) Whether the student entered as a first-time freshman or a transfer student.

(ii) Whether the student is a first-generation college student.

(iii) Whether the student is a recipient of financial aid under the Federal Pell Grant Program (20 U.S.C. Sec. 1070a) or the Cal Grant Program established in Chapter 1.7 (commencing with Section 69430) of Part 42.

(iv) According to the student's ethnicity.

(B) The total number of students who graduated in four academic years for students who entered as first-time freshmen, and two academic years, for students who entered as transfer students, in total, by campus, and disaggregated based on the characteristics identified in clauses (i) to (iv), inclusive, of subparagraph (A).

(2) The report required by paragraph (1) shall include a summary description of significant differences in the implementation of the California Promise program at each campus.

(k) The trustees shall submit recommendations to the appropriate policy and fiscal committees of the Legislature by March 15, 2017, regarding potential financial incentives that could benefit students who participate in the California Promise program.

(l) A student who successfully completes his or her associate degree for transfer at a community college shall be guaranteed participation in the California Promise program at the California State University transfer campus, if established.

(m) The trustees shall make every effort to close the achievement gap and encourage broad participation in a California Promise program that reflects the demographic populations served by the campus.

SEC. 49. Section 92965 of the Education Code is amended to read:

92965. (a) With funds appropriated in Item 6440-001-0001 of Section 2.00 of the Budget Act of 2016, the University of California shall make one-time expenditures for activities to expand or accelerate economic development in the state in ways that are aligned with other efforts to support innovation and entrepreneurship.

(b) From the funds specified in subdivision (a), two million two hundred thousand dollars ($2,200,000) shall be allocated to each of the following campuses of the University of California:

(1) Berkeley.

(2) Davis.

(3) Irvine.

(4) Los Angeles.

(5) Merced.

(6) Riverside.

(7) San Diego.

(8) San Francisco.

(9) Santa Barbara.

(10) Santa Cruz.

(c) The Regents of the University of California shall designate an external advisory body, whose members have demonstrated expertise in innovation and entrepreneurship, to encourage the effective use of the funds specified in subdivision (b) through planning and oversight.

(d) A campus shall not expend the funds specified in subdivision (b) until the external advisory body has certified that the chancellor of the campus has demonstrated all of the following:

(1) That the funds will be used only for the costs of activities that support the expansion or acceleration of economic development in the state, such as any of the following benefits for entrepreneurs:

(A) Business training.

(B) Mentorship.

(C) Proof-of-concept grants.

(D) Work space.

(E) Laboratory space.

(F) Equipment.

(2) That the funds will be spent only after the uses and beneficiaries have been determined through a transparent, inclusive, and fair process.

(3) That private funds will also be used for these activities, with the intent that the amount of private funds will be at least equal to the amount specified in subdivision (b).

(4) That any financial benefit that results from the use of these funds, including any revenues generated with these funds, be accounted for and also used on these activities.

(5) That a credible plan has been developed to support any ongoing activities beyond the one-time expenditures of these funds.

(e) The external advisory body shall notify the Director of Finance and the Legislature, no fewer than 10 days before providing certification pursuant to subdivision (d) of its intent to do so.

(f) (1) On or before November 30, 2017, the Regents of the University of California shall report to the Director of Finance and the Legislature on the specific activities at each campus supported by these funds.

(2) The report shall be submitted to the Legislature pursuant to Section 9795 of the Government Code.

SEC. 50. Section 3017 of the Elections Code is amended to read:

3017. (a) All vote by mail ballots cast under this division shall be voted on or before the day of the election. After marking the ballot, the vote by mail voter shall do any of the following: (1) return the ballot by mail or in person to the elections official who issued the ballot, (2) return the ballot in person to a member of a precinct board at a polling place or vote center within the state, or (3) return the ballot to a vote by mail ballot dropoff location within the state that is provided pursuant to Section 3025 or 4005. However, a vote by mail voter who is unable to return the ballot may designate any person to return the ballot to the elections official who issued the ballot, to the precinct board at a polling place or vote center within the state, or to a vote by mail ballot dropoff location within the state that is provided pursuant to Section 3025 or 4005. The ballot must be received by the elections official who issued the ballot, the precinct board, or the vote by mail ballot dropoff location before the close of the polls on election day. If a vote by mail ballot is returned to a precinct board at a polling place or vote center, or to a vote by mail ballot dropoff location, that is located in a county that is not the county of the elections official who issued the ballot, the elections official for the county in which the vote by mail ballot is returned shall forward the ballot to the elections official who issued the ballot no later than eight days after receipt.

(b) The elections official shall establish procedures to ensure the secrecy of a ballot returned to a precinct polling place and the security, confidentiality, and integrity of any personal information collected, stored, or otherwise used pursuant to this section.

(c) On or before March 1, 2008, the elections official shall establish procedures to track and confirm the receipt of voted vote by mail ballots and to make this information available by means of online access using the county's elections division Internet Web site. If the county does not have an elections division Internet Web site, the elections official shall establish a toll-free telephone number that may be used to confirm the date a voted vote by mail ballot was received.

(d) The provisions of this section are mandatory, not directory, and a ballot shall not be counted if it is not delivered in compliance with this section.

(e) (1) A person designated to return a vote by mail ballot shall not receive any form of compensation based on the number of ballots that the person returns and an individual, group, or organization shall not provide compensation on this basis.

(2) For purposes of this paragraph, "compensation" means any form of monetary payment, goods, services, benefits, promises or offers of employment, or any other form of consideration offered to another person in exchange for returning another voter's vote by mail ballot.

(3) A person in charge of a vote by mail ballot and who knowingly and willingly engages in criminal acts related to that ballot as described in Division 18 (commencing with Section 18000), including, but not limited to, fraud, bribery, intimidation, and tampering with or failing to deliver the ballot in a timely fashion, is subject to the appropriate punishment specified in that division.

SEC. 51. Section 10010 of the Elections Code is amended to read:

10010. (a) A political subdivision that changes from an at-large method of election to a district-based election, or that establishes district-based elections, shall do all of the following before a public hearing at which the governing body of the political subdivision votes to approve or defeat an ordinance establishing district-based elections:

(1) Before drawing a draft map or maps of the proposed boundaries of the districts, the political subdivision shall hold at least two public hearings over a period of no more than 30 days, at which the public is invited to provide input regarding the composition of the districts. Before these hearings, the political subdivision may conduct outreach to the public, including to non-English-speaking communities, to explain the districting process and to encourage public participation.

(2) After all draft maps are drawn, the political subdivision shall publish and make available for release at least one draft map and, if members of the governing body of the political subdivision will be elected in their districts at different times to provide for staggered terms of office, the potential sequence of the elections. The political subdivision shall also hold at least two additional hearings over a period of no more than 45 days, at which the public is invited to provide input regarding the content of the draft map or maps and the proposed sequence of elections, if applicable. The first version of a draft map shall be published at least seven days before consideration at a hearing. If a draft map is revised at or following a hearing, it shall be published and made available to the public for at least seven days before being adopted.

(b) In determining the final sequence of the district elections conducted in a political subdivision in which members of the governing body will be elected at different times to provide for staggered terms of office, the governing body shall give special consideration to the purposes of the California Voting Rights Act of 2001, and it shall take into account the preferences expressed by members of the districts.

(c) This section applies to, but is not limited to, a proposal that is required due to a court-imposed change from an at-large method of election to a district-based election.

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

(1) “At-large method of election” has the same meaning as set forth in subdivision (a) of Section 14026.

(2) “District-based election” has the same meaning as set forth in subdivision (b) of Section 14026.

(3) “Political subdivision” has the same meaning as set forth in subdivision (c) of Section 14026.

(e) (1) Before commencing an action to enforce Sections 14027 and 14028, a prospective plaintiff shall send by certified mail a written notice to the clerk of the political subdivision against which the action would be brought asserting that the political subdivision’s method of conducting elections may violate the California Voting Rights Act of 2001.

(2) A prospective plaintiff shall not commence an action to enforce Sections 14027 and 14028 within 45 days of the political subdivision’s receipt of the written notice described in paragraph (1).

(3) (A) Before receiving a written notice described in paragraph (1), or within 45 days of receipt of a notice, a political subdivision may pass a resolution outlining its intention to transition from at-large to district-based elections, specific steps it will undertake to facilitate this transition, and an estimated time frame for doing so.

(B) If a political subdivision passes a resolution pursuant to subparagraph (A), a prospective plaintiff shall not commence an action to enforce Sections 14027 and 14028 within 90 days of the resolution’s passage.

(f) (1) If a political subdivision adopts an ordinance establishing district-based elections pursuant to subdivision (a), a prospective plaintiff who sent a written notice pursuant to paragraph (1) of subdivision (e) before the political subdivision passed its resolution of intention may, within 30 days of the ordinance’s adoption, demand reimbursement for the cost of the work product generated to support the notice. A prospective plaintiff shall make the demand in writing and shall substantiate the demand with financial documentation, such as a detailed invoice for demography services. A political subdivision may request additional documentation if the provided documentation is insufficient to corroborate the claimed costs. A political subdivision shall reimburse a prospective plaintiff for reasonable costs claimed, or in an amount to which the parties mutually agree, within 45 days of receiving the written demand, except as provided in paragraph (2). In all cases, the amount of the reimbursement shall not exceed the cap described in paragraph (3).

(2) If more than one prospective plaintiff is entitled to reimbursement, the political subdivision shall reimburse the prospective plaintiffs in the order in which they sent a written notice pursuant to paragraph (1) of subdivision (e), and the 45-day time period described in paragraph (1) shall apply only to reimbursement of the first prospective plaintiff who sent a written notice. The cumulative amount of reimbursements to all prospective plaintiffs shall not exceed the cap described in paragraph (3).

(3) The amount of reimbursement required by this section is capped at $30,000, as adjusted annually to the Consumer Price Index for All Urban Consumers, United States city average, as published by the United States Department of Labor.

SEC. 52. Section 21534 of the Elections Code is amended to read:

21534. (a) The commission shall establish single-member supervisorial districts for the board pursuant to a mapping process using the following criteria as set forth in the following order of priority:

(1) Districts shall comply with the United States Constitution and each district shall have a reasonably equal population with other districts for the board, except where deviation is required to comply with the federal Voting Rights Act of 1965 (52 U.S.C. Sec. 10101 et seq.) or allowable by law.

(2) Districts shall comply with the federal Voting Rights Act of 1965 (52 U.S.C. Sec. 10101 et seq.).

(3) Districts shall be geographically contiguous.

(4) The geographic integrity of any city, local neighborhood, or local community of interest shall be respected in a manner that minimizes its division to the extent possible without violating the requirements of paragraphs (1) to (3), inclusive. A community of interest is a contiguous population that shares common social and economic interests that should be included within a single district for purposes of its effective and fair representation. Communities of interest shall not include relationships with political parties, incumbents, or political candidates.

(5) To the extent practicable, and where this does not conflict with paragraphs (1) to (4), inclusive, districts shall be drawn to encourage geographical compactness such that nearby areas of population are not bypassed for more distant areas of population.

(b) The place of residence of any incumbent or political candidate shall not be considered in the creation of a map. Districts shall not be drawn for purposes of favoring or discriminating against an incumbent, political candidate, or political party.

(c) (1) The commission shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

(2) Before the commission draws a map, the commission shall conduct at least seven public hearings, to take place over a period of no fewer than 30 days, with at least one public hearing held in each supervisorial district.

(3) After the commission draws a draft map, the commission shall do both of the following:

(A) Post the map for public comment on the Internet Web site of the County of Los Angeles.

(B) Conduct at least two public hearings to take place over a period of no fewer than 30 days.

(4) (A) The commission shall establish and make available to the public a calendar of all public hearings described in paragraphs (2) and (3). Hearings shall be scheduled at various times and days of the week to accommodate a variety of work schedules and to reach as large an audience as possible.

(B) Notwithstanding Section 54954.2 of the Government Code, the commission shall post the agenda for the public hearings described in paragraphs (2) and (3) at least seven days before the hearings. The agenda for a meeting required by paragraph (3) shall include a copy of the draft map.

(5) (A) The commission shall arrange for the live translation of a hearing held pursuant to this chapter in an applicable language if a request for translation is made at least 24 hours before the hearing.

(B) For purposes of this paragraph, an “applicable language” means a language for which the number of residents of the County of Los Angeles who are members of a language minority is greater than or equal to 3 percent of the total voting age residents of the county.

(6) The commission shall take steps to encourage county residents to participate in the redistricting public review process. These steps may include:

(A) Providing information through media, social media, and public service announcements.

(B) Coordinating with community organizations.

(C) Posting information on the Internet Web site of the County of Los Angeles that explains the redistricting process and includes a notice of each public hearing and the procedures for testifying during a hearing or submitting written testimony directly to the commission.

(7) The board shall take all steps necessary to ensure that a complete and accurate computerized database is available for redistricting, and that procedures are in place to provide to the public ready access to redistricting data and computer software equivalent to what is available to the commission members.

(8) The board shall provide reasonable funding and staffing for the commission.

(9) All records of the commission relating to redistricting, and all data considered by the commission in drawing a draft map or the final map, are public records.

(d) (1) The commission shall adopt a redistricting plan adjusting the boundaries of the supervisorial districts and shall file the plan with the county elections official before August 15 of the year following the year in which each decennial federal census is taken.

(2) The plan shall be effective 30 days after it is filed with the county elections official.

(3) The plan shall be subject to referendum in the same manner as ordinances.

(4) The commission shall issue, with the final map, a report that explains the basis on which the commission made its decisions in achieving compliance with the criteria described in subdivisions (a) and (b).

SEC. 53. Section 21535 of the Elections Code is amended to read:

21535. A commission member shall be ineligible for a period of five years beginning from the date of appointment to hold elective public office at the federal, state, county, or city level in this state. A commission member shall be ineligible for a period of three years beginning from the date of appointment to hold appointive federal, state, or local public office, to serve as paid staff for, or as a paid consultant to, the Board of Equalization, the Congress, the Legislature, or any individual legislator, or to register as a federal, state, or local lobbyist in this state.

SEC. 54. Section 23002 of the Elections Code is amended to read:

23002. (a) This section applies to advisory redistricting commissions.

(b) Notwithstanding any other law, the local jurisdiction may prescribe the manner in which members are appointed to the commission.

(c) A person who is an elected official of the local jurisdiction, or a family member, staff member, or paid campaign staff of an elected official of the local jurisdiction, shall not be appointed to serve on the commission.

(d) The commission shall submit a report to the legislative body documenting the need for changes to the boundaries, and its recommended changes, within six months after the final population figures determined in each federal decennial census have been released, but in any event not later than August 1 of the year following the year in which the census is taken.

SEC. 55. Section 452.5 of the Evidence Code is amended to read:

452.5. (a) The official acts and records specified in subdivisions (c) and (d) of Section 452 include any computer-generated official court records, as specified by the Judicial Council, that relate to criminal convictions, when the record is certified by a clerk of the superior court pursuant to Section 69844.5 of the Government Code at the time of computer entry.

(b) (1) An official record of conviction certified in accordance with subdivision (a) of Section 1530, or an electronically digitized copy thereof, is admissible under Section 1280 to prove the commission, attempted commission, or solicitation of a criminal offense, prior conviction, service of a prison term, or other act, condition, or event recorded by the record.

(2) For purposes of this subdivision, “electronically digitized copy” means a copy that is made by scanning, photographing, or otherwise exactly reproducing a document, is stored or maintained in a digitized format, and meets either of the following requirements:

(A) The copy bears an electronic signature or watermark unique to the entity responsible for certifying the document.

(B) The copied document is an official record of conviction, certified in accordance with subdivision (a) of Section 1530, that is transmitted by the clerk of the superior court in a manner showing that the copy was prepared and transmitted by that

clerk of the superior court. A seal, signature, or other indicia of the court shall constitute adequate showing.

SEC. 56. Section 754 of the Evidence Code is amended to read:

754. (a) As used in this section, "individual who is deaf or hard of hearing" means an individual with a hearing loss so great as to prevent his or her understanding language spoken in a normal tone, but does not include an individual who is hard of hearing provided with, and able to fully participate in the proceedings through the use of, an assistive listening system or computer-aided transcription equipment provided pursuant to Section 54.8 of the Civil Code.

(b) In a civil or criminal action, including an action involving a traffic or other infraction, a small claims court proceeding, a juvenile court proceeding, a family court proceeding or service, or a proceeding to determine the mental competency of a person, in a court-ordered or court-provided alternative dispute resolution, including mediation and arbitration, or in an administrative hearing, where a party or witness is an individual who is deaf or hard of hearing and the individual who is deaf or hard of hearing is present and participating, the proceeding shall be interpreted in a language that the individual who is deaf or hard of hearing understands by a qualified interpreter appointed by the court or other appointing authority, or as agreed upon.

(c) For purposes of this section, "appointing authority" means a court, department, board, commission, agency, licensing or legislative body, or other body for proceedings requiring a qualified interpreter.

(d) For purposes of this section, "interpreter" includes an oral interpreter, a sign language interpreter, or a deaf-blind interpreter, depending upon the needs of the individual who is deaf or hard of hearing.

(e) For purposes of this section, "intermediary interpreter" means an individual who is deaf or hard of hearing, or a hearing individual who is able to assist in providing an accurate interpretation between spoken English and sign language or between variants of sign language or between American Sign Language and other foreign languages by acting as an intermediary between the individual who is deaf or hard of hearing and the qualified interpreter.

(f) For purposes of this section, "qualified interpreter" means an interpreter who has been certified as competent to interpret court proceedings by a testing organization, agency, or educational institution approved by the Judicial Council as qualified to administer tests to court interpreters for individuals who are deaf or hard of hearing.

(g) If the appointed interpreter is not familiar with the use of particular signs by the individual who is deaf or hard of hearing or his or her particular variant of sign language, the court or other appointing authority shall, in consultation with the individual who is deaf or hard of hearing or his or her representative, appoint an intermediary interpreter.

(h) (1) Before July 1, 1992, the Judicial Council shall conduct a study to establish the guidelines pursuant to which it shall determine which testing organizations, agencies, or educational institutions will be approved to administer tests for certification of court interpreters for individuals who are deaf or hard of hearing. It is the intent of the Legislature that the study obtain the widest possible input from the public, including, but not limited to, educational institutions, the judiciary, linguists, members of the State Bar of California, court interpreters, members of professional interpreting organizations, and members of the deaf and hard of hearing communities. After obtaining public comment and completing its study, the Judicial Council shall publish these guidelines. By January 1, 1997, the Judicial Council shall approve one or more entities to administer testing for court interpreters for individuals who are deaf or hard of hearing. Testing entities may include educational institutions, testing organizations, joint powers agencies, or public agencies.

(2) Commencing July 1, 1997, court interpreters for individuals who are deaf or hard of hearing shall meet the qualifications specified in subdivision (f).

(i) Persons appointed to serve as interpreters under this section shall be paid, in addition to actual travel costs, the prevailing rate paid to persons employed by the court to provide other interpreter services unless such service is considered to be a part of the person's regular duties as an employee of the state, county, or other political subdivision of the state. Except as provided in subdivision (j), payment of the interpreter's fee shall be a charge against the court. Payment of the interpreter's fee in administrative proceedings shall be a charge against the appointing board or authority.

(j) Whenever a peace officer or any other person having a law enforcement or prosecutorial function in a criminal or quasi-criminal investigation or non-court proceeding questions or otherwise interviews an alleged victim or witness who demonstrates or alleges deafness or hearing loss, a good faith effort to secure the services of an interpreter shall be made without any unnecessary delay, unless either the individual who is deaf or hard of hearing affirmatively indicates that he or she does not need or cannot use an interpreter, or an interpreter is not otherwise required by Title II of the federal Americans with Disabilities Act of 1990 (Public Law 101-336) and federal regulations adopted thereunder. Payment of the interpreter's fee shall be a charge against the county, or other political subdivision of the state, in which the action is pending.

(k) A statement, written or oral, made by an individual who the court finds is deaf or hard of hearing in reply to a question of a peace officer, or any other person having a law enforcement or prosecutorial function in a criminal or quasi-criminal investigation

or proceeding, shall not be used against that individual who is deaf or hard of hearing unless the question was accurately interpreted and the statement was made knowingly, voluntarily, and intelligently and was accurately interpreted, or the court finds that either the individual could not have used an interpreter or an interpreter was not otherwise required by Title II of the federal Americans with Disabilities Act of 1990 (Public Law 101-336) and federal regulations adopted thereunder and that the statement was made knowingly, voluntarily, and intelligently.

(l) In obtaining services of an interpreter for purposes of subdivision (j) or (k), priority shall be given to first obtaining a qualified interpreter.

(m) Subdivisions (j) and (k) shall not be deemed to supersede the requirement of subdivision (b) for use of a qualified interpreter for an individual who is deaf or hard of hearing participating as a party or witness in a trial or hearing.

(n) In an action or proceeding in which an individual who is deaf or hard of hearing is a participant, the appointing authority shall not commence the action or proceeding until the appointed interpreter is in full view of and spatially situated to assure proper communication with the participating individual who is deaf or hard of hearing.

(o) Each superior court shall maintain a current roster of qualified interpreters certified pursuant to subdivision (f).

SEC. 57. Section 14103 of the Financial Code is amended to read:

14103. The bylaws shall prescribe the manner in which the business of the credit union shall be conducted with reference to the following matters:

(a) The purpose of the credit union.

(b) The qualification for membership.

(c) Determination of the month, time, and place of the annual meeting; the manner of conducting meetings; the method by which members shall be notified of meetings; and the number of members which shall constitute a quorum.

(d) The authorized number of directors, the number of directors necessary to constitute a quorum, and the powers and duties of officers elected by the directors.

(e) The membership, powers, and duties of the supervisory or audit committee, as applicable.

(f) The membership, powers, and duties of the credit committee or if applicable, the general powers, responsibilities, and duties of the credit manager.

(g) The manner in which the bylaws may be amended.

SEC. 58. Section 14556 of the Financial Code is amended to read:

14556. (a) The board of directors may, by resolution, establish an audit committee in lieu of a supervisory committee. An audit committee that meets all the requirements of this section shall be deemed to satisfy the requirements for a supervisory committee set forth in Sections 14550 to 14555, inclusive, or in any applicable bylaw provision.

(b) The vote of the board of directors to establish an audit committee in lieu of a supervisory committee shall be affirmed by a majority vote of members voting. Following the affirmative vote of the membership, the supervisory committee shall be deemed dissolved upon the appointment of an audit committee by the board of directors.

(c) The audit committee shall consist of at least three persons, provided that it is an odd number, each of whom shall be a member of the credit union and appointed by a majority of the board of directors. The audit committee may be comprised of directors, or both directors and nondirectors, provided that no less than a majority of the members of the audit committee at any given time shall be comprised of directors. A member of the audit committee shall not serve as a member of the credit committee, as the credit manager, as the board chairman, or as an employee of the credit union.

(d) The audit committee shall carry out the responsibilities set forth in subdivision (c) of Section 14551 and Sections 14551.5 and 14553 and shall:

(1) Ensure that the credit union complies with Section 14252.

(2) Ensure that the credit union maintains an effective internal audit program, including a system of internal controls and individuals with sufficient training and experience to adequately and timely review all key areas of a credit union’s operations.

(e) The board of directors may, by subsequent resolution, reestablish a supervisory committee in lieu of an audit committee, which shall be affirmed by membership vote. The audit committee shall be deemed dissolved upon the election of a supervisory

committee by the membership.

SEC. 59. Section 22370 of the Financial Code is amended to read:

22370. (a) Any loan made pursuant to this section shall comply with the following requirements:

(1) The loan shall be unsecured.

(2) Interest on the loan shall accrue on a simple-interest basis, through the application of a daily periodic rate to the actual unpaid principal balance each day.

(3) The licensee shall disclose the following to the consumer in writing, in a typeface no smaller than 12-point type, at the time of application:

(A) The amount borrowed; the total dollar cost of the loan to the consumer if the loan is paid back on time, including the sum of the administrative fee, principal amount borrowed, and interest payments; the corresponding annual percentage rate, calculated in accordance with Federal Reserve Board Regulation Z (12 C.F.R. 226.1 et seq.); the periodic payment amount; the delinquency fee schedule; and the following statement: “Repaying your loan early will lower your borrowing costs by reducing the amount of interest you will pay. This loan has no prepayment penalty.”

(B) A statement that the consumer has the right to rescind the loan by notifying the licensee of the consumer’s intent to rescind the loan and returning the principal advanced by the end of the business day following the date the loan is consummated.

(4) A licensee may provide the borrower with the disclosures required by paragraph (3) in a mobile or other electronic application, on which the size of the typeface of the disclosure can be manually modified by a prospective borrower, if the prospective borrower is given the option to print the disclosure in a typeface of at least 12-point size or is provided by the licensee with a hardcopy of the disclosure in a typeface of at least 12-point size before the loan is consummated.

(5) The loan shall have a minimum principal amount upon origination of three hundred dollars ($300) and a term of not less than the following:

(A) Ninety days for loans whose principal balance upon origination is less than five hundred dollars ($500).

(B) One hundred twenty days for loans whose principal balance upon origination is at least five hundred dollars ($500), but is less than one thousand five hundred dollars ($1,500).

(C) One hundred eighty days for loans whose principal balance upon origination is at least one thousand five hundred dollars ($1,500).

(b) As an alternative to the charges authorized by Section 22303 or 22304, a licensee approved by the commissioner to participate in the program may contract for and receive charges for a loan made pursuant to this section at an annual simple interest rate not to exceed the following:

(1) The lesser of 36 percent or the sum of 32.75 percent plus the United States prime lending rate, as of the date of loan origination, on that portion of the unpaid principal balance of the loan up to and including, but not in excess of, one thousand dollars ($1,000). The interest rate calculated as of the date of loan origination shall be fixed for the life of the loan.

(2) The lesser of 35 percent or the sum of 28.75 percent plus the United States prime lending rate, as of the date of loan origination, on that portion of the unpaid principal balance of the loan in excess of one thousand dollars ($1,000), but less than two thousand five hundred dollars ($2,500). The interest rate calculated as of the date of loan origination shall be fixed for the life of the loan.

(c) (1) As to any loan made under this section, a licensee approved by the commissioner to participate in the program may contract for and receive an administrative fee, which shall be fully earned immediately upon making the loan, in an amount not to exceed the applicable of the following:

(A) Seven percent of the principal amount, exclusive of the administrative fee, or ninety dollars ($90), whichever is less, on the first loan made to a borrower.

(B) Six percent of the principal amount, exclusive of the administrative fee, or seventy-five dollars ($75), whichever is less, on the second and subsequent loans made to that borrower.

(2) A licensee shall not charge the same borrower an administrative fee more than once in any four-month period.

(3) For purposes of this section, “refinance” means the replacement or revision of an existing loan contract with a borrower that results in an extension of additional principal to that borrower. A licensee shall not refinance a loan made under this section, unless all of the following conditions are met at the time the borrower submits an application to refinance:

(A) The borrower has repaid at least 60 percent of the outstanding principal remaining on his or her loan.

(B) The borrower is current on his or her outstanding loan.

(C) The licensee underwrites the new loan in accordance with paragraph (4) of subdivision (g).

(D) If the loan proceeds of both the original loan and the refinance loan are to be used for personal, family, or household purposes, the borrower has not previously refinanced the outstanding loan more than once.

(4) Notwithstanding paragraph (3), an administrative fee shall not be contracted for or received in connection with the refinancing of a loan unless at least eight months have elapsed since the receipt of a previous administrative fee paid by the borrower. With the exception of a loan that is refinanced, only one administrative fee may be contracted for or received until the loan has been repaid in full. Section 22305 shall not apply to any loan made under this section.

(d) Notwithstanding subdivision (a) of Section 22320.5, a licensee approved by the commissioner to participate in the program may require reimbursement from a borrower for the actual insufficient funds fees incurred by that licensee due to actions of the borrower, and may contract for and receive a delinquency fee that is one of the following amounts:

(1) For a period of delinquency of not less than seven days, an amount not in excess of fourteen dollars ($14).

(2) For a period of delinquency of not less than 14 days, an amount not in excess of twenty dollars ($20).

(e) If a licensee opts to impose a delinquency fee, it shall use the delinquency fee schedule described in subdivision (d), subject to all of the following:

(1) No more than one delinquency fee may be imposed per delinquent payment.

(2) No more than two delinquency fees may be imposed during any period of 30 consecutive days.

(3) No delinquency fee may be imposed on a borrower who is 180 days or more past due if that fee would result in the sum of the borrower’s remaining unpaid principal balance, accrued interest, and delinquency fees exceeding 180 percent of the original principal amount of the borrower’s loan.

(4) The licensee or any of its wholly owned subsidiaries shall attempt to collect a delinquent payment for a period of at least 30 days following the start of the delinquency before selling or assigning that unpaid debt to an independent party for collection.

(f) The licensee shall develop and implement policies and procedures designed to respond to questions raised by applicants and borrowers regarding their loans, including those involving finders, and to address customer complaints as soon as reasonably practicable.

(g) The following applies to a loan made by a licensee pursuant to this section:

(1) Prior to disbursement of loan proceeds, the licensee shall either (A) offer a credit education program or seminar to the borrower that has been previously reviewed and approved by the commissioner for use in complying with this section; or (B) invite the borrower to a credit education program or seminar offered by an independent third party that has been previously reviewed and approved by the commissioner for use in complying with this section. The borrower shall not be required to participate in either of these education programs or seminars. A credit education program or seminar offered pursuant to this paragraph shall be provided at no cost to the borrower.

(2) The licensee shall report each borrower’s payment performance to at least one consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, upon acceptance as a data furnisher by that consumer reporting agency. For purposes of this section, a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis is one that meets the definition in Section 603(p) of the federal Fair Credit Reporting Act (15 U.S.C. Sec. 1681a(p)). Any licensee that is accepted as a data furnisher after admittance into the program must report all borrower payment performance since its inception of lending under the program, as soon as practicable after its acceptance into the program, but in no event more than six months after its acceptance into the program.

(A) The commissioner may approve a licensee for the program, before that licensee has been accepted as a data furnisher by a consumer reporting agency, if the commissioner has a reasonable expectation, based on information supplied by the licensee, of both of the following:

(i) The licensee will be accepted as a data furnisher, once it achieves a lending volume required of data furnishers of its type by a consumer reporting agency.

(ii) That lending volume will be achieved within the first six months of the licensee commencing lending.

(B) Notwithstanding subparagraph (A), the commissioner shall withdraw approval for pilot program participation from any licensee that fails to become accepted as a data furnisher by a consumer reporting agency within six months of commencing lending under the pilot program.

(3) The licensee shall provide each borrower with the name of the consumer reporting agency or agencies to which it will report the borrower's payment history. A licensee that is accepted as a data furnisher after admittance into the program shall notify its borrowers, as soon as practicable following acceptance as a data furnisher, regarding the name of the consumer reporting agency or agencies to which it will report that borrower's payment history.

(4) (A) The licensee shall underwrite each loan to determine a borrower's ability and willingness to repay the loan pursuant to the loan terms, and shall not make a loan if it determines, through its underwriting, that the borrower's total monthly debt service payments, at the time of origination, including the loan for which the borrower is being considered, and across all outstanding forms of credit that can be independently verified by the licensee, exceed 50 percent of the borrower's gross monthly income.

(B) (i) The licensee shall seek information and documentation pertaining to all of a borrower's outstanding debt obligations during the loan application and underwriting process, including loans that are self-reported by the borrower but not available through independent verification. The licensee shall verify that information using a credit report from at least one consumer reporting agency that compiles and maintains files on consumers on a nationwide basis or through other available electronic debt verification services that provide reliable evidence of a borrower's outstanding debt obligations.

(ii) Notwithstanding the verification requirement in subparagraph (A), the licensee shall request from the borrower and include all information obtained from the borrower regarding outstanding deferred deposit transactions in the calculation of the borrower's outstanding debt obligations.

(iii) The licensee shall not be required to consider, for purposes of debt-to-income ratio evaluation, loans from friends or family.

(C) The licensee shall also verify the borrower's income that the licensee relies on to determine the borrower's debt-to-income ratio using information from either of the following:

(i) Electronic means or services that provide reliable evidence of the borrower's actual income.

(ii) Internal Revenue Service Form W-2, tax returns, payroll receipts, bank statements, or other third-party documents that provide reasonably reliable evidence of the borrower's actual income.

(5) The licensee shall notify each borrower, at least two days prior to each payment due date, informing the borrower of the amount due, and the payment due date. Notification may be provided by any means mutually acceptable to the borrower and the licensee. A borrower shall have the right to opt out of this notification at any time, upon electronic or written request to the licensee. The licensee shall notify each borrower of this right prior to disbursing loan proceeds.

(h) (1) Notwithstanding Sections 22311 to 22315, inclusive, no person, in connection with, or incidental to, the making of any loan made pursuant to this article, may offer, sell, or require the borrower to contract for "credit insurance" as defined in paragraph (1) of subdivision (a) of Section 22314 or insurance on tangible personal or real property of the type specified in Section 22313.

(2) Notwithstanding Sections 22311 to 22315, inclusive, no licensee, finder, or any other person that participates in the origination of a loan under this article shall refer a borrower to any other person for the purchase of "credit insurance" as defined in paragraph (1) of subdivision (a) of Section 22314 or insurance on tangible personal or real property of the type specified in Section 22313.

(i) (1) A licensee shall not require, as a condition of providing the loan, that the borrower waive any right, penalty, remedy, forum, or procedure provided for in any law applicable to the loan, including the right to file and pursue a civil action or file a complaint with or otherwise communicate with the commissioner or any court or other public entity, or that the borrower agree to resolve disputes in a jurisdiction outside of California or to the application of laws other than those of California, as provided by law. Any waiver by a borrower must be knowing, voluntary, and in writing, and expressly not made a condition of doing business with the licensee. Any waiver that is required as a condition of doing business with the licensee shall be presumed involuntary, unconscionable, against public policy, and unenforceable. The licensee has the burden of proving that a waiver of any rights, penalties, forums, or procedures was knowing, voluntary, and not made a condition of the contract with the borrower.

(2) A licensee shall not refuse to do business with or discriminate against a borrower or applicant on the basis that the borrower or applicant refuses to waive any right, penalty, remedy, forum, or procedure, including the right to file and pursue a civil action or complaint with, or otherwise notify, the commissioner or any court or other public entity. The exercise of a person's right to refuse to waive any right, penalty, remedy, forum, or procedure, including a rejection of a contract requiring a waiver, shall not affect any otherwise legal terms of a contract or an agreement.

(3) This subdivision does not apply to any agreement to waive any right, penalty, remedy, forum, or procedure, including any agreement to arbitrate a claim or dispute, after a claim or dispute has arisen. This subdivision does not affect the enforceability or validity of any other provision of the contract.

(j) This section does not apply to any loan of a bona fide principal amount of two thousand five hundred dollars ($2,500) or more as determined in accordance with Section 22251. For purposes of this subdivision, "bona fide principal amount" shall be determined in accordance with Section 22251.

SEC. 60. Section 31603 of the Food and Agricultural Code is amended to read:

31603. "Vicious dog" means either of the following:

(a) Any dog that, when unprovoked, in an aggressive manner, inflicts severe injury on or kills a human being.

(b) Any dog previously determined to be and currently listed as a potentially dangerous dog that, after its owner or keeper has been notified of this determination, continues the behavior described in Section 31602 or is maintained in violation of Section 31641, 31642, or 31643.

SEC. 61. Section 46003 of the Food and Agricultural Code is amended to read:

46003. (a) The secretary shall establish an advisory committee, which shall be known as the California Organic Products Advisory Committee, for the purpose of advising the secretary with respect to his or her responsibilities under this act.

(b) The advisory committee shall advise the secretary on education, outreach, and technical assistance for producers.

(c) The advisory committee shall be comprised of 15 members. Each member may have an alternate. Six members and their alternates shall be producers, at least one of whom shall be a producer of meat, fowl, fish, dairy products, or eggs. Two members and their alternates shall be processors, one member and his or her alternate shall be wholesale distributors, one member and his or her alternate shall be representatives of an accredited certifying agency operating in the state, one member and his or her alternate shall be consumer representatives, one member and his or her alternate shall be environmental representatives, two members and their alternates shall be technical representatives with scientific credentials related to agricultural chemicals, toxicology, or food science, and one member and his or her alternate shall be retail representatives. Except for the consumer, environmental, and technical representatives, the members of the advisory committee and their alternates shall have derived a substantial portion of their business income, wages, or salary as a result of services they provide that directly result in the production, handling, processing, or retailing of products sold as organic for at least three years preceding their appointment to the advisory committee. The consumer and environmental representatives and their alternates shall not have a financial interest in the direct sales or marketing of the organic product industry and shall be members or employees of representatives of recognized nonprofit organizations whose principal purpose is the protection of consumer health or protection of the environment. The technical representatives and their alternates shall not have a financial interest in the production, handling, processing, or marketing of the organic products industry. The technical representatives may be involved in organic research or technical review providing they have no financial benefit from results of the research project or technical review.

(d) An alternate member shall serve at an advisory committee meeting only in the absence of, and shall have the same powers and duties as, the category that he or she is representing as alternate, except for duties and powers as an officer of the committee. The number of alternates present who are not serving in the capacity of a member shall not be considered in determining a quorum.

(e) An alternate member may serve at an advisory committee subcommittee meeting only in the absence of, and shall have the same powers and duties as, the member whom he or she is designated as alternate, except for duties and powers as a subcommittee chairperson.

(f) The members of the advisory committee and their alternates shall be reimbursed for the reasonable expenses actually incurred in the performance of their duties, as determined by the advisory committee and approved by the secretary.

(g) The secretary or his or her representative, the State Public Health Officer or his or her representative, and a county agricultural commissioner may serve as ex officio members of the advisory committee.

SEC. 62. Section 46004.1 of the Food and Agricultural Code is amended to read:

46004.1. Unless defined pursuant to the National Organic Program (NOP), the following words and phrases, when used in this act, shall have the following meanings:

(a) “Accredited certification agency” means an entity accredited by the United States Department of Agriculture to certify operations as compliant with the federal organic standards.

(b) “Act” means the California Organic Food and Farming Act. It also means the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.) and the regulations adopted pursuant to the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.).

(c) “Categorical products” means categories of products of like commodity, such as apples, salad products, etc., and does not require variety-specific information.

(d) “Certified operation” means a producer, handler, or retail food establishment that is certified organic by an accredited certification agency, as authorized by the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.) and implemented pursuant to the National Organic Program.

(e) “Data” means the information provided annually by persons registered under the act, including certified organic acreage and gross sales of certified organic products.

(f) “Department” means the State Department of Public Health.

(g) “Director” means the director and State Public Health Officer for the State Department of Public Health.

(h) “Enforcement authority” means the governmental unit with primary enforcement jurisdiction, as provided in Section 46008.

(i) “Exempt handler” means a handling operation that sells agricultural products as “organic” but whose gross agricultural income from organic sales totals five thousand dollars ($5,000) or less annually.

(j) “Exempt operation” means a production or handling operation that sells agricultural products but is exempt from certification under federal organic standards.

(k) “Exempt producer” means a production operation that sells agricultural products as “organic” but whose gross agricultural income from organic sales totals five thousand dollars ($5,000) or less annually.

(l) “Federal organic standards” means the federal regulations governing production, labeling, and marketing of organic products as authorized by the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.) and implemented pursuant to the National Organic Program (7 C.F.R. Sec. 205.1 et seq.), and any amendments to the federal act or regulations made subsequent to the enactment of this chapter.

(m) “Handle” means to sell, process, or package agricultural products.

(n) “Handler” means any person engaged in the business of handling agricultural products, but does not include final retailers of agricultural products that do not process agricultural products.

(o) “Handling operation” means any operation or portion of an operation, except final retailers of agricultural products that do not process agricultural products, that (1) receives or otherwise acquires agricultural products, and (2) processes, packages, or stores agricultural products.

(p) “Inspection” means the act of examining and evaluating production or handling operation to determine compliance with state and federal law.

(q) “National Organic Program” or “NOP” means the National Organic Program established pursuant to the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.) and the regulations adopted for implementation.

(r) “Person” means any individual, firm, partnership, trust, corporation, limited liability company, company, estate, public or private institution, association, organization, group, city, county, city and county, political subdivision of this state, other governmental agency within the state, and any representative, agent, or agency of any of the foregoing.

(s) “Processing” means cooking, baking, heating, drying, mixing, grinding, churning, separating, extracting, cutting, fermenting, eviscerating, preserving, dehydrating, freezing, or otherwise manufacturing, and includes packaging, canning, jarring, or otherwise enclosing food in a container.

(t) “Producer” means a person who engages in the business of growing or producing food, fiber, feed, and other agricultural-based consumer products.

(u) “Prohibited substance” means a substance the use of which in any aspect of organic production or handling is prohibited or not provided for in state or federal law.

(v) “Residue testing” means an official or validated analytical procedure that detects, identifies, and measures the presence of chemical substances, their metabolites, or degradation products in or on raw or processed agricultural products.

(w) “Retail food establishment” means a restaurant, delicatessen, bakery, grocery store, or any retail outlet with an in-store restaurant, delicatessen, bakery, salad bar, or other eat-in or carry-out service of processed or prepared raw and ready-to-eat food.

(x) “Secretary” means the Secretary of Food and Agriculture.

(y) “State Organic Program” or “SOP” means a state program that meets the requirements of Section 6506 of the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.), is approved by the Secretary of the United States Department of Agriculture, and is designed to ensure that a product that is sold or labeled as organically produced under the federal Organic Foods Production Act of 1990 (7 U.S.C. Sec. 6501 et seq.) is produced and handled using organic methods.

(z) “USDA” means the United States Department of Agriculture.

SEC. 63. Section 46013.2 of the Food and Agricultural Code is amended to read:

46013.2. (a) To the extent feasible, the secretary, in consultation with the director, shall coordinate the registration and annual fee collection procedures of this section with similar licensing or registration procedures applicable to registrants.

(b) The secretary shall deny a registration submission that is incomplete or not in compliance with this act.

(c) A registrant shall, within a reasonable time, notify the secretary of any change in the information reported on the registration form and shall pay any additional fee owed if that change results in a higher fee owed than that previously paid.

(d) (1) At the request of any person, the secretary or county agricultural commissioner shall provide the following:

(A) The name and address of the registrant.

(B) The nature of the registrant’s business.

(C) The names of all certification organizations or governmental entities, if any, providing certification pursuant to the NOP and this act.

(2) The secretary or county agricultural commissioner may charge a reasonable fee for the cost of reproducing this information. Except as provided in this subdivision, a registration form is exempt from Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

(e) The secretary, in consultation with the California Organic Products Advisory Committee, may suspend the registration program set forth in this section if the secretary determines that income derived from registration fees is insufficient to support a registration enforcement program.

(f) A registration is considered legal and valid until revoked, suspended, or until the expiration of the registration.

(g) The registration revocation process shall be in conjunction with other provisions of this act. The secretary or county agricultural commissioner’s office may initiate the revocation process for failure to comply with the NOP or this act. Any person against whom the action is being taken shall have the opportunity to appeal the action and be afforded the opportunity to be heard in an administrative appeal. This appeal shall be administered by either the state or county agricultural commissioner’s office.

(h) If the registration fee is not paid within 60 days from the expiration date, the account shall be considered closed and the registration voided. A notification shall be sent to the registrant and the certifier, if applicable, notifying them the registrant is no longer able to market products as organic until the account is paid in full.

(i) Any producer, handler, processor, or certification agency subject to this chapter that does not pay the fee within 10 days of the date on which the fee is due and payable shall pay a penalty of 10 percent of the total amount determined to be due plus interest at the rate of 1.5 percent per month on the unpaid balance.

SEC. 64. Section 52255.5 of the Food and Agricultural Code is amended to read:

52255.5. “Noncommercial seed sharing activity” means the receiving or giving away of seed by a noncommercial entity without the creation of a contractual obligation or an expectation to receive anything of value in return. This definition does not prohibit a noncommercial entity engaging in noncommercial seed sharing activity from receiving the progeny of the seeds it distributes to the extent that the activity does not violate the federal Plant Variety Protection Act (7 U.S.C. Sec. 2321 et seq.). Noncommercial seed sharing activity does not include receiving, storing, or distributing patented seed.

SEC. 65. Section 52289 of the Food and Agricultural Code is amended to read:

52289. The department may post information on its Internet Web site about noncommercial seed sharing activity that includes, but is not limited to, the following:

(a) Germination or varietal purity standards.

(b) Compliance with the federal Plant Variety Protection Act (7 U.S.C. Sec. 2321 et seq.).

(c) Best practices for entities participating in noncommercial seed sharing activities, including public disclosure.

SEC. 66. Section 67132 of the Food and Agricultural Code is amended to read:

67132. Upon the finding of nine voting members of the commission if the commission consists of three or four districts, or of 10 voting members of the commission if the commission consists of five districts, that this chapter has not tended to effectuate its declared purposes, the commission may recommend to the secretary that the operations of the commission be suspended, provided that the suspension shall not become effective until the expiration of the current marketing season. The secretary shall, upon receipt of the recommendation, or upon a petition filed with him or her requesting the suspension, signed by 15 percent of the producers by number who produced not less than 15 percent of the volume in the immediately preceding year, cause a referendum to be conducted among the listed producers to determine if the operation of this chapter and the operations of the commission shall be suspended, and shall establish a referendum period, which shall not be less than 10 days nor more than 60 days in duration. The secretary is authorized to prescribe any additional procedure necessary to conduct the referendum. At the close of the established referendum period, the secretary shall tabulate the ballots filed during the period. If at least 40 percent of the total number of producers, on a list established by the secretary, marketing 40 percent of the total volume marketed by all producers during the last completed marketing season, participate in the referendum, the secretary shall suspend this chapter upon the expiration of the current marketing season, if he or she finds either one of the following:

(a) Sixty-five percent or more of the producers who voted in the referendum voted in favor of the suspension, and the producers so voting marketed 51 percent or more of the total quantity of avocados marketed in the preceding marketing season by all of the producers who voted in the referendum.

(b) Fifty-one percent or more of the producers who voted in the referendum voted in favor of suspension, and the producers so voting marketed 65 percent or more of the total quantity of avocados marketed in the preceding season by all of the producers who voted in the referendum.

SEC. 67. Section 4216.24 of the Government Code is amended to read:

4216.24. The Safe Energy Infrastructure and Excavation Fund is hereby established in the State Treasury. Moneys deposited into the fund shall be used, upon appropriation by the Legislature, to cover the operational expenses of the board and for the purposes specified in subdivision (c) of Section 4216.17, except that revenues derived from penalties imposed pursuant to Section 4216.6 shall not be used for operational expenses.

SEC. 68. Section 7514.7 of the Government Code is amended to read:

7514.7. (a) Every public investment fund shall require each alternative investment vehicle in which it invests to make the following disclosures at least annually:

(1) The fees and expenses that the public investment fund pays directly to the alternative investment vehicle, the fund manager, or related parties.

(2) The public investment fund’s pro rata share of fees and expenses not included in paragraph (1) that are paid from the alternative investment vehicle to the fund manager or related parties. The public investment fund may independently calculate this information based on information contractually required to be provided by the alternative investment vehicle to the public investment fund. If the public investment fund independently calculates this information, then the alternative investment vehicle shall not be required to provide the information identified in this paragraph.

(3) The public investment fund’s pro rata share of carried interest distributed to the fund manager or related parties.

(4) The public investment fund's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.

(5) Any additional information described in subdivision (b) of Section 6254.26.

(b) Every public investment fund shall disclose the information provided pursuant to subdivision (a) at least once annually in a report presented at a meeting open to the public. The public investment fund's report required pursuant to this subdivision shall also include the gross and net rate of return of each alternative investment vehicle, since inception, in which the public investment fund participates. The public investment fund may report the gross and net rate of return and information required by subdivision (a) based on its own calculations or based on calculations provided by the alternative investment vehicle.

(c) For purposes of this section:

(1) "Alternative investment" means an investment in a private equity fund, venture fund, hedge fund, or absolute return fund.

(2) "Alternative investment vehicle" means the limited partnership, limited liability company, or similar legal structure through which a public investment fund invests in an alternative investment.

(3) "Fund manager" means the general partner, managing manager, adviser, or other person or entity with primary investment decisionmaking authority over an alternative investment vehicle and related parties of the fund manager.

(4) "Carried interest" means any share of profits from an alternative investment vehicle that is distributed to a fund manager, general partner, or related parties, including allocations of alternative investment vehicle profits received by a fund manager in consideration of having waived fees that it might otherwise have been entitled to receive.

(5) "Portfolio companies" means individual portfolio investments made by the alternative investment vehicle.

(6) "Gross rate of return" means the internal rate of return for the alternative investment vehicle prior to the reduction of fees and expenses described in subdivision (a).

(7) "Public investment fund" means any fund of any public pension or retirement system, including that of the University of California.

(8) "Operational person" means any operational partner, senior adviser, or other consultant or employee whose primary activity for a relevant entity is to provide operational or back office support to any portfolio company of any alternative investment vehicle, account, or fund managed by a related person.

(9) "Related person" means any current or former employee, manager, or partner of any related entity that is involved in the investment activities or accounting and valuation functions of the relevant entity or any of their respective family members.

(10) "Related party" means:

(A) Any related person.

(B) Any operational person.

(C) Any entity more than 10 percent of the ownership of which is held directly or indirectly, whether through other entities or trusts, by a related person or operational person regardless if the related person or operational person participates in the carried interest received by the general partner or the special limited partner.

(D) Any consulting, legal, or other service provider regularly engaged by portfolio companies of an alternative investment vehicle, account, or fund managed by a related person and that also provides advice or services to any related person or relevant entity.

(11) "Relevant entity" means the general partner, any separate carry vehicle, the investor adviser, any of the investment adviser's parent or subsidiary entities, or any similar entity related to any other alternative investment vehicle, account, or fund advised or managed by any current or former related person.

(d) (1) This section applies to all new contracts the public investment fund enters into on or after January 1, 2017, and to all existing contracts pursuant to which the public investment fund makes a new capital commitment on or after January 1, 2017.

(2) With respect to existing contracts not covered by paragraph (1), the public investment fund shall undertake reasonable efforts to obtain the information described in subdivision (a) and comply with the reporting requirements contained in subdivision (b) with respect to any information obtained after January 1, 2017.

SEC. 69. Section 8455 of the Government Code is amended and renumbered to read:

8345. (a) The Department of General Services shall apply for federal funds made available through the federal Community Access to Emergency Defibrillation Act of 2002 (Public Law 107-188) for the purchase of automated external defibrillators to be located within state-owned and leased buildings.

(b) Subject to the receipt of federal funds for this purpose, the Department of General Services shall, in consultation with the Emergency Medical Services Authority, the American Red Cross, and the American Heart Association, develop and adopt policies and procedures relative to the placement and use of automated external defibrillators in state-owned and leased buildings and ensure that training is consistent with Section 1797.196 of the Health and Safety Code and the regulations adopted pursuant to that section. In these consultations, the department may consider all of the following:

(1) Whether the public has access to the state-owned or leased building.

(2) Placement within the building that maximizes access to the device.

(3) The manufacturer's and the medical community's directions regarding placement and use of the device.

(4) The appropriate oversight and maintenance of the device at a particular location.

(5) Whether to require those who are trained to use the automated external defibrillators pursuant to Emergency Medical Services Authority standards to receive cardiopulmonary resuscitation training.

(c) The policies and procedures adopted pursuant to this section shall be consistent with Section 3400 of Title 8 of the California Code of Regulations.

SEC. 70. The heading of Article 5 (commencing with Section 8585) of Chapter 7 of Division 1 of Title 2 of the Government Code is amended to read:

Article 5. Office of Emergency Services

SEC. 71. Section 8590.7 of the Government Code is amended to read:

8590.7. (a) There is hereby created in the State Treasury the Human Trafficking Victims Assistance Fund. Moneys in the fund, including any interest earned, shall only be expended to support programs for victims of human trafficking pursuant to the requirements of this article and for reimbursement of costs incurred by the office in connection with its duties under this section. Of the amounts appropriated to the fund, no more than 5 percent shall be applied for reimbursement of costs incurred by the office in connection with its duties.

(b) The office shall do all of the following:

(1) Be responsible for overseeing the grant program.

(2) Award grants based on the following:

(A) The capability of the qualified nonprofit organization to provide comprehensive services.

(B) The stated goals and objectives of the qualified nonprofit organization.

(C) The number of people to be served and the needs of the community.

(D) Evidence of community support.

(E) Other criteria the office deems appropriate that is consistent with the requirements of this paragraph.

(3) Publish deadlines and written procedures for qualified nonprofit organizations to apply for the grants.

SEC. 72. Section 8593.2 of the Government Code is amended to read:

8593.2. The Office of Emergency Services shall investigate the feasibility of establishing a toll-free 800 telephone hotline, including TDD (telecommunications device for the deaf) accessibility, which would be accessible to the public, including deaf, hard-of-hearing, and non-English-speaking persons, for use during nonemergency and emergency periods to respond to inquiries about emergency preparedness and disaster status.

SEC. 73. Section 8920 of the Government Code is amended to read:

8920. (a) A Member of the Legislature, state elective or appointive officer, or judge or justice shall not, while serving as such, have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, or

incur any obligation of any nature, that is in substantial conflict with the proper discharge of his or her duties in the public interest and of his responsibilities as prescribed in the laws of this state.

(b) A Member of the Legislature shall not do any of the following:

(1) Accept other employment that he or she has reason to believe will either impair his or her independence of judgment as to his or her official duties or require him or her, or induce him or her, to disclose confidential information acquired by him or her in the course of and by reason of his or her official duties.

(2) Willfully and knowingly disclose, for pecuniary gain, to any other person, confidential information acquired by him or her in the course of and by reason of his or her official duties or use any such information for the purpose of pecuniary gain.

(3) Accept or agree to accept, or be in partnership with any person who accepts or agrees to accept, any employment, fee, or other thing of monetary value, or portion thereof, in consideration of his or her appearing, agreeing to appear, or taking any other action on behalf of another person before any state board or agency.

This subdivision shall not be construed to prohibit a member who is an attorney at law from practicing in that capacity before any court or before the Workers' Compensation Appeals Board and receiving compensation therefor. This subdivision does not prohibit a member from acting as an advocate without compensation or making inquiry for information on behalf of a constituent before a state board or agency, or from engaging in activities on behalf of another which require purely ministerial acts by the board or agency and which in no way require the board or agency to exercise any discretion, or from engaging in activities involving a board or agency which are strictly on his or her own behalf. The prohibition contained in this subdivision does not apply to a partnership or firm of which the Member of the Legislature is a member if the Member of the Legislature does not share directly or indirectly in the fee, less any expenses attributable to that fee, resulting from the transaction. The prohibition contained in this subdivision as it read immediately prior to January 1, 1983, does not apply in connection with any matter pending before any state board or agency on or before January 2, 1967, if the affected Member of the Legislature was an attorney of record or representative in the matter prior to January 2, 1967. The prohibition contained in this subdivision, as amended and operative on January 1, 1983, does not apply to any activity of any Member in connection with a matter pending before any state board or agency on January 1, 1983, which was not prohibited by this section prior to that date, if the affected Member of the Legislature was an attorney of record or representative in the matter prior to January 1, 1983.

(4) Receive or agree to receive, directly or indirectly, any compensation, reward, or gift from any source except the State of California for any service, advice, assistance or other matter related to the legislative process, except fees for speeches or published works on legislative subjects and except, in connection therewith, reimbursement of expenses for actual expenditures for travel and reasonable subsistence for which payment or reimbursement is not made by the State of California.

(5) Participate, by voting or any other action, on the floor of either house, in committee, or elsewhere, in the passage or defeat of legislation in which he or she has a personal interest, except as follows:

(A) If, on the vote for final passage by the house of which he or she is a member, of the legislation in which he or she has a personal interest, he or she first files a statement, which shall be entered verbatim on the journal, stating in substance that he or she has a personal interest in the legislation to be voted on and, notwithstanding that interest, he or she is able to cast a fair and objective vote on that legislation, he or she may cast his or her vote without violating any provision of this article.

(B) If the member believes that, because of his or her personal interest, he or she should abstain from participating in the vote on the legislation, he or she shall so advise the presiding officer before the commencement of the vote and shall be excused from voting on the legislation without any entry on the journal of the fact of his or her personal interest. If a rule of the house requiring that each member who is present vote aye or nay is invoked, the presiding officer shall order the member excused from compliance and shall order entered on the journal a simple statement that the member was excused from voting on the legislation pursuant to law.

(C) This section does not apply to persons who are members of the state civil service as described in Article VII of the California Constitution.

SEC. 74. Section 8921 of the Government Code is amended to read:

8921. A person subject to this article has an interest that is in substantial conflict with the proper discharge of his or her duties in the public interest and of his or her responsibilities as prescribed in the laws of this state or a personal interest, arising from any situation, within the scope of this article, if he or she has reason to believe or expect that he or she will derive a direct monetary gain or suffer a direct monetary loss, as the case may be, by reason of his or her official activity. He or she does not have an interest that is in substantial conflict with the proper discharge of his or her duties in the public interest and of his or her responsibilities as prescribed in the laws of this state or a personal interest, arising from any situation, within the scope of this

article, if any benefit or detriment accrues to him or her as a member of a business, profession, occupation, or group to no greater extent than any other member of that business, profession, occupation, or group.

SEC. 75. Section 8922 of the Government Code is amended to read:

8922. A person subject to this article is not engaged in any activity that is in substantial conflict with the proper discharge of his or her duties in the public interest and of his or her responsibilities as prescribed in the laws of this state, or does not have a personal interest, arising from any situation, within the scope of this article, solely by reason of either of the following:

(a) His or her relationship to any potential beneficiary of any situation is one that is defined as a remote interest by Section 1091 or is otherwise not deemed to be a prohibited interest by Section 1091.1 or 1091.5.

(b) Receipt of a campaign contribution regulated, received, reported, and accounted for pursuant to Title 9 (commencing with Section 81000), so long as the contribution is not made on the understanding or agreement, in violation of law, that the person's vote, opinion, judgment, or action will be influenced by the contribution.

SEC. 76. Section 8924 of the Government Code is amended to read:

8924. (a) An employee of either house of the Legislature shall not, during the time he or she is so employed, commit any act or engage in any activity prohibited by this article. The provisions of this article and Article 3 (commencing with Section 8940) that are applicable to a Member of the Legislature are also applicable to any employee of either house of the Legislature.

(b) This part shall not be construed to prohibit an employee of either house of the Legislature from serving in an elective or appointive office of a regional or local public agency.

SEC. 77. Section 9111 of the Government Code is amended to read:

9111. The Joint Rules Committee may participate in the work of the National Conference of State Legislatures. The following Members of the Legislature are authorized to act as members of the committee for the purpose of attending meetings of the conference: (1) the President pro Tempore of the Senate, and one Member of the Senate from each of the two major political parties, appointed by the Senate Committee on Rules, and (2) the Speaker, Speaker pro Tempore, Majority Floor Leader, and Minority Floor Leader of the Assembly, and the chairperson of the Assembly Committee on Rules.

The committee may pay annually from the Operating Funds of the Assembly and Senate its proportionate share of the expenses of the National Conference of State Legislatures, in participation with other states, to the extent that funds are appropriated for that purpose.

SEC. 78. Section 12587.1 of the Government Code is amended to read:

12587.1. (a) The Registry of Charitable Trusts Fund is hereby established in the State Treasury, to be administered by the Department of Justice.

(b) Notwithstanding any other law, all registration fees, registration renewal fees, and late fees or other fees paid to the Department of Justice pursuant to this article, former Section 2850 of the Probate Code, or Section 320.5 of the Penal Code, shall be deposited in the Registry of Charitable Trusts Fund.

(c) Moneys in the fund, upon appropriation by the Legislature, shall be used by the Attorney General to operate and maintain the Attorney General's Registry of Charitable Trusts and provide public access via the Internet to reports filed with the Attorney General.

(d) Moneys in the fund, upon appropriation by the Legislature, shall be used by the Attorney General to enforce the registration and reporting provisions.

SEC. 79. Section 12588 of the Government Code is amended to read:

12588. The Attorney General may investigate transactions and relationships of corporations and trustees subject to this article for the purpose of ascertaining whether or not the purposes of the corporation or trust are being carried out in accordance with the terms and provisions of the articles of incorporation or other instrument. The Attorney General may require any agent, trustee, fiduciary, beneficiary, institution, association, or corporation, or other person to appear, at a named time and place, in the county designated by the Attorney General, where the person resides or is found, to give information under oath and to produce books, memoranda, papers, documents of title, and evidence of assets, liabilities, receipts, or disbursements in the possession or control of the person ordered to appear.

SEC. 80. Section 12589 of the Government Code is amended to read:

12589. When the Attorney General requires the attendance of any person, as provided in Section 12588, the Attorney General shall issue an order setting forth the time when and the place where attendance is required and shall cause the same to be delivered to or sent by registered mail to the person at least 14 days before the date fixed for attendance. Such order shall have the same force and effect as a subpoena and, upon application of the Attorney General, obedience to the order may be enforced by the superior court in the county where the person receiving it resides or is found, in the same manner as though the notice were a subpoena. The court, after hearing, for cause, and upon application of any person aggrieved by the order, shall have the right to alter, amend, revise, suspend or postpone all or any part of its provisions.

SEC. 81. Section 12591 of the Government Code is amended to read:

12591. The Attorney General may institute appropriate proceedings to secure compliance with this article and to invoke the jurisdiction of the court. The powers and duties of the Attorney General provided in this article are in addition to the Attorney General's existing powers and duties. This article does not impair or restrict the jurisdiction of any court with respect to any of the matters covered by it, except that a court shall not have jurisdiction to modify or terminate any trust of property for charitable purposes unless the Attorney General is a party to the proceedings.

SEC. 82. Section 15643 of the Government Code, as amended by Section 1 of Chapter 404 of the Statutes of 2015, is amended to read:

15643. (a) (1) The board shall proceed with the surveys of the assessment procedures and practices in the 10 largest counties and cities and counties as rapidly as feasible, and shall repeat or supplement each survey at least once in five years.

(2) The surveys of the 10 largest counties and cities and counties shall include a sampling of assessments on the local assessment rolls as described in Section 15640. The 10 largest counties and cities and counties shall be determined based upon the total value of locally assessed property located in the counties and cities and counties on the lien date that falls within the calendar year of 1995 and every fifth calendar year thereafter.

(b) The board shall, commencing January 1, 2016, and each of the next four calendar years, do all of the following:

(1) (A) Survey the assessment procedures of one qualified county or city and county and conduct a sample of assessments on the local assessment roll of another qualified county or city and county.

(B) For purposes of this paragraph, "qualified county or city and county" means the 11th to the 20th, inclusive, largest counties and cities and counties. The 11th to the 20th, inclusive, largest counties and cities and counties shall be determined based upon the total value of locally assessed property located in the counties and cities and counties on the lien date that falls within the calendar year of 2015 and every fifth calendar year thereafter.

(C) The qualified counties and cities and counties shall be stratified and selected at random by the board, in consultation with the California Assessors' Association.

(2) (A) Survey the assessment procedures of three qualified counties or cities and counties and conduct a sample of assessments on the local assessment roll of two other qualified counties or cities and counties.

(B) For purposes of this paragraph, "qualified counties or cities and counties" means the 21st to the 58th, inclusive, largest counties and cities and counties. The 21st to the 58th, inclusive, largest counties and cities and counties shall be determined based upon the total value of locally assessed property located in the counties and cities and counties on the lien date that falls within the calendar year 2015 and every fifth calendar year thereafter.

(3) Conduct a sample of assessments on the local assessment roll in a county or city and county that the board determines has significant assessment problems pursuant to Section 75.60 of the Revenue and Taxation Code.

(C) The qualified counties and cities and counties shall be stratified and selected at random by the board, in consultation with the California Assessors' Association.

(c) The statewide surveys which are limited in scope to specific topics, issues, or problems may be conducted whenever the board determines that a need exists to conduct a survey.

(d) When requested by the legislative body or the assessor of any county or city and county to perform a survey not otherwise scheduled, the board may enter into a contract with the requesting local agency to conduct that survey. The contract may provide for a board sampling of assessments on the local roll. The amount of the contracts shall not be less than the cost to the board, and shall be subject to regulations approved by the Director of General Services.

(e) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.

SEC. 83. Section 18152 of the Government Code is amended to read:

18152. The method and manner of taking, subscribing, and filing the oath by a person appointed to a State position not in the state civil service shall be as provided in Article 4 (commencing with Section 1360) of Chapter 2 of Division 4 of Title 1.

SEC. 84. Section 20931 of the Government Code is amended to read:

20931. Credit for prior service shall be granted to each member who was employed by the state, but not by the university, at the time of becoming a member. Credit for prior service shall be granted to each state member who, on or before the effective date of his or her retirement under this system, becomes entitled to be credited with five years or more of current service rendered as a state member.

The status under this system of each state member who qualifies for credit for prior service under this section shall be adjusted to what it would have been if the prior service had been credited to the member at the date he or she became a member of this system.

SEC. 85. Section 20969.3 of the Government Code is amended to read:

20969.3. (a) A member who was involuntarily terminated and who is subsequently reinstated to that employment, pursuant to an administrative, arbitral, or judicial proceeding, shall be reinstated with all retirement benefits that the member otherwise would have accrued. Administrative proceedings also include proceedings before the governing board of a school district, a charter school, a county office of education, or a community college district.

(b) Reinstatement of benefits shall be effective as of the date from which salary is awarded in the administrative, arbitral, or judicial proceeding. Contributions shall be made for any period for which salary is awarded in the administrative, arbitral, or judicial proceeding in the amount that the member would have contributed had his or her employment not been terminated, and he or she shall receive credit as state service, as defined in Section 20069, for the period for which salary is awarded and contributions are received.

(c) This section applies to members who were subject to an involuntary termination effective on or after January 1, 2017.

(d) An employer of the member described in subdivision (a) shall notify the board of the final decision ordering the member's reinstatement to employment within five days of the date the decision becomes final. The notification shall include the date of involuntary termination and the date on which the member was reinstated to employment after the decision.

SEC. 86. Section 27521 of the Government Code is amended to read:

27521. (a) A postmortem examination or autopsy conducted at the discretion of a coroner, medical examiner, or other agency upon an unidentified body or human remains is subject to this section.

(b) A postmortem examination or autopsy shall include, but shall not be limited to, the following procedures:

(1) Taking of all available fingerprints and palm prints.

(2) A dental examination consisting of dental charts and dental X-rays of the deceased person's teeth, which may be conducted on the body or human remains by a qualified dentist as determined by the coroner.

(3) The collection of tissue, including a hair sample, or body fluid samples for future DNA testing, if necessary.

(4) Frontal and lateral facial photographs with the scale indicated.

(5) Notation and photographs, with a scale, of significant scars, marks, tattoos, clothing items, or other personal effects found with or near the body.

(6) Notations of observations pertinent to the estimation of the time of death.

(7) Precise documentation of the location of the remains.

(c) The postmortem examination or autopsy of the unidentified body or remains may include full body X-rays.

(d) (1) At the sole and exclusive discretion of a coroner, medical examiner, or other agency tasked with performing an autopsy pursuant to Section 27491, an electronic image system, including, but not limited to, an X-ray computed tomography scanning

system, may be used to fulfill the requirements of subdivision (b) or of a postmortem examination or autopsy required by other law, including, but not limited to, Section 27520.

(2) This subdivision does not impose a duty upon any coroner, medical examiner, or other agency tasked with performing autopsies pursuant to Section 27491 to use an electronic image system to perform autopsies or to acquire the capability to do so.

(3) A coroner, medical examiner, or other agency tasked with performing an autopsy pursuant to Section 27491 shall not use an electronic imaging system to conduct an autopsy in any investigation where the circumstances surrounding the death afford a reasonable basis to suspect that the death was caused by or related to the criminal act of another and it is necessary to collect evidence for presentation in a court of law. If the results of an autopsy performed using electronic imaging provides the basis to suspect that the death was caused by or related to the criminal act of another, and it is necessary to collect evidence for presentation in a court of law, then a dissection autopsy shall be performed in order to determine the cause and manner of death.

(4) An autopsy may be conducted using an X-ray computed tomography scanning system notwithstanding the existence of a certificate of religious belief properly executed in accordance with Section 27491.43.

(e) The coroner, medical examiner, or other agency performing a postmortem examination or autopsy shall prepare a final report of investigation in a format established by the Department of Justice. The final report shall list or describe the information collected pursuant to the postmortem examination or autopsy conducted under subdivision (b).

(f) The body of an unidentified deceased person shall not be cremated or buried until the jaws (maxilla and mandible with teeth), or other bone sample if the jaws are not available, and other tissue samples are retained for future possible use. Unless the coroner, medical examiner, or other agency performing a postmortem examination or autopsy has determined that the body of the unidentified deceased person has suffered significant deterioration or decomposition, the jaws shall not be removed until immediately before the body is cremated or buried. The coroner, medical examiner, or other agency responsible for a postmortem examination or autopsy shall retain the jaws and other tissue samples for one year after a positive identification is made, and no civil or criminal challenges are pending, or indefinitely.

(g) If the coroner, medical examiner, or other agency performing a postmortem examination or autopsy with the aid of the dental examination and any other identifying findings is unable to establish the identity of the body or human remains, the coroner, medical examiner, or other agency shall submit dental charts and dental X-rays of the unidentified deceased person to the Department of Justice on forms supplied by the Department of Justice within 45 days of the date the body or human remains were discovered.

(h) If the coroner, medical examiner, or other agency performing a postmortem examination or autopsy with the aid of the dental examination and other identifying findings is unable to establish the identity of the body or human remains, the coroner, medical examiner, or other agency shall submit the final report of investigation to the Department of Justice within 180 days of the date the body or human remains were discovered. The final report of investigation shall list or describe the information collected pursuant to the postmortem examination or autopsy conducted under subdivision (b), and any anthropology report, fingerprints, photographs, and autopsy report.

SEC. 87. Section 30025 of the Government Code is amended to read:

30025. (a) The Local Revenue Fund 2011 is hereby created in the State Treasury and shall receive all revenues, less refunds, derived from the taxes described in Section 6051.15 of the Revenue and Taxation Code; revenues as may be allocated to the fund pursuant to Sections 11001.5 and 11005 of the Revenue and Taxation Code; and other moneys that may be specifically appropriated to the fund.

(b) (1) (A) The Trial Court Security Account, the Local Community Corrections Account, the Local Law Enforcement Services Account, the Mental Health Account, the District Attorney and Public Defender Account, the Juvenile Justice Account, the Health and Human Services Account, the Reserve Account, and the Undistributed Account are hereby created within the Local Revenue Fund 2011.

(B) On September 15, 2012, all of the funds in the Trial Court Security Account, the Local Community Corrections Account, the Local Law Enforcement Services Account, the District Attorney and Public Defender Account, and the Juvenile Justice Account shall be distributed to the appropriate successor subaccounts and special accounts as provided in paragraph (3), and on September 30, 2012, are abolished.

(C) On September 30, 2012, the Health and Human Services Account is abolished.

(D) On January 1, 2013, the Reserve Account and the Undistributed Account described in subparagraph (A) are abolished.

(2) (A) The Support Services Account, the Law Enforcement Services Account, and the Sales and Use Tax Growth Account are hereby created within the Local Revenue Fund 2011.

(B) The Protective Services Subaccount, the Behavioral Health Subaccount, and the County Intervention Support Services Subaccount are hereby created within the Support Services Account.

(C) The Trial Court Security Subaccount, the Enhancing Law Enforcement Activities Subaccount, the Community Corrections Subaccount, the District Attorney and Public Defender Subaccount, and the Juvenile Justice Subaccount are hereby created within the Law Enforcement Services Account.

(D) The Enhancing Law Enforcement Activities Growth Special Account is hereby created within the Enhancing Law Enforcement Activities Subaccount.

(E) The Support Services Growth Subaccount and the Law Enforcement Services Growth Subaccount are hereby created within the Sales and Use Tax Growth Account.

(F) The Protective Services Growth Special Account and the Behavioral Health Services Growth Special Account are created within the Support Services Growth Subaccount.

(G) The Women and Children's Residential Treatment Services Special Account is hereby created in the Behavioral Health Subaccount for the Women and Children's Residential Services Treatment Program as described in Chapter 2.1 (commencing with Section 11757.65) of Part 1 of Division 10.5 of the Health and Safety Code.

(H) The Trial Court Security Growth Special Account, the Community Corrections Growth Special Account, the District Attorney and Public Defender Growth Special Account, and the Juvenile Justice Growth Special Account are hereby created within the Law Enforcement Services Growth Subaccount.

(3) On September 15, 2012, the funds in the following accounts and subaccounts, and funds that subsequently would have been deposited in the following accounts and subaccounts, shall be transferred as follows:

(A) Funds in the Trial Court Security Account shall be transferred to the Trial Court Security Subaccount.

(B) Funds in the Local Community Corrections Account shall be transferred to the Community Corrections Subaccount.

(C) Funds in the Local Law Enforcement Services Account shall be transferred to the Enhancing Law Enforcement Activities Subaccount.

(D) Funds in the District Attorney and Public Defender Account shall be transferred to the District Attorney and Public Defender Subaccount.

(E) Funds in the Juvenile Justice Account shall be transferred to the Juvenile Justice Subaccount.

(c) (1) (A) The Youthful Offender Block Grant Subaccount and the Juvenile Reentry Grant Subaccount are hereby created within the Juvenile Justice Account.

(B) On September 15, 2012, all of the funds in the Youthful Offender Block Grant Subaccount and the Juvenile Reentry Grant Subaccount shall be distributed to the appropriate successor special accounts as provided in paragraph (3), and on September 30, 2012, the subaccounts are abolished.

(2) The Youthful Offender Block Grant Special Account and the Juvenile Reentry Grant Special Account are hereby created within the Juvenile Justice Subaccount.

(3) On September 15, 2012, the funds in the following subaccounts, and funds that subsequently would have been deposited in the following subaccounts, shall be transferred as follows:

(A) Funds in the Youthful Offender Block Grant Subaccount shall be transferred to the Youthful Offender Block Grant Special Account.

(B) Funds in the Juvenile Reentry Grant Subaccount shall be transferred to the Juvenile Reentry Grant Special Account.

(d) (1) (A) The Adult Protective Services Subaccount, the Foster Care Assistance Subaccount, the Foster Care Administration Subaccount, the Child Welfare Services Subaccount, the Adoptions Subaccount, the Adoption Assistance Program Subaccount, the Child Abuse Prevention Subaccount, the Women and Children's Residential Treatment Services Subaccount, the Drug Court Subaccount, the Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount, and the Drug Medi-Cal Subaccount are hereby created within the Health and Human Services Account within the Local Revenue Fund 2011.

(B) On September 15, 2012, all of the funds in the Adult Protective Services Subaccount, the Foster Care Assistance Subaccount, the Foster Care Administration Subaccount, the Child Welfare Services Subaccount, the Adoptions Subaccount, the Adoption Assistance Program Subaccount, the Child Abuse Prevention Subaccount, the Women and Children's Residential Treatment Services Subaccount, the Drug Court Subaccount, the Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount, and the Drug Medi-Cal Subaccount shall be distributed to the appropriate successor subaccounts as provided in paragraph (2), and on September 30, 2012, the subaccounts named in this paragraph are abolished.

(2) On September 15, 2012, the funds in the following subaccounts, and funds that subsequently would have been deposited in the following subaccounts, shall be transferred as follows:

(A) Funds in the Adult Protective Services Subaccount, the Foster Care Assistance Subaccount, the Foster Care Administration Subaccount, the Child Welfare Services Subaccount, the Adoptions Subaccount, the Adoption Assistance Program Subaccount, and the Child Abuse Prevention Subaccount shall be transferred to the Protective Services Subaccount.

(B) Funds in the Drug Court Subaccount, the Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount, and the Drug Medi-Cal Subaccount shall be transferred to the Behavioral Health Subaccount.

(C) Funds in the Women and Children's Residential Treatment Services Subaccount shall be transferred to the Women and Children's Residential Treatment Services Special Account.

(e) Funds transferred to the Local Revenue Fund 2011 and its accounts, subaccounts, and special accounts are, notwithstanding Section 13340, continuously appropriated and shall be allocated pursuant to statute exclusively for Public Safety Services as defined in subdivision (i) and as further limited by statute. The moneys derived from taxes described in subdivision (a) and deposited in the Local Revenue Fund 2011 shall be available to reimburse the General Fund for moneys that are advanced to the Local Revenue Fund 2011. Additionally, all funds deposited in the Local Revenue Fund 2011 and its accounts shall be available to pay for state costs incurred during the 2011–12 fiscal year from state agency or department appropriations authorized in the Budget Act of 2011 for the realignment of Public Safety Services programs during the 2011–12 legislative session. The Department of Finance is authorized to determine the time, manner, and amount to be reimbursed pursuant to this subdivision, provided that reimbursement shall be made no later than December 1, 2012.

(f) (1) Each county treasurer, city and county treasurer, or other appropriate official shall create a County Local Revenue Fund 2011 for the county or city and county.

(2) (A) Each county treasurer, city and county treasurer, or other appropriate official shall create the Local Community Corrections Account, the Trial Court Security Account, the District Attorney and Public Defender Account, the Juvenile Justice Account, the Health and Human Services Account, and the Supplemental Law Enforcement Services Account within the County Local Revenue Fund 2011 for the county or city and county.

(B) On September 15, 2012, each county treasurer, city and county treasurer, or other appropriate official shall distribute all of the funds in the Local Community Corrections Account, the Trial Court Security Account, the District Attorney and Public Defender Account, the Juvenile Justice Account, the Health and Human Services Account, and the Supplemental Law Enforcement Services Account within the County Local Revenue Fund 2011 for the county or city and county to the appropriate successor accounts as provided in paragraphs (7) and (8), and on September 30, 2012, each county treasurer, city and county treasurer, or other appropriate official shall abolish the accounts described in subparagraph (A).

(3) Each county treasurer, and city and county treasurer, or other appropriate official, shall create the Support Services Account and the Law Enforcement Services Account within the County Local Revenue Fund 2011 for the county or city and county.

(4) Each county treasurer, and city and county treasurer, or other appropriate official, shall create the Protective Services Subaccount and the Behavioral Health Subaccount within the Support Services Account.

(A) Any county or city and county may only annually reallocate money between subaccounts in the Support Services Account, provided that the reallocation may not exceed 10 percent of the amount deposited in the immediately preceding fiscal year in the subaccount in the Support Services Account with the lowest balance.

(B) A county or city and county shall, at a regularly scheduled public hearing of its governing body, document that any decision to make any change in its allocation between the Protective Services Subaccount or Behavioral Health Subaccount moneys among services, facilities, programs, or providers as a result of reallocating funds pursuant to subparagraph (A) was based on the most cost-effective use of available resources to maximize client outcomes.

(C) A reallocation made pursuant to this paragraph shall be in effect only for the fiscal year in which the reallocation is made, and the reallocation shall be neither a permanent allocation nor a permanent funding source for any program or service receiving funds from the reallocation.

(D) A county or city and county that reallocates funds pursuant to this paragraph shall forward a copy of the documentation in subparagraph (B) to the Controller. The Controller shall make an annual report to the fiscal committees of the Legislature of transfers made and shall forward copies of the documentation to other interested parties upon request.

(E) (i) Notwithstanding subparagraph (A), a county authorized to operate an integrated and comprehensive county health and human services system pursuant to Chapter 12.95 (commencing with Section 18989), Chapter 12.96 (commencing with Section 18990), or Chapter 12.991 (commencing with Section 18991) of Part 6 of Division 9 of the Welfare and Institutions Code may reallocate money between the Protective Services Subaccount and the Behavioral Health Subaccount within the Support Services Account of the County Local Revenue Fund 2011 established pursuant to paragraph (3), consistent with the provisions and restrictions contained in Chapter 12.95 (commencing with Section 18989), Chapter 12.96 (commencing with Section 18990), or Chapter 12.991 (commencing with Section 18991) of Part 6 of Division 9 of the Welfare and Institutions Code.

(ii) A reallocation made pursuant to clause (i) shall be in effect for only the fiscal year in which the reallocation is made and the reallocation shall be neither a permanent allocation nor a permanent funding source for any program or service receiving funds from the reallocation.

(iii) A county or city and county that reallocates funds pursuant to clause (i) shall make a report to the Department of Finance and the Secretary of California Health and Human Services describing the reallocation made for that fiscal year.

(F) The Counties of Alameda, Los Angeles, Marin, San Diego, San Francisco, and San Joaquin shall create, within the Behavioral Health Subaccount created pursuant to this paragraph, a County Women and Children's Residential Treatment Services Special Account.

(5) Each county treasurer, city and county treasurer, or other appropriate official shall create the following subaccounts and special accounts for each respective county or city and county:

(A) The Trial Court Security Subaccount, the Enhancing Law Enforcement Activities Subaccount, the Community Corrections Subaccount, the District Attorney and Public Defender Subaccount, the Juvenile Justice Subaccount, and the Local Innovation Subaccount within the Law Enforcement Services Account.

(B) The Youthful Offender Block Grant Special Account and the Juvenile Reentry Grant Special Account within the Juvenile Justice Subaccount.

(6) (A) Each county treasurer, city and county treasurer, or other appropriate official shall create, if so directed by the board of supervisors, a Support Services Reserve Subaccount in the Support Services Account.

(B) A county's or city and county's board of supervisors shall have the authority to reallocate funds from the Protective Services Subaccount or the Behavioral Health Subaccount, or both, to the Support Services Reserve Subaccount in an amount equal to, or less than, 5 percent of the total funds allocated to those subaccounts from the corresponding State Treasury subaccounts for the immediately preceding fiscal year, provided that no reallocation may occur that would cause the Support Services Reserve Subaccount to exceed 5 percent of the total funds allocated to the Protective Services Subaccount and the Behavioral Health Subaccount from the corresponding State Treasury subaccounts for the immediately preceding fiscal year. The county's or city and county's board of supervisors shall have the authority to spend moneys deposited in the Support Services Reserve Subaccount as they would any funds in the Protective Services Subaccount or the Behavioral Health Subaccount. The authorization to make this reallocation or to appropriate the funding may only be made in a duly noticed public meeting. The county or city and county shall document any reallocations that occurred in the previous fiscal year by September 30 and shall forward a copy of the documentation to the Controller. The Controller shall make an annual report to the fiscal committees of the Legislature of reallocations made and shall forward copies of the documentation to other interested parties upon request.

(7) On September 15, 2012, each county treasurer, city and county treasurer, or other appropriate official shall distribute all of the funds in the Local Community Corrections Account, the Trial Court Security Account, the District Attorney and Public Defender Account, the Juvenile Justice Account, the Youthful Offender Block Grant Subaccount, the Juvenile Reentry Grant Subaccount, and the Supplemental Law Enforcement Services Account within the County Local Revenue Fund 2011 for the county or city and county to the appropriate successor subaccounts and special accounts as follows:

(A) Funds in the Local Community Corrections Account shall be transferred to the Community Corrections Subaccount.

(B) Funds in the Trial Court Security Account shall be transferred to the Trial Court Security Subaccount.

(C) Funds in the District Attorney and Public Defender Account shall be transferred to the District Attorney and Public Defender Subaccount.

(D) Funds in the Juvenile Justice Account shall be transferred to the Juvenile Justice Subaccount.

(E) Funds in the Youthful Offender Block Grant Subaccount shall be transferred to the Youthful Offender Block Grant Special Account.

(F) Funds in the Juvenile Reentry Grant Subaccount shall be transferred to the Juvenile Reentry Grant Special Account.

(G) Funds in the Supplemental Law Enforcement Services Account shall be transferred to the Enhancing Law Enforcement Activities Subaccount.

(8) On September 15, 2012, each county treasurer, city and county treasurer, or other appropriate official shall distribute the funds in the Health and Human Services Account within the County Local Revenue Fund 2011 for the county or city and county to the appropriate successor accounts and subaccounts as follows:

(A) Funds that a county or city and county received from the Adult Protective Services Subaccount, the Foster Care Assistance Subaccount, the Foster Care Administration Subaccount, the Child Welfare Services Subaccount, the Adoptions Subaccount, the Adoption Assistance Program Subaccount, and the Child Abuse Prevention Subaccount in the Local Revenue Fund 2011 shall be transferred to the Protective Services Subaccount in the County Local Revenue Fund 2011.

(B) Funds that a county or city and county received from the Drug Court Subaccount, the Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount, and the Drug Medi-Cal Subaccount in the Local Revenue Fund 2011 shall be transferred to the Behavioral Health Subaccount in the County Local Revenue Fund 2011.

(C) Funds that a county or city and county received from the Women and Children's Residential Treatment Services Subaccount shall be transferred to the Women and Children's Residential Treatment Services Special Account within the Behavioral Health Subaccount.

(9) The moneys in the County Local Revenue Fund 2011 for each county or city and county and its accounts shall be exclusively used for Public Safety Services as defined in subdivision (i) and as further described in this section.

(10) The moneys in and transferred from the Trial Court Security Account, and the moneys in its successor subaccount and special account, the Trial Court Security Subaccount and the Trial Court Security Growth Special Account, shall be used exclusively to fund trial court security provided by county sheriffs. No general county administrative costs may be charged to this account, including, but not limited to, the costs of administering the account.

(11) The moneys in and transferred from the Local Community Corrections Account, and the moneys in its successor subaccount and special account, the Community Corrections Subaccount and the Community Corrections Growth Special Account, shall be the source of funding for the provisions of Chapter 15 of the Statutes of 2011. This funding shall not be used by local agencies to supplant other funding for Public Safety Services. This account, subaccount, and special account shall be the source of funding for the Postrelease Community Supervision Act of 2011, as enacted by Section 479 of Chapter 15 of the Statutes of 2011, and to fund the housing of parolees in county jails.

(12) The moneys in and transferred from the District Attorney and Public Defender Account, and the moneys in its successor subaccount and special account, the District Attorney and Public Defender Subaccount and the District Attorney and Public Defender Growth Special Account, shall be used exclusively to fund costs associated with revocation proceedings involving persons subject to state parole and the Postrelease Community Supervision Act of 2011 (Title 2.05 (commencing with Section 3450) of Part 3 of the Penal Code), and may be used to fund planning, implementation, and training costs for those proceedings. The moneys shall be allocated equally by the county or city and county to the district attorney's office and county public defender's office, or where no public defender's office is established, to the county for distribution for the same purpose.

(13) The moneys in and transferred from the Juvenile Justice Account, and the moneys in its successor subaccount and special account, the Juvenile Justice Subaccount and the Juvenile Justice Growth Special Account, shall only be used to fund activities in connection with the grant programs described in this paragraph.

(A) The Youthful Offender Block Grant Subaccount, and its successor, the Youthful Offender Block Grant Special Account, shall be used to fund grants solely to enhance the capacity of county probation, mental health, drug and alcohol, and other county departments to provide appropriate rehabilitative, housing, and supervision services to youthful offenders, subject to Sections 731.1, 733, 1766, and 1767.35 of the Welfare and Institutions Code. Counties, in expending an allocation from this subaccount or special account, shall provide all necessary services related to the custody and parole of the offenders.

(B) The Juvenile Reentry Grant Subaccount, and its successor, the Juvenile Reentry Grant Special Account, shall be used to fund grants exclusively to address local program needs for persons discharged from the custody of the Department of Corrections and Rehabilitation, Division of Juvenile Facilities. County probation departments, in expending the Juvenile Reentry Grant allocation, shall provide evidence-based supervision and detention practices and rehabilitative services to persons who are subject to the jurisdiction of the juvenile court, and who were committed to and discharged from the Department of Corrections and Rehabilitation, Division of Juvenile Facilities. “Evidence-based” refers to supervision and detention policies, procedures, programs, and practices demonstrated by scientific research to reduce recidivism among individuals on probation or under postrelease supervision. The funds allocated from this subaccount or special account shall supplement existing services and shall not be used by local agencies to supplant any existing funding for existing services provided by those entities. The funding provided from this subaccount or special account is intended to provide payment in full for all local government costs of the supervision, programming, education, incarceration, or any other cost resulting from persons discharged from custody or held in local facilities pursuant to the provisions of Chapter 729 of the Statutes of 2010.

(14) The moneys in and transferred from the Supplemental Law Enforcement Services Account, and the moneys in its successor subaccount, the Enhancing Law Enforcement Activities Subaccount, and moneys in the Enhancing Law Enforcement Activities Growth Special Account, shall be used to provide grants and funding to local law enforcement as provided by statute.

(15) Notwithstanding any other provision of this section, the moneys in the Local Innovation Subaccount shall be used to fund local needs. The board of supervisors of a county or city and county shall have the authority to spend money deposited in the Local Innovation Subaccount as it would any funds in the Juvenile Justice Subaccount, the District Attorney and Public Defender Subaccount, the Community Corrections Subaccount, or the Trial Court Security Subaccount.

(16) The moneys in and transferred from the Health and Human Services Account and its subaccounts and the moneys in its successor account, the Support Services Account, and the moneys in the Protective Services Subaccount and the Behavioral Health Subaccount shall be used only to fund activities performed in connection with the programs described in this subdivision. Except as provided in subdivisions (c) and (d), as restricted by subdivision (e), of Section 30026.5, counties and cities and counties shall pay 100 percent of the nonfederal costs of the programs described in this subdivision using funds allocated from the Local Revenue Fund, the Local Revenue Fund 2011, and any required matching expenditures. Funds shall be used in a manner that maintains eligibility for federal funding.

(A) The moneys in the Protective Services Subaccount and the Protective Services Growth Special Account shall be used exclusively to fund the following:

(i) Adult protective services described in statute and regulation.

(ii) Foster care grants and services as those services are described in statute, regulation, and the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project.

(iii) The administrative costs of foster care services as those services are described in statute, regulation, and the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project.

(iv) The costs of child welfare services as those services are described in statute, regulation, and the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project.

(v) The costs connected with providing adoptive services, including agency adoptions, as described in statute and regulation, including the costs incurred by the county or city and county if the county or city and county elects to contract with the state to provide those services.

(vi) The costs of child abuse prevention, intervention, and treatment services as those costs and services are described in statute and regulation.

(vii) The administrative costs and payments for families adopting children with special needs.

(B) The moneys in the Behavioral Health Subaccount and the Behavioral Health Services Growth Special Account shall be used exclusively to fund the following:

(i) Residential perinatal drug services and treatment as those services and treatment are described in statute and regulation.

(ii) Drug court operations and services as those costs are currently permitted and described by statute and regulation.

(iii) Nondrug Medi-Cal substance abuse treatment programs, as described in statute and regulation.

(iv) The Drug Medi-Cal program as that program is described in statute, regulation, or the State Plan or its amendment or amendments.

(v) Medi-Cal specialty mental health services, including the Early and Periodic Screening, Diagnosis, and Treatment Program and mental health managed care, as described in statute, regulation, the managed care waiver provisions of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396n), or the State Plan or its amendment or amendments.

(C) The moneys in the Women and Children's Residential Treatment Services Special Account shall be used exclusively to fund the Women and Children's Residential Treatment Services program, as described in Chapter 2.1 (commencing with Section 11757.65) of Part 1 of Division 10.5 of the Health and Safety Code.

(g) The moneys in the Reserve Account shall be used to fund entitlements paid from the Foster Care Assistance Subaccount, the Drug Medi-Cal Subaccount, and the Adoption Assistance Program Subaccount of the Health and Human Services Account after the funding of any entitlements for the 2011–12 fiscal year, and not later than December 1, 2012.

(h) The moneys in the Undistributed Account shall be used to reimburse the General Fund for costs incurred and expenditures made by the state on behalf of any local government entity in providing Public Safety Services, as defined in subdivision (i), after all 2011–12 costs have been reimbursed, but not later than December 1, 2012.

(i) For purposes of this section, "Public Safety Services" includes all of the following:

(1) Employing and training public safety officials, including law enforcement personnel, attorneys assigned to criminal proceedings, and court security staff.

(2) Managing local jails and providing housing, treatment, and services for, and supervision of, juvenile and adult offenders.

(3) Preventing child abuse, neglect, or exploitation; providing services to children and youth who are abused, neglected, or exploited, or who are at risk of abuse, neglect, or exploitation, and the families of those children; providing adoption services; and providing adult protective services.

(4) Providing mental health services to children and adults in order to reduce failure in school, harm to themselves and others, homelessness, and preventable incarceration or institutionalization.

(5) Preventing, treating, and providing recovery services for substance abuse.

(j) The realignment moneys collected by the state and distributed to the local governmental entities pursuant to this article shall be considered state funds for the purposes of the political subdivision provision of the nonfederal share of Medicaid expenditures for purposes of Section 5001(g)(2) of the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5) and Section 10201(c)(6) of the federal Patient Protection and Affordable Care Act (Public Law 111-148). Although the realignment moneys shall be considered state proceeds of taxes, they are not General Fund revenues.

(k) The receipt of funding by each county or city and county pursuant to this chapter shall be contingent upon the creation of the accounts, subaccounts, and special accounts required by this chapter in each county's, or city and county's treasury.

SEC. 88. Section 31462.05 of the Government Code is amended to read:

31462.05. (a) For a member who is subject to the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1) for all or any portion of his or her membership in the county retirement system, "final compensation" as defined in Section 7522.32 shall apply.

(b) If a member has less than three years of service, that member's final compensation shall be determined by dividing the total compensation by the number of months of service credited to the member and multiplying by 12.

(c) When determining final compensation for a member who does not have three consecutive years of earned pensionable compensation due to an absence, the compensation for any absence shall be based on the pensionable compensation of the position held by the member immediately prior to the absence.

SEC. 89. Section 31653 of the Government Code is amended to read:

31653. Notwithstanding this article, the governing board of the county or district may elect to contribute for any member of this system who is absent from and reenters the service of the county or district pursuant to Section 31649 amounts equal to the contributions that would have been made by the member and the member's employer to the system on the basis of the member's compensation earnable at the commencement of the absence, if the member had not been so absent.

If the governing board elects to make any member's contributions pursuant to this section:

(a) Any such member who exercises or did exercise the right to contribute to the system during the period of military service shall have those contributions refunded or credited to that member's account.

(b) Any such member who withdraws or has withdrawn accumulated contributions during military service and who does not or did not redeposit the amount withdrawn upon return to employment with the county or district is entitled to be credited with any contribution the governing board elects to make, and to receive credit for service during the period of absence for military service, the same as if the member had not withdrawn accumulated contributions, and the rate for future contributions shall be based upon the member's age at the commencement of the absence for military service.

(c) The contributions made by the governing board pursuant to this section shall be available only for the purpose of retirement for service or for disability, and shall be made available only for the purpose of retirement, and a member resigning from the service of the county or district after reinstatement from military service shall be entitled to withdraw only that portion of accumulated contributions personally made by the member.

(d) This section shall be retroactively applied to extend its benefits to such members of this system as the governing board may determine whose absence from county service on military service commenced on or after September 16, 1940, and who return or have returned to this service upon the termination of their military service.

(e) This section does not apply to a member who is subject to the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1).

SEC. 90. Section 50079 of the Government Code is amended to read:

50079. (a) Subject to Section 4 of Article XIII A of the California Constitution, any school district may impose qualified special taxes within the district pursuant to the procedures established in Article 3.5 (commencing with Section 50075) and any other applicable procedures provided by law.

(b) (1) As used in this section, "qualified special taxes" means special taxes that apply uniformly to all taxpayers or all real property within the school district, except that "qualified special taxes" may include taxes that provide for an exemption from those taxes for any or all of the following taxpayers:

(A) Persons who are 65 years of age or older.

(B) Persons receiving Supplemental Security Income for a disability, regardless of age.

(C) Persons receiving Social Security Disability Insurance benefits, regardless of age, whose yearly income does not exceed 250 percent of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services.

(2) "Qualified special taxes" do not include special taxes imposed on a particular class of property or taxpayers.

(c) The amendments made to this section by Chapter 81 of the Statutes of 2015 are declaratory of existing law.

(d) Any exemption granted pursuant to subdivision (b) shall remain in effect until the taxpayer becomes ineligible. If the taxpayer becomes ineligible for the exemption for any reason, a new exemption may be granted in the same manner.

SEC. 91. Section 65057 of the Government Code is amended to read:

65057. (a) The California Initiative to Advance Precision Medicine is hereby established in the office. In establishing the initiative, the office shall incorporate agreements and partnerships regarding precision medicine entered into by the office prior to January 1, 2016.

(b) (1) The office shall develop, implement, and evaluate demonstration projects on precision medicine in collaboration with public, nonprofit, and private entities. A demonstration project may focus on one or more disease areas, and an award of funds under any appropriation of funds to the office for precision medicine shall be based on criteria that include, but are not limited to, the following:

(A) The potential for tangible benefit to patients within two to five years, including the likelihood that the study will have an immediate impact on patients.

(B) The depth and breadth of data available in the disease focus areas across institutions.

(C) The prospects for efficient and effective data integration and analysis.

(D) The expertise of potential team members.

(E) The resources available for the project outside of the initiative, including the potential for leveraging nonstate funding.

(F) The clinical and commercial potential of the project.

(G) The potential to reduce health disparities.

(H) The potential to scale and leverage multiple electronic health records systems.

(I) The potential to develop the use of tools, measurements, and data, including publicly generated and available data.

(2) A demonstration project that is selected by the office shall advance greater understanding in at least one of the following areas, or in another area that is determined by the office to be necessary to advance precision medicine:

(A) The application of precision medicine to specific disease areas.

(B) The challenges of system interoperability.

(C) Economic analysis.

(D) Standards for sharing data or protocols across institutions.

(E) The federal and state regulatory environment.

(F) The clinical environment.

(G) Challenges relating to data, tools, and infrastructure.

(H) The protection of privacy and personal health information.

(I) The potential for reducing health disparities.

(J) Methods and protocols for patient engagement.

(3) The office shall develop concrete metrics and goals for demonstration projects, monitor their progress, and comprehensively evaluate projects upon completion.

(4) (A) On or before January 1, 2017, and annually thereafter, the office shall submit a report to the Legislature that provides an update of the demonstration projects selected. Upon completion of a demonstration project, the office shall submit an evaluation of the demonstration project to the Legislature. A demonstration project is deemed complete when it has completed the agreed upon tasks and deliverables, and the project funding has been completed.

(B) A written report made pursuant to subparagraph (A) shall be made in compliance with Section 9795.

(c) The office shall develop an inventory of precision medicine assets, including projects, data sets, and experts. In developing the inventory, the office shall assemble knowledge across broad disease areas. The office shall use the inventory to inform strategic areas for the future development of precision medicine-related projects.

(d) The office may enter into agreements with public entities, or with nonprofit or not-for-profit organizations for the purpose of jointly administering the programs established under the initiative or to administer any provision of this section.

(e) The office shall create and post on a publicly available Internet Web site guidelines for an award of funds made under any appropriation of funds to the office for precision medicine. The guidelines shall include, but are not limited to, the following:

(1) Eligibility requirements.

(2) A competitive, merit-based application process that allows public and private academic and nonprofit institutions to submit proposals as principal investigators.

(3) A comprehensive peer-reviewed selection process.

(4) Requirements regarding the use of awarded funds.

(5) Requirements regarding the use and sharing of research data and findings.

(6) Requirements for the protection of privacy and personal health information.

(f) The office shall solicit public, nonprofit, and private sector input for any additional guidelines for an award of funds made pursuant to this section.

(g) The office shall establish standards that require a grant to be subject to an intellectual property agreement that balances the opportunity of the state to benefit from the patents, royalties, and licenses that result from basic research, therapy development, and clinical trials against the need to ensure that the agreement does not unreasonably hinder essential medical research.

(h) The office may receive nonstate funds in furtherance of the initiative. “In furtherance of the initiative” means that funds may be used to award additional demonstration projects under the same terms and conditions as state funds in the initiative, held in reserve for follow-on funding of any awardees, or used to fund other nondemonstration project activities in a proportion no greater than 20 percent of the total of nonstate funds received over the term of the commitment. The office shall return unexpended nonstate funds to the source before January 1, 2020.

(i) Up to 30 percent of any amount appropriated to the office for precision medicine may be held by the office until an equivalent amount of nonstate matching funds is identified and received. Amounts subject to nonstate match may be released in increments as determined by the office.

(j) Up to 10 percent of any amount appropriated to the office for precision medicine may be used by the office for administrative costs.

(k) The office shall recruit a precision medicine expert selection committee to represent various precision medicine-related skills, such as bioinformatics, statistics, health economics, patient engagement, and genomics. The Legislature may make nominations for the selection committee to the office for consideration.

(l) Members of the selection committee shall be deemed to not be interested in any contract, including any award of funds by the committee, pursuant to this section.

(m) Prior to the selection committee’s deliberative process, the office shall notify the Legislature of the selection of the committee members.

(n) The selection committee established in subdivision (k) shall comply with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2), except during the deliberative process as it relates to reviewing and ranking proposals and making final selections.

(o) The selection committee shall report on the justification for selecting the demonstration projects that are awarded funding and provide a list of the demonstration projects that were not selected. This report shall be posted on the Internet Web site created in subdivision (e).

(p) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2), the office may implement or interpret this article without taking any regulatory action.

SEC. 92. Section 65073 of the Government Code is amended to read:

65073. The department shall consult with, coordinate its activities with, and make a draft of its proposed plan, and each update, available for review and comment to the California Transportation Commission, the Strategic Growth Council, the State Air Resources Board, the State Energy Resources Conservation and Development Commission, the air quality management districts, public transit operators, and the regional transportation planning agencies. The department shall also provide an opportunity for input by the general public. Prior to adopting the plan or update, the department shall make a final draft available to the Legislature and Governor for review and comment. The commission may present the results of its review and comment to the Legislature and the Governor. The Governor shall adopt the plan and submit the plan to the Legislature and the Secretary of the United States Department of Transportation.

SEC. 93. Section 65850.6 of the Government Code is amended to read:

65850.6. (a) A colocation facility shall be a permitted use not subject to a city or county discretionary permit if it satisfies the following requirements:

(1) The colocation facility is consistent with requirements for the wireless telecommunications colocation facility pursuant to subdivision (b) on which the colocation facility is proposed.

(2) The wireless telecommunications colocation facility on which the colocation facility is proposed was subject to a discretionary permit by the city or county and an environmental impact report was certified, or a negative declaration or mitigated negative declaration was adopted for the wireless telecommunications colocation facility in compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code); the requirements of Section 21166 do not apply; and the colocation facility incorporates required mitigation measures specified in that environmental impact report, negative declaration, or mitigated negative declaration.

(b) A wireless telecommunications colocation facility, where a subsequent colocation facility is a permitted use not subject to a city or county discretionary permit pursuant to subdivision (a), shall be subject to a city or county discretionary permit issued on or after January 1, 2007, and shall comply with all of the following:

(1) City or county requirements for a wireless telecommunications colocation facility that specifies types of wireless telecommunications facilities that are allowed to include a colocation facility, or types of wireless telecommunications facilities that are allowed to include certain types of colocation facilities; height, location, bulk, and size of the wireless telecommunications colocation facility; percentage of the wireless telecommunications colocation facility that may be occupied by colocation facilities; and aesthetic or design requirements for the wireless telecommunications colocation facility.

(2) City or county requirements for a proposed colocation facility, including any types of colocation facilities that may be allowed on a wireless telecommunications colocation facility; height, location, bulk, and size of allowed colocation facilities; and aesthetic or design requirements for a colocation facility.

(3) State and local requirements, including the general plan, any applicable community plan or specific plan, and zoning ordinance.

(4) The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) through certification of an environmental impact report, or adoption of a negative declaration or mitigated negative declaration.

(c) The city or county shall hold at least one public hearing on the discretionary permit required pursuant to subdivision (b) and notice shall be given pursuant to Section 65091, unless otherwise required by this division.

(d) For purposes of this section, the following definitions apply:

(1) “Colocation facility” means the placement or installation of wireless facilities, including antennas, and related equipment, on, or immediately adjacent to, a wireless telecommunications colocation facility.

(2) “Wireless telecommunications facility” means equipment and network components such as towers, utility poles, transmitters, base stations, and emergency power systems that are integral to providing wireless telecommunications services.

(3) “Wireless telecommunications colocation facility” means a wireless telecommunications facility that includes colocation facilities.

(e) The Legislature finds and declares that a colocation facility, as defined in this section, has a significant economic impact in California and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution, but is a matter of statewide concern.

(f) With respect to the consideration of the environmental effects of radio frequency emissions, the review by the city or county shall be limited to that authorized by Section 332(c)(7) of Title 47 of the United States Code, or as that section may be hereafter amended.

SEC. 94. Section 66474.02 of the Government Code is amended to read:

66474.02. (a) Before approving a tentative map, or a parcel map for which a tentative map was not required, for an area located in a state responsibility area or a very high fire hazard severity zone, as both are defined in Section 51177, a legislative body of a county shall, except as provided in subdivision (b), make the following three findings:

(1) A finding supported by substantial evidence in the record that the design and location of each lot in the subdivision, and the subdivision as a whole, are consistent with any applicable regulations adopted by the State Board of Forestry and Fire Protection pursuant to Sections 4290 and 4291 of the Public Resources Code.

(2) A finding supported by substantial evidence in the record that structural fire protection and suppression services will be available for the subdivision through any of the following entities:

(A) A county, city, special district, political subdivision of the state, or another entity organized solely to provide fire protection services that is monitored and funded by a county or other public entity.

(B) The Department of Forestry and Fire Protection by contract entered into pursuant to Section 4133, 4142, or 4144 of the Public Resources Code.

(3) A finding that, to the extent practicable, ingress and egress for the subdivision meet the regulations regarding road standards for fire equipment access adopted pursuant to Section 4290 of the Public Resources Code and any applicable local ordinance.

(b) (1) Subdivision (a) does not apply to the approval of a tentative map, or a parcel map for which a tentative map was not required, that would subdivide land identified in the open space element of the general plan for the managed production of resources, including, but not limited to, forest land, rangeland, agricultural land, and areas of economic importance for the production of food or fiber, if the subdivision is consistent with the open space purpose and if, for the subdivision of land that would result in parcels that are 40 acres or smaller in size, those parcels are subject to a binding and recorded restriction prohibiting the development of a habitable, industrial, or commercial building or structure. All other structures shall comply with defensible space requirements described in Section 51182 of this code or Section 4291 of the Public Resources Code.

(2) Any later approval to remove a binding restriction placed as a condition of a tentative map, or a parcel map for which a tentative map was not required, that would allow the development of a building or structure for a parcel that has previously been exempted from the requirements of subdivision (a) pursuant to paragraph (1) of this subdivision shall be subject to the requirements of subdivision (a).

(c) This section does not supersede regulations established by the State Board of Forestry and Fire Protection or local ordinances that provide equivalent or more stringent minimum requirements than those contained within this section.

SEC. 95. Section 68203 of the Government Code is amended to read:

68203. (a) On July 1, 1980, and on July 1 of each year thereafter, the salary of each justice and judge named in Sections 68200 to 68202, inclusive, and 68203.1 shall be increased by the amount that is produced by multiplying the then current salary of each justice or judge by the average percentage salary increase for the current fiscal year for California state employees; provided, that in any fiscal year in which the Legislature places a dollar limitation on salary increases for state employees the same limitation shall apply to judges in the same manner applicable to state employees in comparable wage categories.

(b) (1) For the purposes of this section, average percentage salary increases for California state employees shall be those increases as reported by the Department of Human Resources to the Controller in a pay letter.

(2) For purposes of this section the average percentage salary increase for the current fiscal year for California state employees shall be reduced by the average percentage salary decrease resulting from the furlough or enrollment in a personal leave program of California state employees in that current fiscal year, as determined by the Department of Human Resources, in consultation with the Department of Finance.

(3) If the reduction required pursuant to paragraph (2) results in a percentage that is equal to or less than zero, the salary of each justice and judge named in Sections 68200 to 68202, inclusive, and 68203.1 shall not be increased.

(4) Persons working for the California State University system, the judicial branch, or the Legislature are not considered California state employees for purposes of this subdivision.

(c) The salary increase for judges and justices made on July 1, 1980, for the 1980–81 fiscal year, shall not exceed 5 percent.

(d) On January 1, 2001, the salary of the justices and judges named in Sections 68200 to 68202, inclusive, shall be increased by the amount that is produced by multiplying the salary of each justice and judge as of December 31, 2000, by $8^{1}/_{2}$ percent.

(e) On January 1, 2007, the salary of the justices and judges identified in Sections 68200 to 68202, inclusive, and 68203.1 shall also be increased by the amount that is produced by multiplying the salary of each justice and judge as of December 31, 2006, by 8.5 percent.

(f) Notwithstanding Article 2 (commencing with Section 3287) of Chapter 1 of Title 2 of Part 1 of Division 4 of the Civil Code, Chapter 5 (commencing with Section 685.010) of Division 1 of Title 9 of Part 2 of the Code of Civil Procedure, any other law, or any court judgment that has not been finally determined upon appeal as of the date this subdivision is enacted, any award of interest on an order to pay unpaid salary or judicial retiree benefits pursuant to this section shall not exceed the rate of interest accrued on moneys in the Pooled Money Investment Account.

SEC. 96. Section 70395 of the Government Code is amended to read:

70395. (a) Notwithstanding any other law, the Judicial Council may sell the property, at fair market value and upon the terms and conditions and subject to the reservations the Judicial Council deems in the best interests of the state, if all of the following requirements are satisfied:

(1) The sale complies with Section 70391 as applicable.

(2) The Judicial Council consults with the County of Los Angeles concerning the sale of the property.

(3) The Judicial Council offers the County of Los Angeles the right to purchase the property at fair market value before otherwise offering the property for sale.

(b) Notwithstanding any other law, the net proceeds from the sale of the property shall be deposited into the Immediate and Critical Needs Account of the State Court Facilities Construction Fund, established by Section 70371.5.

(c) For purposes of this act, “property” means the San Pedro superior courthouse located at 505 South Centre Street, in the City of Los Angeles and the County of Los Angeles, Assessor Parcel Number 7455-013-901.

(d) The disposition of the property authorized in this section does not constitute a sale or other disposition of surplus state property within the meaning of Section 9 of Article III of the California Constitution and is not subject to subdivision (g) of Section 11011 of this code.

SEC. 97. Section 82002 of the Government Code is amended to read:

82002. (a) “Administrative action” means either of the following:

(1) The proposal, drafting, development, consideration, amendment, enactment, or defeat by any state agency of any rule, regulation, or other action in any ratemaking proceeding or any quasi-legislative proceeding, including any proceeding governed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.

(2) With regard only to placement agents, the decision by any state agency to enter into a contract to invest state public retirement system assets on behalf of a state public retirement system.

(b) “Ratemaking proceeding” means, for the purposes of a proceeding before the Public Utilities Commission, any proceeding in which it is reasonably foreseeable that a rate will be established, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.

(c) “Quasi-legislative proceeding” means, for purposes of a proceeding before the Public Utilities Commission, any proceeding that involves consideration of the establishment of a policy that will apply generally to a group or class of persons, including, but not limited to, rulemakings and investigations that may establish rules affecting an entire industry.

SEC. 98. Section 655.1 of the Harbors and Navigation Code is amended to read:

655.1. (a) As used in this section, “mechanically propelled vessel” means any vessel actively propelled by machinery, whether or not the machinery is the principal source of propulsion.

(b) (1) A peace officer, having reasonable cause to believe that any person was operating a mechanically propelled vessel or manipulating any water skis, aquaplane, or similar device under the influence of an alcoholic beverage or any drug, or under the combined influence of an alcoholic beverage and any drug, who lawfully arrests the person for any violation of subdivision (b), (c), (d), (e), or (f) of Section 655, may request that person to submit to chemical testing of his or her blood, breath, or urine for the purpose of determining the drug or alcoholic content of the blood.

(2) The arrested person shall be advised of all of the following:

(A) A criminal complaint may be filed against him or her for operating a mechanically propelled vessel or manipulating any water skis, aquaplane, or similar device under the influence of an alcoholic beverage or any drug, or under the combined influence of an alcoholic beverage and any drug.

(B) He or she has a right to refuse chemical testing.

(C) An officer has the authority to seek a search warrant compelling the arrested person to submit a blood sample as described in paragraph (16) of subdivision (a) of Section 1524 of the Penal Code.

(D) He or she does not have the right to have an attorney present before stating whether he or she will submit to the chemical testing, before deciding which chemical test or tests to take, or during the administration of the chemical test or tests chosen.

(c) If the person is lawfully arrested for operating a mechanically propelled vessel or manipulating any water skis, aquaplane, or similar device under the influence of an alcoholic beverage and submits to the chemical testing, the person has the choice of whether the chemical test shall be of his or her blood or breath and the person shall be advised by the arresting officer that he or she has that choice. If the person arrested either is incapable, or states that he or she is incapable, of completing the chosen test, the person shall submit to the remaining test. If a blood or breath test, or both, are unavailable, then subdivision (n) applies.

(d) If the person is lawfully arrested for operating a mechanically propelled vessel or manipulating any water skis, aquaplane, or similar device under the influence of any drug or the combined influence of an alcoholic beverage and any drug and submits to the chemical testing, the person has the choice of whether the chemical test shall be of his or her blood, breath, or urine, and the officer shall advise the person that he or she has that choice.

(e) A person who chooses to submit to a breath test may also be requested to submit to a blood or urine test if the arresting officer has reasonable cause to believe that the person was operating a mechanically propelled vessel or manipulating any water skis, aquaplane, or similar device under the influence of any drug, or the combined influence of an alcoholic beverage and any drug, and if the arresting officer has a clear indication that a blood or urine test will reveal evidence of the person being under the influence. The arresting officer shall state in his or her report the facts upon which that belief and that clear indication are based. The person shall have the choice of submitting to and completing a blood or urine test, and shall be advised by the arresting officer that he or she is requested to submit to an additional test, and that he or she may choose a test of either blood or urine. If the person arrested is either incapable, or states that he or she is incapable, of completing either chosen chemical test, the person shall submit to and complete the other remaining chemical test.

(f) (1) A person who chooses to submit to a breath test shall be advised before or after the breath test that the breath-testing equipment does not retain any sample of the breath, and that no breath sample will be available after the breath test which could be analyzed later by the person or any other person.

(2) The person shall also be advised that, because no breath sample is retained, the person will be given an opportunity to provide a blood or urine sample that will be retained at no cost to the person so that there will be something retained that may be subsequently analyzed for the alcoholic content of the person's blood. If the person completes a breath test and wishes to provide a blood or urine sample to be retained, the sample shall be collected and retained in the same manner as if the person had chosen a blood or urine test initially.

(3) The person shall also be advised that the blood or urine sample may be tested by either party in any criminal prosecution. The failure of either party to perform this chemical test shall place no duty upon the opposing party to perform the chemical test nor affect the admissibility of any other evidence of the drug or alcoholic content of the blood of the person arrested.

(g) If the person is lawfully arrested for any offense allegedly committed in violation of subdivision (b), (c), (d), (e), or (f) of Section 655, and because of the need for medical treatment, the person is first transported to a medical facility where it is not feasible to administer a particular chemical test of, or to obtain a particular sample of, the person's blood, breath, or urine, the person has the choice of submitting to those chemical tests that are available at the facility to which that person has been transported. In this event, the arresting officer shall advise the person of those chemical tests that are available at the medical facility, and that the person's choice is limited to those chemical tests that are available.

(h) Any person who is unconscious or otherwise in a condition rendering him or her incapable of refusal may be subjected to chemical testing of his or her blood, breath, or urine for the purpose of determining the drug or alcoholic content of the blood, whether or not the person is advised of the information specified in paragraph (2) of subdivision (b).

(i) Any person who is afflicted with hemophilia is exempt from the blood test provided for in this section.

(j) Any person who is afflicted with a heart condition and is using an anticoagulant under the direction of a licensed physician and surgeon is exempt from the blood test provided for in this section.

(k) A person lawfully arrested for any offense allegedly committed while the person was operating a mechanically propelled vessel or manipulating any water skis, aquaplane, or similar device in violation of subdivision (b), (c), (d), (e), or (f) of Section 655 may request the arresting officer to have a chemical test made of his or her blood or breath for the purpose of determining the drug or alcoholic content of the blood and, if so requested, the arresting officer shall have the chemical test performed. However, if a blood or breath test, or both, are unavailable, then subdivision (n) applies.

(l) Any chemical test of blood, breath, or urine to determine the percentage, by weight, of alcohol in the blood shall be performed in accordance with Section 23158 of the Vehicle Code.

(m) This section does not limit the authority of a peace officer to gather evidence from a person lawfully arrested for a violation of subdivision (b), (c), (d), (e), or (f) of Section 655.

(n) If a blood or breath test is not available under paragraph (1) of subdivision (c) or under subdivision (k), the person shall submit to the remaining test in order to determine the percentage, by weight, of alcohol in the person's blood. If both the blood and breath tests are unavailable, the person shall be deemed to have given his or her consent to chemical testing of his or her urine and shall submit to a urine test.

SEC. 99. Section 443.2 of the Health and Safety Code is amended to read:

443.2. (a) An individual who is an adult with the capacity to make medical decisions and with a terminal disease may make a request to receive a prescription for an aid-in-dying drug if all of the following conditions are satisfied:

(1) The individual's attending physician has diagnosed the individual with a terminal disease.

(2) The individual has voluntarily expressed the wish to receive a prescription for an aid-in-dying drug.

(3) The individual is a resident of California and is able to establish residency through any of the following means:

(A) Possession of a California driver's license or other identification issued by the State of California.

(B) Registration to vote in California.

(C) Evidence that the person owns or leases property in California.

(D) Filing of a California tax return for the most recent tax year.

(4) The individual documents his or her request pursuant to the requirements set forth in Section 443.3.

(5) The individual has the physical and mental ability to self-administer the aid-in-dying drug.

(b) A person shall not be considered a "qualified individual" under the provisions of this part solely because of age or disability.

(c) A request for a prescription for an aid-in-dying drug under this part shall be made solely and directly by the individual diagnosed with the terminal disease and shall not be made on behalf of the patient, including, but not limited to, through a power of attorney, an advance health care directive, a conservator, health care agent, surrogate, or any other legally recognized health care decisionmaker.

SEC. 100. Section 1250.11 of the Health and Safety Code is amended to read:

1250.11. The State Department of Public Health shall develop written guidelines and regulations as necessary to minimize the risk of transmission of blood-borne infectious diseases from health care worker to patient, from patient to patient, and from patient to health care worker. In so doing, the department shall consider the recommendations made by the federal Centers for Disease Control and Prevention for preventing transmission of HIV and Hepatitis B. The department shall also take into account existing regulations of the department as well as standards, guidelines, and regulations pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) regarding infection control to prevent infection or disease as a result of the transmission of blood-borne pathogens. In so doing, the department shall consult with the Medical Board of California, the Dental Board of California, and the Board of Registered Nursing as well as associations representing health care professions, associations of licensed health facilities, organizations that advocate on behalf of those infected with HIV, and organizations representing consumers of health care. The department shall complete its review of the need for guidelines and regulations by January 1, 1993.

SEC. 101. Section 1256.1 of the Health and Safety Code is amended to read:

1256.1. A general acute care hospital shall not hold itself out directly or indirectly by any sign, brochure, or advertisement as providing any service or services that require a supplemental or special service unless that general acute care hospital has first obtained a supplemental or special service approval from the State Department of Public Health to operate that service.

SEC. 102. Section 1259 of the Health and Safety Code is amended to read:

1259. (a) (1) The Legislature finds and declares that California is becoming a land of people whose languages and cultures give the state a global quality. The Legislature further finds and declares that access to basic health care services is the right of every resident of the state, and that access to information regarding basic health care services is an essential element of that right.

(2) Therefore, it is the intent of the Legislature that when language or communication barriers exist between patients and the staff of any general acute care hospital, arrangements shall be made for interpreters or bilingual professional staff to ensure adequate and speedy communication between patients and staff.

(b) As used in this section:

(1) "Interpreter" means a person fluent in English and in the necessary second language, who can accurately speak, read, and readily interpret the necessary second language, or a person who can accurately sign and read sign language. Interpreters shall have the ability to translate the names of body parts and to describe competently symptoms and injuries in both languages. Interpreters may include members of the medical or professional staff.

(2) “Language or communication barriers” means:

(A) With respect to spoken language, barriers that are experienced by individuals who are limited-English-speaking or non-English-speaking individuals who speak the same primary language and who comprise at least 5 percent of the population of the geographical area served by the hospital or of the actual patient population of the hospital. In cases of dispute, the State Department of Public Health shall determine, based on objective data, whether the 5 percent population standard applies to a given hospital.

(B) With respect to sign language, barriers that are experienced by individuals who are deaf and whose primary language is sign language.

(c) To ensure access to health care information and services for limited-English-speaking or non-English-speaking residents and deaf residents, licensed general acute care hospitals shall:

(1) Review existing policies regarding interpreters for patients with limited-English proficiency and for patients who are deaf, including the availability of staff to act as interpreters.

(2) (A) (i) Adopt and review annually a policy for providing language assistance services to patients with language or communication barriers. The policy shall include procedures for providing, to the extent possible, as determined by the hospital, the use of an interpreter whenever a language or communication barrier exists, except when the patient, after being informed of the availability of the interpreter service, chooses to use a family member or friend who volunteers to interpret. The procedures shall be designed to maximize efficient use of interpreters and minimize delays in providing interpreters to patients. The procedures shall ensure, to the extent possible, as determined by the hospital, that interpreters are available, either on the premises or accessible by telephone, 24 hours a day.

(ii) The hospital shall, on or before July 1, 2016, and every January 1 thereafter, make the updated policy and a notice of availability of language assistance services available to the public on its Internet Web site. The notice shall be in English and in the other languages most commonly spoken in the hospital’s service area. For purposes of this paragraph, the hospital shall make the notice available in the language of individuals who meet the definition of having a language barrier pursuant to subparagraph (A) of paragraph (2) of subdivision (b); however, a hospital is not required to make the notice available in more than five languages other than English.

(B) (i) The hospital shall, on or before July 1, 2016, and every January 1 thereafter, transmit to the department a copy of the updated policy and shall include a description of its efforts to ensure adequate and speedy communication between patients with language or communication barriers and staff.

(ii) The department shall make the updated policy available to the public on its Internet Web site.

(3) Develop, and post in conspicuous locations, notices that advise patients and their families of the availability of interpreters, the procedure for obtaining an interpreter, and the telephone numbers where complaints may be filed concerning interpreter service problems, including, but not limited to, a TDD number for the deaf or hard of hearing. The notices shall be posted, at a minimum, in the emergency room, the admitting area, the entrance, and in outpatient areas. Notices shall inform patients that interpreter services are available upon request, shall list the languages for which interpreter services are available, shall instruct patients to direct complaints regarding interpreter services to the department, and shall provide the local address and telephone number of the department, including, but not limited to, a TDD number for the deaf or hard of hearing.

(4) Identify and record a patient’s primary language and dialect on one or more of the following: patient medical chart, hospital bracelet, bedside notice, or nursing card.

(5) Prepare and maintain as needed a list of interpreters who have been identified as proficient in sign language and in the languages of the population of the geographical area serviced who have the ability to translate the names of body parts, injuries, and symptoms.

(6) Notify employees of the hospital’s commitment to provide interpreters to all patients who request them.

(7) Review all standardized written forms, waivers, documents, and informational materials available to patients upon admission to determine which to translate into languages other than English.

(8) Consider providing its nonbilingual staff with standardized picture and phrase sheets for use in routine communications with patients who have language or communication barriers.

(9) Consider developing community liaison groups to enable the hospital and the limited-English-speaking and deaf communities to ensure the adequacy of the interpreter services.

(d) Noncompliance with this section shall be reportable to licensing authorities.

(e) Section 1290 does not apply to this section.

SEC. 103. Section 1502 of the Health and Safety Code is amended to read:

1502. As used in this chapter:

(a) “Community care facility” means any facility, place, or building that is maintained and operated to provide nonmedical residential care, day treatment, adult day care, or foster family agency services for children, adults, or children and adults, including, but not limited to, the physically handicapped, mentally impaired, incompetent persons, and abused or neglected children, and includes the following:

(1) “Residential facility” means any family home, group care facility, or similar facility determined by the department, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual.

(2) “Adult day program” means any community-based facility or program that provides care to persons 18 years of age or older in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of these individuals on less than a 24-hour basis.

(3) “Therapeutic day services facility” means any facility that provides nonmedical care, counseling, educational or vocational support, or social rehabilitation services on less than a 24-hour basis to persons under 18 years of age who would otherwise be placed in foster care or who are returning to families from foster care. Program standards for these facilities shall be developed by the department, pursuant to Section 1530, in consultation with therapeutic day services and foster care providers.

(4) “Foster family agency” means any public agency or private organization, organized and operated on a nonprofit basis, engaged in any of the following:

(A) Recruiting, certifying, approving, and training of, and providing professional support to, foster parents and resource families.

(B) Coordinating with county placing agencies to find homes for foster children in need of care.

(C) Providing services and supports to licensed or certified foster parents, county-approved resource families, and children to the extent authorized by state and federal law.

(5) “Foster family home” means any residential facility providing 24-hour care for six or fewer foster children that is owned, leased, or rented and is the residence of the foster parent or parents, including their family, in whose care the foster children have been placed. The placement may be by a public or private child placement agency or by a court order, or by voluntary placement by a parent, parents, or guardian. It also means a foster family home described in Section 1505.2.

(6) “Small family home” means any residential facility, in the licensee’s family residence, that provides 24-hour care for six or fewer foster children who have mental disorders or developmental or physical disabilities and who require special care and supervision as a result of their disabilities. A small family home may accept children with special health care needs, pursuant to subdivision (a) of Section 17710 of the Welfare and Institutions Code. In addition to placing children with special health care needs, the department may approve placement of children without special health care needs, up to the licensed capacity.

(7) “Social rehabilitation facility” means any residential facility that provides social rehabilitation services for no longer than 18 months in a group setting to adults recovering from mental illness who temporarily need assistance, guidance, or counseling. Program components shall be subject to program standards pursuant to Article 1 (commencing with Section 5670) of Chapter 2.5 of Part 2 of Division 5 of the Welfare and Institutions Code.

(8) “Community treatment facility” means any residential facility that provides mental health treatment services to children in a group setting and that has the capacity to provide secure containment. Program components shall be subject to program standards developed and enforced by the State Department of Health Care Services pursuant to Section 4094 of the Welfare and Institutions Code.

This section shall not be construed to prohibit or discourage placement of persons who have mental or physical disabilities into any category of community care facility that meets the needs of the individual placed, if the placement is consistent with the licensing regulations of the department.

(9) “Full-service adoption agency” means any licensed entity engaged in the business of providing adoption services, that does all of the following:

(A) Assumes care, custody, and control of a child through relinquishment of the child to the agency or involuntary termination of parental rights to the child.

(B) Assesses the birth parents, prospective adoptive parents, or child.

(C) Places children for adoption.

(D) Supervises adoptive placements.

Private full-service adoption agencies shall be organized and operated on a nonprofit basis. As a condition of licensure to provide intercountry adoption services, a full-service adoption agency shall be accredited and in good standing according to Part 96 of Title 22 of the Code of Federal Regulations, or supervised by an accredited primary provider, or acting as an exempted provider, in compliance with Subpart F (commencing with Section 96.29) of Part 96 of Title 22 of the Code of Federal Regulations.

(10) “Noncustodial adoption agency” means any licensed entity engaged in the business of providing adoption services, that does all of the following:

(A) Assesses the prospective adoptive parents.

(B) Cooperatively matches children freed for adoption, who are under the care, custody, and control of a licensed adoption agency, for adoption, with assessed and approved adoptive applicants.

(C) Cooperatively supervises adoptive placements with a full-service adoption agency, but does not disrupt a placement or remove a child from a placement.

Private noncustodial adoption agencies shall be organized and operated on a nonprofit basis. As a condition of licensure to provide intercountry adoption services, a noncustodial adoption agency shall be accredited and in good standing according to Part 96 of Title 22 of the Code of Federal Regulations, or supervised by an accredited primary provider, or acting as an exempted provider, in compliance with Subpart F (commencing with Section 96.29) of Part 96 of Title 22 of the Code of Federal Regulations.

(11) “Transitional shelter care facility” means any group care facility that provides for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. Program components shall be subject to program standards developed by the State Department of Social Services pursuant to Section 1502.3.

(12) “Transitional housing placement provider” means an organization licensed by the department pursuant to Section 1559.110 of this code and Section 16522.1 of the Welfare and Institutions Code to provide transitional housing to foster children at least 16 years of age and not more than 18 years of age, and nonminor dependents, as defined in subdivision (v) of Section 11400 of the Welfare and Institutions Code, to promote their transition to adulthood. A transitional housing placement provider shall be privately operated and organized on a nonprofit basis.

(13) “Group home” means a residential facility that provides 24-hour care and supervision to children, delivered at least in part by staff employed by the licensee in a structured environment. The care and supervision provided by a group home shall be nonmedical, except as otherwise permitted by law.

(14) “Runaway and homeless youth shelter” means a group home licensed by the department to operate a program pursuant to Section 1502.35 to provide voluntary, short-term shelter and personal services to runaway youth or homeless youth, as defined in paragraph (2) of subdivision (a) of Section 1502.35.

(15) “Enhanced behavioral supports home” means a facility certified by the State Department of Developmental Services pursuant to Article 3.6 (commencing with Section 4684.80) of Chapter 6 of Division 4.5 of the Welfare and Institutions Code, and licensed by the State Department of Social Services as an adult residential facility or a group home that provides 24-hour nonmedical care to individuals with developmental disabilities who require enhanced behavioral supports, staffing, and supervision in a homelike setting. An enhanced behavioral supports home shall have a maximum capacity of four consumers, shall conform to Section 441.530(a)(1) of Title 42 of the Code of Federal Regulations, and shall be eligible for federal Medicaid home- and community-based services funding.

(16) “Community crisis home” means a facility certified by the State Department of Developmental Services pursuant to Article 8 (commencing with Section 4698) of Chapter 6 of Division 4.5 of the Welfare and Institutions Code, and licensed by the State Department of Social Services pursuant to Article 9.7 (commencing with Section 1567.80), as an adult residential facility, providing 24-hour nonmedical care to individuals with developmental disabilities receiving regional center service, in need of crisis intervention services, and who would otherwise be at risk of admission to the acute crisis center at Fairview Developmental Center, Sonoma Developmental Center, an acute general hospital, acute psychiatric hospital, an institution for mental disease, as described in Part 5 (commencing with Section 5900) of Division 5 of the Welfare and Institutions Code, or

an out-of-state placement. A community crisis home shall have a maximum capacity of eight consumers, as defined in subdivision (a) of Section 1567.80, shall conform to Section 441.530(a)(1) of Title 42 of the Code of Federal Regulations, and shall be eligible for federal Medicaid home- and community-based services funding.

(17) “Crisis nursery” means a facility licensed by the department to operate a program pursuant to Section 1516 to provide short-term care and supervision for children under six years of age who are voluntarily placed for temporary care by a parent or legal guardian due to a family crisis or stressful situation.

(18) “Short-term residential therapeutic program” means a residential facility operated by a public agency or private organization and licensed by the department pursuant to Section 1562.01 that provides an integrated program of specialized and intensive care and supervision, services and supports, treatment, and short-term 24-hour care and supervision to children. The care and supervision provided by a short-term residential therapeutic program shall be nonmedical, except as otherwise permitted by law. Private short-term residential therapeutic programs shall be organized and operated on a nonprofit basis.

(19) “Private alternative boarding school” means a group home licensed by the department to operate a program pursuant to Section 1502.2 to provide youth with 24-hour residential care and supervision, which, in addition to providing educational services to youth, provides, or holds itself out as providing, behavioral-based services to youth with social, emotional, or behavioral issues. The care and supervision provided by a private alternative boarding school shall be nonmedical, except as otherwise permitted by law.

(20) “Private alternative outdoor program” means a group home licensed by the department to operate a program pursuant to Section 1502.21 to provide youth with 24-hour residential care and supervision, which provides, or holds itself out as providing, behavioral-based services in an outdoor living setting to youth with social, emotional, or behavioral issues. The care and supervision provided by a private alternative outdoor program shall be nonmedical, except as otherwise permitted by law.

(b) “Department” or “state department” means the State Department of Social Services.

(c) “Director” means the Director of Social Services.

SEC. 104. Section 1502.2 of the Health and Safety Code is amended to read:

1502.2. (a) Commencing January 1, 2018, the department shall license private alternative boarding schools, as defined in paragraph (19) of subdivision (a) of Section 1502, as a group home pursuant to this chapter. A licensed private alternative boarding school shall comply with all provisions of this chapter that are applicable to group homes, unless otherwise indicated, and with this section.

(b) A licensed private alternative boarding school shall comply with all of the following:

(1) It shall be owned and operated on a nonprofit basis by a private nonprofit corporation or a nonprofit organization.

(2) It shall prepare and maintain a current written plan of operation, as defined by the department.

(3) It shall offer 24-hour, nonmedical care and supervision to youth who voluntarily consent to being admitted to the program and who are voluntarily admitted by his or her parent or legal guardian.

(4) (A) It shall not admit a child younger than 12 years of age.

(B) It shall not admit a youth who has been assessed by a licensed mental health professional as seriously emotionally disturbed, unless the youth does not require care in a licensed health facility and the State Department of Health Care Services has certified the facility as a program that meets the standards to provide mental health treatment services for a child having a serious emotional disturbance, as set forth in Section 4096.5 of the Welfare and Institutions Code.

(5) It shall provide each prospective youth and his or her parent or legal guardian with an accurate written description of the programs and services to be provided. If it advertises or promotes special care, programming, or environments for persons with behavioral, emotional, or social challenges, the written description shall include how its programs and services are intended to achieve the advertised or promoted claims.

(6) It shall ensure that all individuals providing behavioral-based services to youth at the facility are licensed or certified by the appropriate agency, department, or accrediting body, as specified by the department in regulation.

(7) It shall not use secure containment or manual or mechanical restraints.

(8) If it offers access to, or holds itself out as offering access to, mental health services, it shall ensure that those services are provided by a licensed mental health provider.

(9) If it advertises or includes in its marketing materials reference to providing alcohol or substance abuse treatment, it shall ensure that the treatment is provided by a licensed or certified alcoholism or drug abuse recovery or treatment facility.

(c) A private alternative boarding school shall submit a staff training plan to the department as part of its plan of operation. In addition to the training required of group home staff, the staff training plan shall include, but not be limited to, training in all of the following subject areas:

(1) Youth rights, as described in subdivision (d).

(2) Physical and psychosocial needs of youth.

(3) Appropriate responses to emergencies, including an emergency intervention plan.

(4) Cultural competency and sensitivity in issues relating to the lesbian, gay, bisexual, and transgender communities.

(5) Laws pertaining to residential care facilities for youth.

(d) (1) A youth admitted to a licensed private alternative boarding school shall be accorded the following rights and any other rights adopted by the department in regulations, a list of which shall be publicly posted and accessible to youth. The personal rights enumerated in Section 84072 of Title 22 of the California Code of Regulations shall not apply.

(A) To be accorded dignity in his or her personal relationships with staff, youth, and other persons.

(B) To live in a safe, healthy, and comfortable environment where he or she is treated with respect.

(C) To be free from physical, sexual, emotional, or other abuse, or corporal punishment.

(D) To be granted a reasonable level of personal privacy in accommodations, personal care and assistance, and visits.

(E) To confidential care of his or her records and personal information, and to approve release of those records before release, except as otherwise authorized or required by law.

(F) To care, supervision, and services that meet his or her individual needs and that are delivered by staff who are sufficient in numbers, qualifications, and competency to meet his or her needs and ensure his or her safety.

(G) To be served food and beverages of the quality and in the quantity necessary to meet his or her nutritional and physical needs.

(H) (i) To present grievances and recommend changes in policies, procedures, and services to the facility's staff, management, and governing authority, or any other person without restraint, coercion, discrimination, reprisal, or other retaliatory actions.

(ii) To have the licensee take prompt actions to respond to grievances presented pursuant to clause (i).

(I) To be able to contact parents or legal guardians, including visits and scheduled and unscheduled private telephone conversations, written correspondence, and electronic communications, unless prohibited by court order.

(J) To be fully informed, as evidenced by the youth's written acknowledgment, before, or at the time of, admission at the facility, of all the rules governing the youth's conduct and responsibilities.

(K) To receive in the admission agreement information that details the planned programs and services for the youth.

(L) To have his or her parents or legal guardians remove him or her from the facility.

(M) To consent to have visitors or telephone calls during reasonable hours, privately and without prior notice, if the visitors or telephone calls do not disrupt planned activities and are not prohibited by court order or by the youth's parent or legal guardian.

(N) To be free of corporal punishment, physical restraints of any kind, and deprivation of basic necessities, including education, as a punishment, deterrent, or incentive.

(O) To have caregivers who have received instruction on cultural competency and sensitivity relating to, and best practices for, providing adequate care to lesbian, gay, bisexual, and transgender youth in out-of-home care.

(P) To be free from acts that seek to change his or her sexual orientation, including efforts to change his or her gender expressions, or to eliminate or reduce sexual or romantic attractions or feelings toward individuals of the same sex.

(Q) To have fair and equal access to all available services, placement, care, treatment, and benefits and to not be subjected to discrimination or harassment on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability, or HIV status.

(R) To be free from abusive, humiliating, degrading, or traumatizing actions.

(2) Paragraph (1) shall not be interpreted to require a licensed private alternative boarding school to take any action that would impair the health or safety of youth in the facility.

(e) (1) A licensed private alternative boarding school is not an eligible placement option pursuant to Section 319, 361.2, 450, or 727 of the Welfare and Institutions Code.

(2) A licensed private alternative boarding school shall not be eligible for a rate pursuant to Section 11462 of the Welfare and Institutions Code.

(f) This section does not apply to any facility operated, licensed, or certified by the Department of Corrections and Rehabilitation and its Division of Juvenile Justice, the California Conservation Corps, the Military Department, or any other governmental entity or to a boarding school that solely focuses on academics.

(g) (1) On or before January 1, 2018, the department shall adopt regulations to implement this section, in consultation with interested parties, including representatives of private alternative boarding schools, former residents of private alternative boarding schools, and advocates for youth. Until regulations are adopted and become effective pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), a private alternative boarding school shall be governed by the regulations applicable to group homes in Chapter 5 (commencing with Section 84000) of Division 6 of Title 22 of the California Code of Regulations.

(2) The department may adopt emergency regulations to implement this section. The adoption, amendment, repeal, or readoption of a regulation authorized by this section is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for this purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code.

(h) A private alternative boarding school operating before January 1, 2018, shall comply with licensing requirements on or before July 1, 2018.

(i) For the purpose of this section, “youth” means a person who is 12 to 17 years of age, inclusive, or a person who is 18 years of age if he or she is completing high school or its equivalent.

SEC. 105. Section 1502.21 of the Health and Safety Code is amended to read:

1502.21. (a) Commencing January 1, 2019, the department shall license private alternative outdoor programs, as defined in paragraph (20) of subdivision (a) of Section 1502, as a group home pursuant to this chapter. A private alternative outdoor program shall comply with the provisions of this chapter that are applicable to group homes, unless otherwise indicated, and with this section.

(b) A licensed private alternative outdoor program shall comply with all of the following:

(1) It shall be owned and operated on a nonprofit basis by a private nonprofit corporation or a nonprofit organization.

(2) It shall prepare and maintain a current, written plan of operation, as defined by the department.

(3) It shall offer 24-hour, nonmedical care and supervision to youth who voluntarily consent to being admitted to the program and who are voluntarily admitted by his or her parent or legal guardian.

(4) It shall have a ratio of one staff person to every four youths.

(5) (A) It shall not admit a child who is younger than 12 years of age.

(B) It shall not admit a youth who has been assessed by a licensed mental health professional as seriously emotionally disturbed, unless the youth does not require care in a licensed health facility and the State Department of Health Care Services has certified the program as a program that meets the standards to provide mental health treatment services for a child having a serious emotional disturbance, as set forth in Section 4096.5 of the Welfare and Institutions Code.

(6) It shall provide each prospective youth and his or her parent or legal guardian with an accurate written description of the programs and services to be provided. If it advertises or promotes special care, programming, or environments for persons with behavioral, emotional, or social challenges, the written description shall include how its programs and services are intended to achieve the advertised or promoted claims.

(7) It shall ensure that all individuals providing behavioral-based services to youth in the program are licensed or certified by the appropriate agency, department, or accrediting body, as specified by the department in regulation.

(8) It shall not use secure containment or manual or mechanical restraints.

(9) If it offers access to, or holds itself out as offering access to, mental health services, it shall ensure that those services are provided by a licensed mental health provider.

(10) If it advertises or includes in its marketing materials reference to providing alcohol or substance abuse treatment, it shall ensure that the treatment is provided by a licensed or certified alcoholism or drug abuse recovery or treatment facility.

(c) (1) In addition to the training required of group home staff by department regulations, a staff member of a licensed private alternative outdoor program who supervises youth shall receive an additional number of hours of initial and annual training, to be determined by the department in regulations developed in consultation with stakeholders.

(2) A private alternative outdoor program shall submit a staff training plan to the department as part of its plan of operation. The staff training plan shall provide for the number of additional initial and annual training hours required by paragraph (1) and shall include, but not be limited to, training in all of the following subject areas:

(A) Youth rights, as described in subdivision (d).

(B) Physical and psychosocial needs of youth.

(C) Appropriate responses to emergencies, including an emergency intervention plan.

(D) Cultural competency and sensitivity in issues relating to the lesbian, gay, bisexual, and transgender communities.

(E) Laws pertaining to residential care facilities for youth.

(F) Low-impact camping.

(G) Navigation skills.

(H) Water, food, and shelter procurement.

(I) Recognition of poisonous plants.

(J) Wilderness first aid.

(K) Health issues related to acclimation and exposure.

(L) Report writing and log maintenance.

(d) (1) A youth admitted to a licensed private alternative outdoor program shall be accorded the following rights and any other rights adopted by the department by regulation, a list of which shall be publicly posted and accessible to youth. The personal rights enumerated in Section 84072 of Title 22 of the California Code of Regulations shall not apply.

(A) To be accorded dignity in his or her personal relationships with staff, youth, and other persons.

(B) To live in a safe, healthy, and comfortable environment where he or she is treated with respect.

(C) To be free from physical, sexual, emotional, or other abuse, or corporal punishment.

(D) To be granted a reasonable level of personal privacy in accommodations, personal care and assistance, and visits.

(E) To confidential care of his or her records and personal information, and to approve release of those records before release, except as otherwise authorized or required by law.

(F) To care, supervision, and services that meet his or her individual needs and that are delivered by staff who are sufficient in numbers, qualifications, and competency to meet his or her needs and ensure his or her safety.

(G) To be served food and beverages of the quality and in the quantity necessary to meet his or her nutritional and physical needs.

(H) (i) To present grievances and recommend changes in policies, procedures, and services to the program's staff, management, and governing authority, or any other person without restraint, coercion, discrimination, reprisal, or other retaliatory actions.

(ii) To have the licensee take prompt actions to respond to grievances presented pursuant to clause (i).

(I) To be able to contact parents or legal guardians, including visits and scheduled and unscheduled private telephone conversations, written correspondence, and electronic communications, unless prohibited by court order.

(J) To be fully informed, as evidenced by the youth's written acknowledgment, before, or at the time of, admission in the program, of all the rules governing the youth's conduct and responsibilities.

(K) To receive in the admission agreement information that details the planned programs and services for the youth.

(L) To have his or her parents or legal guardians remove him or her from the program.

(M) To consent to have visitors or telephone calls during reasonable hours, privately and without prior notice, provided the visitors or telephone calls do not disrupt planned activities and are not prohibited by court order or by the youth's parent or legal guardian.

(N) To be free of corporal punishment, physical restraints of any kind, and deprivation of basic necessities, including education, as a punishment, deterrent, or incentive.

(O) To have caregivers who have received instruction on cultural competency and sensitivity relating to, and best practices for, providing adequate care to lesbian, gay, bisexual, and transgender youth in out-of-home care.

(P) To be free from acts that seek to change his or her sexual orientation, including efforts to change his or her gender expressions, or to eliminate or reduce sexual or romantic attractions or feelings toward individuals of the same sex.

(Q) To have fair and equal access to all available services, placement, care, treatment, and benefits and to not be subjected to discrimination or harassment on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability, or HIV status.

(R) To be free from abusive, humiliating, degrading, or traumatizing actions.

(2) Paragraph (1) shall not be interpreted to require a licensed private alternative outdoor program to take any action that would impair the health or safety of youth in the program.

(e) (1) A licensed private alternative outdoor program is not an eligible placement option pursuant to Section 319, 361.2, 450, or 727 of the Welfare and Institutions Code.

(2) A licensed private alternative outdoor program shall not be eligible for a rate pursuant to Section 11462 of the Welfare and Institutions Code.

(f) This section does not apply to programs operated, licensed, or certified by the Department of Corrections and Rehabilitation and its Division of Juvenile Justice, the California Conservation Corps, or the Military Department, programs operated by any governmental entity, any organized camp as defined in Section 18897, outdoor activities for youth designed to be primarily recreational, including, but not limited to, activities organized by Outward Bound, Boy Scouts, Girl Scouts, Camp Fire, or other similar organizations, or any camp exclusively serving children with a medical diagnosis for a physical condition or illness, including, but not limited to, cancer, muscular dystrophy, or burn injuries.

(g) (1) On or before January 1, 2019, the department shall adopt regulations to implement this section in consultation with interested parties, including representatives of private alternative outdoor programs, former participants in private alternative outdoor programs, and advocates for youth. Regulations adopted pursuant to this section shall be contained in the regulations applicable to group homes in Chapter 5 (commencing with Section 84000) of Division 6 of Title 22 of the California Code of Regulations.

(2) The department may adopt emergency regulations to implement this section. The adoption, amendment, repeal, or readoption of a regulation authorized by this section is deemed to address an emergency, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted for this purpose from the requirements of subdivision (b) of Section 11346.1 of the Government Code.

(h) A private alternative outdoor program operating before January 1, 2019, shall comply with licensing requirements on or before July 1, 2019.

(i) For the purpose of this section, "youth" means a person who is 12 to 17 years of age, inclusive, or a person who is 18 years of age if he or she is completing high school or its equivalent.

SEC. 106. Section 1505 of the Health and Safety Code is amended to read:

1505. This chapter does not apply to any of the following:

(a) Any health facility, as defined by Section 1250.

(b) Any clinic, as defined by Section 1202.

(c) Any juvenile placement facility approved by the Department of Corrections and Rehabilitation, Division of Juvenile Justice, or any juvenile hall operated by a county.

(d) Any place in which a juvenile is judicially placed pursuant to subdivision (a) of Section 727 of the Welfare and Institutions Code.

(e) Any child day care facility, as defined in Section 1596.750.

(f) (1) Any facility conducted by and for the adherents of any well-recognized church or religious denomination for the purpose of providing facilities for the care or treatment of the sick who depend solely upon prayer or spiritual means for healing in the practice of the religion of the church or denomination.

(2) A private alternative boarding school or private alternative outdoor program, as defined in subdivision (a) of Section 1502, that uses prayer or spiritual means as a component of its programming or services in addition to behavioral-based services is subject to licensure under this chapter.

(g) Any school dormitory or similar facility determined by the department, except a private alternative boarding school or private alternative outdoor program, as defined in subdivision (a) of Section 1502.

(h) Any house, institution, hotel, homeless shelter, or other similar place that supplies board and room only, or room only, or board only, provided that no resident thereof requires any element of care as determined by the director.

(i) Recovery houses or other similar facilities providing group living arrangements for adults recovering from alcoholism or drug addiction when the facility provides no care or supervision.

(j) Any alcoholism or drug abuse recovery or treatment facility, as defined in Section 11834.02.

(k) Any arrangement for the receiving and care of persons by a relative or any arrangement for the receiving and care of persons from only one family by a close friend of the parent, guardian, or conservator, if the arrangement is not for financial profit and occurs only occasionally and irregularly, as defined by regulations of the department. For purposes of this chapter, arrangements for the receiving and care of persons by a relative shall include relatives of the child for the purpose of keeping sibling groups together.

(l) (1) Any home of a relative caregiver of children who are placed by a juvenile court, supervised by the county welfare or probation department, and the placement of whom is approved according to subdivision (d) of Section 309 of the Welfare and Institutions Code.

(2) Any home of a nonrelative extended family member, as described in Section 362.7 of the Welfare and Institutions Code, providing care to children who are placed by a juvenile court, supervised by the county welfare or probation department, and the placement of whom is approved according to subdivision (d) of Section 309 of the Welfare and Institutions Code.

(3) On and after January 1, 2012, any supervised independent living placement for nonminor dependents, as defined in subdivision (w) of Section 11400 of the Welfare and Institutions Code, who are placed by the juvenile court, supervised by the county welfare department, probation department, Indian tribe, consortium of tribes, or tribal organization that entered into an agreement pursuant to Section 10553.1 of the Welfare and Institutions Code, and whose placement is approved pursuant to subdivision (k) of Section 11400 of the Welfare and Institutions Code.

(4) A Transitional Housing Program-Plus, as defined in subdivision (s) of Section 11400 of the Welfare and Institutions Code, that serves only eligible former foster youth over 18 years of age who have exited from the foster care system on or after their 18th birthday, and that has obtained certification from the applicable county in accordance with subdivision (c) of Section 16522 of the Welfare and Institutions Code.

(m) Any supported living arrangement for individuals with developmental disabilities, as defined in Section 4689 of the Welfare and Institutions Code.

(n) (1) Any family home agency, family home, or family teaching home as defined in Section 4689.1 of the Welfare and Institutions Code, that is vendored by the State Department of Developmental Services and that does any of the following:

(A) As a family home approved by a family home agency, provides 24-hour care for one or two adults with developmental disabilities in the residence of the family home provider or providers and the family home provider or providers' family, and the provider is not licensed by the State Department of Social Services or the State Department of Public Health or certified by a licensee of the State Department of Social Services or the State Department of Public Health.

(B) As a family teaching home approved by a family home agency, provides 24-hour care for a maximum of three adults with developmental disabilities in independent residences, whether contiguous or attached, and the provider is not licensed by the State Department of Social Services or the State Department of Public Health or certified by a licensee of the State Department of Social Services or the State Department of Public Health.

(C) As a family home agency, engages in recruiting, approving, and providing support to family homes.

(2) This subdivision shall not be construed as establishing by implication either a family home agency or family home licensing category.

(o) Any facility in which only Indian children who are eligible under the federal Indian Child Welfare Act (25 U.S.C. Sec. 1901 et seq.) are placed and that is one of the following:

(1) An extended family member of the Indian child, as defined in Section 1903 of Title 25 of the United States Code.

(2) A foster home that is licensed, approved, or specified by the Indian child's tribe pursuant to Section 1915 of Title 25 of the United States Code.

(p) (1) (A) Any housing occupied by elderly or disabled persons, or both, that is initially approved and operated under a regulatory agreement pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), or whose mortgage is insured pursuant to Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or that receives mortgage assistance pursuant to Section 221d (3) of Public Law 87-70 (12 U.S.C. Sec. 1715l), where supportive services are made available to residents at their option, as long as the project owner or operator does not contract for or provide the supportive services.

(B) Any housing that qualifies for a low-income housing credit pursuant to Section 252 of Public Law 99-514 (26 U.S.C. Sec. 42) or that is subject to the requirements for rental dwellings for low-income families pursuant to Section 8 of Public Law 93-383 (42 U.S.C. Sec. 1437f), and that is occupied by elderly or disabled persons, or both, where supportive services are made available to residents at their option, as long as the project owner or operator does not contract for or provide the supportive services.

(2) The project owner or operator to which paragraph (1) applies may coordinate, or help residents gain access to, the supportive services, either directly, or through a service coordinator.

(q) A resource family, as defined in Section 16519.5 of the Welfare and Institutions Code.

(r) Any similar facility determined by the director.

SEC. 107. Section 1522.41 of the Health and Safety Code is amended to read:

1522.41. (a) (1) The department, in consultation and collaboration with county placement officials, group home provider organizations, the Director of Health Care Services, and the Director of Developmental Services, shall develop and establish an administrator certification training program to ensure that administrators of group home facilities have appropriate training to provide the care and services for which a license or certificate is issued.

(2) The department shall develop and establish an administrator certification training program to ensure that administrators of short-term residential therapeutic program facilities have appropriate training to provide the care and services for which a license or certificate is issued.

(b) (1) In addition to any other requirements or qualifications required by the department, an administrator of a group home or short-term residential therapeutic program shall successfully complete a specified department-approved training certification program, pursuant to subdivision (c), prior to employment.

(2) In those cases when the individual is both the licensee and the administrator of a facility, the individual shall comply with all of the licensee and administrator requirements of this section.

(3) Failure to comply with this section shall constitute cause for revocation of the license of the facility.

(4) The licensee shall notify the department within 10 days of any change in administrators.

(c) (1) The administrator certification programs for group homes shall require a minimum of 40 hours of classroom instruction that provides training on a uniform core of knowledge in each of the following areas:

(A) Laws, regulations, and policies and procedural standards that impact the operations of the type of facility for which the applicant will be an administrator.

(B) Business operations.

(C) Management and supervision of staff.

(D) Psychosocial and educational needs of the facility residents, including, but not limited to, the information described in subdivision (d) of Section 16501.4 of the Welfare and Institutions Code.

(E) Community and support services.

(F) Physical needs of facility residents.

(G) Assistance with self-administration, storage, misuse, and interaction of medication used by facility residents.

(H) Resident admission, retention, and assessment procedures, including the right of a foster child to have fair and equal access to all available services, placement, care, treatment, and benefits, and to not be subjected to discrimination or harassment on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability, or HIV status.

(I) Instruction on cultural competency and sensitivity and related best practices for providing adequate care for children across diverse ethnic and racial backgrounds, as well as children identifying as lesbian, gay, bisexual, or transgender.

(J) Nonviolent emergency intervention and reporting requirements.

(K) Basic instruction on the existing laws and procedures regarding the safety of foster youth at school and the ensuring of a harassment- and violence-free school environment contained in former Article 3.6 (commencing with Section 32228) of Chapter 2 of Part 19 of Division 1 of Title 1 of the Education Code.

(2) The administrator certification programs for short-term residential therapeutic programs shall require a minimum of 40 hours of classroom instruction that provides training on a uniform core of knowledge in each of the following areas:

(A) Laws, regulations, and policies and procedural standards that impact the operations of the type of facility for which the applicant will be an administrator.

(B) Business operations and management and supervision of staff, including staff training.

(C) Physical and psychosocial needs of the children, including behavior management, deescalation techniques, and trauma informed crisis management planning.

(D) Permanence, well-being, and educational needs of the children.

(E) Community and support services, including accessing local behavioral and mental health supports and interventions, substance use disorder treatments, and culturally relevant services, as appropriate.

(F) Understanding the requirements and best practices regarding psychotropic medications, including, but not limited to, court authorization, uses, benefits, side effects, interactions, assistance with self-administration, misuse, documentation, storage, and metabolic monitoring of children prescribed psychotropic medications.

(G) Admission, retention, and assessment procedures, including the right of a foster child to have fair and equal access to all available services, placement, care, treatment, and benefits, and to not be subjected to discrimination or harassment on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability, or HIV status.

(H) The federal Indian Child Welfare Act (25 U.S.C. Sec. 1901 et seq.), its historical significance, the rights of children covered by the act, and the best interests of Indian children as including culturally appropriate, child-centered practices that respect Native American history, culture, retention of tribal membership, and connection to the tribal community and traditions.

(I) Instruction on cultural competency and sensitivity and related best practices for providing adequate care for children across diverse ethnic and racial backgrounds, as well as children identifying as lesbian, gay, bisexual, or transgender.

(J) Nonviolent emergency intervention and reporting requirements.

(K) Basic instruction on the existing laws and procedures regarding the safety of foster youth at school and the ensuring of a harassment- and violence-free school environment contained in former Article 3.6 (commencing with Section 32228) of Chapter 2 of Part 19 of Division 1 of Title 1 of the Education Code.

(d) Administrators who possess a valid group home license, issued by the department, are exempt from completing an approved initial certification training program and taking a written test, provided the individual completes 12 hours of classroom instruction in the following uniform core of knowledge areas:

(1) Laws, regulations, and policies and procedural standards that impact the operations of a short-term residential therapeutic program.

(2) (A) Authorization, uses, benefits, side effects, interactions, assistance with self-administration, misuse, documentation, and storage of medications.

(B) Metabolic monitoring of children prescribed psychotropic medications.

(3) Admission, retention, and assessment procedures, including the right of a foster child to have fair and equal access to all available services, placement, care, treatment, and benefits, and to not be subjected to discrimination or harassment on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability, or HIV status.

(4) The federal Indian Child Welfare Act (25 U.S.C. Sec. 1901 et seq.), its historical significance, the rights of children covered by the act, and the best interests of Indian children as including culturally appropriate, child-centered practices that respect Native American history, culture, retention of tribal membership, and connection to the tribal community and traditions.

(5) Instruction on cultural competency and sensitivity and related best practices for providing adequate care for children across diverse ethnic and racial backgrounds, as well as children identifying as lesbian, gay, bisexual, or transgender.

(6) Physical and psychosocial needs of children, including behavior management, deescalation techniques, and trauma informed crisis management planning.

(e) Individuals applying for administrator certification under this section shall successfully complete an approved administrator certification training program, pass a written test administered by the department within 60 days of completing the program, and submit to the department the documentation required by subdivision (f) within 30 days after being notified of having passed the test. The department may extend these time deadlines for good cause. The department shall notify the applicant of his or her test results within 30 days of administering the test.

(f) The department shall not begin the process of issuing a certificate until receipt of all of the following:

(1) A certificate of completion of the administrator training required pursuant to this chapter.

(2) The fee required for issuance of the certificate. A fee of one hundred dollars ($100) shall be charged by the department to cover the costs of processing the application for certification.

(3) Documentation from the applicant that he or she has passed the written test.

(4) Submission of fingerprints pursuant to Section 1522. The department may waive the submission for those persons who have a current clearance on file.

(5) That person is at least 21 years of age.

(g) It shall be unlawful for any person not certified under this section to hold himself or herself out as a certified administrator of a group home or short-term residential therapeutic program. Any person willfully making any false representation as being a certified administrator or facility manager is guilty of a misdemeanor.

(h) (1) Certificates issued under this section shall be renewed every two years and renewal shall be conditional upon the certificate holder submitting documentation of completion of 40 hours of continuing education related to the core of knowledge specified in subdivision (c). No more than one-half of the required 40 hours of continuing education necessary to renew the certificate may be satisfied through online courses. All other continuing education hours shall be completed in a classroom setting. For purposes of this section, an individual who is a group home or short-term residential therapeutic program administrator and who is required to complete the continuing education hours required by the regulations of the State Department of Developmental Services, and approved by the regional center, may have up to 24 of the required continuing education course

hours credited toward the 40-hour continuing education requirement of this section. The department shall accept for certification, community college course hours approved by the regional centers.

(2) Every administrator of a group home or short-term residential therapeutic program shall complete the continuing education requirements of this subdivision.

(3) Certificates issued under this section shall expire every two years on the anniversary date of the initial issuance of the certificate, except that any administrator receiving his or her initial certification on or after July 1, 1999, shall make an irrevocable election to have his or her recertification date for any subsequent recertification either on the date two years from the date of issuance of the certificate or on the individual's birthday during the second calendar year following certification. The department shall send a renewal notice to the certificate holder 90 days prior to the expiration date of the certificate. If the certificate is not renewed prior to its expiration date, reinstatement shall only be permitted after the certificate holder has paid a delinquency fee equal to three times the renewal fee and has provided evidence of completion of the continuing education required.

(4) To renew a certificate, the certificate holder shall, on or before the certificate expiration date, request renewal by submitting to the department documentation of completion of the required continuing education courses and pay the renewal fee of one hundred dollars ($100), irrespective of receipt of the department's notification of the renewal. A renewal request postmarked on or before the expiration of the certificate shall be proof of compliance with this paragraph.

(5) A suspended or revoked certificate shall be subject to expiration as provided for in this section. If reinstatement of the certificate is approved by the department, the certificate holder, as a condition precedent to reinstatement, shall submit proof of compliance with paragraphs (1) and (2) of this subdivision, and shall pay a fee in an amount equal to the renewal fee, plus the delinquency fee, if any, accrued at the time of its revocation or suspension. Delinquency fees, if any, accrued subsequent to the time of its revocation or suspension and prior to an order for reinstatement, shall be waived for a period of 12 months to allow the individual sufficient time to complete the required continuing education units and to submit the required documentation. Individuals whose certificates will expire within 90 days after the order for reinstatement may be granted a three-month extension to renew their certificates during which time the delinquency fees shall not accrue.

(6) A certificate that is not renewed within four years after its expiration shall not be renewed, restored, reissued, or reinstated except upon completion of a certification training program, passing any test that may be required of an applicant for a new certificate at that time, and paying the appropriate fees provided for in this section.

(7) A fee of twenty-five dollars ($25) shall be charged for the reissuance of a lost certificate.

(8) A certificate holder shall inform the department of his or her employment status and change of mailing address within 30 days of any change.

(i) Unless otherwise ordered by the department, the certificate shall be considered forfeited under either of the following conditions:

(1) The department has revoked any license held by the administrator after the department issued the certificate.

(2) The department has issued an exclusion order against the administrator pursuant to Section 1558, 1568.092, 1569.58, or 1596.8897, after the department issued the certificate, and the administrator did not appeal the exclusion order or, after the appeal, the department issued a decision and order that upheld the exclusion order.

(j) (1) The department, in consultation and collaboration with county placement officials, provider organizations, the State Department of Health Care Services, and the State Department of Developmental Services, shall establish, by regulation, the program content, the testing instrument, the process for approving administrator certification training programs, and criteria to be used in authorizing individuals, organizations, or educational institutions to conduct certification training programs and continuing education courses. The department may also grant continuing education hours for continuing courses offered by accredited educational institutions that are consistent with the requirements in this section. The department may deny vendor approval to any agency or person in any of the following circumstances:

(A) The applicant has not provided the department with evidence satisfactory to the department of the ability of the applicant to satisfy the requirements of vendorization set out in the regulations adopted by the department.

(B) The applicant person or agency has a conflict of interest in that the person or agency places its clients in group homes or short-term residential therapeutic programs.

(C) The applicant public or private agency has a conflict of interest in that the agency is mandated to place clients in group homes or short-term residential therapeutic programs and to pay directly for the services. The department may deny

vendorization to this type of agency only as long as there are other vendor programs available to conduct the certification training programs and conduct education courses.

(2) The department may authorize vendors to conduct the administrator's certification training program pursuant to this section. The department shall conduct the written test pursuant to regulations adopted by the department.

(3) The department shall prepare and maintain an updated list of approved training vendors.

(4) The department may inspect administrator certification training programs and continuing education courses, including online courses, at no charge to the department, to determine if content and teaching methods comply with regulations. If the department determines that any vendor is not complying with the requirements of this section, the department shall take appropriate action to bring the program into compliance, which may include removing the vendor from the approved list.

(5) The department shall establish reasonable procedures and timeframes not to exceed 30 days for the approval of vendor training programs.

(6) The department may charge a reasonable fee, not to exceed one hundred fifty dollars ($150) every two years, to certification program vendors for review and approval of the initial 40-hour training program pursuant to subdivision (c). The department may also charge the vendor a fee, not to exceed one hundred dollars ($100) every two years, for the review and approval of the continuing education courses needed for recertification pursuant to this subdivision.

(7) (A) A vendor of online programs for continuing education shall ensure that each online course contains all of the following:

(i) An interactive portion in which the participant receives feedback, through online communication, based on input from the participant.

(ii) Required use of a personal identification number or personal identification information to confirm the identity of the participant.

(iii) A final screen displaying a printable statement, to be signed by the participant, certifying that the identified participant completed the course. The vendor shall obtain a copy of the final screen statement with the original signature of the participant prior to the issuance of a certificate of completion. The signed statement of completion shall be maintained by the vendor for a period of three years and be available to the department upon demand. Any person who certifies as true any material matter pursuant to this clause that he or she knows to be false is guilty of a misdemeanor.

(B) This subdivision does not prohibit the department from approving online programs for continuing education that do not meet the requirements of subparagraph (A) if the vendor demonstrates to the department's satisfaction that, through advanced technology, the course and the course delivery meet the requirements of this section.

(k) The department shall establish a registry for holders of certificates that shall include, at a minimum, information on employment status and criminal record clearance.

(l) Notwithstanding any law to the contrary, vendors approved by the department who exclusively provide either initial or continuing education courses for certification of administrators of a group home or short-term residential therapeutic program as defined by regulations of the department, an adult residential facility as defined by regulations of the department, or a residential care facility for the elderly as defined in subdivision (p) of Section 1569.2, shall be regulated solely by the department pursuant to this chapter. No other state or local governmental entity is responsible for regulating the activity of those vendors.

SEC. 108. Section 1531.1 of the Health and Safety Code is amended to read:

1531.1. (a) A residential facility licensed as an adult residential facility, group home, short-term residential therapeutic program, small family home, foster family home, or a family home certified by a foster family agency may install and utilize delayed egress devices of the time delay type.

(b) As used in this section, "delayed egress device" means a device that precludes the use of exits for a predetermined period of time. These devices shall not delay any resident's departure from the facility for longer than 30 seconds.

(c) Within the 30 seconds of delay, facility staff may attempt to redirect a resident who attempts to leave the facility.

(d) Any person accepted by a residential facility or family home certified by a foster family agency utilizing delayed egress devices shall meet all of the following conditions:

(1) The person shall have a developmental disability as defined in Section 4512 of the Welfare and Institutions Code.

(2) The person shall be receiving services and case management from a regional center under the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code).

(3) An interdisciplinary team, through the individual program plan (IPP) process pursuant to Section 4646.5 of the Welfare and Institutions Code, shall have determined that the person lacks hazard awareness or impulse control and requires the level of supervision afforded by a facility equipped with delayed egress devices, and that but for this placement, the person would be at risk of admission to, or would have no option but to remain in, a more restrictive state hospital or state developmental center placement.

(e) The facility shall be subject to all fire and building codes, regulations, and standards applicable to residential care facilities for the elderly utilizing delayed egress devices, and shall receive approval by the county or city fire department, the local fire prevention district, or the State Fire Marshal for the installed delayed egress devices.

(f) The facility shall provide staff training regarding the use and operation of the egress control devices utilized by the facility, protection of residents' personal rights, lack of hazard awareness and impulse control behavior, and emergency evacuation procedures.

(g) The facility shall develop a plan of operation approved by the State Department of Social Services that includes a description of how the facility is to be equipped with egress control devices that are consistent with regulations adopted by the State Fire Marshal pursuant to Section 13143.

(h) The plan shall include, but shall not be limited to, all of the following:

(1) A description of how the facility will provide training for staff regarding the use and operation of the egress control devices utilized by the facility.

(2) A description of how the facility will ensure the protection of the residents' personal rights consistent with Sections 4502, 4503, and 4504 of the Welfare and Institutions Code.

(3) A description of how the facility will manage the person's lack of hazard awareness and impulse control behavior.

(4) A description of the facility's emergency evacuation procedures.

(i) Delayed egress devices shall not substitute for adequate staff. Except for facilities operating in accordance with Section 1531.15, the capacity of the facility shall not exceed six residents.

(j) Emergency fire and earthquake drills shall be conducted at least once every three months on each shift, and shall include all facility staff providing resident care and supervision on each shift.

SEC. 109. Section 1797.197a of the Health and Safety Code is amended to read:

1797.197a. (a) For purposes of this section, the following definitions shall apply:

(1) "Anaphylaxis" means a potentially life-threatening hypersensitivity or allergic reaction to a substance.

(A) Symptoms of anaphylaxis may include shortness of breath, wheezing, difficulty breathing, difficulty talking or swallowing, hives, itching, swelling, shock, or asthma.

(B) Causes of anaphylaxis may include, but are not limited to, insect stings or bites, foods, drugs, and other allergens, as well as idiopathic or exercise-induced anaphylaxis.

(2) "Authorized entity" means any for-profit, nonprofit, or government entity or organization that employs at least one person or utilizes at least one volunteer or agent that has voluntarily completed a training course as described in subdivision (c).

(3) "Epinephrine auto-injector" means a disposable delivery device designed for the automatic injection of a premeasured dose of epinephrine into the human body to prevent or treat a life-threatening allergic reaction.

(4) "Lay rescuer" means any person who has met the training standards and other requirements of this section but who is not otherwise licensed or certified to use an epinephrine auto-injector on another person.

(5) "Prehospital emergency medical care person" has the same meaning as defined in paragraph (2) of subdivision (a) of Section 1797.189.

(b) A prehospital emergency medical care person or lay rescuer may use an epinephrine auto-injector to render emergency care to another person if all of the following requirements are met:

(1) The epinephrine auto-injector is legally obtained by prescription from an authorized health care provider or from an authorized entity that acquired the epinephrine auto-injector pursuant to subdivision (e).

(2) The epinephrine auto-injector is used on another, with the expressed or implied consent of that person, to treat anaphylaxis.

(3) The epinephrine auto-injector is stored and maintained as directed by the manufacturer's instructions for that product.

(4) The person using the epinephrine auto-injector has successfully completed a course of training with an authorized training provider, as described in subdivision (c), and has current certification of training issued by the provider.

(5) The epinephrine auto-injectors obtained by prehospital emergency medical care personnel pursuant to Section 4119.3 of the Business and Professions Code shall be used only when functioning outside the course of the person's occupational duties, or as a volunteer, pursuant to this section.

(6) The Emergency Medical Services System is activated as soon as practicable when an epinephrine auto-injector is used.

(c) (1) The authorized training providers shall be approved, and the minimum standards for training and the use and administration of epinephrine auto-injectors pursuant to this section shall be established and approved, by the authority. The authority may designate existing training standards for the use and administration of epinephrine auto-injectors by prehospital emergency medical care personnel to satisfy the requirements of this section.

(2) The minimum training and requirements shall include all of the following components:

(A) Techniques for recognizing circumstances, signs, and symptoms of anaphylaxis.

(B) Standards and procedures for proper storage and emergency use of epinephrine auto-injectors.

(C) Emergency followup procedures, including activation of the Emergency Medical Services System, by calling the emergency 911 telephone number or otherwise alerting and summoning more advanced medical personnel and services.

(D) Compliance with all regulations governing the training, indications, use, and precautions concerning epinephrine auto-injectors.

(E) Written material covering the information required under this provision, including the manufacturer product information sheets on commonly available models of epinephrine auto-injectors.

(F) Completion of a training course in cardiopulmonary resuscitation and the use of an automatic external defibrillator (AED) for infants, children, and adults that complies with regulations adopted by the authority and the standards of the American Heart Association or the American Red Cross, and a current certification for that training.

(3) Training certification shall be valid for no more than two years, after which recertification with an authorized training provider is required.

(4) The director may, in accordance with regulations adopted by the authority, deny, suspend, or revoke any approval issued under this subdivision or may place any approved training provider on probation upon a finding by the director of an imminent threat to public health and safety, as evidenced by any of the following:

(A) Fraud.

(B) Incompetence.

(C) The commission of any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, or duties of training program directors or instructors.

(D) Conviction of any crime that is substantially related to the qualifications, functions, or duties of training program directors or instructors. The record of conviction or a certified copy of the record shall be conclusive evidence of the conviction.

(E) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, any provision of this section or the regulations promulgated by the authority pertaining to the review and approval of training programs in anaphylaxis and the use and administration of epinephrine auto-injectors, as described in this subdivision.

(d) (1) The authority shall assess a fee pursuant to regulation sufficient to cover the reasonable costs incurred by the authority for the ongoing review and approval of training and certification under subdivision (c).

(2) The fees shall be deposited in the Specialized First Aid Training Program Approval Fund, which is hereby created in the State Treasury. All moneys deposited in the fund shall be made available, upon appropriation, to the authority for purposes described in paragraph (1).

(3) The authority may transfer unused portions of the Specialized First Aid Training Program Approval Fund to the Surplus Money Investment Fund. Funds transferred to the Surplus Money Investment Fund shall be placed in a separate trust account,

and shall be available for transfer to the Specialized First Aid Training Program Approval Fund, together with the interest earned, when requested by the authority.

(4) The authority shall maintain a reserve balance in the Specialized First Aid Training Program Approval Fund of 5 percent of annual revenues. Any increase in the fees deposited in the Specialized First Aid Training Program Approval Fund shall be effective upon determination by the authority that additional moneys are required to fund expenditures pursuant to subdivision (c).

(e) (1) An authorized health care provider may issue a prescription for an epinephrine auto-injector to a prehospital emergency medical care person or a lay rescuer for the purpose of rendering emergency care to another person upon presentation of a current epinephrine auto-injector certification card issued by the authority demonstrating that the person is trained and qualified to administer an epinephrine auto-injector pursuant to this section or any other law.

(2) An authorized health care provider may issue a prescription for an epinephrine auto-injector to an authorized entity if the authorized entity submits evidence it employs at least one person, or utilizes at least one volunteer or agent, who is trained and has a current epinephrine auto-injector certification card issued by the authority demonstrating that the person is qualified to administer an epinephrine auto-injector pursuant to this section.

(f) An authorized entity that possesses and makes available epinephrine auto-injectors shall do both of the following:

(1) Create and maintain on its premises an operations plan that includes all of the following:

(A) The name and contact number for the authorized health care provider who prescribed the epinephrine auto-injector.

(B) Where and how the epinephrine auto-injector will be stored.

(C) The names of the designated employees or agents who have completed the training program required by this section and who are authorized to administer the epinephrine auto-injector.

(D) How and when the epinephrine auto-injector will be inspected for an expiration date.

(E) The process to replace the expired epinephrine auto-injector, including the proper disposal of the expired epinephrine auto-injector or used epinephrine auto-injector in a sharps container.

(2) Submit to the authority, in a manner identified by the authority, a report of each incident that involves the use of an epinephrine auto-injector, not more than 30 days after each use. The authority shall annually publish a report that summarizes all reports submitted to it under this subdivision.

(g) This section does not apply to a school district or county office of education, or its personnel, that provides and utilizes epinephrine auto-injectors to provide emergency medical aid pursuant to Section 49414 of the Education Code.

(h) This section shall not be construed to limit or restrict the ability of prehospital emergency medical care personnel, under any other statute or regulation, to administer epinephrine, including the use of epinephrine auto-injectors, or to require additional training or certification beyond what is already required under the other statute or regulation.

SEC. 110. Section 9002 of the Health and Safety Code is amended to read:

9002. The definitions in Chapter 1 (commencing with Section 7000) of Part 1 of Division 7 apply to this part. Further, as used in this part, the following terms have the following meanings:

(a) “Active militia” means the active militia as defined by Section 120 of the Military and Veterans Code.

(b) “Armed services” means the armed services as defined by Section 18540 of the Government Code.

(c) “Board of trustees” means the legislative body of a district.

(d) “District” means a public cemetery district created pursuant to this part or any of its statutory predecessors.

(e) “Domestic partner” means two adults who have chosen to share one another’s lives in an intimate and committed relationship of mutual caring, and are qualified and registered with the Secretary of State as domestic partners in accordance with Division 2.5 (commencing with Section 297) of the Family Code.

(f) “Family member” means any spouse, by marriage or otherwise, domestic partner, child or stepchild, by natural birth or adoption, parent, brother, sister, half-brother, half-sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or any person denoted by the prefix “grand” or “great,” or the spouse of any of these persons.

(g) “Firefighter” means a firefighter as defined by Section 1797.182.

(h) (1) “Interment right” means the rights held by the owner to use or control the use of a plot authorized by this part, for the interment of human remains, including both of the following rights:

(A) To determine the number and identity of any person or persons to be interred in the plot within a cemetery in conformance with all applicable regulations adopted by the cemetery district.

(B) To control the placement, design, wording, and removal of memorial markers in compliance with all applicable regulations adopted by the cemetery district.

(2) An interment right is a transferable property interest, and is governed by Chapter 5.5 (commencing with Section 9069.10).

(i) “Nonresident” means a person who does not reside within a district or does not pay property taxes on property located in a district.

(j) “Peace officer” means a peace officer as defined by Section 830 of the Penal Code.

(k) “Principal county” means the county having all or the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district.

(l) “Voter” means a voter as defined by Section 359 of the Elections Code.

SEC. 111. Section 11362.775 of the Health and Safety Code is amended to read:

11362.775. (a) Subject to subdivision (d), qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards, who associate within the State of California in order collectively or cooperatively to cultivate cannabis for medical purposes, shall not solely on the basis of that fact be subject to state criminal sanctions under Section 11357, 11358, 11359, 11360, 11366, 11366.5, or 11570.

(b) A collective or cooperative that operates pursuant to this section and manufactures medical cannabis products shall not, solely on the basis of that fact, be subject to state criminal sanctions under Section 11379.6 if the collective or cooperative abides by all of the following requirements:

(1) The collective or cooperative does either or both of the following:

(A) Utilizes only manufacturing processes that are either solventless or that employ only nonflammable, nontoxic solvents that are generally recognized as safe pursuant to the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.).

(B) Utilizes only manufacturing processes that use solvents exclusively within a closed-loop system that meets all of the following requirements:

(i) The system uses only solvents that are generally recognized as safe pursuant to the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.).

(ii) The system is designed to recapture and contain solvents during the manufacturing process, and otherwise prevent the off-gassing of solvents into the ambient atmosphere to mitigate the risks of ignition and explosion during the manufacturing process.

(iii) A licensed engineer certifies that the system is commercially manufactured, safe for its intended use, and built to codes of recognized and generally accepted good engineering practices, including, but not limited to, the American Society of Mechanical Engineers (ASME), the American National Standards Institute (ANSI), Underwriters Laboratories (UL), the American Society for Testing and Materials (ASTM), or OSHA Nationally Recognized Testing Laboratories (NRTLs).

(iv) The system has a certification document that contains the signature and stamp of a professional engineer and the serial number of the extraction unit being certified.

(2) The collective or cooperative receives and maintains approval from the local fire official for the closed-loop system, other equipment, the extraction operation, and the facility.

(3) The collective or cooperative meets required fire, safety, and building code requirements in one or more of the following:

(A) The California Fire Code.

(B) The National Fire Protection Association (NFPA) standards.

(C) International Building Code (IBC).

(D) The International Fire Code (IFC).

(E) Other applicable standards, including complying with all applicable fire, safety, and building codes in processing, handling, and storage of solvents or gasses.

(4) The collective or cooperative is in possession of a valid seller's permit issued by the State Board of Equalization.

(5) The collective or cooperative is in possession of a valid local license, permit, or other authorization specific to the manufacturing of medical cannabis products, and in compliance with any additional conditions imposed by the city or county issuing the local license, permit, or other authorization.

(c) For purposes of this section, "manufacturing" means compounding, converting, producing, deriving, processing, or preparing, either directly or indirectly by chemical extraction or independently by means of chemical synthesis, medical cannabis products.

(d) This section shall remain in effect only until one year after the Bureau of Medical Cannabis Regulation posts a notice on its Internet Web site that the licensing authorities have commenced issuing licenses pursuant to the Medical Cannabis Regulation and Safety Act (Chapter 3.5 (commencing with Section 19300) of Division 8 of the Business and Professions Code).

(e) This section is repealed one year after the date upon which the notice is posted pursuant to subdivision (d).

SEC. 112. Section 11375.7 of the Health and Safety Code is amended to read:

11375.7. (a) Unless otherwise excluded pursuant to this section, a person charged with a misdemeanor pursuant to paragraph (3) of subdivision (b) of Section 11357.5 or paragraph (3) of subdivision (b) of Section 11375.5 shall be eligible to participate in a preguilty plea drug court program, as described in Section 1000.5 of the Penal Code.

(b) Notwithstanding any other law, a positive test for use of a controlled substance, any other drug that may not be possessed without a prescription, or alcohol shall not be grounds for dismissal from the program, unless the person is not making progress in the program. The court shall consider a report or recommendation of the treatment provider in making this determination. It shall be presumed that a person engaged in a program is making progress, unless that presumption is defeated by clear and convincing evidence. The person may offer evidence or an argument that he or she would benefit from and make progress in a different program or mode. If the court so finds, it may place the person in a different treatment program.

(c) Notwithstanding any other law, the following persons are excluded from participation in the program under this section:

(1) A person with a history of violence that indicates that he or she presents a current risk of violent behavior currently or during the treatment program. This ground for exclusion shall be established by clear and convincing evidence.

(2) A person required to register as a sex offender pursuant to Section 290, unless the court finds by clear and convincing evidence that the person does not present a substantial risk of committing sexual offenses currently or through the course of the program and the person would benefit from the program, including that treatment would reduce the risk that the person would sexually reoffend.

(3) A person who the treatment provider concludes is unamenable to any and all forms of drug treatment. The defendant may present evidence that he or she is amenable to treatment and the court may retain the person in the program if the court finds that the person is amenable to treatment through a different provider or a different mode of treatment.

(d) Notwithstanding any other law, a prior conviction for an offense involving a controlled substance or drug that may not be possessed without a prescription, including a substance listed in Section 11357.5 or 11375.5, is not grounds for exclusion from the program, unless the court finds by clear and convincing evidence that the person is likely to engage in drug commerce for financial gain, rather than for purposes of obtaining a drug or drugs for personal use.

SEC. 113. Section 11400 of the Health and Safety Code is amended to read:

11400. The Legislature finds and declares that the laws of this state which prohibit the possession, possession for sale, offer for sale, sale, manufacturing, and transportation of controlled substances are being circumvented by the commission of those acts with respect to analogs of specified controlled substances which have, are represented to have, or are intended to have effects on the central nervous system which are substantially similar to, or greater than, the controlled substances classified in Sections 11054 and 11055 and the synthetic cannabinoid compounds defined in Section 11357.5, of which they are analogs. These analogs have been synthesized by so-called "street chemists" and imported into this state from other jurisdictions as precursors to, or substitutes for, controlled substances and synthetic cannabinoid compounds, due to the nonexistence of applicable criminal penalties. These analogs present grave dangers to the health and safety of the people of this state. Therefore, it is the intent of the Legislature that a controlled substance or controlled substance analog, as defined in Section 11401, be considered identical,

for purposes of the penalties and punishment specified in Chapter 6 (commencing with Section 11350), to the controlled substance in Section 11054 or 11055 or the synthetic cannabinoid compound defined in Section 11357.5 of which it is an analog.

SEC. 114. Section 11401 of the Health and Safety Code is amended to read:

11401. (a) A controlled substance analog shall, for the purposes of Chapter 6 (commencing with Section 11350), be treated the same as the controlled substance classified in Section 11054 or 11055 or the synthetic cannabinoid compound defined in Section 11357.5 of which it is an analog.

(b) Except as provided in subdivision (c), the term "controlled substance analog" means either of the following:

(1) A substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance classified in Section 11054 or 11055 or a synthetic cannabinoid compound defined in Section 11357.5.

(2) A substance that has, is represented as having, or is intended to have a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to, or greater than, the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance classified in Section 11054 or 11055 or a synthetic cannabinoid compound defined in Section 11357.5.

(c) The term "controlled substance analog" does not mean any of the following:

(1) A substance for which there is an approved new drug application as defined under Section 505 of the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 355) or that is generally recognized as safe and effective for use pursuant to Sections 501, 502, and 503 of the federal Food, Drug, and Cosmetic Act (21 U.S.C. Secs. 351, 352, and 353) and Section 330 and following of Title 21 of the Code of Federal Regulations.

(2) With respect to a particular person, a substance for which an exemption is in effect for investigational use for that person under Section 505 of the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 355), to the extent that the conduct with respect to that substance is pursuant to the exemption.

(3) A substance, before an exemption as specified in paragraph (2) takes effect with respect to the substance, to the extent the substance is not intended for human consumption.

SEC. 115. Section 25257.2 of the Health and Safety Code is amended to read:

25257.2. (a) The department shall, by January 1, 2018, publish guidelines for healthy nail salon recognition (HNSR) programs voluntarily implemented by local cities and counties.

(b) The guidelines for an HNSR program adopted pursuant to subdivision (a) may include, but shall not be limited to, all of the following:

(1) A list of specific chemical ingredients that should not be used by a nail salon seeking recognition. In determining whether to include a chemical on the list, the department shall consider:

(A) Whether the chemical is identified as a candidate chemical pursuant to the regulations adopted pursuant to Section 25252.

(B) Whether an existing healthy nail salon program has restricted the use of the chemical.

(C) The potential for exposure of nail salon workers and customers to the chemical.

(D) The availability of existing, safer alternatives to the chemical in products available to nail salons in California.

(2) Specific best practices for minimizing exposure to hazardous chemicals, including:

(A) A list of specific personal protective equipment that should be used by personnel in a salon seeking recognition and guidance on when and how to use it.

(B) Engineering controls that should be adopted by salons seeking recognition, including specific ventilation practices and equipment.

(C) Prohibiting nail polishes that contain dibutyl phthalate, formaldehyde, or toluene.

(D) Prohibiting nail polish thinners that contain methyl ethyl ketone or toluene.

(E) Prohibiting nail polish removers that contain ethyl or butyl acetate.

(3) A list of specific training topics for salon owners and staff, whether on payroll or contract, on safer practices delineated in the HNSR program guidelines.

(4) Criteria for the use of outside products brought in by clients.

(5) Verification that a salon seeking recognition is in compliance with Chapter 10 (commencing with Section 7301) of Division 3 of the Business and Professions Code, and all applicable regulations enforced by the State Board of Barbering and Cosmetology.

(6) Any other guidelines or best practices determined by the department to further the goals of an HNSR program.

(c) The guidelines adopted pursuant to subdivision (a) shall include criteria for cities and counties that adopt an HNSR program. These criteria may cover, but are not limited to:

(1) Coordination with other local HNSR programs to assist businesses in achieving and moving beyond regulatory compliance.

(2) Training and certification requirements for the salon owners and staff to ensure thorough knowledge of safe and environmentally friendly procedures.

(3) Issuance of an approved seal or certificate to salons that have met certification requirements.

(4) The process by which a salon can enroll in an HNSR program and be verified by the local entity.

(5) The frequency at which the local entity shall verify continued compliance by a salon that has previously met all specified requirements.

(d) In developing guidelines pursuant to subdivision (a), the department shall consult with the Division of Occupational Safety and Health, the State Department of Public Health, and the State Board of Barbering and Cosmetology.

(e) In collaboration with existing healthy nail salon programs, the department shall promote the HNSR guidelines developed pursuant to subdivision (a) by doing all of the following:

(1) Developing and implementing a consumer education program.

(2) Presenting the HNSR guidelines to local health officers, local environmental health departments, and other local agencies as appropriate.

(3) Developing and either distributing or posting on its Internet Web site information for local entities, including, but not limited to, suggestions for successful implementation of HNSR programs and resource lists that include names and contact information of vendors, consultants, or providers of financial assistance or loans for purchases of ventilation equipment.

(4) Developing an Internet Web site or a section on the department's Internet Web site that links to county HNSR Internet Web sites.

(f) The department may prioritize its outreach to those counties that have the greatest number of nail salons.

(g) The State Board of Barbering and Cosmetology may notify the city, county, or city and county if a recognized salon is found in violation of Article 12 (commencing with Section 977) of Division 9 of Title 16 of the California Code of Regulations. A violation shall result in the removal of healthy nail salon recognition from that salon.

(h) This section does not prevent the adoption or enforcement of any local rules or ordinances.

SEC. 116. Section 38530 of the Health and Safety Code is amended to read:

38530. (a) On or before January 1, 2008, the state board shall adopt regulations to require the reporting and verification of statewide greenhouse gas emissions and to monitor and enforce compliance with this program.

(b) The regulations shall do all of the following:

(1) Require the monitoring and annual reporting of greenhouse gas emissions from greenhouse gas emission sources beginning with the sources or categories of sources that contribute the most to statewide emissions.

(2) Account for greenhouse gas emissions from all electricity consumed in the state, including transmission and distribution line losses from electricity generated within the state or imported from outside the state. This requirement applies to all retail sellers of electricity, including load-serving entities as defined in subdivision (k) of Section 380 of the Public Utilities Code and local publicly owned electric utilities as defined in Section 224.3 of the Public Utilities Code.

(3) Where appropriate and to the maximum extent feasible, incorporate the standards and protocols developed by the California Climate Action Registry, established pursuant to former Chapter 6 (commencing with Section 42800) of Part 4 of Division 26, as added by Section 1 of Chapter 1018 of the Statutes of 2000. Entities that voluntarily participated in the California Climate Action Registry prior to December 31, 2006, and have developed a greenhouse gas emission reporting program, shall not be required to significantly alter their reporting or verification program except as necessary to ensure that reporting is complete and verifiable for the purposes of compliance with this division as determined by the state board.

(4) Ensure rigorous and consistent accounting of emissions, and provide reporting tools and formats to ensure collection of necessary data.

(5) Ensure that greenhouse gas emission sources maintain comprehensive records of all reported greenhouse gas emissions.

(c) The state board shall do both of the following:

(1) Periodically review and update its emission reporting requirements, as necessary.

(2) Review existing and proposed international, federal, and state greenhouse gas emission reporting programs and make reasonable efforts to promote consistency among the programs established pursuant to this part and other programs, and to streamline reporting requirements on greenhouse gas emission sources.

SEC. 117. Section 38561 of the Health and Safety Code is amended to read:

38561. (a) On or before January 1, 2009, the state board shall prepare and approve a scoping plan, as that term is understood by the state board, for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from sources or categories of sources of greenhouse gases by 2020 under this division. The state board shall consult with all state agencies with jurisdiction over sources of greenhouse gases, including the Public Utilities Commission and the State Energy Resources Conservation and Development Commission, on all elements of its plan that pertain to energy-related matters including, but not limited to, electrical generation, load based-standards or requirements, the provision of reliable and affordable electrical service, petroleum refining, and statewide fuel supplies to ensure the greenhouse gas emissions reduction activities to be adopted and implemented by the state board are complementary, nonduplicative, and can be implemented in an efficient and cost-effective manner.

(b) The plan shall identify and make recommendations on direct emissions reduction measures, alternative compliance mechanisms, market-based compliance mechanisms, and potential monetary and nonmonetary incentives for sources and categories of sources that the state board finds are necessary or desirable to facilitate the achievement of the maximum feasible and cost-effective reductions of greenhouse gas emissions by 2020.

(c) In making the determinations required by subdivision (b), the state board shall consider all relevant information pertaining to greenhouse gas emissions reduction programs in other states, localities, and nations, including the northeastern states of the United States, Canada, and the European Union.

(d) The state board shall evaluate the total potential costs and total potential economic and noneconomic benefits of the plan for reducing greenhouse gases to California's economy, environment, and public health, using the best available economic models, emission estimation techniques, and other scientific methods.

(e) In developing its plan, the state board shall take into account the relative contribution of each source or source category to statewide greenhouse gas emissions, and the potential for adverse effects on small businesses, and shall recommend a de minimis threshold of greenhouse gas emissions below which emissions reduction requirements will not apply.

(f) In developing its plan, the state board shall identify opportunities for emissions reduction measures from all verifiable and enforceable voluntary actions, including, but not limited to, carbon sequestration projects and best management practices.

(g) The state board shall conduct a series of public workshops to give interested parties an opportunity to comment on the plan. The state board shall conduct a portion of these workshops in regions of the state that have the most significant exposure to air pollutants, including, but not limited to, communities with minority populations, communities with low-income populations, or both.

(h) The state board shall update its plan for achieving the maximum technologically feasible and cost-effective reductions of greenhouse gas emissions at least once every five years.

SEC. 118. Section 38562 of the Health and Safety Code is amended to read:

38562. (a) On or before January 1, 2011, the state board shall adopt greenhouse gas emissions limits and emissions reduction measures by regulation to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas

emissions in furtherance of achieving the statewide greenhouse gas emissions limit, to become operative beginning on January 1, 2012.

(b) In adopting regulations pursuant to this section and Part 5 (commencing with Section 38570), to the extent feasible and in furtherance of achieving the statewide greenhouse gas emissions limit, the state board shall do all of the following:

(1) Design the regulations, including distribution of emissions allowances where appropriate, in a manner that is equitable, seeks to minimize costs and maximize the total benefits to California, and encourages early action to reduce greenhouse gas emissions.

(2) Ensure that activities undertaken to comply with the regulations do not disproportionately impact low-income communities.

(3) Ensure that entities that have voluntarily reduced their greenhouse gas emissions prior to the implementation of this section receive appropriate credit for early voluntary reductions.

(4) Ensure that activities undertaken pursuant to the regulations complement, and do not interfere with, efforts to achieve and maintain federal and state ambient air quality standards and to reduce toxic air contaminant emissions.

(5) Consider cost-effectiveness of these regulations.

(6) Consider overall societal benefits, including reductions in other air pollutants, diversification of energy sources, and other benefits to the economy, environment, and public health.

(7) Minimize the administrative burden of implementing and complying with these regulations.

(8) Minimize leakage.

(9) Consider the significance of the contribution of each source or category of sources to statewide emissions of greenhouse gases.

(c) In furtherance of achieving the statewide greenhouse gas emissions limit, by January 1, 2011, the state board may adopt a regulation that establishes a system of market-based declining annual aggregate emissions limits for sources or categories of sources that emit greenhouse gases, applicable from January 1, 2012, to December 31, 2020, inclusive, that the state board determines will achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions, in the aggregate, from those sources or categories of sources.

(d) Any regulation adopted by the state board pursuant to this part or Part 5 (commencing with Section 38570) shall ensure all of the following:

(1) The greenhouse gas emissions reductions achieved are real, permanent, quantifiable, verifiable, and enforceable by the state board.

(2) For regulations pursuant to Part 5 (commencing with Section 38570), the reduction is in addition to any greenhouse gas emissions reduction otherwise required by law or regulation, and any other greenhouse gas emissions reduction that otherwise would occur.

(3) If applicable, the greenhouse gas emission reduction occurs over the same time period and is equivalent in amount to any direct emissions reduction required pursuant to this division.

(e) The state board shall rely upon the best available economic and scientific information and its assessment of existing and projected technological capabilities when adopting the regulations required by this section.

(f) The state board shall consult with the Public Utilities Commission in the development of the regulations as they affect electricity and natural gas providers in order to minimize duplicative or inconsistent regulatory requirements.

(g) After January 1, 2011, the state board may revise regulations adopted pursuant to this section and adopt additional regulations to further the provisions of this division.

SEC. 119. Section 38562.5 of the Health and Safety Code is amended to read:

38562.5. When adopting rules and regulations pursuant to this division to achieve emissions reductions beyond the statewide greenhouse gas emissions limit and to protect the state's most impacted and disadvantaged communities, the state board shall follow the requirements in subdivision (b) of Section 38562, consider the social costs of the emissions of greenhouse gases, and prioritize both of the following:

(a) Emission reduction rules and regulations that result in direct emission reductions at large stationary sources of greenhouse gas emissions and direct emission reductions from mobile sources.

(b) Emission reduction rules and regulations that result in direct emission reductions from sources other than those specified in subdivision (a).

SEC. 120. Section 38562.7 of the Health and Safety Code is amended to read:

38562.7. Each scoping plan update developed pursuant to Section 38561 shall identify for each emissions reduction measure, including each alternative compliance mechanism, market-based compliance mechanism, and potential monetary and nonmonetary incentive, the following information:

(a) The range of projected greenhouse gas emissions reductions that result from the measure.

(b) The range of projected air pollution reductions that result from the measure.

(c) The cost-effectiveness, including avoided social costs, of the measure.

SEC. 121. Section 39713 of the Health and Safety Code is amended to read:

39713. (a) The investment plan developed and submitted to the Legislature pursuant to Section 39716 shall allocate a minimum of 25 percent of the available moneys in the fund to projects located within the boundaries of, and benefiting individuals living in, communities described in Section 39711.

(b) The investment plan shall allocate a minimum of 5 percent of the available moneys in the fund to projects that benefit low-income households or to projects located within the boundaries of, and benefiting individuals living in, low-income communities located anywhere in the state.

(c) The investment plan shall allocate a minimum of 5 percent of the available moneys in the fund either to projects that benefit low-income households that are outside of, but within one-half mile of, communities described in Section 39711, or to projects located within the boundaries of, and benefiting individuals living in, low-income communities that are outside of, but within one-half mile of, communities described in Section 39711.

(d) For purposes of this section, the following definitions shall apply:

(1) “Low-income households” are those with household incomes at or below 80 percent of the statewide median income or with household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits adopted pursuant to Section 50093.

(2) “Low-income communities” are census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits adopted pursuant to Section 50093.

(e) Moneys allocated pursuant to one subdivision of this section do not count toward the minimum requirements of any other subdivision of this section.

SEC. 122. Section 39730.7 of the Health and Safety Code is amended to read:

39730.7. (a) For purposes of this section, the following terms have the following meanings:

(1) “Department” means the Department of Food and Agriculture.

(2) “Commission” means the Public Utilities Commission.

(3) “Energy commission” means the State Energy Resources Conservation and Development Commission.

(4) “Strategy” means the strategy to reduce short-lived climate pollutants developed pursuant to Section 39730.

(b) (1) The state board, in consultation with the department, shall adopt regulations to reduce methane emissions from livestock manure management operations and dairy manure management operations, consistent with this section and the strategy, by up to 40 percent below the dairy sector’s and livestock sector’s 2013 levels by 2030.

(2) Prior to adopting regulations pursuant to paragraph (1), the state board shall do all of the following:

(A) Work with stakeholders to identify and address technical, market, regulatory, and other challenges and barriers to the development of dairy methane emissions reduction projects. The group of stakeholders shall include a broad range of

stakeholders involved in the development of dairy methane reduction projects, including, but not limited to, project developers, dairy and livestock industry representatives, state and local permitting agencies, energy agency representatives, compost producers with experience composting dairy manure, environmental and conservation stakeholders, public health experts, and others with demonstrated expertise relevant to the success of dairy methane emissions reduction efforts.

(B) Provide a forum for public engagement by holding at least three public meetings in geographically diverse locations throughout the state where dairy operations and livestock operations are present.

(C) In consultation with the department, do both of the following:

(i) Conduct or consider livestock and dairy operation research on dairy methane emissions reduction projects, including, but not limited to, scrape manure management systems, solids separation systems, and enteric fermentation.

(ii) Consider developing and adopting methane emissions reduction protocols.

(3) The state board shall make available to the public by posting on its Internet Web site a report on the progress made in implementing paragraph (2). Pursuant to Section 9795 of the Government Code, the state board shall notify the Legislature of the report.

(4) Notwithstanding the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the regulations adopted pursuant to paragraph (1) shall be implemented on or after January 1, 2024, if the state board, in consultation with the department, determines all of the following:

(A) The regulations are technologically feasible.

(B) The regulations are economically feasible considering milk and live cattle prices and the commitment of state, federal, and private funding, among other things, and that markets exist for the products generated by dairy manure management and livestock manure management methane emissions reduction projects, including composting, biomethane, and other products. The analysis shall include consideration of both of the following:

(i) Electrical interconnection of onsite electrical generation facilities using biomethane.

(ii) Access to common carrier pipelines available for the injection of digester biomethane.

(C) The regulations are cost effective.

(D) The regulations include provisions to minimize and mitigate potential leakage to other states or countries, as appropriate.

(E) The regulations include an evaluation of the achievements made by incentive-based programs.

(c) No later than July 1, 2020, the state board, in consultation with the department, shall analyze the progress the dairy and livestock sectors have made in achieving the goals identified in the strategy and specified in paragraph (1) of subdivision (b). The analysis shall determine if sufficient progress has been made to overcome technical and market barriers, as identified in the strategy. If the analysis determines that progress has not been made in meeting the targets due to insufficient funding or technical or market barriers, the state board, in consultation with the department and upon consultation with stakeholders, may reduce the goal in the strategy for the dairy and livestock sectors, as identified pursuant to paragraph (1) of subdivision (b).

(d) (1) (A) No later than January 1, 2018, the state board, in consultation with the commission and the energy commission, shall establish energy infrastructure development and procurement policies needed to encourage dairy biomethane projects to meet the goal identified pursuant to paragraph (1) of subdivision (b).

(B) The state board shall develop a pilot financial mechanism to reduce the economic uncertainty associated with the value of environmental credits, including credits pursuant to the Low-Carbon Fuel Standard regulations (Subarticle 7 (commencing with Section 95480) of Title 17 of the California Code of Regulations) from dairy-related projects producing low-carbon transportation fuels. The state board shall make recommendations to the Legislature for expanding this mechanism to other sources of biogas.

(2) No later than January 1, 2018, the commission, in consultation with the state board and the department, shall direct gas corporations to implement not less than five dairy biomethane pilot projects to demonstrate interconnection to the common carrier pipeline system. For the purposes of these pilot projects, gas corporations may recover in rates the reasonable cost of pipeline infrastructure developed pursuant to the pilot projects.

(e) No later than January 1, 2018, the state board shall provide guidance on credits generated pursuant to the Low-Carbon Fuel Standard regulations (Subarticle 7 (commencing with Section 95480) of Title 17 of the California Code of Regulations) and the market-based compliance mechanism developed pursuant to Part 5 (commencing with Section 38570) of Division 25.5 from the methane reduction protocols described in the strategy and shall ensure that projects developed before the implementation of regulations adopted pursuant to subdivision (b) receive credit for at least 10 years. Projects shall be eligible for an extension of credits after the first 10 years to the extent allowed by regulations adopted pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500)).

(f) Enteric emissions reductions shall be achieved only through incentive-based mechanisms until the state board, in consultation with the department, determines that a cost-effective, considering the impact on animal productivity, and scientifically proven method of reducing enteric emissions is available and that adoption of the enteric emissions reduction method would not damage animal health, public health, or consumer acceptance. Voluntary enteric emissions reductions may be used toward satisfying the goals of this chapter.

(g) Except as provided in this section, the state board shall not adopt methane emissions reduction regulations controlling the emissions of methane from dairy operations or livestock operations to achieve the 2020 and 2030 greenhouse gas emissions reduction goals established pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500)).

(h) This section does not limit the authority of the state board to acquire planning and baseline information, including requiring the monitoring and reporting of emissions.

(i) This section does not in any way affect the state board's or districts' authority to regulate emissions of criteria pollutants, toxic air contaminants, or other pollutants pursuant to other provisions of this division.

SEC. 123. Section 43212 of the Health and Safety Code is amended to read:

43212. (a) (1) A manufacturer or distributor who does not comply with the emission standards or the test procedures adopted by the state board shall be subject to a civil penalty not to exceed thirty-seven thousand five hundred dollars ($37,500) for each vehicle that does not comply with the standards or procedures and that is first sold in this state. The payment of those penalties to the state board and making the vehicles compliant with applicable emission control laws and test procedures may be required by the executive officer of the state board as conditions for the further sale in this state of those motor vehicles.

(2) The state board shall adjust the maximum penalty specified in paragraph (1) for inflation based on the California Consumer Price Index. The adjustment shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(b) Any penalty recovered pursuant to this section shall be deposited into the Air Pollution Control Fund.

SEC. 124. Section 44559.13 of the Health and Safety Code is amended to read:

44559.13. (a) It is the intent of the Legislature in this act to create and fund the California Americans with Disabilities Small Business Capital Access Loan Program to assist small businesses in complying with the Americans with Disabilities Act. It is not the intent of the Legislature to assist the physical expansion of small businesses that includes modifications that comply with the Americans with Disabilities Act. The program shall be administered by the California Pollution Control Financing Authority and follow the terms and conditions for the Capital Access Loan Program for Small Businesses in this article with the additional program requirements specified under this section.

(b) For purposes of this section, unless the context requires otherwise, the following words and terms shall have the following meanings:

(1) "Americans with Disabilities Act" means the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.) and amendments thereto.

(2) "California Americans with Disabilities Act Small Business Capital Access Loan Program Fund" or "fund" means a fund established and administered by the authority pursuant to Sections 44548 and 44549 to be used for purposes of this program.

(3) "Eligible cost" means and includes all or any part of the price of construction, purchase price of real or personal property, the price of demolishing or removing any buildings or structures, the price of all machinery and equipment, the amount of financing charges and interest prior to, during, and for a period not to exceed the later of one year or one year following completion of construction, as determined by the authority, the price of insurance during construction, the amount of funding or financing noncapital expenses, the amount of reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements, the price of engineering, financial, and legal services and other service

contracts, the price of plans, specifications, studies, surveys, estimates, administrative expenses, and any other expenses of funding or financing, that are necessary and allocable to the eligible project, and shall not include costs not directly related to physical alterations necessary for compliance with the Americans with Disabilities Act.

(4) “Eligible project” means the physical alterations or retrofits to an existing small business facility of less than 10,000 square feet necessary to ensure that facility is in compliance with the Americans with Disabilities Act, and the financing necessary to pay eligible costs of the project.

(5) “Qualified loan” means a loan or portion of a loan as defined in subdivision (j) of Section 44559.1, where the proceeds of the loan or portion of the loan are limited to the eligible costs for an eligible project under this program, and where the loan or portion of the loan does not exceed fifty thousand dollars ($50,000).

(6) “Small business” or “qualified business” means a business referred to in subdivisions (i) and (m) of Section 44559.1, that meets the following additional criteria:

(A) Fifteen or fewer full-time equivalent employees.

(B) Less than one million dollars ($1,000,000) in total gross annual income from all sources.

(C) Does not provide overnight accommodations.

(c) (1) The California Americans with Disabilities Act Small Business Capital Access Loan Program Fund is established in the State Treasury for, and shall be administered by the authority pursuant to Sections 44548 and 44549 for, this program. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the authority for carrying out the purposes of this section. The authority may divide the fund into separate accounts. All moneys accruing to the authority pursuant to this section from any source shall be deposited into the fund.

(2) All moneys in the fund derived from any source shall be held in trust for the life of this program, subject to the program expenditures and costs of administering this section, as follows:

(A) Program expenditures shall include both of the following:

(i) Contributions paid by the authority in support of qualified loans.

(ii) Reasonable costs to educate the small business community and participating lenders about the program, including travel within the state.

(B) Administrative expenditures shall be limited to 5 percent of the initial appropriation plus 5 percent of all moneys recaptured, and shall include all of the following:

(i) Personnel costs.

(ii) Service and vending contracts necessary to carry out the program.

(iii) Other reasonable direct and indirect administrative costs.

(3) The authority may direct the Treasurer to invest moneys in the fund that are not required for its current needs in the eligible securities specified in Section 16430 of the Government Code as the authority shall designate. The authority may direct the Treasurer to deposit moneys in interest-bearing accounts in state or national banks or other financial institutions having principal offices located in the state. The authority may alternatively require the transfer of moneys in the fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest or other increment resulting from an investment or deposit shall be deposited into the fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, excepting the Surplus Money Investment Fund.

(d) The authority shall adopt regulations pursuant to subdivision (c) of Section 44520 to implement the program, including provisions specific to this program as described in this section and further including provisions to:

(1) Establish a new loss reserve account for each participating lender enrolling loans in this program.

(2) Obtain a certification from each participating lender and small business upon enrollment of a qualified loan that the proceeds of the loan will be used for the eligible costs of an eligible project.

(3) Contribute an additional incentive from the fund for each loan enrolled for a qualified business located in a severely affected community.

(4) Restrict the enrollment of a qualified loan in any other Capital Access Loan Program for small business offered by the authority as long as funds are available for this program.

(5) Limit the term of loss coverage for each qualified loan to no more than five years.

(6) Recapture from the loss reserve account the authority's contribution for each enrolled loan upon the maturation of such loan or after five years from the date of enrollment, whichever happens first, to be deposited in the fund and applied to future program and administrative expenditures.

SEC. 125. Section 50833 of the Health and Safety Code is amended to read:

50833. (a) The department shall determine and announce in the applicable NOFA the percentage of the total amount of the State Block Grant Program funds set aside for economic development that shall be allocated to make economic development planning and technical assistance grants to eligible small cities or counties for business attraction, retention, and expansion programs for the development of local economic development strategies, predevelopment grant feasibility studies, and downtown revitalization programs. Eligible small cities or counties may contract with public agencies or nonprofit economic development corporations and other eligible subgrantees or for-profit corporations or entities to provide these services. Each applicant shall be required to provide a cash match of up to 25 percent of the total amount requested. A technical assistance grant received under this set-aside is in addition to the city or county ceiling, under Section 50832, or its ability to apply under the economic development or general program set-asides. The department shall determine and announce in the applicable NOFA the maximum per year grant amount. Each applicant shall not receive more than two grants per year and shall be eligible to apply each year, although no applicant shall receive grants in excess of the maximum amount determined by the department and announced in the applicable NOFA in any one year. Funds not applied for or allocated under this section may be used for other economic development purposes under Sections 50832 and 50832.1.

(b) The department shall determine and announce in the applicable NOFA the percentage of the total amount of the State Block Grant Program funds not used for economic development that shall be set aside to make technical assistance grants to eligible small cities or counties for purposes including, but not limited to: inventory of housing needing rehabilitation in the district, income surveys of area residents, and any general studies of housing needs in the district. Each applicant shall be required to provide a cash match of up to 25 percent of the total amount requested. A technical assistance grant received under this set-aside is in addition to the city or county ceiling or its ability to apply under the economic development or general program set-asides. Unexpended funds allocated under this section shall revert to the general program, but not to the economic development set-aside. The department shall determine and announce in the applicable NOFA the maximum grant amount per application. Each applicant shall not receive more than two grants per year and shall be eligible to apply each year, although no applicant shall receive grants in excess of the maximum amount determined by the department and announced in the applicable NOFA in any one year.

(c) If, under federal law, the economic development planning and technical assistance grants and the general allocation planning and assistance grants are considered to be administrative expenditures, the department may reduce the percentages of the set-asides by up to the amount necessary to remain within the allowable limits for administrative expenditures.

(d) Two or more jurisdictions may pool their funds and make a joint application for the same project.

(e) General administrative activity planning studies shall not be counted against allocations under this section.

(f) The department may issue a NOFA under which the director may determine that an applicant with one or more current Community Development Block Grant agreements signed in 2012 or later, for which the expenditure deadline established in the grant agreement or agreements has not yet passed, is eligible to apply for and receive an award of, funds pursuant to this chapter, without regard to whether the applicant has expended at least 50 percent of Community Development Block Grant funds awarded in 2012 or thereafter. For any applicant that is so determined, the director shall include in the application file a written confirmation of eligibility and any award of funds. An application made pursuant to the director's determination under this section may be evaluated solely on the basis of eligibility, need, benefit, or readiness, without regard to any specific rating criteria provided by Section 7078 of Title 4 of the California Code of Regulations. The awarding of funds to an applicant pursuant to the director's determination under this section does not exempt those funds from consideration under any expenditure requirement under law.

SEC. 126. Section 101993 of the Health and Safety Code is amended to read:

101993. (a) The program administrator, directly or through a university-affiliated foundation, may solicit funds from business, industry, foundations, research organizations, federal government agencies, individuals, and other private sources for the purpose of administering the program and awarding grants to increase patient access to clinical trials targeting cancer, consistent with guidelines established by the board.

(b) (1) Subject to paragraph (2), only funds from federal or private sources may be used to administer the program or award grants.

(2) The university may use its own state source funds for oversight and administration of the program relating to the initial start-up costs of the program only, provided the university is reimbursed from federal or private sources of funds.

SEC. 127. Section 101996 of the Health and Safety Code is amended to read:

101996. (a) If the university determines at any time that the moneys in the fund are insufficient to establish or sustain the program, the university may terminate the program.

(b) If the fund does not receive five hundred thousand dollars ($500,000) or more by January 1, 2021, or, if at any time, the program administrator determines that the 20-percent limit on administrative costs set forth in subparagraph (B) of paragraph (6) of subdivision (b) of Section 101991 is inadequate to support the cost of administering the program authorized pursuant to this part, the program administrator may elect to dissolve the program.

(c) All moneys in the fund remaining after expenses are paid shall, prior to dissolution, be allocated to one or more organizations described in subdivision (a) of Section 101994.5.

SEC. 128. Section 103526 of the Health and Safety Code, as amended by Section 1 of Chapter 527 of the Statutes of 2016, is amended to read:

103526. (a) (1) If the State Registrar, local registrar, or county recorder receives a written, faxed, electronic, or digitized image of a request for a certified copy of a birth, death, or marriage record pursuant to Section 103525 that is accompanied by a notarized statement sworn under penalty of perjury, an electronic verification of identity accompanied by an electronic statement sworn under penalty of perjury, or a faxed copy or digitized image of a notarized statement sworn under penalty of perjury, that the applicant is an authorized person, as defined in this section, that official may furnish a certified copy to the applicant pursuant to Section 103525.

(2) A faxed or digitized image of the notary acknowledgment accompanying a faxed request received pursuant to this subdivision for a certified copy of a birth, death, or marriage record shall be legible and, if the notary's seal is not photographically reproducible, show the name of the notary, the county of the notary's principal place of business, the notary's telephone number, the notary's registration number, and the notary's commission expiration date typed or printed in a manner that is photographically reproducible below, or immediately adjacent to, the notary's signature in the acknowledgment. If a request for a certified copy of a birth, death, or marriage record is made in person, the official shall take a statement sworn under penalty of perjury that the applicant is signing his or her own legal name and is an authorized person, and that official may then furnish a certified copy to the applicant.

(3) (A) If a request for a certified copy of a birth, death, or marriage record is made electronically, the official may accept an electronic verification authenticating the identity of the applicant using a multilayered remote identity proofing process that complies with all of the following requirements:

(i) Meets or exceeds the National Institute of Standards and Technology (NIST) electronic authentication guideline for multilayered remote identity proofing.

(ii) (I) Verifies all of the following information provided by the applicant:

(ia) A valid government-issued identification number.

(ib) A financial or utility account number.

(II) The verification pursuant to this subparagraph shall occur through record checks with the state or local agency or a credit reporting agency or similar database and shall confirm that the name, date of birth, address, or other personal information in the record checks are consistent with the information provided by the applicant.

(iii) Meets or exceeds the information security requirements of the Uniform Electronic Transactions Act (Title 2.5 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code) and the Federal Information Security Management Act of 2002 (Public Law 107-347) and all other applicable state and federal laws and regulations to protect the personal information of the applicant and guard against identity theft.

(iv) Retains for each electronic verification, as required by the NIST electronic authentication guideline, a record of the applicant whose identity has been verified and the steps taken to verify the identity.

(B) If an applicant's identity cannot be established electronically pursuant to this paragraph, the applicant shall include with his or her request a statement of identity notarized pursuant to paragraph (1).

(4) For purposes of this subdivision, "digitized image" means an image of an original paper request for a certified copy of a birth, death, or marriage record.

(b) (1) If the person requesting a certified copy of a birth, death, or nonconfidential marriage record is not an authorized person or is an authorized person who is otherwise unable to satisfy the requirements of subdivision (a), the certified copy provided to the applicant shall be an informational certified copy and shall display a legend that states "INFORMATIONAL, NOT A VALID DOCUMENT TO ESTABLISH IDENTITY." The legend shall be placed on the certificate in a manner that will not conceal information.

(2) If the person requesting a certified copy of a confidential marriage record is not an authorized person or is an authorized person who is otherwise unable to satisfy the requirements of subdivision (a), the official shall not release a certified copy of the confidential marriage record unless otherwise authorized by law.

(c) For purposes of this section, an "authorized person" means:

(1) For purposes of requests for certified copies of confidential marriage records, only a party to the confidential marriage.

(2) For purposes of requests for certified copies of birth, death, or nonconfidential marriage records, a person who is any of the following:

(A) The registrant or a parent or legal guardian of the registrant.

(B) A party entitled to receive the record as a result of a court order, or an attorney or a licensed adoption agency seeking the birth record in order to comply with the requirements of Section 3140 or 7603 of the Family Code.

(C) A member of a law enforcement agency or a representative of another governmental agency, as provided by law, who is conducting official business.

(D) A child, grandparent, grandchild, sibling, spouse, or domestic partner of the registrant.

(E) An attorney representing the registrant or the registrant's estate, or any person or agency empowered by statute or appointed by a court to act on behalf of the registrant or the registrant's estate.

(F) An agent or employee of a funeral establishment who acts within the course and scope of his or her employment and who orders certified copies of a death certificate on behalf of an individual specified in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 7100.

(d) A person who asks the agent or employee of a funeral establishment to request a death certificate on his or her behalf warrants the truthfulness of his or her relationship to the decedent and is personally liable for all damages occasioned by, or resulting from, a breach of that warranty.

(e) Notwithstanding any other law:

(1) A member of a law enforcement agency or a representative of a state or local government agency, as provided by law, who orders a copy of a record to which subdivision (a) applies in conducting official business shall not be required to provide the notarized statement required by subdivision (a).

(2) An agent or employee of a funeral establishment who acts within the course and scope of his or her employment and who orders death certificates on behalf of individuals specified in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 7100 shall not be required to provide the notarized statement required by subdivision (a).

(f) Informational certified copies of birth and death certificates issued pursuant to subdivision (b) shall only be printed from the single statewide database prepared by the State Registrar and shall be electronically redacted to remove any signatures for purposes of compliance with this section. Local registrars and county recorders shall not issue informational certified copies of birth and death certificates from a source other than the statewide database prepared by the State Registrar. This subdivision shall become operative on July 1, 2007, but only after the statewide database becomes operational and the full calendar year of the birth and death indices and images is entered into the statewide database and is available for the respective year of the birth or death certificate for which an informational copy is requested. The State Registrar shall provide written notification to local registrars and county recorders as soon as a year becomes available for issuance from the statewide database.

(g) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department may implement and administer the changes made to

this section by the act that added this subdivision through an all-county letter or similar instructions from the State Registrar without taking regulatory action.

(h) This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

SEC. 129. Section 103526 of the Health and Safety Code, as added by Section 2 of Chapter 527 of the Statutes of 2016, is amended to read:

103526. (a) (1) If the State Registrar, local registrar, or county recorder receives a written, faxed, or digitized image of a request for a certified copy of a birth, death, or marriage record pursuant to Section 103525 that is accompanied by a notarized statement sworn under penalty of perjury, or a faxed copy or digitized image of a notarized statement sworn under penalty of perjury, that the requester is an authorized person, as defined in this section, that official may furnish a certified copy to the applicant pursuant to Section 103525. A faxed or digitized image of the notary acknowledgment accompanying a faxed request received pursuant to this subdivision for a certified copy of a birth, death, or marriage record shall be legible and, if the notary's seal is not photographically reproducible, show the name of the notary, the county of the notary's principal place of business, the notary's telephone number, the notary's registration number, and the notary's commission expiration date typed or printed in a manner that is photographically reproducible below, or immediately adjacent to, the notary's signature in the acknowledgment. If a request for a certified copy of a birth, death, or marriage record is made in person, the official shall take a statement sworn under penalty of perjury that the requester is signing his or her own legal name and is an authorized person, and that official may then furnish a certified copy to the applicant.

(2) For purposes of this subdivision, "digitized image" means an image of an original paper request for a certified copy of a birth, death, or marriage record.

(b) (1) If the person requesting a certified copy of a birth, death, or nonconfidential marriage record is not an authorized person or is an authorized person who is otherwise unable to satisfy the requirements of subdivision (a), the certified copy provided to the applicant shall be an informational certified copy and shall display a legend that states "INFORMATIONAL, NOT A VALID DOCUMENT TO ESTABLISH IDENTITY." The legend shall be placed on the certificate in a manner that will not conceal information.

(2) If the person requesting a certified copy of a confidential marriage record is not an authorized person or is an authorized person who is otherwise unable to satisfy the requirements of subdivision (a), the official shall not release a certified copy of the confidential marriage record unless otherwise authorized by law.

(c) For purposes of this section, an "authorized person" means:

(1) For purposes of requests for certified copies of confidential marriage records, only a party to the confidential marriage.

(2) For purposes of requests for certified copies of birth, death, or nonconfidential marriage records, a person who is any of the following:

(A) The registrant or a parent or legal guardian of the registrant.

(B) A party entitled to receive the record as a result of a court order, or an attorney or a licensed adoption agency seeking the birth record in order to comply with the requirements of Section 3140 or 7603 of the Family Code.

(C) A member of a law enforcement agency or a representative of another governmental agency, as provided by law, who is conducting official business.

(D) A child, grandparent, grandchild, sibling, spouse, or domestic partner of the registrant.

(E) An attorney representing the registrant or the registrant's estate, or any person or agency empowered by statute or appointed by a court to act on behalf of the registrant or the registrant's estate.

(F) An agent or employee of a funeral establishment who acts within the course and scope of his or her employment and who orders certified copies of a death certificate on behalf of any individual specified in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 7100.

(d) A person who asks the agent or employee of a funeral establishment to request a death certificate on his or her behalf warrants the truthfulness of his or her relationship to the decedent and is personally liable for all damages occasioned by, or resulting from, a breach of that warranty.

(e) Notwithstanding any other law:

(1) A member of a law enforcement agency or a representative of a state or local government agency, as provided by law, who orders a copy of a record to which subdivision (a) applies in conducting official business shall not be required to provide the notarized statement required by subdivision (a).

(2) An agent or employee of a funeral establishment who acts within the course and scope of his or her employment and who orders death certificates on behalf of individuals specified in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 7100 shall not be required to provide the notarized statement required by subdivision (a).

(f) Informational certified copies of birth and death certificates issued pursuant to subdivision (b) shall only be printed from the single statewide database prepared by the State Registrar and shall be electronically redacted to remove any signatures for purposes of compliance with this section. Local registrars and county recorders shall not issue informational certified copies of birth and death certificates from a source other than the statewide database prepared by the State Registrar. This subdivision shall become operative on July 1, 2007, but only after the statewide database becomes operational and the full calendar year of the birth and death indices and images is entered into the statewide database and is available for the respective year of the birth or death certificate for which an informational copy is requested. The State Registrar shall provide written notification to local registrars and county recorders as soon as a year becomes available for issuance from the statewide database.

(g) This section shall become operative January 1, 2021.

SEC. 130. Section 103527.5 of the Health and Safety Code is amended to read:

103527.5. (a) On or before January 1, 2019, the State Registrar and any city or county that fulfills electronic requests for certified copies of birth, death, or marriage records without being provided a notarized statement that the requester is an authorized person shall report the following information to the Attorney General, the Assembly and Senate Committees on Judiciary, and the Assembly Committee on Privacy and Consumer Protection:

(1) All of the following nonpersonally identifiable information:

(A) The total number of written, electronic, faxed, or in-person requests that include a notarized statement that the requester is an authorized person.

(B) The total number of electronic requests utilizing the multilayered remote identity proofing process described in Section 103526 that do not include a notarized statement.

(C) The total number of electronic requests denied while using the multilayered remote identity proofing process due to insufficient information or failed authentication.

(D) The total number of repeat electronic requests using the multilayered remote identity proofing process for the same record and the same individual.

(2) A description of the mechanism and process, if any, by which consumers who have been victims of identity theft may temporarily limit electronic access to certified vital records, including all of the following:

(A) The number of consumers who have utilized this mechanism and process.

(B) The total number of electronic requests that utilize the multilayered remote identity proofing process, without a notarized statement, requesting records of consumers who have used the temporary limited access mechanism and process.

(C) The total number of electronic requests for records of consumers who have utilized this temporary limited access mechanism and process that were denied while using the multilayered remote identity proofing process.

(3) A description of the mechanism and process by which a consumer may report identity theft resulting from an alleged fraudulent records request, as well as the number of consumers who have used this mechanism and process.

(b) This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

SEC. 131. Section 103885 of the Health and Safety Code is amended to read:

103885. (a) The director shall establish a statewide system for the collection of information determining the incidence of cancer, using population-based cancer registries modeled after the Cancer Surveillance Program of Orange County. As of the effective date of this section, the director shall begin phasing in the statewide cancer reporting system. By July 1, 1988, all county or regional registries shall be implemented or initiated. By July 1, 1990, the statewide cancer reporting system shall be fully operational. Within 60 days of the effective date of this section, the director shall submit an implementation and funding schedule to the Legislature.

(b) The department may designate any demographic parts of the state as regional cancer incidence reporting areas and may establish regional cancer registries, with the responsibility and authority to carry out the intent of this section in designated areas. Designated regional registries shall provide the department, on a timely basis, cancer incidence data, as designated by the department. The department may establish a competitive process to receive applications for, and issue, the award of a contract, grant, or allocation of funds, including, but not limited to, a cooperative agreement, subvention agreement, or any other agreement allowed by law, to an agency, including, but not limited to, a health systems agency, single county health department, multicounty health department grouping, or nonprofit professional association to operate the statewide cancer reporting system and to enter into contracts, or issue grants or funding allocations to other agencies representing a designated cancer reporting region for the purposes of collecting and collating cancer incidence data. The award of these contracts, grants, or funding allocations shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code. The department shall include appropriate terms and conditions in a contract, grant, or funding allocation to ensure the proper use of state funds, including provision for reimbursement of allowable costs, financial reporting, program performance reporting, monitoring of subgrants, subcontracts, or suballocations to an agency representing a designated cancer reporting region, retention and access requirements for records, data use and management, independent auditing, termination, and disposition of assets acquired under the contract, grant, or funding allocation.

(c) The director shall designate cancer as a disease required to be reported in the state or any demographic parts of the state in which cancer information is collected under this section. All cancers diagnosed or treated in the reporting area shall thereafter be reported to the representative of the department authorized to compile the cancer data, or any individual, agency, or organization designated to cooperate with that representative.

(d) (1) Any hospital or other facility providing therapy to cancer patients within an area designated as a cancer reporting area shall report each case of cancer to the department or the authorized representative of the department in a format prescribed by the department. If the hospital or other facility fails to report in a format prescribed by the department, the department's authorized representative may access the information from the hospital or the facility and report it in the appropriate format. In these cases, the hospital or other health facility shall reimburse the department or the authorized representative for its cost to access and report the information.

(2) Any physician and surgeon, dentist, podiatrist, or other health care practitioner diagnosing or providing treatment for cancer patients shall report each cancer case to the department or the authorized representative of the department, except for those cases directly referred to a treatment facility or those previously admitted to a treatment facility for diagnoses or treatment of that instance of cancer.

(3) (A) On or after January 1, 2019, a pathologist diagnosing cancer shall report cancer diagnoses to the department utilizing the College of American Pathologists cancer protocols or any other standardized format approved by the department.

(B) Reporting shall be by electronic means, including, but not limited to, either directly from an electronic medical record or using a designated Internet Web portal that the department shall provide for pathologists' use. If a pathologist fails to report electronically and with an approved format, the department's authorized representative may access the information from the pathologist in an appropriate alternative format. In these cases, the pathologist shall reimburse the department or the authorized representative for its cost to access and report the information.

(C) A pathologist shall not be responsible for acquiring missing or inaccessible patient demographic information not provided to him or her beyond the content of the required cancer-specific data elements.

(D) For purposes of reports submitted pursuant to this paragraph, the department shall prescribe the data required to be included in the report, work collaboratively with stakeholders to designate a standardized electronic format for submission, and designate an Internet Web portal for electronic submission.

(E) This paragraph shall not be interpreted to require a pathologist to submit the same pathology report to the department, regardless of format, more than once. If a pathology report is submitted by a pathologist electronically, pursuant to this paragraph, the same pathology report is not required to be submitted to the department by any other means.

(e) Any hospital or other facility that is required to reimburse the department or its authorized representative for the cost to access and report the information pursuant to subdivision (d) shall provide payment to the department or its authorized representative within 60 days of the date this payment is demanded. In the event any hospital or other facility fails to make the payment to the department or its authorized representative within 60 days of the date the payment is demanded, the department or its authorized representative may, at its discretion, assess a late fee not to exceed $1^1/_2$ percent per month of the outstanding balance. Further, in the event that the department or its authorized representative takes a legal action to recover its costs and any associated fees, and the department or its authorized representative receives a judgment in its favor, the hospital or other facility shall also reimburse the department or its authorized representative for any additional costs it incurred to pursue the legal action. Late fees

and payments made to the department by hospitals or other facilities pursuant to this subdivision shall be considered as reimbursements of the additional costs incurred by the department.

(f) All physicians and surgeons, hospitals, outpatient clinics, nursing homes and all other facilities, individuals, or agencies providing diagnostic or treatment services to patients with cancer shall grant to the department or the authorized representative access to all records that would identify cases of cancer or would establish characteristics of the cancer, treatment of the cancer, or medical status of any identified cancer patient. Willful failure to grant access to those records shall be punishable by a fine of up to five hundred dollars ($500) each day access is refused. Any fines collected pursuant to this subdivision shall be deposited in the General Fund.

(g) (1) Except as otherwise provided in this section, all information collected pursuant to this section shall be confidential. For purposes of this section, this information shall be referred to as “confidential information.”

(2) The department and any regional cancer registry designated by the department shall use the information to determine the sources of malignant neoplasms and evaluate measures designed to eliminate, alleviate, or ameliorate their effect.

(3) Persons with a valid scientific interest who are engaged in demographic, epidemiological, or other similar studies related to health who meet qualifications as determined by the department, and who agree, in writing, to maintain confidentiality, may be authorized access to confidential information.

(4) The department and any regional cancer registry designated by the department may enter into agreements to furnish confidential information to other states’ cancer registries, federal cancer control agencies, local health officers, or health researchers for the purposes of determining the sources of cancer and evaluating measures designed to eliminate, alleviate, or ameliorate their effect. Before confidential information is disclosed to those agencies, officers, researchers, or out-of-state registries, the requesting entity shall agree in writing to maintain the confidentiality of the information, and in the case of researchers, shall also do both of the following:

(A) Obtain approval of their committee for the protection of human subjects established in accordance with Part 46 (commencing with Section 46.101) of Title 45 of the Code of Federal Regulations.

(B) Provide documentation to the department that demonstrates to the department’s satisfaction that the entity has established the procedures and ability to maintain the confidentiality of the information.

(5) Notwithstanding any other law, any disclosure authorized by this section shall include only the information necessary for the stated purpose of the requested disclosure, used for the approved purpose, and not be further disclosed.

(6) The furnishing of confidential information to the department or its authorized representative in accordance with this section shall not expose any person, agency, or entity furnishing information to liability, and shall not be considered a waiver of any privilege or a violation of a confidential relationship.

(7) The department shall maintain an accurate record of all persons who are given access to confidential information. The record shall include: the name of the person authorizing access; name, title, address, and organizational affiliation of persons given access; dates of access; and the specific purpose for which information is to be used. The record of access shall be open to public inspection during normal operating hours of the department.

(8) Notwithstanding any other law, no part of the confidential information shall be available for subpoena, nor shall it be disclosed, discoverable, or compelled to be produced in any civil, criminal, administrative, or other proceeding, nor shall this information be deemed admissible as evidence in any civil, criminal, administrative, or other tribunal or court for any reason.

(9) This subdivision does not prohibit the publication by the department of reports and statistical compilations that do not in any way identify individual cases or individual sources of information.

(10) Notwithstanding the restrictions in this subdivision, the individual to whom the information pertains shall have access to his or her own information in accordance with Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code.

(h) For the purpose of this section, “cancer” means either of the following:

(1) All malignant neoplasms, regardless of the tissue of origin, including malignant lymphoma, Hodgkin’s disease, and leukemia, but excluding basal cell and squamous cell carcinoma of the skin.

(2) All primary intracranial and central nervous system (CNS) tumors occurring in the following sites, irrespective of histologic type: brain, meninges, spinal cord, Caudae Equina, cranial nerves and other parts of the CNS, pituitary gland, pineal gland, and craniopharyngeal duct.

(i) This section does not preempt the authority of facilities or individuals providing diagnostic or treatment services to patients with cancer to maintain their own facility-based cancer registries.

(j) It is the intent of the Legislature that the department, in establishing a system pursuant to this section, maximize the use of available federal funds.

SEC. 132. Section 111070.5 of the Health and Safety Code is amended to read:

111070.5. (a) "Advanced purified demonstration water" means product water from an advanced water purification facility that satisfies both of the following requirements:

(1) The product water is treated by all of the following treatment processes:

(A) Microfiltration, ultrafiltration, or other filtration process that removes particulates before reverse osmosis.

(B) Reverse osmosis.

(C) Advanced oxidation.

(2) The product water meets or exceeds all federal and state drinking water standards and is produced in accordance with the advanced treatment criteria for purified water specified in Section 60320.201 of Title 22 of the California Code of Regulations.

(b) A bottler of advanced purified demonstration water shall do all of the following:

(1) Submit sample labels to the department for review at least 30 days before bottling advanced purified demonstration water.

(2) Submit the analyses of the advanced purified demonstration water required under subdivision (e) of Section 13570 of the Water Code to the department at least seven days before bottling advanced purified demonstration water.

(3) Conduct a full sanitation of the bottling and filling equipment immediately after bottling advanced purified demonstration water.

SEC. 133. Section 116555 of the Health and Safety Code is amended to read:

116555. (a) Any person who owns a public water system shall ensure that the system does all of the following:

(1) Complies with primary and secondary drinking water standards.

(2) Will not be subject to backflow under normal operating conditions.

(3) Provides a reliable and adequate supply of pure, wholesome, healthful, and potable water.

(4) Employs or utilizes only water treatment operators that have been certified by the state board at the appropriate grade.

(5) Complies with the operator certification program established pursuant to Article 3 (commencing with Section 106875) of Chapter 4 of Part 1.

(b) Any person who owns a community water system or a nontransient noncommunity water system shall do all of the following:

(1) Employ or utilize only water distribution system operators who have been certified by the state board at the appropriate grade for positions in responsible charge of the distribution system.

(2) Place the direct supervision of the water system, including water treatment plants, water distribution systems, or both under the responsible charge of an operator or operators holding a valid certification equal to or greater than the classification of the treatment plant and the distribution system.

SEC. 134. Section 122450 of the Health and Safety Code is amended to read:

122450. (a) Of the funds appropriated in the Budget Act of 2016 for this purpose, the State Department of Public Health shall do all of the following:

(1) Purchase and distribute hepatitis B vaccine and related materials to local health jurisdictions and community-based organizations to test and vaccinate high-risk adults.

(2) Purchase hepatitis C test kits and related materials to distribute to local health jurisdictions and community-based testing programs.

(3) Train nonmedical personnel to perform HCV and HIV testing waived under the federal Clinical Laboratory Improvement Amendments of 1988 (CLIA) (42 U.S.C. Sec. 263a) in local health jurisdictions and community-based settings.

(4) Provide technical assistance to local governments and community-based organizations to increase the number of syringe exchange and disposal programs throughout California and the number of jurisdictions in which syringe exchange and disposal programs are authorized.

(b) The State Department of Public Health may issue grants for the materials and activities provided for in subdivision (a).

SEC. 135. Section 123955 of the Health and Safety Code is amended to read:

123955. (a) The state and the counties shall share in the cost of administration of the California Children's Services program at the local level.

(b) (1) The director shall adopt regulations establishing minimum standards for the administration, staffing, and local implementation of this article subject to reimbursement by the state.

(2) The standards shall allow necessary flexibility in the administration of county programs, taking into account the variability of county needs and resources, and shall be developed and revised jointly with state and county representatives.

(c) The director shall establish minimum standards for administration, staffing, and local operation of the program subject to reimbursement by the state.

(d) Until July 1, 1992, reimbursable administrative costs, to be paid by the state to counties, shall not exceed 4.1 percent of the gross total expenditures for diagnosis, treatment, and therapy by counties as specified in Section 123940.

(e) Beginning July 1, 1992, this subdivision applies with respect to all of the following:

(1) Counties shall be reimbursed by the state for 50 percent of the amount required to meet state administrative standards for that portion of the county caseload under this article that is ineligible for Medi-Cal to the extent funds are available in the State Budget for the California Children's Services program.

(2) Counties shall be reimbursed by the state for 50 percent of the nonfederal share of the amount required to meet state administrative standards for that portion of the county caseload under this article that is enrolled in the Medi-Cal program pursuant to Section 14005.26 of the Welfare and Institutions Code or the Medi-Cal Access Program pursuant to Chapter 2 (commencing with Section 15810) of Part 3.3 of Division 9 of the Welfare and Institutions Code, and who are eligible for services under this article pursuant to subdivision (a) of Section 123870, to the extent that federal financial participation is available at the enhanced federal reimbursement rate under Title XXI of the federal Social Security Act (42 U.S.C. Sec. 1397aa et seq.) and funds are appropriated for the California Children's Services program in the State Budget.

(3) On or before September 15 of each year, each county program implementing this article shall submit an application for the subsequent fiscal year that provides information as required by the state to determine if the county administrative staff and budget meet state standards.

(4) The state shall determine the maximum amount of state funds available for each county from state funds appropriated for California Children's Services county administration. If the amount appropriated for any fiscal year in the Budget Act for county administration under this article differs from the amounts approved by the department, each county shall submit a revised application in a form and at the time specified by the department.

(f) The department and counties shall maximize the use of federal funds for administration of the programs implemented pursuant to this article, including using state and county funds to match funds claimable under Title XIX or Title XXI of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.; 42 U.S.C. Sec. 1397aa et seq.).

SEC. 136. Section 128371 of the Health and Safety Code is amended to read:

128371. (a) The Legislature finds and declares that it is in the best interest of the State of California to provide persons who are not lawfully present in the United States with the state benefits provided by those programs listed in subdivision (d), and therefore, enacts this section pursuant to Section 1621(d) of Title 8 of the United States Code.

(b) A program listed in subdivision (d) shall not deny an application based on the citizenship status or immigration status of the applicant.

(c) For any program listed in subdivision (d), when mandatory disclosure of a social security number is required, an applicant shall provide his or her social security number, if one has been issued, or an individual tax identification number that has been or will be submitted.

(d) This section applies to all of the following:

(1) Programs supported through the Health Professions Education Fund pursuant to Section 128355.

(2) The Registered Nurse Education Fund created pursuant to Section 128400.

(3) The Mental Health Practitioner Education Fund created pursuant to Section 128458.

(4) The Vocational Nurse Education Fund created pursuant to Section 128500.

(5) The Medically Underserved Account for Physicians created pursuant to Section 128555.

(6) Loan forgiveness and scholarship programs created pursuant to Part 3.1 (commencing with Section 5820) of Division 5 of the Welfare and Institutions Code.

(7) The Song-Brown Health Care Workforce Training Act created pursuant to Article 1 (commencing with Section 128200) of Chapter 4.

(8) To the extent permitted under federal law, the program administered by the office pursuant to the federal National Health Service Corps State Loan Repayment Program (42 U.S.C. Sec. 254q-1), commonly known as the California State Loan Repayment Program.

(9) The programs administered by the office pursuant to the Health Professions Career Opportunity Program (Section 127885), commonly known as the Mini Grants Program, and California's Student/Resident Experiences and Rotations in Community Health, commonly known as the CalSEARCH program.

SEC. 137. Section 38.6 of the Insurance Code, as amended by Section 6 of Chapter 617 of the Statutes of 2016, is amended to read:

38.6. (a) (1) Any written record required to be given or mailed to any person by a licensee, including an offer of renewal required by Sections 663 and 678, the notice of policy change or cancellation requested by the insured as required by Section 667.5, the notice of conditional renewal required by Section 678.1, the offer of coverage or renewal or any disclosure required by Section 10086, the offer of renewal for a workers' compensation policy, Section 662, paragraph (2) of subdivision (a) of Section 663, Section 664, 667.5, 673, 677, paragraph (2) of subdivision (a) of Section 678, subdivisions (a), (b), and (c) of Section 678.1, or any written record required to be given or mailed to any person by a licensee relating to the business of life insurance, as defined in Section 101 of this code may, if not excluded by subdivision (b) or (c) of Section 1633.3 of the Civil Code, be provided by electronic transmission pursuant to Title 2.5 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code, if each party has agreed to conduct the transaction by electronic means pursuant to Section 1633.5 of the Civil Code, and if the licensee complies with this section. A valid electronic signature is sufficient for any provision of law requiring a written signature.

(2) For purposes of this section, the definitions set forth in Section 1633.2 of the Civil Code apply. The term "licensee" means an insurer, agent, broker, or any other person who is required to be licensed by the department.

(3) Notwithstanding subdivision (l) of Section 1633.2 of the Civil Code, for purposes of this section, "person" includes, but is not limited to, the policy owner, policyholder, applicant, insured, or assignee or designee of an insured.

(b) In order to transmit a record listed in subdivision (a) electronically, a licensee shall comply with all of the following:

(1) A licensee, or licensee's representative, acquires the consent of the person to opt in to receive the record by electronic transmission, and the person has not withdrawn that consent, prior to providing the record by electronic transmission. A person's consent may be acquired verbally, in writing, or electronically. If consent is acquired verbally, the licensee shall confirm consent in writing or electronically. The licensee shall retain a record of the person's consent to receive the record by electronic transmission with the policy information so that it is retrievable upon request by the department while the policy is in force and for five years thereafter.

(2) A licensee discloses, in writing or electronically, to the person all of the following:

(A) The opt in to receive the record by electronic transmission is voluntary.

(B) That the person may opt out of receiving the record by electronic transmission at any time, and the process or system for the person to opt out.

(C) A description of the record that the person will receive by electronic transmission.

(D) The process or system to report a change or correction in the person's email address.

(E) The licensee's contact information, which includes, but is not limited to, a toll-free number or the licensee's Internet Web site address.

(3) The opt-in consent disclosure required by paragraph (2) may be set forth in the application or in a separate document that is part of the policy approved by the commissioner and shall be bolded or otherwise set forth in a conspicuous manner. The person's signature shall be set forth immediately below the opt-in consent disclosure. If the licensee seeks consent at any time prior to the completion of the application, consent and signature shall be obtained before the application is completed. If the person has not opted in at the time the application is completed, the licensee may receive the opt-in consent at any time thereafter, pursuant to the same opt-in requirements that apply at the time of the application. The licensee shall retain a copy of the signed opt-in consent disclosure with the policy information so that each is retrievable upon request by the department while the policy is in force and for five years thereafter.

(4) The email address of the person who has consented to electronic transmission shall be set forth on the consent disclosure. In addition, if the person who consented receives an annual statement, the email address of the person who has consented shall be set forth on that record.

(5) The licensee shall annually provide one free printed copy of any record described in this subdivision upon request by the person.

(6) If a provision of this code requires a licensee to transmit a record by first-class mail, regular mail, does not specify a method of delivery, or is a record that is required to be provided pursuant to Article 6.6 (commencing with Section 791), and if the licensee is not otherwise prohibited from transmitting the record electronically under subdivision (b) of Section 1633.8 of the Civil Code, then the record may be transmitted by electronic transmission if the licensee complies with all of the requirements of Sections 1633.15 and 1633.16 of the Civil Code.

(7) Notwithstanding subdivision (b) of Section 1633.8 of the Civil Code, if a provision of this code requires a licensee to transmit a record by return receipt, registered mail, certified mail, signed written receipt of delivery, or other method of delivery evidencing actual receipt by the person, and if the licensee is not otherwise prohibited from transmitting the record electronically under Section 1633.3 of the Civil Code and the provisions of this section, then the licensee shall maintain a process or system that demonstrates proof of delivery and actual receipt of the record by the person consistent with this paragraph. The licensee shall document and retain information demonstrating delivery and actual receipt so that it is retrievable, upon request, by the department at least five years after the policy is no longer in force. The record provided by electronic transmission shall be treated as if actually received if the licensee delivers the record to the person in compliance with applicable statutory delivery deadlines. A licensee may demonstrate actual delivery and receipt by any of the following:

(A) The person acknowledges receipt of the electronic transmission of the record by executing an electronic signature.

(B) The record is posted on the licensee's secure Internet Web site, and there is evidence demonstrating that the person logged onto the licensee's secure Internet Web site and downloaded, printed, or otherwise acknowledged receipt of the record.

(C) The record is transmitted to the named insured through an application on a personal electronic device that is secured by password, biometric identifier, or other technology, and there is evidence demonstrating that the person logged into the application and viewed or otherwise acknowledged receipt of the record.

(D) If a licensee is unable to demonstrate actual delivery and receipt pursuant to this paragraph, the licensee shall resend the record by regular mail to the person in the manner originally specified by the underlying provision of this code.

(8) Notwithstanding any other law, a notice of lapse, nonrenewal, cancellation, or termination of any product subject to this section may be transmitted electronically if the licensee demonstrates proof of delivery as set forth in paragraph (7) and complies with the other provisions in this section.

(9) If the record is not delivered directly to the electronic address designated by the person but placed at an electronic address accessible to the person, a licensee shall notify the person in plain, clear, and conspicuous language at the electronic address designated by the person that describes the record, informs that person that it is available at another location, and provides instructions to the person as to how to obtain the record.

(10) (A) Upon a licensee receiving information indicating that the record sent by electronic transmission was not received by the person, the licensee shall, within five business days, comply with either clause (i) or (ii):

(i) Contact the person to confirm or update the person's email address and resend the record by electronic transmission. If the licensee elects to resend the record by electronic transmission, the licensee shall demonstrate the transmission was received by the person, pursuant to paragraph (6), (7), or (8). If the licensee is unable to confirm or update the

person's email address, the licensee shall resend the record by regular mail to the licensee at the address shown on the policy, or, if the underlying statute requires delivery in a specified manner, send the record in that specified manner.

(ii) Resend the record initially provided by electronic transmission by regular mail to the insured at the address shown on the policy, or, if the underlying statute requires delivery in a specified manner, send the record in that specified manner.

(B) If the licensee sends the first electronic record within the time period required by law and the licensee complies with both paragraph (5) and subparagraph (A) of this paragraph, the record sent pursuant to clause (i) or (ii) of subparagraph (A) shall be treated as if mailed in compliance with the applicable statutory regular mail delivery deadlines.

(11) The licensee shall not charge any person who declines to opt in to receive a record through electronic transmission from receiving a record electronically. The licensee shall not provide a discount or an incentive to any person to opt in to receive electronic records.

(12) The licensee shall verify a person's email address via paper writing sent by regular mail when more than 12 months have elapsed since the licensee's last electronic communication.

(c) An insurance agent or broker acting under the direction of a party that enters into a contract by means of an electronic record or electronic signature shall not be held liable for any deficiency in the electronic procedures agreed to by the parties under that contract if all of the following are met:

(1) The insurance agent or broker has not engaged in negligent, reckless, or intentional tortious conduct.

(2) The insurance agent or broker was not involved in the development or establishment of the electronic procedures.

(3) The insurance agent or broker did not deviate from the electronic procedures.

(d) (1) On or before January 1, 2019, the commissioner shall submit a report to the Governor and to the committees of the Senate and Assembly having jurisdiction over insurance and the judiciary, regarding the impact and implementation of the authorization of the electronic transmission of certain insurance renewal offers, notices, or disclosures, relating to the business of life insurance, as authorized by this section. The report shall include input from insurers, consumers, and consumer organizations, and shall include an assessment of the department's experience pertaining to the authorization of the electronic transmission of insurance renewals, relating to the business of life insurance, as authorized by this section.

(2) On or before January 1, 2019, the commissioner shall submit a report to the Governor and to the committees of the Senate and Assembly having jurisdiction over insurance and the judiciary, regarding the impact and implementation of the authorization of the electronic transmission of certain insurance renewal offers, notices, or disclosures including an offer of renewal required by Sections 663 and 678, the notice of conditional renewal required by Section 678.1, the offer of coverage or renewal or any disclosure required by Section 10086, and the offer of renewal for a workers' compensation policy, as authorized by this section. The report shall include input from insurers, consumers, and consumer organizations, and shall include an assessment of the department's experience pertaining to the authorization of the electronic transmission of insurance renewals, including an offer of renewal required by Sections 663 and 678, the notice of conditional renewal required by Section 678.1, the offer of coverage or renewal or any disclosure required by Section 10086, and the offer of renewal for a workers' compensation policy, as authorized by this section.

(e) Notwithstanding paragraph (4) of subdivision (b) of Section 1633.3 of the Civil Code, for any policy of life insurance, as defined in Section 101, any statutory requirement for a separate acknowledgment, signature, or initial, which is not expressly prohibited by subdivision (c) of Section 1633.3 of the Civil Code, may be transacted using an electronic signature, or by electronic transaction, subject to all applicable provisions of this section.

(f) The department may suspend a licensee from providing records by electronic transmission if there is a pattern or practices that demonstrate the licensee has failed to comply with the requirements of this section. A licensee may appeal the suspension and resume its electronic transmission of records upon communication from the department that the changes the licensee made to its process or system to comply with the requirements of this section are satisfactory.

(g) This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

SEC. 138. Section 1063.135 of the Insurance Code is amended to read:

1063.135. (a) The plan of operation adopted pursuant to subdivision (c) of Section 1063 shall contain provisions whereby each member insurer is required to recoup, in the year following the premium charge, a sum reasonably calculated to recoup the premium charge paid by the member insurer under this article by way of a surcharge on premiums charged for insurance policies

to which this article applies. Amounts recouped shall not be considered premiums for any other purpose, including the computation of gross premium tax or agents' commission.

(b) The amount of any surcharge shall be separately stated on either a billing or policy declaration sent to an insured. The association shall determine the rate of the surcharge and the collection period for each category and these shall be mandatory for all member insurers of the association who write business in those categories. Member insurers who collect surcharges in excess of premiums paid pursuant to Section 1063.45 for an insolvent insurer shall remit the excess to the association as an additional premium within 30 days after the association has determined the amount of the excess recoupment and given notice to the member insurer of that amount. The excess shall be applied to reduce future premium charges in the appropriate category.

(c) The plan of operation may permit a member insurer to omit collection of the surcharge from its insureds when the expense of collecting the surcharge would exceed the amount of the surcharge. However, this section does not relieve the member insurer of its obligation to recoup the amount of surcharge otherwise collectible.

(d) This section applies only to premium charges paid prior to January 1, 2017.

(e) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

SEC. 139. Section 1063.14 of the Insurance Code is amended to read:

1063.14. (a) (1) The plan of operation adopted pursuant to subdivision (c) of Section 1063 shall contain provisions whereby each member insurer is required to recoup, in the year following the premium charge, a sum calculated to recoup the premium charge paid by the member insurer under this article by way of a surcharge on premiums charged for insurance policies to which this article applies.

(2) Amounts recouped shall not be considered premiums for any other purpose, including the computation of gross premium tax or agents' commission.

(b) (1) The amount of any surcharge shall be separately stated on either a billing or policy declaration sent to an insured. The association shall determine the rate of the surcharge and the collection period for each category, and these shall be mandatory for all member insurers of the association who write business in those categories.

(2) Each member insurer shall file a report in accordance with the provisions of the plan of operation indicating the amount of surcharges it has collected.

(A) Member insurers who collect surcharges in excess of premium charges paid in the preceding year pursuant to Section 1063.5 shall remit the excess to the association as an additional premium within 30 days after the association has determined the amount of the excess recoupment and given notice to the member insurer of that amount. The excess shall be applied to reduce future premium charges in the appropriate category.

(B) Member insurers who report surcharge collections that are less than what they paid in the preceding year's premium charge shall receive reimbursement from the association for the shortfall in surcharge collection.

(c) (1) The plan of operation may permit a member insurer to omit collection of the surcharge from its insureds when the expense of collecting the surcharge would exceed the amount of the surcharge.

(2) A member insurer electing to omit collecting surcharges from any of its insureds shall not be entitled to any reimbursement from the association pursuant to subdivision (b).

(3) However, this section does not relieve the member insurer of its obligation to recoup the amount of surcharge otherwise collectible.

(d) This section applies only to premium charges paid on or after January 1, 2017.

SEC. 140. Section 10235.52 of the Insurance Code is amended to read:

10235.52. (a) Each policy shall contain a provision that, if the insurer develops new benefits or benefit eligibility or new policies with new benefits or benefit eligibility not included in the previously issued policy, the insurer shall grant current holders of its policies who are not in benefit or within the elimination period all of the following rights:

(1) The insurer shall notify the policyholder of the availability of the new benefits or benefit eligibility or new policy within 12 months of the date that the new policy series is made available for sale in this state. The insurer shall file the notice with the department at the same time as the new policy or rider.

(2) The insurer shall offer the policyholder new benefits or benefit eligibility in one of the following ways:

(A) By adding a rider to the existing policy and paying a separate premium for the new benefits or benefit eligibility based on the insured's attained age. The premium for the existing policy shall remain unchanged based on the insured's age at issuance.

(B) By replacing the existing policy or certificate in accordance with Section 10234.87.

(C) By replacing the existing policy or certificate with a new policy or certificate, in which case consideration for past insured status shall be recognized by setting the premium for the replacement policy or certificate at the issue age of the policy or certificate being replaced.

(b) The insured may be required to undergo new underwriting, but the underwriting can be no more restrictive than if the policyholder or certificate holder were applying for a new policy or certificate.

(c) The insurer of a group policy as defined under subdivisions (a) to (c), inclusive, of Section 10231.6 shall offer the group policyholder the opportunity to have coverage for the new benefits and provisions extended to existing certificate holders, but the insurer is relieved of the obligations imposed by this section if the holder of the group policy declines the issuer's offer.

(d) For purposes of this section, new benefits means coverage for new long-term care services or providers that are material in nature. New benefits that are material in nature do not include changes to policy structure, benefits, or provisions that are minor in nature. Changes that are minor in nature include, but are not limited to, changes in elimination periods, benefit periods, and benefit amounts.

SEC. 141. Section 139.21 of the Labor Code is amended to read:

139.21. (a) (1) The administrative director shall promptly suspend, pursuant to subdivision (b), any physician, practitioner, or provider from participating in the workers' compensation system as a physician, practitioner, or provider if the individual or entity meets any of the following criteria:

(A) The individual has been convicted of any felony or misdemeanor and that crime comes within any of the following descriptions:

(i) It involves fraud or abuse of the Medi-Cal program, Medicare program, or workers' compensation system, or fraud or abuse of any patient.

(ii) It relates to the conduct of the individual's medical practice as it pertains to patient care.

(iii) It is a financial crime that relates to the Medi-Cal program, Medicare program, or workers' compensation system.

(iv) It is otherwise substantially related to the qualifications, functions, or duties of a provider of services.

(B) The individual or entity has been suspended, due to fraud or abuse, from the federal Medicare or Medicaid programs.

(C) The individual's license, certificate, or approval to provide health care has been surrendered or revoked.

(2) The administrative director shall exercise due diligence to identify physicians, practitioners, or providers who have been suspended as described in subdivision (a) by accessing the quarterly updates to the list of suspended and ineligible providers maintained by the State Department of Health Care Services for the Medi-Cal program at https://files.medi-cal.ca.gov/pubsdoco/SandILanding.asp.

(b) (1) The administrative director shall adopt regulations for suspending a physician, practitioner, or provider from participating in the workers' compensation system, subject to the notice and hearing requirements in paragraph (2).

(2) The administrative director shall furnish to the physician, practitioner, or provider written notice of the right to a hearing regarding the suspension and the procedure to follow to request a hearing. The notice shall state that the administrative director is required to suspend the physician, practitioner, or provider pursuant to subdivision (a) after 30 days from the date the notice is mailed unless the physician, practitioner, or provider requests a hearing and, in that hearing, the physician, practitioner, or provider provides proof that paragraph (1) of subdivision (a) is not applicable. The physician, practitioner, or provider may request a hearing within 10 days from the date the notice is sent by the administrative director. The request for the hearing shall stay the suspension. The hearing shall be held within 30 days of the receipt of the request. Upon the completion of the hearing, if the administrative director finds that paragraph (1) of subdivision (a) is applicable, the administrative director shall immediately suspend the physician, practitioner, or provider.

(3) The administrative director shall have power and jurisdiction to do all things necessary or convenient to conduct the hearings provided for in paragraph (2). The hearings and investigations may be conducted by any designated hearing officer

appointed by the administrative director. Any authorized person conducting that hearing or investigation may administer oaths, subpoena and require the attendance of witnesses and the production of books or papers, and cause the depositions of witnesses residing within or without the state to be taken in the manner prescribed by law for like depositions in civil cases in the superior court of this state under Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure.

(c) The administrative director shall promptly notify the physician's, practitioner's, or provider's state licensing, certifying, or registering authority of a suspension imposed pursuant to this section and shall update the division's qualified medical evaluator and medical provider network databases, as appropriate.

(d) Upon suspension of a physician, practitioner, or provider pursuant to this section, the administrative director shall give notice of the suspension to the chief judge of the division, and the chief judge shall promptly thereafter provide written notification of the suspension to district offices and all workers' compensation judges. The method of notification to all district offices and to all workers' compensation judges shall be in a manner determined by the chief judge in his or her discretion. The administrative director shall also post notification of the suspension on the department's Internet Web site.

(e) The following procedures apply for the adjudication of any liens of a physician, practitioner, or provider suspended pursuant to subparagraph (A) of paragraph (1) of subdivision (a), including any liens filed by or on behalf of the physician, practitioner, or provider or any clinic, group, or corporation in which the suspended physician, practitioner, or provider has an ownership interest:

(1) If the disposition of the criminal proceeding provides for or requires, whether by plea agreement or by judgment, dismissal of liens and forfeiture of sums claimed therein, as specified in the criminal disposition, all of those liens shall be deemed dismissed with prejudice by operation of law as of the effective date of the final disposition in the criminal proceeding, and orders notifying of those dismissals shall be entered by workers' compensation judges.

(2) If the disposition of the criminal proceeding fails to specify the disposition to be made of lien filings in the workers' compensation system as set forth in paragraph (1), all liens pending in any workers' compensation case in any district office within the state shall be consolidated and adjudicated in a special lien proceeding as described in subdivisions (f) to (i), inclusive.

(f) After notice of suspension, pursuant to subdivision (d), and if subdivision (e) applies, the administrative director shall appoint a special lien proceeding attorney, who shall be an attorney employed by the division or by the department. The special lien proceeding attorney shall, based on the information that is available, identify liens subject to disposition pursuant to subdivision (e), and workers' compensation cases in which those liens are pending, and shall notify the chief judge regarding those liens. Based on this information, the chief judge shall identify a district office for a consolidated special lien proceeding to adjudicate those liens, and shall appoint a workers' compensation judge to preside over that proceeding.

(g) It shall be a presumption affecting the burden of proof that all liens to be adjudicated in the special lien proceeding, and all underlying bills for service and claims for compensation asserted therein, arise from the conduct subjecting the physician, practitioner, or provider to suspension, and that payment is not due and should not be made on those liens because they arise from, or are connected to, criminal, fraudulent, or abusive conduct or activity. A lien claimant shall not have the right to payment unless he or she rebuts that presumption by a preponderance of the evidence.

(h) The special lien proceedings shall be governed by the same laws, regulations, and procedures that govern all other matters before the appeals board. The administrative director shall promulgate regulations for the implementation of this section.

(i) If it is determined in a special lien proceeding that a lien does not arise from the conduct subjecting a physician, practitioner, or provider to suspension, the workers' compensation judge shall have the discretion to adjudicate the lien or transfer the lien back to the district office having venue over the case in which the lien was filed.

(j) At any time following suspension, a physician, practitioner, or provider lien claimant may elect to withdraw or to dismiss his or her lien with prejudice, which shall constitute a final disposition of the claim for compensation asserted therein.

(k) The provisions of this section do not affect, amend, alter, or in any way apply to the provisions of Section 139.2.

SEC. 142. Section 201.3 of the Labor Code is amended to read:

201.3. (a) For purposes of this section, the following definitions apply:

(1) "Temporary services employer" means an employing unit that contracts with clients or customers to supply workers to perform services for the clients or customers and that performs all of the following functions:

(A) Negotiates with clients and customers for matters such as the time and place where the services are to be provided, the type of work, the working conditions, and the quality and price of the services.

(B) Determines assignments or reassignments of workers, even if workers retain the right to refuse specific assignments.

(C) Retains the authority to assign or reassign a worker to another client or customer when the worker is determined unacceptable by a specific client or customer.

(D) Assigns or reassigns workers to perform services for clients or customers.

(E) Sets the rate of pay of workers, whether or not through negotiation.

(F) Pays workers from its own account or accounts.

(G) Retains the right to hire and terminate workers.

(2) "Temporary services employer" does not include any of the following:

(A) A bona fide nonprofit organization that provides temporary service employees to clients.

(B) A farm labor contractor, as defined in subdivision (b) of Section 1682.

(C) A garment manufacturing employer, which, for purposes of this section, has the same meaning as "contractor," as defined in subdivision (d) of Section 2671.

(3) "Employing unit" has the same meaning as defined in Section 135 of the Unemployment Insurance Code.

(4) "Client" and "customer" mean the person with whom a temporary services employer has a contractual relationship to provide the services of one or more individuals employed by the temporary services employer.

(b) (1) (A) Except as provided in paragraphs (2) to (5), inclusive, if an employee of a temporary services employer is assigned to work for a client, that employee's wages are due and payable no less frequently than weekly, regardless of when the assignment ends, and wages for work performed during any calendar week shall be due and payable not later than the regular payday of the following calendar week. A temporary services employer shall be deemed to have timely paid wages upon completion of an assignment if wages are paid in compliance with this subdivision.

(B) Except as provided in paragraphs (2) to (5), inclusive, if an employee of a temporary services employer in the security services industry is a security guard who is registered pursuant to Chapter 11.5 (commencing with Section 7580) of Division 3 of the Business and Professions Code, is employed by a private patrol operator licensed pursuant to that chapter, and is assigned to work for a client, that employee's wages are due and payable no less frequently than weekly, regardless of when the assignment ends, and wages for work performed during any workweek, as defined under Section 500, shall be due and payable not later than the regular payday of the following workweek.

(2) If an employee of a temporary services employer is assigned to work for a client on a day-to-day basis, that employee's wages are due and payable at the end of each day, regardless of when the assignment ends, if each of the following occurs:

(A) The employee reports to or assembles at the office of the temporary services employer or other location.

(B) The employee is dispatched to a client's worksite each day and returns to or reports to the office of the temporary services employer or other location upon completion of the assignment.

(C) The employee's work is not executive, administrative, or professional, as defined in the wage orders of the Industrial Welfare Commission, and is not clerical.

(3) If an employee of a temporary services employer is assigned to work for a client engaged in a trade dispute, that employee's wages are due and payable at the end of each day, regardless of when the assignment ends.

(4) If an employee of a temporary services employer is assigned to work for a client and is discharged by the temporary services employer or leasing employer, wages are due and payable as provided in Section 201.

(5) If an employee of a temporary services employer is assigned to work for a client and quits his or her employment with the temporary services employer, wages are due and payable as provided in Section 202.

(6) If an employee of a temporary services employer is assigned to work for a client for over 90 consecutive calendar days, this section does not apply unless the temporary services employer pays the employee weekly in compliance with paragraph (1) of subdivision (b).

(c) A temporary services employer who violates this section is subject to the civil penalties provided for in Section 203 and to any other penalties available at law.

(d) This section shall not be interpreted to limit any rights or remedies otherwise available under state or federal law.

SEC. 143. Section 1072 of the Labor Code is amended to read:

1072. (a) A bidder shall declare as part of the bid for a service contract whether or not the bidder will retain the employees of the prior contractor or subcontractor for a period of not less than 90 days, as provided in this chapter, if awarded the service contract.

(b) An awarding authority letting a service contract out to bid shall give a 10-percent preference to any bidder who agrees to retain the employees of the prior contractor or subcontractor pursuant to subdivision (a).

(c) (1) If the awarding authority announces that it intends to let a service contract out to bid, the existing service contractor, within a reasonable time, shall provide to the awarding authority the number of employees who are performing services under the service contract and the wage rates, benefits, and job classifications of those employees. In addition, the existing service contractor shall make this information available to any entity that the awarding authority has identified as a bona fide bidder. This information shall be made available to each bona fide bidder in writing at least 30 days before bids for the service contract are due, whether by inclusion of the information in the request for bids or otherwise. If the successor service contract is awarded to a new contractor, the existing contractor shall provide the names, addresses, dates of hire, wages, benefit levels, and job classifications of employees to the successor contractor. The duties imposed by this subdivision shall be contained in all service contracts.

(2) A successor contractor or subcontractor who agrees to retain employees pursuant to subdivision (a) shall retain employees who have been employed by the prior contractor or subcontractors, except for reasonable and substantiated cause. That cause is limited to the particular employee's performance or conduct while working under the prior contract or the employee's failure of any controlled substances and alcohol test, physical examination, criminal background check required by law as a condition of employment, or other standard hiring qualification lawfully required by the successor contractor or subcontractor.

(3) The successor contractor or subcontractor shall make a written offer of employment to each employee to be retained pursuant to subdivision (a). That offer shall state the time within which the employee must accept that offer, but in no case less than 10 days. This section does not require the successor contractor or subcontractor to pay the same wages or offer the same benefits provided by the prior contractor or subcontractor.

(4) If, at any time, the successor contractor or subcontractor determines that fewer employees are required than were required under the prior contract or subcontract, the successor contractor or subcontractor shall retain qualified employees by seniority within the job classification. In determining those employees who are qualified, the successor contractor or subcontractor may require an employee to possess any license that is required by law to operate the equipment that the employee will operate as an employee of the successor contractor or subcontractor.

SEC. 144. The heading of Article 2 (commencing with Section 1285) of Chapter 2 of Part 4 of Division 2 of the Labor Code is repealed.

SEC. 145. Section 1285 of the Labor Code is amended to read:

1285. It is the intent of the Legislature in enacting Sections 1286 to 1289, inclusive, to establish a citation system for the imposition of prompt and effective civil sanctions against violators of the laws and regulations of this state relating to the employment of minors. The civil penalties provided for in this chapter are in addition to any other penalty provided by law.

SEC. 146. Section 1286 of the Labor Code is amended to read:

1286. As used in this chapter:

(a) "Director" means the Director of Industrial Relations or his or her designee.

(b) "Department" means the Department of Industrial Relations.

(c) "Minor" means any person under the age of 18 years who is required to attend school under Chapter 2 (commencing with Section 48200) and Chapter 3 (commencing with Section 48400) of Part 27 of the Education Code and any person under the age of six years. A person under the age of 18 years who is not required to attend school under Chapter 2 (commencing with Section 48200) and Chapter 3 (commencing with Section 48400) of Part 27 of the Education Code solely because that person is a nonresident of California shall still be considered a minor.

(d) "Labor Commissioner" means the Chief of the Division of Labor Law Enforcement, his or her deputies or agents, who shall have the authority to conduct informal hearings and determine the amount of civil penalties in accordance with this chapter.

(e) "Door-to-door sales" has the same meaning as "home solicitation contract or offer," as defined in subdivision (a) of Section 1689.5 of the Civil Code, except that "door-to-door sales" is not subject to the minimum monetary limitation set forth in that

subdivision.

SEC. 147. Section 1288 of the Labor Code is amended to read:

1288. Citations issued pursuant to this chapter shall be classified according to the nature of the violation and shall indicate the classification on the face thereof, as follows:

(a) Class “A” violations are violations of Section 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1308, 1308.1, or 1392, and any other violations that the director determines present an imminent danger to minor employees or a substantial probability that death or serious physical harm would result therefrom. The violation of Section 1391 for the third or subsequent time shall also constitute a class “A” violation. A physical condition or one or more practices, means, methods, or operations in use in a place of employment may constitute a violation. A class “A” violation is subject to a civil penalty in an amount not less than five thousand dollars ($5,000) and not exceeding ten thousand dollars ($10,000) for each and every violation. Willful or repeated violations shall receive higher civil penalties than those imposed for comparable nonwillful or first violations, not to exceed ten thousand dollars ($10,000).

(b) Class “B” violations are violations of Section 1299 or 1308.5, or a violation of Section 1391 for the first and second time, and those other violations that the director determines have a direct or immediate relationship to the health, safety, or security of minor employees, other than class “A” violations. A class “B” violation is subject to a civil penalty in an amount not less than five hundred dollars ($500) and not to exceed one thousand dollars ($1,000) for each and every violation. Willful or repeated violations shall receive higher civil penalties than those imposed for comparable nonwillful or first violations. A second violation of Section 1391 is subject to a civil penalty of one thousand dollars ($1,000).

(c) This section does not preclude the imposition of criminal penalties provided for in this chapter.

SEC. 148. Section 1290 of the Labor Code is amended to read:

1290. A minor under the age of 16 years shall not be employed, permitted, or suffered to work in or in connection with any manufacturing establishment or other place of labor or employment at any time except as may be provided in this chapter or by the provisions of Part 27 (commencing with Section 48000) of the Education Code.

SEC. 149. Section 1291 of the Labor Code is amended to read:

1291. Work is done for a manufacturing establishment within the meaning of this chapter whenever it is done at any place upon the work of a manufacturing establishment, or upon any of the materials entering into the products of a manufacturing establishment, whether under contract or arrangement with any person in charge of or connected with a manufacturing establishment directly or indirectly through contractors or third persons.

SEC. 150. Section 1299 of the Labor Code is amended to read:

1299. Every person, or agent or officer thereof, employing minors, either directly or indirectly through third persons, shall keep on file all permits and certificates, either to work or to employ, issued under this chapter or Part 27 (commencing with Section 48000) of the Education Code. The files shall be open at all times to the inspection of the school attendance and probation officers, the State Board of Education, and the officers of the Division of Labor Standards Enforcement.

SEC. 151. Section 1301 of the Labor Code is amended to read:

1301. (a) The provisions of this chapter concerning the employment of minors, and the civil penalties for violations of those provisions, are fully applicable to every person who owns or controls the real property upon which a minor is employed, whether or not that person is the minor’s employer, if the minor’s employment is for the benefit of the person, and the person has knowingly permitted the violation or continuation of violations.

(b) The posting of a notice pursuant to Section 49140 of the Education Code does not exempt any person from this chapter.

SEC. 152. Section 1302 of the Labor Code is amended to read:

1302. The attendance supervisor, who is a full-time attendance supervisor performing no other duties, of any county, city and county, or school district in which any place of employment is situated, or the probation officer of the county, may at any time, enter the place of employment for the purpose of examining permits to work or to employ of all minors employed in the place of employment, or for the purpose of investigating violations of this chapter or of Chapter 2 (commencing with Section 48200), 3 (commencing with Section 48400), or 7 (commencing with Section 49100) of Part 27 of the Education Code. If an attendance

supervisor or probation officer is denied entrance to the place of employment, or if any violations of laws relating to the employment of minors are found to exist, the attendance supervisor or probation officer shall report the denial of entrance or the violation to the Labor Commissioner. The report shall be made within 48 hours and shall be in writing, setting forth the fact that he or she has good cause to believe that these laws are being violated in the place of employment, and describing the nature of the violation.

SEC. 153. Section 1303 of the Labor Code is amended to read:

1303. Any person, or agent or officer of that person, employing either directly or indirectly through third persons, or any parent or guardian of a minor affected by this chapter who violates any provision of this chapter, or who employs, or permits any minor to be employed in violation of this chapter, is guilty of a misdemeanor, punishable by a fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) or imprisonment in the county jail for not more than six months, or both. Any person who willfully violates this chapter shall, upon conviction, be subject to a fine of not more than ten thousand dollars ($10,000) or to imprisonment in the county jail for not more than six months, or both. A person shall not be imprisoned under this section, except for an offense committed after the conviction of that person for a prior offense under this chapter.

SEC. 154. Section 1304 of the Labor Code is amended to read:

1304. Failure to produce any permit or certificate either to work or to employ is prima facie evidence of the illegal employment of any minor whose permit or certificate is not produced. Proof that any person was the manager or superintendent of any place of employment subject to this chapter at the time any minor is alleged to have been employed therein in violation of this chapter, is prima facie evidence that the person employed, or permitted the minor to work. The sworn statement of the Labor Commissioner or his deputy or agents as to the age of any child affected by this chapter is prima facie evidence of the age of the child.

SEC. 155. Section 1305 of the Labor Code is amended to read:

1305. (a) All fines and penalties collected under this chapter, other than as the result of a judicial proceeding to enforce collection, shall be paid to the department in the form of remittances payable to the Department of Industrial Relations. The department shall transmit the payments to the State Treasury and the payments shall be credited to the General Fund.

(b) Notwithstanding Section 1463 of the Penal Code, all fines and penalties collected in judicial proceedings to enforce their collection, except for the civil penalties that are assessed and collected pursuant to Sections 1287, 1288, and 1289, shall be allocated pursuant to court order. The court shall direct that 50 percent of the fines and penalties assessed shall be transmitted to the county treasury, if prosecuted by the district attorney or the county counsel, or to the city treasury, if prosecuted by the city attorney, 25 percent of the fines and penalties assessed shall be transmitted to the Department of Industrial Relations to be available, upon appropriation by the Legislature, for the purpose of recovering costs incurred by the department pursuant to this chapter, and 25 percent of the fines and penalties assessed be transmitted to the Treasurer for deposit in the State Treasury to the credit of the General Fund.

SEC. 156. Section 1308 of the Labor Code is amended to read:

1308. (a) Any person is guilty of a misdemeanor and is punishable by a fine of not less than one thousand dollars ($1,000) and not more than five thousand dollars ($5,000), imprisonment for not exceeding six months, or both, who, as parent, relative, guardian, employer, or otherwise having the care, custody, or control of any minor under the age of 16 years, exhibits, uses, or employs, or in any manner or under any pretense, sells, apprentices, gives away, lets out, or disposes of the minor to any person, under any name, title, or pretense for, or who causes, procures, or encourages the minor to engage in any of the following:

(1) Any business, exhibition, or vocation injurious to the health or dangerous to the life or limb of the minor.

(2) The vocation, occupation, service, or purpose of singing, playing on musical instruments, rope or wire walking, dancing, begging, or peddling, or as a gymnast, acrobat, contortionist, or rider, in any place whatsoever.

(3) Any obscene, indecent, or immoral purposes, exhibition, or practice whatsoever. Notwithstanding any other law, this paragraph applies to a person with respect to any minor under the age of 18 years.

(4) Any mendicant or wandering business.

Any person who willfully violates this section shall, upon conviction, be subject to a fine of not more than ten thousand dollars ($10,000), or to imprisonment in the county jail for not more than six months, or both. No person shall be imprisoned under this section, except for an offense committed after the conviction of that person for a prior offense under this chapter.

(b) This section does not apply to or affect any of the following:

(1) The employment or use of any minor as a singer or musician in any church, school, or academy, or the teaching or learning of the science or practice of music.

(2) The employment of any minor as a musician at any concert or other musical entertainment, or as a performer in any form of entertainment, on the written consent of the Labor Commissioner pursuant to Section 1308.5.

(3) The participation by any minor of any age, whether or not the minor receives payment for his or her services or receives money prizes, in any horseback riding exhibition, contest, or event other than a rough stock rodeo event, circus, or race. As used in this paragraph, "rough stock rodeo event" means any rodeo event operated for profit or operated by other than a nonprofit organization in which unbroken, little-trained, or imperfectly trained animals are ridden or handled by the participant, and shall include, but not be limited to, saddle bronc riding, bareback riding, and bull riding. As used in this paragraph, "race" means any speed contest between two or more animals that are on a course at the same time and that is operated for profit or operated other than by a nonprofit organization.

(4) The leading of livestock by a minor in nonprofit fairs, stock parades, livestock shows and exhibitions.

SEC. 157. Section 1308.3 of the Labor Code is amended to read:

1308.3. (a) Except as provided in subdivision (g), any individual, association, corporation, or other entity that employs or uses, either directly or indirectly through third persons, minors under 16 years of age in door-to-door sales at any location more than 10 miles from the minor's residence shall register with the Labor Commissioner pursuant to this section. Registration may be renewed on an annual basis.

(b) The Labor Commissioner shall not register or renew registration of any applicant pursuant to this section unless all of the following conditions are satisfied:

(1) The organization has executed a written application therefor on a form prescribed by the Labor Commissioner, including all of the following:

(A) The company's name, address, and employer identification number, and the names, addresses, and social security numbers of all adults employed to supervise, accompany, or transport minors who would be engaged in door-to-door sales. The information provided pursuant to this subparagraph shall be set forth in a declaration under penalty of perjury by the applicant if an individual, or an officer of an applicant that is an association, corporation, or other entity.

(B) A statement of all the facts required by the Labor Commissioner concerning the nature of the merchandise to be sold and a plan detailing the level and nature of adult supervision to be provided minors engaged in door-to-door sales. The information provided pursuant to this subparagraph shall be by declaration under penalty of perjury by the individual, or an officer of the association, corporation, or other entity.

(C) A copy of any written contract or other written agreement to be offered by the applicant to minors employed or used by the applicant in door-to-door sales.

(2) The Labor Commissioner, following an investigation thereof, is satisfied that the employer has not previously violated this chapter and does not propose to expose minors in its employ to hazardous or unsafe working conditions.

(3) Each application for initial registration shall be accompanied by a fee determined by the Labor Commissioner in an amount sufficient in the aggregate to defray the division's costs of administering the registration program, but which shall not exceed three hundred fifty dollars ($350) for initial registration or two hundred dollars ($200) for registration renewal.

(c) Any registrant under this section shall, upon request, make available for inspection by the Labor Commissioner all of its payroll records for any period.

(d) Any registrant under this section, or person acting on behalf of a registrant, shall have proof of registration with the Labor Commissioner in his or her immediate possession at all times when engaged in any activity described in subdivision (a).

(e) Whenever an application for a registration or renewal is made, and application processing pursuant to this section has not been completed, the Labor Commissioner may, at his or her discretion, issue a temporary or provisional registration valid for a period not exceeding 90 days, and subject, where appropriate, to summary revocation by the Labor Commissioner. Otherwise, the conditions for issuance or renewal of registration shall meet the requirements of subdivision (a).

(f) Any person or entity, or any agent or officer thereof, who violates subdivision (a) or (d), and any parent or guardian who knowingly permits a minor in his or her custody to be employed in door-to-door sales specified in subdivision (a) by an unregistered person or entity, or permits any minor to be employed in violation hereof, is guilty of a misdemeanor, punishable by a fine of one thousand dollars ($1,000) per affected minor for the first conviction for a violation, two thousand five hundred dollars

($2,500) per affected minor for the second conviction for a violation, and ten thousand dollars ($10,000) per affected minor for a third or subsequent conviction for a violation.

(g) This section does not apply to any trustee or charitable corporation, as defined in Sections 12582 and 12582.1, respectively, of the Government Code, or to any entity described in Section 12583 of the Government Code.

SEC. 158. Section 1308.11 of the Labor Code is amended to read:

1308.11. (a) All registrations, fees, and permit fees collected under this chapter shall be deposited in the Labor Enforcement and Compliance Fund.

(b) On June 27, 2016, any moneys in the Entertainment Work Permit Fund and any assets, liabilities, revenues, expenditures, and encumbrances of that fund shall be transferred to the Labor Enforcement and Compliance Fund.

SEC. 159. Section 1309 of the Labor Code is amended to read:

1309. Every person who takes, receives, hires, employs, uses, exhibits, or has in custody, for any of the purposes mentioned in Section 1308, any minor under the age of 16, or under the age of 18, as specified in paragraph (3) of subdivision (a) of Section 1308, is guilty of a misdemeanor punishable by a fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000), or imprisonment for not more than six months, or both.

Any person who willfully violates this section shall, upon conviction, be subject to a fine of not more than ten thousand dollars ($10,000), or to imprisonment in the county jail for not more than six months, or both. A person shall not be imprisoned under this section, except for an offense committed after the conviction of that person for a prior offense under this chapter.

SEC. 160. Section 1310 of the Labor Code is amended to read:

1310. This chapter and Chapter 3 (commencing with Section 1390) do not prohibit or prevent any of the following:

(a) The appearance of any minor in any church, public or religious school, or community entertainment.

(b) The appearance of any minor in any school entertainment or in any entertainment for charity or for children, for which an admission fee is not charged.

(c) The appearance of any minor in any radio or television broadcasting exhibition, if the minor does not receive compensation directly or indirectly therefor, the engagement of the minor is limited to a single appearance lasting not more than one hour, and an admission fee is not charged for the radio broadcasting or television exhibition.

(d) The appearance of any minor at any one event during a calendar year, occurring on a day on which school attendance is not required or on the day preceding such a day, lasting four hours or less, if a parent or guardian of the minor is present, for which the minor does not directly or indirectly receive any compensation.

SEC. 161. Section 1311 of the Labor Code is amended to read:

1311. The Division of Labor Standards Enforcement shall enforce this chapter.

SEC. 162. Section 1312 of the Labor Code is amended to read:

1312. This chapter does not limit the authority of the Attorney General or the district attorney of any county, either upon their own complaint or the complaint of any person acting for himself or the general public, to prosecute actions, either civil or criminal, for violations of this chapter, or to enforce the provisions thereof independently and without specific direction of the director.

SEC. 163. The heading of Article 2 (commencing with Section 1390) of Chapter 3 of Part 4 of Division 2 of the Labor Code is repealed.

SEC. 164. Section 1390 of the Labor Code is amended to read:

1390. As used in this chapter, unless the context otherwise indicates:

(a) “Horticultural” includes the curing and drying but not the canning of all varieties of fruit.

(b) “Drama” or “play” includes the production of motion picture plays.

SEC. 165. Section 1391 of the Labor Code is amended to read:

1391. (a) Except as provided in Sections 1297, 1298, and 1308.7:

(1) An employer shall not employ a minor 15 years of age or younger for more than eight hours in one day of 24 hours, or more than 40 hours in one week, or before 7 a.m. or after 7 p.m., except that from June 1 through Labor Day, a minor 15 years of age or younger may be employed for the hours authorized by this section until 9 p.m. in the evening.

(2) Notwithstanding paragraph (1), while school is in session, an employer shall not employ a minor 14 or 15 years of age for more than three hours in any schoolday, nor more than 18 hours in any week, nor during school hours, except that a minor enrolled in and employed pursuant to a school-supervised and school-administered work experience and career exploration program may be employed for no more than 23 hours, any portion of which may be during school hours.

(3) An employer shall not employ a minor 16 or 17 years of age for more than eight hours in one day of 24 hours or more than 48 hours in one week, or before 5 a.m., or after 10 p.m. on any day preceding a schoolday. However, a minor 16 or 17 years of age may be employed for the hours authorized by this section during any evening preceding a nonschoolday until 12:30 a.m. of the nonschoolday.

(4) Notwithstanding paragraph (3), while school is in session, an employer shall not employ a minor 16 or 17 years of age for more than four hours in any schoolday, except as follows:

(A) The minor is employed in personal attendant occupations, as defined in the Industrial Welfare Commission Minimum Wage Order No. 15 (8 Cal. Code Regs. Sec. 11150), school-approved work experience, or cooperative vocational education programs.

(B) The minor has been issued a permit to work pursuant to subdivision (c) of Section 49112 of the Education Code and is employed in accordance with the provisions of that permit.

(b) For purposes of this section, “schoolday” means any day in which a minor is required to attend school for 240 minutes or more.

(c) Any person or the agent or officer thereof, or any parent or guardian, who directly or indirectly violates or causes or suffers the violation of this section is guilty of a misdemeanor punishable by a fine of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000), or imprisonment in the county jail for not more than 60 days, or both. Any person who willfully violates this section shall, upon conviction, be subject to a fine of not more than ten thousand dollars ($10,000) or to imprisonment in the county jail for not more than six months, or both. No person shall be imprisoned under this section, except for an offense committed after the conviction of that person for a prior offense under this chapter.

(d) This section does not apply to any minor employed to deliver newspapers to consumers.

SEC. 166. Section 1393 of the Labor Code is amended to read:

1393. (a) Notwithstanding any other provision of this chapter and Article 2 (commencing with Section 49110) of Chapter 7 of Part 27 of Division 4 of Title 2 of the Education Code, the Labor Commissioner may issue an exemption from laws regulating the employment of minors to employers operating agricultural packing plants that employ minors 16 and 17 years of age during any day during which school is not in session, for up to 10 hours per day during the peak harvest season. These exemptions shall only be granted if they do not materially affect the safety and welfare of minor employees and will prevent undue hardship on the employer. The Labor Commissioner may require an inspection of an agricultural packing plant prior to issuing an exemption.

(b) Any exemption granted pursuant to subdivision (a) shall be in writing to be effective, and may be revoked after reasonable notice is given, in writing, by the Labor Commissioner. Any notice of revocation shall include the reason for the revocation.

(c) An application for an exemption under subdivision (a) shall be made by an employer on a form provided by the Labor Commissioner, and a copy of the application shall be posted at the employer’s place of employment at the time the application is filed with the division.

SEC. 167. Section 1393.5 of the Labor Code is amended to read:

1393.5. (a) Notwithstanding any other provision of this chapter or Article 2 (commencing with Section 49110) of Chapter 7 of Part 27 of Division 4 of Title 2 of the Education Code, an exemption issued pursuant to Section 1393 may authorize the employment during the peak harvest season of a minor, 16 or 17 years of age who resides in the County of Lake during any day in which school is not in session for up to 10 hours per day and more than 48 hours but not more than 60 hours in any one week, only upon the prior written approval of the Lake County Office of Education.

(b) Each year, the Labor Commissioner, prior to issuing or renewing an exemption under this section, shall inspect the affected agricultural packing plant.

(c) As a condition of receiving an exemption or a renewal of an exemption under this section, an affected employer shall, on or before October 1 of each year, file a written report to the Labor Commissioner that contains the following employment information regarding the employer's payroll for the same year up to September 15:

(1) The number of minors employed by that employer.

(2) A list of the age and hours worked on a weekly basis of each minor employed.

(d) Notwithstanding Chapter 24 (commencing with Section 7550) of Division 7 of Title 1 of the Government Code, the Labor Commissioner shall submit a written report to the Legislature, on or before November 1, 2016, that describes the general working conditions of minors employed in the agricultural packing industry during the period from March 1, 2011, to October 1, 2016, inclusive, and that includes all of the following information:

(1) The number of minors employed in the agricultural packing industry.

(2) The number of exemptions issued, renewed, or denied pursuant to this section.

(3) A summary of the inspections conducted by the Labor Commissioner pursuant to this section.

(4) The number of workplace injuries that occurred to minors at agricultural packing plants.

(5) The number of violations of labor laws and regulations that occurred at agricultural packing plants.

(e) (1) Notwithstanding Chapter 24 (commencing with Section 7550) of Division 7 of Title 1 of the Government Code, the Labor Commissioner shall submit a written report to the Legislature, on or before November 1, 2020, that describes the general working conditions of minors employed in the agricultural packing industry during the period from October 1, 2016, to October 1, 2020, inclusive, and that includes for this period all the information described in paragraphs (1) to (5), inclusive, of subdivision (d).

(2) A report submitted pursuant to paragraph (1) shall be provided in compliance with Section 9795 of the Government Code.

(f) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 168. Section 1394 of the Labor Code is amended to read:

1394. This chapter and Chapter 2 (commencing with Section 1285) do not prohibit or prevent either of the following:

(a) The employment of any minor at agricultural, horticultural, viticultural, or domestic labor during the time the public schools are not in session, or during other than school hours, when the work performed is for or under the control of his parent or guardian and is performed upon or in connection with premises owned, operated or controlled by the parent or guardian. However, nothing herein shall permit children under schoolage to work at these occupations while the public schools are in session.

(b) The full-time employment of minors who meet all other legal employment requirements, if they are exempt from compulsory school attendance under Section 48231 of the Education Code.

SEC. 169. Section 1398 of the Labor Code is amended to read:

1398. The Division of Labor Standards Enforcement shall enforce the provisions of this chapter.

SEC. 170. Section 1399 of the Labor Code is amended to read:

1399. This chapter does not limit the authority of the Attorney General or the district attorney of any county, either upon their own complaint or the complaint of any person acting for himself or the general public, to prosecute actions, either civil or criminal, for violations of this chapter, or to enforce the provisions thereof independently and without specific direction of the director.

SEC. 171. Section 1420 of the Labor Code is amended to read:

1420. For purposes of this part:

(a) (1) "Covered worker" means a janitor, including any individual predominantly working, whether as an employee, independent contractor, or franchisee, as a janitor, as that term is defined in the Service Contract Act Directory of Occupations maintained by the United States Department of Labor.

(2) “Covered worker” does not include any individual whose work duties are predominantly final cleanup of debris, grounds, and buildings near the completion of a construction, alteration, demolition, installation, or repair work project, including, but not limited to, street cleaners.

(b) “Current and valid registration” means an active registration pursuant to this part that is not expired or revoked.

(c) “Department” means the Department of Industrial Relations.

(d) “Director” means the Director of Industrial Relations.

(e) (1) “Employer” means any person or entity that employs at least one employee and one or more covered workers and that enters into contracts, subcontracts, or franchise arrangements to provide janitorial services. The term “employer” includes the term “covered successor employer.”

(2) “Covered successor employer” means an employer who meets one or more of the following criteria:

(A) Uses substantially the same equipment, supervisors, and workforce to offer substantially the same services to substantially the same clients as a predecessor employer, unless the employer maintains the same workforce pursuant to Chapter 4.5 (commencing with Section 1060) of Part 3. In addition, an employer who has operated with a current and valid registration for at least the preceding three years shall not be considered a covered successor employer for using substantially the same equipment, supervisors, and workforce to substantially the same clients, if all of the following apply:

(i) The individuals in the workforce were not referred or supplied for employment by the predecessor employer to the successor employer.

(ii) The successor employer has not had any interest in, or connection with, the operation, ownership, management, or control of the business of the predecessor employer within the preceding three years.

(B) Shares in the ownership, management, control of the workforce, or interrelations of business operations with the predecessor employer.

(C) Is an immediate family member of any owner, partner, officer, licensee, or director of the predecessor employer or of any person who had a financial interest in the predecessor employer. “Immediate family member” means a spouse, parent, sibling, son, daughter, uncle, aunt, niece, nephew, grandparent, grandson, granddaughter, mother-in-law, father-in-law, brother-in-law, sister-in-law, or cousin.

(f) “Commissioner” means the Labor Commissioner of the Division of Labor Standards Enforcement of the department.

(g) “Supervisor” has the same meaning as in subdivision (t) of Section 12926 of the Government Code.

SEC. 172. Section 1433 of the Labor Code is amended to read:

1433. (a) All registration fees collected pursuant to Section 1427, all civil fines collected pursuant to Section 1432, and any other moneys as are designated by statute or order shall be deposited in the Labor Enforcement and Compliance Fund.

(b) Moneys deposited in the fund pursuant to Sections 1427 and 1432 shall be used only for the following purposes:

(1) The reasonable costs of administering the registration of janitorial contractors pursuant to this part by the Division of Labor Standards and Enforcement.

(2) The costs and obligations associated with the administration and enforcement of this part by the Division of Labor Standards and Enforcement.

(c) The annual employer registration renewal fee specified in of Section 1427, and any adjusted application renewal fee, shall be set in amounts that are sufficient to support the direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this part.

SEC. 173. Section 4603.2 of the Labor Code is amended to read:

4603.2. (a) (1) Upon selecting a physician pursuant to Section 4600, the employee or physician shall notify the employer of the name and address, including the name of the medical group, if applicable, of the physician. The physician shall submit a report to the employer within five working days from the date of the initial examination, as required by Section 6409, and shall submit periodic reports at intervals that may be prescribed by rules and regulations adopted by the administrative director.

(2) If the employer objects to the employee’s selection of the physician on the grounds that the physician is not within the medical provider network used by the employer, and there is a final determination that the employee was entitled to select the

physician pursuant to Section 4600, the employee shall be entitled to continue treatment with that physician at the employer's expense in accordance with this division, notwithstanding Section 4616.2. The employer shall be required to pay from the date of the initial examination if the physician's report was submitted within five working days of the initial examination. If the physician's report was submitted more than five working days after the initial examination, the employer and the employee shall not be required to pay for any services prior to the date the physician's report was submitted.

(3) If the employer objects to the employee's selection of the physician on the grounds that the physician is not within the medical provider network used by the employer, and there is a final determination that the employee was not entitled to select a physician outside of the medical provider network, the employer is not liable for treatment provided by or at the direction of that physician or for any consequences of the treatment obtained outside the network.

(b) (1) (A) A provider of services provided pursuant to Section 4600, including, but not limited to, physicians, hospitals, pharmacies, interpreters, copy services, transportation services, and home health care services, shall submit its request for payment with an itemization of services provided and the charge for each service, a copy of all reports showing the services performed, the prescription or referral from the primary treating physician if the services were performed by a person other than the primary treating physician, and any evidence of authorization for the services that may have been received. This section does not prohibit an employer, insurer, or third-party claims administrator from establishing, through written agreement, an alternative manual or electronic request for payment with providers for services provided pursuant to Section 4600.

(B) Effective for services provided on or after January 1, 2017, the request for payment with an itemization of services provided and the charge for each service shall be submitted to the employer within 12 months of the date of service or within 12 months of the date of discharge for inpatient facility services. The administrative director shall adopt rules to implement the 12-month limitation period. The rules shall define circumstances that constitute good cause for an exception to the 12-month period, including provisions to address the circumstances of a nonoccupational injury or illness later found to be a compensable injury or illness. The request for payment is barred unless timely submitted.

(C) Notwithstanding the requirements of this paragraph, a copy of the prescription shall not be required with a request for payment for pharmacy services, unless the provider of services has entered into a written agreement, as provided in this paragraph, that requires a copy of a prescription for a pharmacy service.

(D) This section does not preclude an employer, insurer, pharmacy benefits manager, or third-party claims administrator from requesting a copy of the prescription during a review of any records of prescription drugs that were dispensed by a pharmacy.

(2) Except as provided in subdivision (d) of Section 4603.4, or under contracts authorized under Section 5307.11, payment for medical treatment provided or prescribed by the treating physician selected by the employee or designated by the employer shall be made at reasonable maximum amounts in the official medical fee schedule, pursuant to Section 5307.1, in effect on the date of service. Payments shall be made by the employer with an explanation of review pursuant to Section 4603.3 within 45 days after receipt of each separate itemization of medical services provided, together with any required reports and any written authorization for services that may have been received by the physician. If the itemization or a portion thereof is contested, denied, or considered incomplete, the physician shall be notified, in the explanation of review, that the itemization is contested, denied, or considered incomplete, within 30 days after receipt of the itemization by the employer. An explanation of review that states an itemization is incomplete shall also state all additional information required to make a decision. A properly documented list of services provided and not paid at the rates then in effect under Section 5307.1 within the 45-day period shall be paid at the rates then in effect and increased by 15 percent, together with interest at the same rate as judgments in civil actions retroactive to the date of receipt of the itemization, unless the employer does both of the following:

(A) Pays the provider at the rates in effect within the 45-day period.

(B) Advises, in an explanation of review pursuant to Section 4603.3, the physician, or another provider of the items being contested, the reasons for contesting these items, and the remedies available to the physician or the other provider if he or she disagrees. In the case of an itemization that includes services provided by a hospital, outpatient surgery center, or independent diagnostic facility, advice that a request has been made for an audit of the itemization shall satisfy the requirements of this paragraph.

An employer's liability to a physician or another provider under this section for delayed payments shall not affect its liability to an employee under Section 5814 or any other provision of this division.

(3) Notwithstanding paragraph (1), if the employer is a governmental entity, payment for medical treatment provided or prescribed by the treating physician selected by the employee or designated by the employer shall be made within 60 days after receipt of each separate itemization, together with any required reports and any written authorization for services that may have been received by the physician.

(4) Duplicate submissions of medical services itemizations, for which an explanation of review was previously provided, shall require no further or additional notification or objection by the employer to the medical provider and shall not subject the employer to any additional penalties or interest pursuant to this section for failing to respond to the duplicate submission. This paragraph applies only to duplicate submissions and does not apply to any other penalties or interest that may be applicable to the original submission.

(c) Interest or an increase in compensation paid by an insurer pursuant to this section shall be treated in the same manner as an increase in compensation under subdivision (d) of Section 4650 for the purposes of any classification of risks and premium rates, and any system of merit rating approved or issued pursuant to Article 2 (commencing with Section 11730) of Chapter 3 of Part 3 of Division 2 of the Insurance Code.

(d) (1) Whenever an employer or insurer employs an individual or contracts with an entity to conduct a review of an itemization submitted by a physician or medical provider, the employer or insurer shall make available to that individual or entity all documentation submitted together with that itemization by the physician or medical provider. When an individual or entity conducting an itemization review determines that additional information or documentation is necessary to review the itemization, the individual or entity shall contact the claims administrator or insurer to obtain the necessary information or documentation that was submitted by the physician or medical provider pursuant to subdivision (b).

(2) An individual or entity reviewing an itemization of service submitted by a physician or medical provider shall not alter the procedure codes listed or recommend reduction of the amount of the payment unless the documentation submitted by the physician or medical provider with the itemization of service has been reviewed by that individual or entity. If the reviewer does not recommend payment for services as itemized by the physician or medical provider, the explanation of review shall provide the physician or medical provider with a specific explanation as to why the reviewer altered the procedure code or changed other parts of the itemization and the specific deficiency in the itemization or documentation that caused the reviewer to conclude that the altered procedure code or amount recommended for payment more accurately represents the service performed.

(e) (1) If the provider disputes the amount paid, the provider may request a second review within 90 days of service of the explanation of review or an order of the appeals board resolving the threshold issue as stated in the explanation of review pursuant to paragraph (5) of subdivision (a) of Section 4603.3. The request for a second review shall be submitted to the employer on a form prescribed by the administrative director and shall include all of the following:

(A) The date of the explanation of review and the claim number or other unique identifying number provided on the explanation of review.

(B) The item and amount in dispute.

(C) The additional payment requested and the reason therefor.

(D) The additional information provided in response to a request in the first explanation of review or any other additional information provided in support of the additional payment requested.

(2) If the only dispute is the amount of payment and the provider does not request a second review within 90 days, the bill shall be deemed satisfied and neither the employer nor the employee shall be liable for any further payment.

(3) Within 14 days of a request for second review, the employer shall respond with a final written determination on each of the items or amounts in dispute. Payment of any balance not in dispute shall be made within 21 days of receipt of the request for second review. This time limit may be extended by mutual written agreement.

(4) If the provider contests the amount paid, after receipt of the second review, the provider shall request an independent bill review as provided for in Section 4603.6.

(f) Except as provided in paragraph (4) of subdivision (e), the appeals board shall have jurisdiction over disputes arising out of this section pursuant to Section 5304.

SEC. 174. Section 4616.4 of the Labor Code is amended to read:

4616.4. (a) (1) The administrative director shall contract with individual physicians, as described in paragraph (2), or an independent medical review organization to perform medical provider network (MPN) independent medical reviews pursuant to this section.

(2) Only a physician licensed pursuant to Chapter 5 (commencing with Section 2000) of the Business and Professions Code may be an MPN independent medical reviewer.

(3) The administrative director shall ensure that an MPN independent medical reviewer or those within the review organization shall do all of the following:

(A) Be appropriately credentialed and privileged.

(B) Ensure that the reviews provided by the medical professionals are timely, clear, and credible, and that reviews are monitored for quality on an ongoing basis.

(C) Ensure that the method of selecting medical professionals for individual cases achieves a fair and impartial panel of medical professionals who are qualified to render recommendations regarding the clinical conditions consistent with the medical utilization schedule established pursuant to Section 5307.27.

(D) Ensure the confidentiality of medical records and the review materials, consistent with the requirements of this section and applicable state and federal law.

(E) Ensure the independence of the medical professionals retained to perform the reviews through conflict-of-interest policies and prohibitions, and ensure adequate screening for conflicts of interest.

(4) A medical professional selected by the administrative director or the independent medical review organization to review medical treatment decisions shall be a physician, as specified in paragraph (2) of subdivision (a), who meets the following minimum requirements:

(A) The medical professional shall be a clinician knowledgeable in the treatment of the employee's medical condition, knowledgeable about the proposed treatment, and familiar with guidelines and protocols in the area of treatment under review.

(B) Notwithstanding any other law, the medical professional shall hold a nonrestricted license in any state of the United States, and for a physician, a current certification by a recognized American medical specialty board in the area or areas appropriate to the condition or treatment under review.

(C) The medical professional shall have no history of disciplinary action or sanctions, including, but not limited to, loss of staff privileges or participation restrictions taken or pending by any hospital, government, or regulatory body.

(b) If, after the third physician's opinion, the treatment or diagnostic service remains disputed, the injured employee may request an MPN independent medical review regarding the disputed treatment or diagnostic service still in dispute after the third physician's opinion in accordance with Section 4616.3. The standard to be utilized for an MPN independent medical review is identical to that contained in the medical treatment utilization schedule established in Section 5307.27.

(c) An application for an MPN independent medical review shall be submitted to the administrative director on a one-page form provided by the administrative director entitled "MPN Independent Medical Review Application." The form shall contain a signed release from the injured employee, or a person authorized pursuant to law to act on behalf of the injured employee, authorizing the release of medical and treatment information. The injured employee may provide any relevant material or documentation with the application. The administrative director or the independent medical review organization shall assign the MPN independent medical reviewer.

(d) Following receipt of the application for an MPN independent medical review, the employer or insurer shall provide the MPN independent medical reviewer, assigned pursuant to subdivision (c), with all information that was considered in relation to the disputed treatment or diagnostic service, including both of the following:

(1) A copy of all correspondence from, and received by, any treating physician who provided a treatment or diagnostic service to the injured employee in connection with the injury.

(2) A complete and legible copy of all medical records and other information used by the physicians in making a decision regarding the disputed treatment or diagnostic service.

(e) Upon receipt of information and documents related to the application for an MPN independent medical review, the MPN independent medical reviewer shall conduct a physical examination of the injured employee at the employee's discretion. The MPN independent medical reviewer may order any diagnostic tests necessary to make his or her determination regarding medical treatment. Utilizing the medical treatment utilization schedule established pursuant to Section 5307.27, and taking into account any reports and information provided, the MPN independent medical reviewer shall determine whether the disputed health care service was consistent with Section 5307.27 based on the specific medical needs of the injured employee.

(f) The MPN independent medical reviewer shall issue a report to the administrative director, in writing, and in layperson's terms to the maximum extent practicable, containing his or her analysis and determination as to whether the disputed health care

service was consistent with the medical treatment utilization schedule established pursuant to Section 5307.27, within 30 days of the examination of the injured employee, or within less time as prescribed by the administrative director. If the disputed health care service has not been provided and the MPN independent medical reviewer certifies in writing that an imminent and serious threat to the health of the injured employee may exist, including, but not limited to, serious pain, the potential loss of life, limb, or major bodily function, or the immediate and serious deterioration of the injured employee, the report shall be expedited and rendered within three days of the examination by the MPN independent medical reviewer. Subject to the approval of the administrative director, the deadlines for analyses and determinations involving both regular and expedited reviews may be extended by the administrative director for up to three days in extraordinary circumstances or for good cause.

(g) The MPN independent medical reviewer's analysis shall cite the injured employee's medical condition, the relevant documents in the record, and the relevant findings associated with the documents or any other information submitted to the MPN independent medical reviewer in order to support the determination.

(h) The administrative director shall immediately adopt the determination of the MPN independent medical reviewer, and shall promptly issue a written decision to the parties.

(i) If the determination of the MPN independent medical reviewer finds that the disputed treatment or diagnostic service is consistent with Section 5307.27, the injured employee may seek the disputed treatment or diagnostic service from a physician of his or her choice from within or outside the medical provider network. Treatment outside the medical provider network shall be provided consistent with Section 5307.27. The employer shall be liable for the cost of any approved medical treatment in accordance with Section 5307.1 or 5307.11.

SEC. 175. Section 4800 of the Labor Code is amended to read:

4800. (a) Whenever any member of the Department of Justice falling within the "state peace officer/firefighter" class is disabled by injury arising out of and in the course of his or her duties, he or she shall become entitled, regardless of his or her period of service with the Department of Justice to leave of absence while so disabled without loss of salary, in lieu of disability payments under this chapter, for a period not exceeding one year. This section applies only to members of the Department of Justice whose principal duties consist of active law enforcement and does not apply to persons employed in the Department of Justice whose principal duties are those of telephone operator, clerk, stenographer, machinist, mechanic, or otherwise clearly not falling within the scope of active law enforcement service, even though this person is subject to occasional call or is occasionally called upon to perform duties within the scope of active law enforcement service.

(b) This section applies to law enforcement officers employed by the Department of Fish and Wildlife who are described in subdivision (e) of Section 830.2 of the Penal Code.

(c) This section applies to harbor police officers employed by the San Francisco Port Commission who are described in Section 20402 of the Government Code.

(d) This section shall does not apply to periods of disability that occur subsequent to termination of employment by resignation, retirement, or dismissal. When this section does not apply, the employee shall be eligible for those benefits that would apply if this section had not been enacted.

SEC. 176. Section 800 of the Military and Veterans Code is amended to read:

800. (a) Subject to subdivision (b), in addition to any other benefits provided by law and to the extent permitted by federal law, a reservist who is called to active duty may defer payments on any of the following obligations while serving on active duty:

(1) An obligation secured by a mortgage or deed of trust.

(2) Credit card, as defined in Section 1747.02 of the Civil Code.

(3) Retail installment contract, as defined in Section 1802.6 of the Civil Code.

(4) Retail installment account, installment account, or revolving account, as defined in Section 1802.7 of the Civil Code.

(5) Up to two vehicle loans. For purposes of this chapter, "vehicle" means a vehicle as defined in Section 670 of the Vehicle Code.

(6) A payment of property tax or any special assessment of in-lieu property tax imposed on real property that is assessed on residential property owned by the reservist and used as that reservist's primary place of residence on the date the reservist was ordered to active duty.

(7) An obligation owed to a utility company.

(b) (1) In order for an obligation or liability of a reservist to be subject to the provisions of this chapter, the reservist or the reservist's designee shall deliver to the obligor both of the following:

(A) A letter signed by the reservist, under penalty of perjury, requesting a deferment of financial obligations.

(B) A copy of the reservist's activation or deployment order and any other information that substantiates the duration of the service member's military service.

(2) If required by a financial institution, proof that the reservist's employer does not provide continuing income to the reservist while the reservist is on active military duty, including the reservist's military pay, of more than 90 percent of the reservist's monthly salary and wage income earned before the call to active duty.

(c) Upon request of the reservist or the reservist's dependent or designee and within five working days of that request, if applicable, the employer of a reservist shall furnish the letter or other comparable evidence showing that the employer's compensation policy does not provide continuing income to the reservist, including the reservist's military pay, of more than 90 percent of the reservist's monthly salary and wage income earned before the call to active duty.

(d) The deferral period on financial obligations shall be the lesser of 180 days or the period of active duty plus 60 calendar days and shall apply only to those payments due subsequent to the notice provided to a lender as provided in subdivision (b). In addition, the total period of the deferment shall not exceed 180 days within a 365-day period.

(e) If a lender defers payments on a closed end credit obligation or an open-end credit obligation with a maturity date, pursuant to this chapter, the lender shall extend the term of the obligation by the amount of months the obligation was deferred.

(f) If a lender defers payments on an open-end credit obligation pursuant to this chapter, the lender may restrict the availability of additional credit with respect to that obligation during the term of the deferral.

SEC. 177. Section 803 of the Military and Veterans Code is amended to read:

803. The following definitions apply for purposes of this chapter:

(a) "Reservist" means either of the following:

(1) A member of the militia, as defined in Section 120, called or ordered into state military service pursuant to Section 143 or Section 146, or in federal or state military service pursuant to Title 10 or Title 32 of the United States Code.

(2) A reservist of the United States Military Reserve who has been ordered to full-time federal active duty by the President of the United States pursuant to Title 10 of the United States Code.

(b) "Military service" means either of the following:

(1) Full-time active state service or full-time active federal service of a service member who is a member of the militia, as described in paragraph (1) of subdivision (a).

(2) Full-time active duty of a service member who is a reservist, as described in paragraph (2) of subdivision (a), for a period of 30 consecutive days.

SEC. 178. Section 186.22 of the Penal Code, as amended by Section 1 of Chapter 887 of the Statutes of 2016, is amended to read:

186.22. (a) Any person who actively participates in any criminal street gang with knowledge that its members engage in, or have engaged in, a pattern of criminal gang activity, and who willfully promotes, furthers, or assists in any felonious criminal conduct by members of that gang, shall be punished by imprisonment in a county jail for a period not to exceed one year, or by imprisonment in the state prison for 16 months, or two or three years.

(b) (1) Except as provided in paragraphs (4) and (5), any person who is convicted of a felony committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall, upon conviction of that felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished as follows:

(A) Except as provided in subparagraphs (B) and (C), the person shall be punished by an additional term of two, three, or four years at the court's discretion.

(B) If the felony is a serious felony, as defined in subdivision (c) of Section 1192.7, the person shall be punished by an additional term of five years.

(C) If the felony is a violent felony, as defined in subdivision (c) of Section 667.5, the person shall be punished by an additional term of 10 years.

(2) If the underlying felony described in paragraph (1) is committed on the grounds of, or within 1,000 feet of, a public or private elementary, vocational, junior high, or high school, during hours in which the facility is open for classes or school-related programs or when minors are using the facility, that fact shall be a circumstance in aggravation of the crime in imposing a term under paragraph (1).

(3) The court shall select the sentence enhancement that, in the court's discretion, best serves the interests of justice and shall state the reasons for its choice on the record at the time of the sentencing in accordance with the provisions of subdivision (d) of Section 1170.1.

(4) Any person who is convicted of a felony enumerated in this paragraph committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall, upon conviction of that felony, be sentenced to an indeterminate term of life imprisonment with a minimum term of the indeterminate sentence calculated as the greater of:

(A) The term determined by the court pursuant to Section 1170 for the underlying conviction, including any enhancement applicable under Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2, or any period prescribed by Section 3046, if the felony is any of the offenses enumerated in subparagraph (B) or (C) of this paragraph.

(B) Imprisonment in the state prison for 15 years, if the felony is a home invasion robbery, in violation of subparagraph (A) of paragraph (1) of subdivision (a) of Section 213; carjacking, as defined in Section 215; a felony violation of Section 246; or a violation of Section 12022.55.

(C) Imprisonment in the state prison for seven years, if the felony is extortion, as defined in Section 519; or threats to victims and witnesses, as defined in Section 136.1.

(5) Except as provided in paragraph (4), any person who violates this subdivision in the commission of a felony punishable by imprisonment in the state prison for life shall not be paroled until a minimum of 15 calendar years have been served.

(c) If the court grants probation or suspends the execution of sentence imposed upon the defendant for a violation of subdivision (a), or in cases involving a true finding of the enhancement enumerated in subdivision (b), the court shall require that the defendant serve a minimum of 180 days in a county jail as a condition thereof.

(d) Any person who is convicted of a public offense punishable as a felony or a misdemeanor, which is committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall be punished by imprisonment in a county jail not to exceed one year, or by imprisonment in a state prison for one, two, or three years, provided that any person sentenced to imprisonment in the county jail shall be imprisoned for a period not to exceed one year, but not less than 180 days, and shall not be eligible for release upon completion of sentence, parole, or any other basis, until he or she has served 180 days. If the court grants probation or suspends the execution of sentence imposed upon the defendant, it shall require as a condition thereof that the defendant serve 180 days in a county jail.

(e) As used in this chapter, "pattern of criminal gang activity" means the commission of, attempted commission of, conspiracy to commit, or solicitation of, sustained juvenile petition for, or conviction of two or more of the following offenses, provided at least one of these offenses occurred after the effective date of this chapter and the last of those offenses occurred within three years after a prior offense, and the offenses were committed on separate occasions, or by two or more persons:

(1) Assault with a deadly weapon or by means of force likely to produce great bodily injury, as defined in Section 245.

(2) Robbery, as defined in Chapter 4 (commencing with Section 211) of Title 8.

(3) Unlawful homicide or manslaughter, as defined in Chapter 1 (commencing with Section 187) of Title 8.

(4) The sale, possession for sale, transportation, manufacture, offer for sale, or offer to manufacture controlled substances as defined in Sections 11054, 11055, 11056, 11057, and 11058 of the Health and Safety Code.

(5) Shooting at an inhabited dwelling or occupied motor vehicle, as defined in Section 246.

(6) Discharging or permitting the discharge of a firearm from a motor vehicle, as defined in subdivisions (a) and (b) of Section 12034 until January 1, 2012, and, on or after that date, subdivisions (a) and (b) of Section 26100.

(7) Arson, as defined in Chapter 1 (commencing with Section 450) of Title 13.

(8) The intimidation of witnesses and victims, as defined in Section 136.1.

(9) Grand theft, as defined in subdivision (a) or (c) of Section 487.

(10) Grand theft of any firearm, vehicle, trailer, or vessel.

(11) Burglary, as defined in Section 459.

(12) Rape, as defined in Section 261.

(13) Looting, as defined in Section 463.

(14) Money laundering, as defined in Section 186.10.

(15) Kidnapping, as defined in Section 207.

(16) Mayhem, as defined in Section 203.

(17) Aggravated mayhem, as defined in Section 205.

(18) Torture, as defined in Section 206.

(19) Felony extortion, as defined in Sections 518 and 520.

(20) Felony vandalism, as defined in paragraph (1) of subdivision (b) of Section 594.

(21) Carjacking, as defined in Section 215.

(22) The sale, delivery, or transfer of a firearm, as defined in Section 12072 until January 1, 2012, and, on or after that date, Article 1 (commencing with Section 27500) of Chapter 4 of Division 6 of Title 4 of Part 6.

(23) Possession of a pistol, revolver, or other firearm capable of being concealed upon the person in violation of paragraph (1) of subdivision (a) of Section 12101 until January 1, 2012, and, on or after that date, Section 29610.

(24) Threats to commit crimes resulting in death or great bodily injury, as defined in Section 422.

(25) Theft and unlawful taking or driving of a vehicle, as defined in Section 10851 of the Vehicle Code.

(26) Felony theft of an access card or account information, as defined in Section 484e.

(27) Counterfeiting, designing, using, or attempting to use an access card, as defined in Section 484f.

(28) Felony fraudulent use of an access card or account information, as defined in Section 484g.

(29) Unlawful use of personal identifying information to obtain credit, goods, services, or medical information, as defined in Section 530.5.

(30) Wrongfully obtaining Department of Motor Vehicles documentation, as defined in Section 529.7.

(31) Prohibited possession of a firearm in violation of Section 12021 until January 1, 2012, and on or after that date, Chapter 2 (commencing with Section 29800) of Division 9 of Title 4 of Part 6.

(32) Carrying a concealed firearm in violation of Section 12025 until January 1, 2012, and, on or after that date, Section 25400.

(33) Carrying a loaded firearm in violation of Section 12031 until January 1, 2012, and, on or after that date, Section 25850.

(f) As used in this chapter, “criminal street gang” means any ongoing organization, association, or group of three or more persons, whether formal or informal, having as one of its primary activities the commission of one or more of the criminal acts enumerated in paragraphs (1) to (25), inclusive, or (31) to (33), inclusive, of subdivision (e), having a common name or common identifying sign or symbol, and whose members individually or collectively engage in, or have engaged in, a pattern of criminal gang activity.

(g) Notwithstanding any other law, the court may strike the additional punishment for the enhancements provided in this section or refuse to impose the minimum jail sentence for misdemeanors in an unusual case where the interests of justice would best be served, if the court specifies on the record and enters into the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

(h) Notwithstanding any other law, for each person committed to the Department of Corrections and Rehabilitation, Division of Juvenile Facilities for a conviction pursuant to subdivision (a) or (b) of this section, the offense shall be deemed one for which the

state shall pay the rate of 100 percent of the per capita institutional cost of the Department of Corrections and Rehabilitation, Division of Juvenile Facilities, pursuant to former Section 912.5 of the Welfare and Institutions Code.

(i) In order to secure a conviction or sustain a juvenile petition, pursuant to subdivision (a) it is not necessary for the prosecution to prove that the person devotes all, or a substantial part, of his or her time or efforts to the criminal street gang, nor is it necessary to prove that the person is a member of the criminal street gang. Active participation in the criminal street gang is all that is required.

(j) A pattern of gang activity may be shown by the commission of one or more of the offenses enumerated in paragraphs (26) to (30), inclusive, of subdivision (e), and the commission of one or more of the offenses enumerated in paragraphs (1) to (25), inclusive, or (31) to (33), inclusive, of subdivision (e). A pattern of gang activity cannot be established solely by proof of commission of offenses enumerated in paragraphs (26) to (30), inclusive, of subdivision (e), alone.

(k) This section shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

SEC. 179. Section 186.22 of the Penal Code, as amended by Section 2 of Chapter 887 of the Statutes of 2016, is amended to read:

186.22. (a) Any person who actively participates in any criminal street gang with knowledge that its members engage in, or have engaged in, a pattern of criminal gang activity, and who willfully promotes, furthers, or assists in any felonious criminal conduct by members of that gang, shall be punished by imprisonment in a county jail for a period not to exceed one year, or by imprisonment in the state prison for 16 months, or two or three years.

(b) (1) Except as provided in paragraphs (4) and (5), any person who is convicted of a felony committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall, upon conviction of that felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished as follows:

(A) Except as provided in subparagraphs (B) and (C), the person shall be punished by an additional term of two, three, or four years at the court's discretion.

(B) If the felony is a serious felony, as defined in subdivision (c) of Section 1192.7, the person shall be punished by an additional term of five years.

(C) If the felony is a violent felony, as defined in subdivision (c) of Section 667.5, the person shall be punished by an additional term of 10 years.

(2) If the underlying felony described in paragraph (1) is committed on the grounds of, or within 1,000 feet of, a public or private elementary, vocational, junior high, or high school, during hours in which the facility is open for classes or school-related programs or when minors are using the facility, that fact shall be a circumstance in aggravation of the crime in imposing a term under paragraph (1).

(3) The court shall order the imposition of the middle term of the sentence enhancement, unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its choice of sentencing enhancements on the record at the time of the sentencing.

(4) Any person who is convicted of a felony enumerated in this paragraph committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall, upon conviction of that felony, be sentenced to an indeterminate term of life imprisonment with a minimum term of the indeterminate sentence calculated as the greater of:

(A) The term determined by the court pursuant to Section 1170 for the underlying conviction, including any enhancement applicable under Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2, or any period prescribed by Section 3046, if the felony is any of the offenses enumerated in subparagraph (B) or (C) of this paragraph.

(B) Imprisonment in the state prison for 15 years, if the felony is a home invasion robbery, in violation of subparagraph (A) of paragraph (1) of subdivision (a) of Section 213; carjacking, as defined in Section 215; a felony violation of Section 246; or a violation of Section 12022.55.

(C) Imprisonment in the state prison for seven years, if the felony is extortion, as defined in Section 519; or threats to victims and witnesses, as defined in Section 136.1.

(5) Except as provided in paragraph (4), any person who violates this subdivision in the commission of a felony punishable by imprisonment in the state prison for life shall not be paroled until a minimum of 15 calendar years have been served.

(c) If the court grants probation or suspends the execution of sentence imposed upon the defendant for a violation of subdivision (a), or in cases involving a true finding of the enhancement enumerated in subdivision (b), the court shall require that the defendant serve a minimum of 180 days in a county jail as a condition thereof.

(d) Any person who is convicted of a public offense punishable as a felony or a misdemeanor, which is committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall be punished by imprisonment in a county jail not to exceed one year, or by imprisonment in a state prison for one, two, or three years, provided that any person sentenced to imprisonment in the county jail shall be imprisoned for a period not to exceed one year, but not less than 180 days, and shall not be eligible for release upon completion of sentence, parole, or any other basis, until he or she has served 180 days. If the court grants probation or suspends the execution of sentence imposed upon the defendant, it shall require as a condition thereof that the defendant serve 180 days in a county jail.

(e) As used in this chapter, “pattern of criminal gang activity” means the commission of, attempted commission of, conspiracy to commit, or solicitation of, sustained juvenile petition for, or conviction of two or more of the following offenses, provided at least one of these offenses occurred after the effective date of this chapter and the last of those offenses occurred within three years after a prior offense, and the offenses were committed on separate occasions, or by two or more persons:

(1) Assault with a deadly weapon or by means of force likely to produce great bodily injury, as defined in Section 245.

(2) Robbery, as defined in Chapter 4 (commencing with Section 211) of Title 8.

(3) Unlawful homicide or manslaughter, as defined in Chapter 1 (commencing with Section 187) of Title 8.

(4) The sale, possession for sale, transportation, manufacture, offer for sale, or offer to manufacture controlled substances as defined in Sections 11054, 11055, 11056, 11057, and 11058 of the Health and Safety Code.

(5) Shooting at an inhabited dwelling or occupied motor vehicle, as defined in Section 246.

(6) Discharging or permitting the discharge of a firearm from a motor vehicle, as defined in subdivisions (a) and (b) of Section 12034 until January 1, 2012, and, on or after that date, subdivisions (a) and (b) of Section 26100.

(7) Arson, as defined in Chapter 1 (commencing with Section 450) of Title 13.

(8) The intimidation of witnesses and victims, as defined in Section 136.1.

(9) Grand theft, as defined in subdivision (a) or (c) of Section 487.

(10) Grand theft of any firearm, vehicle, trailer, or vessel.

(11) Burglary, as defined in Section 459.

(12) Rape, as defined in Section 261.

(13) Looting, as defined in Section 463.

(14) Money laundering, as defined in Section 186.10.

(15) Kidnapping, as defined in Section 207.

(16) Mayhem, as defined in Section 203.

(17) Aggravated mayhem, as defined in Section 205.

(18) Torture, as defined in Section 206.

(19) Felony extortion, as defined in Sections 518 and 520.

(20) Felony vandalism, as defined in paragraph (1) of subdivision (b) of Section 594.

(21) Carjacking, as defined in Section 215.

(22) The sale, delivery, or transfer of a firearm, as defined in Section 12072 until January 1, 2012, and, on or after that date, Article 1 (commencing with Section 27500) of Chapter 4 of Division 6 of Title 4 of Part 6.

(23) Possession of a pistol, revolver, or other firearm capable of being concealed upon the person in violation of paragraph (1) of subdivision (a) of Section 12101 until January 1, 2012, and, on or after that date, Section 29610.

(24) Threats to commit crimes resulting in death or great bodily injury, as defined in Section 422.

(25) Theft and unlawful taking or driving of a vehicle, as defined in Section 10851 of the Vehicle Code.

(26) Felony theft of an access card or account information, as defined in Section 484e.

(27) Counterfeiting, designing, using, or attempting to use an access card, as defined in Section 484f.

(28) Felony fraudulent use of an access card or account information, as defined in Section 484g.

(29) Unlawful use of personal identifying information to obtain credit, goods, services, or medical information, as defined in Section 530.5.

(30) Wrongfully obtaining Department of Motor Vehicles documentation, as defined in Section 529.7.

(31) Prohibited possession of a firearm in violation of Section 12021 until January 1, 2012, and, on or after that date, Chapter 2 (commencing with Section 29800) of Division 9 of Title 4 of Part 6.

(32) Carrying a concealed firearm in violation of Section 12025 until January 1, 2012, and, on or after that date, Section 25400.

(33) Carrying a loaded firearm in violation of Section 12031 until January 1, 2012, and, on or after that date, Section 25850.

(f) As used in this chapter, “criminal street gang” means any ongoing organization, association, or group of three or more persons, whether formal or informal, having as one of its primary activities the commission of one or more of the criminal acts enumerated in paragraphs (1) to (25), inclusive, or (31) to (33), inclusive, of subdivision (e), having a common name or common identifying sign or symbol, and whose members individually or collectively engage in, or have engaged in, a pattern of criminal gang activity.

(g) Notwithstanding any other law, the court may strike the additional punishment for the enhancements provided in this section or refuse to impose the minimum jail sentence for misdemeanors in an unusual case where the interests of justice would best be served, if the court specifies on the record and enters into the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

(h) Notwithstanding any other law, for each person committed to the Department of Corrections and Rehabilitation, Division of Juvenile Facilities for a conviction pursuant to subdivision (a) or (b) of this section, the offense shall be deemed one for which the state shall pay the rate of 100 percent of the per capita institutional cost of the Department of Corrections and Rehabilitation, Division of Juvenile Facilities, pursuant to former Section 912.5 of the Welfare and Institutions Code.

(i) In order to secure a conviction or sustain a juvenile petition, pursuant to subdivision (a) it is not necessary for the prosecution to prove that the person devotes all, or a substantial part, of his or her time or efforts to the criminal street gang, nor is it necessary to prove that the person is a member of the criminal street gang. Active participation in the criminal street gang is all that is required.

(j) A pattern of gang activity may be shown by the commission of one or more of the offenses enumerated in paragraphs (26) to (30), inclusive, of subdivision (e), and the commission of one or more of the offenses enumerated in paragraphs (1) to (25), inclusive, or (31) to (33), inclusive, of subdivision (e). A pattern of gang activity cannot be established solely by proof of commission of offenses enumerated in paragraphs (26) to (30), inclusive, of subdivision (e), alone.

(k) This section shall become operative on January 1, 2022.

SEC. 180. Section 308 of the Penal Code is amended to read:

308. (a) (1) (A) (i) Every person, firm, or corporation that knowingly or under circumstances in which it has knowledge, or should otherwise have grounds for knowledge, sells, gives, or in any way furnishes to another person who is under 21 years of age any tobacco, cigarette, or cigarette papers, or blunt wraps, or any other preparation of tobacco, or any other instrument or paraphernalia that is designed for the smoking or ingestion of tobacco, tobacco products, or any controlled substance, is subject to either a criminal action for a misdemeanor or a civil action brought by a city attorney, a county counsel, or a district attorney, punishable by a fine of two hundred dollars ($200) for the first offense, five hundred dollars ($500) for the second offense, and one thousand dollars ($1,000) for the third offense.

(ii) This subparagraph does not apply to the sale, giving, or furnishing of any of the products specified in clause (i) to active duty military personnel who are 18 years of age or older. An identification card issued by the United States Armed Forces shall be used as proof of age for this purpose.

(B) Notwithstanding Section 1464 or any other law, 25 percent of each civil and criminal penalty collected pursuant to this subdivision shall be paid to the office of the city attorney, county counsel, or district attorney, whoever is responsible for bringing the successful action.

(C) Proof that a defendant, or his or her employee or agent, demanded, was shown, and reasonably relied upon evidence of majority shall be defense to any action brought pursuant to this subdivision. Evidence of majority of a person is a facsimile of, or a reasonable likeness of, a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the federal Military Selective Service Act (50 U.S.C. Sec. 3801 et seq.), or an identification card issued to a member of the Armed Forces.

(D) For purposes of this section, the person liable for selling or furnishing tobacco products to persons under 21 years of age by a tobacco vending machine shall be the person authorizing the installation or placement of the tobacco vending machine upon premises he or she manages or otherwise controls and under circumstances in which he or she has knowledge, or should otherwise have grounds for knowledge, that the tobacco vending machine will be utilized by persons under 21 years of age.

(2) For purposes of this section, "blunt wraps" means cigar papers or cigar wrappers of all types that are designed for smoking or ingestion of tobacco products and contain less than 50 percent tobacco.

(b) Every person, firm, or corporation that sells, or deals in tobacco or any preparation thereof, shall post conspicuously and keep so posted in his, her, or their place of business at each point of purchase the notice required pursuant to subdivision (b) of Section 22952 of the Business and Professions Code, and any person failing to do so shall, upon conviction, be punished by a fine of fifty dollars ($50) for the first offense, one hundred dollars ($100) for the second offense, two hundred fifty dollars ($250) for the third offense, and five hundred dollars ($500) for the fourth offense and each subsequent violation of this provision, or by imprisonment in a county jail not exceeding 30 days.

(c) For purposes of determining the liability of persons, firms, or corporations controlling franchises or business operations in multiple locations for the second and subsequent violations of this section, each individual franchise or business location shall be deemed a separate entity.

(d) It is the Legislature's intent to regulate the subject matter of this section. As a result, a city, county, or city and county shall not adopt any ordinance or regulation inconsistent with this section.

(e) For purposes of this section, "smoking" has the same meaning as in subdivision (c) of Section 22950.5 of the Business and Professions Code.

(f) For purposes of this section, "tobacco products" means a product or device as defined in subdivision (d) of Section 22950.5 of the Business and Professions Code.

SEC. 181. Section 653w of the Penal Code is amended to read:

653w. (a) (1) A person is guilty of failure to disclose the origin of a recording or audiovisual work if, for commercial advantage or private financial gain, he or she knowingly advertises or offers for sale or resale, or sells or resells, or causes the rental, sale, or resale of, or rents, or manufactures, or possesses for these purposes, any recording or audiovisual work, the outside cover, box, jacket, or label of which does not clearly and conspicuously disclose the actual true name and address of the manufacturer thereof and the name of the actual author, artist, performer, producer, programmer, or group thereon. This section does not require the original manufacturer or authorized licensees of software producers to disclose the contributing authors or programmers.

(2) As used in this section, "recording" means any tangible medium upon which information or sounds are recorded or otherwise stored, including, but not limited to, any phonograph record, disc, tape, audio cassette, wire, film, memory card, flash drive, hard drive, data storage device, or other medium on which information or sounds are recorded or otherwise stored, but does not include sounds accompanying a motion picture or other audiovisual work.

(3) As used in this section, "audiovisual works" are the physical embodiment of works that consist of related images that are intrinsically intended to be shown using machines or devices, such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films, tapes, discs, memory cards, flash drives, hard drives, data storage devices, or other devices, on which the works are embodied.

(b) A person who has been convicted of a violation of subdivision (a) shall be punished as follows:

(1) If the offense involves the advertisement, offer for sale or resale, sale, rental, manufacture, or possession for these purposes, of at least 100 articles of audio recordings or 100 articles of audiovisual works described in subdivision (a), or the commercial equivalent thereof, the person shall be punished by imprisonment in a county jail not to exceed one year, or by imprisonment pursuant to subdivision (h) of Section 1170 for two, three, or five years, or by a fine not to exceed five hundred thousand dollars ($500,000), or by both that fine and imprisonment.

(2) Any other violation of subdivision (a) not described in paragraph (1) shall, upon a first offense, be punished by imprisonment in a county jail not to exceed one year, or by a fine not to exceed fifty thousand dollars ($50,000), or by both that fine and imprisonment.

(3) A second or subsequent conviction under subdivision (a) not described in paragraph (1) shall be punished by imprisonment in a county jail not to exceed one year or pursuant to subdivision (h) of Section 1170, or by a fine of not less than one thousand dollars ($1,000), but not to exceed two hundred thousand dollars ($200,000), or by both that fine and imprisonment.

SEC. 182. Section 830.3 of the Penal Code is amended to read:

830.3. The following persons are peace officers whose authority extends to any place in the state for the purpose of performing their primary duty or when making an arrest pursuant to Section 836 as to any public offense with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of that offense, or pursuant to Section 8597 or 8598 of the Government Code. These peace officers may carry firearms only if authorized and under those terms and conditions as specified by their employing agencies:

(a) Persons employed by the Division of Investigation of the Department of Consumer Affairs and investigators of the Dental Board of California, who are designated by the Director of Consumer Affairs, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 160 of the Business and Professions Code.

(b) Voluntary fire wardens designated by the Director of Forestry and Fire Protection pursuant to Section 4156 of the Public Resources Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 4156 of that code.

(c) Employees of the Department of Motor Vehicles designated in Section 1655 of the Vehicle Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 1655 of that code.

(d) Investigators of the California Horse Racing Board designated by the board, provided that the primary duty of these peace officers shall be the enforcement of Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code and Chapter 10 (commencing with Section 330) of Title 9 of Part 1.

(e) The State Fire Marshal and assistant or deputy state fire marshals appointed pursuant to Section 13103 of the Health and Safety Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 13104 of that code.

(f) Inspectors of the food and drug section designated by the chief pursuant to subdivision (a) of Section 106500 of the Health and Safety Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 106500 of that code.

(g) All investigators of the Division of Labor Standards Enforcement designated by the Labor Commissioner, provided that the primary duty of these peace officers shall be the enforcement of the law as prescribed in Section 95 of the Labor Code.

(h) All investigators of the State Departments of Health Care Services, Public Health, and Social Services, the Department of Toxic Substances Control, the Office of Statewide Health Planning and Development, and the Public Employees' Retirement System, provided that the primary duty of these peace officers shall be the enforcement of the law relating to the duties of his or her department or office. Notwithstanding any other law, investigators of the Public Employees' Retirement System shall not carry firearms.

(i) Either the Deputy Commissioner, Enforcement Branch of, or the Fraud Division Chief of, the Department of Insurance and those investigators designated by the deputy or the chief, provided that the primary duty of those investigators shall be the enforcement of Section 550.

(j) Employees of the Department of Housing and Community Development designated under Section 18023 of the Health and Safety Code, provided that the primary duty of these peace officers shall be the enforcement of the law as that duty is set forth in Section 18023 of that code.

(k) Investigators of the office of the Controller, provided that the primary duty of these investigators shall be the enforcement of the law relating to the duties of that office. Notwithstanding any other law, except as authorized by the Controller, the peace officers designated pursuant to this subdivision shall not carry firearms.

(l) Investigators of the Department of Business Oversight designated by the Commissioner of Business Oversight, provided that the primary duty of these investigators shall be the enforcement of the provisions of law administered by the Department of Business Oversight. Notwithstanding any other law, the peace officers designated pursuant to this subdivision shall not carry firearms.

(m) Persons employed by the Contractors' State License Board designated by the Director of Consumer Affairs pursuant to Section 7011.5 of the Business and Professions Code, provided that the primary duty of these persons shall be the enforcement of the law as that duty is set forth in Section 7011.5, and in Chapter 9 (commencing with Section 7000) of Division 3, of that code. The Director of Consumer Affairs may designate as peace officers not more than 12 persons who shall at the time of their designation be assigned to the special investigations unit of the board. Notwithstanding any other law, the persons designated pursuant to this subdivision shall not carry firearms.

(n) The Chief and coordinators of the Law Enforcement Branch of the Office of Emergency Services.

(o) Investigators of the office of the Secretary of State designated by the Secretary of State, provided that the primary duty of these peace officers shall be the enforcement of the law as prescribed in Chapter 3 (commencing with Section 8200) of Division 1 of Title 2 of, and Section 12172.5 of, the Government Code. Notwithstanding any other law, the peace officers designated pursuant to this subdivision shall not carry firearms.

(p) The Deputy Director for Security designated by Section 8880.38 of the Government Code, and all lottery security personnel assigned to the California State Lottery and designated by the director, provided that the primary duty of any of those peace officers shall be the enforcement of the laws related to ensuring the integrity, honesty, and fairness of the operation and administration of the California State Lottery.

(q) Investigators employed by the Investigation Division of the Employment Development Department designated by the director of the department, provided that the primary duty of those peace officers shall be the enforcement of the law as that duty is set forth in Section 317 of the Unemployment Insurance Code. Notwithstanding any other law, the peace officers designated pursuant to this subdivision shall not carry firearms.

(r) The chief and assistant chief of museum security and safety of the California Science Center, as designated by the executive director pursuant to Section 4108 of the Food and Agricultural Code, provided that the primary duty of those peace officers shall be the enforcement of the law as that duty is set forth in Section 4108 of the Food and Agricultural Code.

(s) Employees of the Franchise Tax Board designated by the board, provided that the primary duty of these peace officers shall be the enforcement of the law as set forth in Chapter 9 (commencing with Section 19701) of Part 10.2 of Division 2 of the Revenue and Taxation Code.

(t) (1) Notwithstanding any other provision of this section, a peace officer authorized by this section shall not be authorized to carry firearms by his or her employing agency until that agency has adopted a policy on the use of deadly force by those peace officers, and until those peace officers have been instructed in the employing agency's policy on the use of deadly force.

(2) Every peace officer authorized pursuant to this section to carry firearms by his or her employing agency shall qualify in the use of the firearms at least every six months.

(u) Investigators of the Department of Managed Health Care designated by the Director of the Department of Managed Health Care, provided that the primary duty of these investigators shall be the enforcement of the provisions of laws administered by the Director of the Department of Managed Health Care. Notwithstanding any other law, the peace officers designated pursuant to this subdivision shall not carry firearms.

(v) The Chief, Deputy Chief, supervising investigators, and investigators of the Office of Protective Services of the State Department of Developmental Services, the Office of Protective Services of the State Department of State Hospitals, and the Office of Law Enforcement Support of the California Health and Human Services Agency, provided that the primary duty of each of those persons shall be the enforcement of the law relating to the duties of his or her department or office.

SEC. 183. Section 832.18 of the Penal Code is amended to read:

832.18. (a) It is the intent of the Legislature to establish policies and procedures to address issues related to the downloading and storage data recorded by a body-worn camera worn by a peace officer. These policies and procedures shall be based on best practices.

(b) When establishing policies and procedures for the implementation and operation of a body-worn camera system, law enforcement agencies, departments, or entities shall consider the following best practices regarding the downloading and storage of body-worn camera data:

(1) Designate the person responsible for downloading the recorded data from the body-worn camera. If the storage system does not have automatic downloading capability, the officer's supervisor should take immediate physical custody of the camera and should be responsible for downloading the data in the case of an incident involving the use of force by an officer, an officer-involved shooting, or other serious incident.

(2) Establish when data should be downloaded to ensure the data is entered into the system in a timely manner, the cameras are properly maintained and ready for the next use, and for purposes of tagging and categorizing the data.

(3) Establish specific measures to prevent data tampering, deleting, and copying, including prohibiting the unauthorized use, duplication, or distribution of body-worn camera data.

(4) Categorize and tag body-worn camera video at the time the data is downloaded and classified according to the type of event or incident captured in the data.

(5) Specifically state the length of time that recorded data is to be stored.

(A) Unless subparagraph (B) or (C) applies, nonevidentiary data including video and audio recorded by a body-worn camera should be retained for a minimum of 60 days, after which it may be erased, destroyed, or recycled. An agency may keep data for more than 60 days to have it available in case of a civilian complaint and to preserve transparency.

(B) Evidentiary data including video and audio recorded by a body-worn camera under this section should be retained for a minimum of two years under any of the following circumstances:

(i) The recording is of an incident involving the use of force by a peace officer or an officer-involved shooting.

(ii) The recording is of an incident that leads to the detention or arrest of an individual.

(iii) The recording is relevant to a formal or informal complaint against a law enforcement officer or a law enforcement agency.

(C) If evidence that may be relevant to a criminal prosecution is obtained from a recording made by a body-worn camera under this section, the law enforcement agency should retain the recording for any time in addition to that specified in subparagraphs (A) and (B), and in the same manner as is required by law for other evidence that may be relevant to a criminal prosecution.

(D) In determining a retention schedule, the agency should work with its legal counsel to determine a retention schedule to ensure that storage policies and practices are in compliance with all relevant laws and adequately preserve evidentiary chains of custody.

(E) Records or logs of access and deletion of data from body-worn cameras should be retained permanently.

(6) State where the body-worn camera data will be stored, including, for example, an in-house server which is managed internally, or an online cloud database which is managed by a third-party vendor.

(7) If using a third-party vendor to manage the data storage system, the following factors should be considered to protect the security and integrity of the data:

(A) Using an experienced and reputable third-party vendor.

(B) Entering into contracts that govern the vendor relationship and protect the agency’s data.

(C) Using a system that has a built-in audit trail to prevent data tampering and unauthorized access.

(D) Using a system that has a reliable method for automatically backing up data for storage.

(E) Consulting with internal legal counsel to ensure the method of data storage meets legal requirements for chain-of-custody concerns.

(F) Using a system that includes technical assistance capabilities.

(8) Require that all recorded data from body-worn cameras are property of their respective law enforcement agency and shall not be accessed or released for any unauthorized purpose, explicitly prohibit agency personnel from accessing recorded data for personal use and from uploading recorded data onto public and social media Internet Web sites, and include sanctions for violations of this prohibition.

(c) (1) For purposes of this section, “evidentiary data” refers to data of an incident or encounter that could prove useful for investigative purposes, including, but not limited to, a crime, an arrest or citation, a search, a use of force incident, or a confrontational encounter with a member of the public. The retention period for evidentiary data are subject to state evidentiary laws.

(2) For purposes of this section, “nonevidentiary data” refers to data that does not necessarily have value to aid in an investigation or prosecution, such as data of an incident or encounter that does not lead to an arrest or citation, or data of general activities the officer might perform while on duty.

(d) This section shall not be interpreted to limit the public’s right to access recorded data under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

SEC. 184. Section 987.8 of the Penal Code is amended to read:

987.8. (a) Upon a finding by the court that a defendant is entitled to counsel but is unable to employ counsel, the court may hold a hearing or, in its discretion, order the defendant to appear before a county officer designated by the court, to determine whether the defendant owns or has an interest in any real property or other assets subject to attachment and not otherwise exempt by law. The court may impose a lien on any real property owned by the defendant, or in which the defendant has an interest to the extent permitted by law. The lien shall contain a legal description of the property, shall be recorded with the county recorder in the county or counties in which the property is located, and shall have priority over subsequently recorded liens or encumbrances. The county shall have the right to enforce its lien for the payment of providing legal assistance to an indigent defendant in the same manner as other lienholders by way of attachment, except that a county shall not enforce its lien on a defendant’s principal place of residence pursuant to a writ of execution. A lien is not effective as against a bona fide purchaser without notice of the lien.

(b) In any case in which a defendant is provided legal assistance, either through the public defender or private counsel appointed by the court, upon conclusion of the criminal proceedings in the trial court, or upon the withdrawal of the public defender or appointed private counsel, the court may, after notice and a hearing, make a determination of the present ability of the defendant to pay all or a portion of the cost of the legal assistance provided to him or her. The court may, in its discretion, hold one such additional hearing within six months of the conclusion of the criminal proceedings. The court may, in its discretion, order the defendant to appear before a county officer designated by the court to make an inquiry into the ability of the defendant to pay all or a portion of the legal assistance provided.

(c) In any case in which the defendant hires counsel replacing a publicly provided attorney; in which the public defender or appointed counsel was required by the court to proceed with the case after a determination by the public defender that the defendant is not indigent; or, in which the defendant, at the conclusion of the case, appears to have sufficient assets to repay, without undue hardship, all or a portion of the cost of the legal assistance provided to him or her, by monthly installments or otherwise; the court shall make a determination of the defendant’s ability to pay as provided in subdivision (b), and may, in its discretion, make other orders as provided in that subdivision.

This subdivision applies to a county only upon the adoption of a resolution by the board of supervisors to that effect.

(d) If the defendant, after having been ordered to appear before a county officer, has been given proper notice and fails to appear before a county officer within 20 working days, the county officer shall recommend to the court that the full cost of the legal assistance shall be ordered to be paid by the defendant. The notice to the defendant shall contain all of the following:

(1) A statement of the cost of the legal assistance provided to the defendant as determined by the court.

(2) The defendant’s procedural rights under this section.

(3) The time limit within which the defendant’s response is required.

(4) A warning that if the defendant fails to appear before the designated officer, the officer will recommend that the court order the defendant to pay the full cost of the legal assistance provided to him or her.

(e) At a hearing, the defendant shall be entitled to, but shall not be limited to, all of the following rights:

(1) The right to be heard in person.

(2) The right to present witnesses and other documentary evidence.

(3) The right to confront and cross-examine adverse witnesses.

(4) The right to have the evidence against him or her disclosed to him or her.

(5) The right to a written statement of the findings of the court.

If the court determines that the defendant has the present ability to pay all or a part of the cost, the court shall set the amount to be reimbursed and order the defendant to pay the sum to the county in the manner in which the court believes reasonable and compatible with the defendant’s financial ability. Failure of a defendant who is not in custody to appear after due notice is a sufficient basis for an order directing the defendant to pay the full cost of the legal assistance determined by the court. The order

to pay all or a part of the costs may be enforced in the manner provided for enforcement of money judgments generally but shall not be enforced by contempt.

Any order entered under this subdivision is subject to relief under Section 473 of the Code of Civil Procedure.

(f) Prior to the furnishing of counsel or legal assistance by the court, the court shall give notice to the defendant that the court may, after a hearing, make a determination of the present ability of the defendant to pay all or a portion of the cost of counsel. The court shall also give notice that, if the court determines that the defendant has the present ability, the court shall order him or her to pay all or a part of the cost. The notice shall inform the defendant that the order shall have the same force and effect as a judgment in a civil action and shall be subject to enforcement against the property of the defendant in the same manner as any other money judgment.

(g) As used in this section:

(1) “Legal assistance” means legal counsel and supportive services, including, but not limited to, medical and psychiatric examinations, investigative services, expert testimony, or any other form of services provided to assist the defendant in the preparation and presentation of the defendant’s case.

(2) “Ability to pay” means the overall capability of the defendant to reimburse the costs, or a portion of the costs, of the legal assistance provided to him or her and shall include, but not be limited to, all of the following:

(A) The defendant’s present financial position.

(B) The defendant’s reasonably discernible future financial position. In no event shall the court consider a period of more than six months from the date of the hearing for purposes of determining the defendant’s reasonably discernible future financial position. Unless the court finds unusual circumstances, a defendant sentenced to state prison, or to county jail for a period longer than 364 days, including, but not limited to, a sentence imposed pursuant to subdivision (h) of Section 1170, shall be determined not to have a reasonably discernible future financial ability to reimburse the costs of his or her defense.

(C) The likelihood that the defendant shall be able to obtain employment within a six-month period from the date of the hearing.

(D) Any other factor or factors that may bear upon the defendant’s financial capability to reimburse the county for the costs of the legal assistance provided to the defendant.

(h) At any time during the pendency of the judgment rendered according to the terms of this section, a defendant against whom a judgment has been rendered may petition the rendering court to modify or vacate its previous judgment on the grounds of a change in circumstances with regard to the defendant’s ability to pay the judgment. The court shall advise the defendant of this right at the time it renders the judgment.

(i) This section applies to all proceedings, including contempt proceedings, in which the party is represented by a public defender or appointed counsel.

SEC. 185. Section 991.5 of the Penal Code is amended to read:

991.5. (a) On or before July 1, 2017, three counties shall be selected to participate in a three-year pilot project that would require a court, upon request by the defendant in the case of a defendant charged with a misdemeanor who is not in custody, to make a finding at the arraignment as to whether probable cause exists to believe that a public offense has been committed and that the defendant is guilty thereof.

(b) The pilot counties shall be selected by a three-member committee. One member of the committee shall be selected by the California Public Defenders Association, one member of the committee shall be selected by the California District Attorneys Association, and one member of the committee shall be selected by the Judicial Council. The committee shall be convened by the California Public Defenders Association and the California District Attorneys Association. The committee shall select one small county, one medium county, and one large county to participate in the pilot project. The committee shall consult with the relevant local officials in the eligible counties in making its selections. A county selected for the pilot project shall have a county public defender’s office. For purposes of this section, the following terms have the following meanings:

(1) A “small county” means a county with a population of not less than 250,000 residents and not more than 750,000 residents.

(2) A “medium county” means a county with a population of not less than 750,001 residents and not more than 2,600,000 residents.

(3) A “large county” means a county with a population of not less than 2,600,001 residents.

(c) The following arraignment procedure applies in the pilot project counties:

(1) When the defendant is out of custody at the time he or she appears before the magistrate for arraignment and the public offense is a misdemeanor to which the defendant has pleaded not guilty, the magistrate, on motion of counsel for the defendant or the defendant, shall determine whether there is probable cause to believe that a public offense has been committed and that the defendant is guilty thereof.

(2) The determination of probable cause shall be made immediately, unless the court grants a continuance for good cause not to exceed 15 court days.

(3) In determining the existence of probable cause, the magistrate shall consider any warrant of arrest with supporting affidavits, and the sworn complaint together with any documents or reports incorporated by reference thereto, which, if based on information and belief, state the basis for that information, or any other documents of similar reliability.

(4) If, after examining these documents, the court determines that there exists probable cause to believe that the defendant has committed the offense charged in the complaint, it shall maintain the trial date already calendared for the defendant.

(5) If the court determines that no probable cause exists, it shall dismiss the complaint and discharge the defendant.

(6) The prosecution may refile the complaint within 15 days of the dismissal of a complaint pursuant to this section.

(7) A second dismissal pursuant to this section is a bar to any other prosecution for the same offense.

(d) (1) No later than July 1, 2020, the Department of Justice shall provide information to the Assembly Committee on Budget, the Senate Committee on Budget and Fiscal Review, and the appropriate policy committees of the Legislature regarding the implementation of this section, including, but not limited to, the number of instances that a prompt probable cause determination made to an Out of Custody defendant facing a misdemeanor charge resulted in the defendant's early dismissal.

(2) A report submitted pursuant to paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(e) This section shall become inoperative on July 1, 2020, and, as of January 1, 2021, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2021, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 186. Section 1001.87 of the Penal Code is amended to read:

1001.87. (a) LEAD programs funded pursuant to this chapter shall consist of a strategy of effective intervention for eligible participants consistent with the following gateways to services:

(1) Prebooking referral. As an alternative to arrest, a law enforcement officer may take or refer a person for whom the officer has probable cause for arrest for any of the offenses in subdivision (b) to a case manager to be screened for immediate crisis services and to schedule a complete assessment intake interview. Participation in LEAD shall be voluntary, and the person may decline to participate in the program at any time. Criminal charges based on the conduct for which a person is diverted to LEAD shall not be filed, provided that the person finishes the complete assessment intake interview within a period set by the local jurisdictional partners, but not to exceed 30 days after the referral.

(2) Social contact referral. A law enforcement officer may refer an individual to LEAD whom he or she believes is at high risk of arrest in the future for any of the crimes specified in subdivision (b), provided that the individual meets the criteria specified in this paragraph and expresses interest in voluntarily participating in the program. LEAD may accept these referrals if the program has capacity after responding to prebooking diversion referrals described in paragraph (1). All social contact referrals to LEAD shall meet the following criteria:

(A) Verification by law enforcement that the individual has had prior involvement with low-level drug activity or prostitution. Verification shall consist of any of the following:

(i) Criminal history records, including, but not limited to, prior police reports, arrests, jail bookings, criminal charges, or convictions indicating that he or she was engaged in low-level drug or prostitution activity.

(ii) Law enforcement has directly observed the individual's low-level drug or prostitution activity on prior occasions.

(iii) Law enforcement has a reliable basis of information to believe that the individual is engaged in low-level drug or prostitution activity, including, but not limited to, information provided by another first responder, a professional, or a credible community member.

(B) The individual's prior involvement with low-level drug or prostitution activity occurred within the LEAD pilot program area.

(C) The individual's prior involvement with low-level drug or prostitution activity occurred within 24 months of the date of referral.

(D) The individual does not have a pending case in drug court or mental health court.

(E) The individual is not prohibited, by means of an existing no-contact order, temporary restraining order, or antiharassment order, from making contact with a current LEAD participant.

(b) The following offenses are eligible for either prebooking diversion, social contact referral, or both:

(1) Possession for sale or transfer of a controlled substance or other prohibited substance where the circumstances indicate that the sale or transfer is intended to provide a subsistence living or to allow the person to obtain or afford drugs for his or her own consumption.

(2) Sale or transfer of a controlled substance or other prohibited substance where the circumstances indicate that the sale or transfer is intended to provide a subsistence living or to allow the person to obtain or afford drugs for his or her own consumption.

(3) Possession of a controlled substance or other prohibited substance.

(4) Being under the influence of a controlled substance or other prohibited substance.

(5) Being under the influence of alcohol and a controlled substance or other prohibited substance.

(6) Prostitution pursuant to subdivision (b) of Section 647.

SEC. 187. Section 1170 of the Penal Code, as amended by Section 5.3 of Chapter 887 of the Statutes of 2016, is amended to read:

1170. (a) (1) The Legislature finds and declares that the purpose of sentencing is public safety achieved through punishment, rehabilitation, and restorative justice. When a sentence includes incarceration, this purpose is best served by terms that are proportionate to the seriousness of the offense with provision for uniformity in the sentences of offenders committing the same offense under similar circumstances.

(2) The Legislature further finds and declares that programs should be available for inmates, including, but not limited to, educational, rehabilitative, and restorative justice programs that are designed to promote behavior change and to prepare all eligible offenders for successful reentry into the community. The Legislature encourages the development of policies and programs designed to educate and rehabilitate all eligible offenders. In implementing this section, the Department of Corrections and Rehabilitation is encouraged to allow all eligible inmates the opportunity to enroll in programs that promote successful return to the community. The Department of Corrections and Rehabilitation is directed to establish a mission statement consistent with these principles.

(3) In any case in which the sentence prescribed by statute for a person convicted of a public offense is a term of imprisonment in the state prison or a term pursuant to subdivision (h) of any specification of three time periods, the court shall sentence the defendant to one of the terms of imprisonment specified unless the convicted person is given any other disposition provided by law, including a fine, jail, probation, or the suspension of imposition or execution of sentence or is sentenced pursuant to subdivision (b) of Section 1168 because he or she had committed his or her crime prior to July 1, 1977. In sentencing the convicted person, the court shall apply the sentencing rules of the Judicial Council. The court, unless it determines that there are circumstances in mitigation of the sentence prescribed, shall also impose any other term that it is required by law to impose as an additional term. This article does not affect any provision of law that imposes the death penalty, that authorizes or restricts the granting of probation or suspending the execution or imposition of sentence, or expressly provides for imprisonment in the state prison for life, except as provided in paragraph (2) of subdivision (d). In any case in which the amount of preimprisonment credit under Section 2900.5 or any other law is equal to or exceeds any sentence imposed pursuant to this chapter, except for the remaining portion of mandatory supervision pursuant to subparagraph (B) of paragraph (5) of subdivision (h), the entire sentence shall be deemed to have been served, except for the remaining period of mandatory supervision, and the defendant shall not be actually delivered to the custody of the secretary or to the custody of the county correctional administrator. The court shall advise the defendant that he or she shall serve an applicable period of parole, postrelease community supervision, or mandatory supervision, and order the defendant to report to the parole or probation office closest to the defendant's last legal residence, unless the in-custody credits equal the total sentence, including both confinement time and the period of parole, postrelease community supervision, or mandatory supervision. The sentence shall be deemed a separate prior prison term or a sentence of imprisonment in a county jail under subdivision (h) for purposes of Section 667.5, and a copy of the judgment and other necessary documentation shall be forwarded to the secretary.

(b) When a judgment of imprisonment is to be imposed and the statute specifies three possible terms, the choice of the appropriate term shall rest within the sound discretion of the court. At least four days prior to the time set for imposition of judgment, either party or the victim, or the family of the victim if the victim is deceased, may submit a statement in aggravation or mitigation. In determining the appropriate term, the court may consider the record in the case, the probation officer's report, other reports, including reports received pursuant to Section 1203.03, and statements in aggravation or mitigation submitted by the prosecution, the defendant, or the victim, or the family of the victim if the victim is deceased, and any further evidence introduced at the sentencing hearing. The court shall select the term which, in the court's discretion, best serves the interests of justice. The court shall set forth on the record the reasons for imposing the term selected and the court may not impose an upper term by using the fact of any enhancement upon which sentence is imposed under any provision of law. A term of imprisonment shall not be specified if imposition of sentence is suspended.

(c) The court shall state the reasons for its sentence choice on the record at the time of sentencing. The court shall also inform the defendant that as part of the sentence after expiration of the term he or she may be on parole for a period as provided in Section 3000 or 3000.08 or postrelease community supervision for a period as provided in Section 3451.

(d) (1) When a defendant subject to this section or subdivision (b) of Section 1168 has been sentenced to be imprisoned in the state prison or county jail pursuant to subdivision (h) and has been committed to the custody of the secretary or the county correctional administrator, the court may, within 120 days of the date of commitment on its own motion, or at any time upon the recommendation of the secretary or the Board of Parole Hearings in the case of state prison inmates, or the county correctional administrator in the case of county jail inmates, recall the sentence and commitment previously ordered and resentence the defendant in the same manner as if he or she had not previously been sentenced, provided the new sentence, if any, is no greater than the initial sentence. The court resentencing under this subdivision shall apply the sentencing rules of the Judicial Council so as to eliminate disparity of sentences and to promote uniformity of sentencing. Credit shall be given for time served.

(2) (A) (i) When a defendant who was under 18 years of age at the time of the commission of the offense for which the defendant was sentenced to imprisonment for life without the possibility of parole has been incarcerated for at least 15 years, the defendant may submit to the sentencing court a petition for recall and resentencing.

(ii) Notwithstanding clause (i), this paragraph does not apply to defendants sentenced to life without parole for an offense where it was pled and proved that the defendant tortured, as described in Section 206, his or her victim or the victim was a public safety official, including any law enforcement personnel mentioned in Chapter 4.5 (commencing with Section 830) of Title 3, or any firefighter as described in Section 245.1, as well as any other officer in any segment of law enforcement who is employed by the federal government, the state, or any of its political subdivisions.

(B) The defendant shall file the original petition with the sentencing court. A copy of the petition shall be served on the agency that prosecuted the case. The petition shall include the defendant's statement that he or she was under 18 years of age at the time of the crime and was sentenced to life in prison without the possibility of parole, the defendant's statement describing his or her remorse and work towards rehabilitation, and the defendant's statement that one of the following is true:

(i) The defendant was convicted pursuant to felony murder or aiding and abetting murder provisions of law.

(ii) The defendant does not have juvenile felony adjudications for assault or other felony crimes with a significant potential for personal harm to victims prior to the offense for which the sentence is being considered for recall.

(iii) The defendant committed the offense with at least one adult codefendant.

(iv) The defendant has performed acts that tend to indicate rehabilitation or the potential for rehabilitation, including, but not limited to, availing himself or herself of rehabilitative, educational, or vocational programs, if those programs have been available at his or her classification level and facility, using self-study for self-improvement, or showing evidence of remorse.

(C) If any of the information required in subparagraph (B) is missing from the petition, or if proof of service on the prosecuting agency is not provided, the court shall return the petition to the defendant and advise the defendant that the matter cannot be considered without the missing information.

(D) A reply to the petition, if any, shall be filed with the court within 60 days of the date on which the prosecuting agency was served with the petition, unless a continuance is granted for good cause.

(E) If the court finds by a preponderance of the evidence that one or more of the statements specified in clauses (i) to (iv), inclusive, of subparagraph (B) are true, the court shall recall the sentence and commitment previously ordered and hold a hearing to resentence the defendant in the same manner as if the defendant had not previously been sentenced, provided

that the new sentence, if any, is not greater than the initial sentence. Victims, or victim family members if the victim is deceased, shall retain the rights to participate in the hearing.

(F) The factors that the court may consider when determining whether to resentence the defendant to a term of imprisonment with the possibility of parole include, but are not limited to, the following:

(i) The defendant was convicted pursuant to felony murder or aiding and abetting murder provisions of law.

(ii) The defendant does not have juvenile felony adjudications for assault or other felony crimes with a significant potential for personal harm to victims prior to the offense for which the defendant was sentenced to life without the possibility of parole.

(iii) The defendant committed the offense with at least one adult codefendant.

(iv) Prior to the offense for which the defendant was sentenced to life without the possibility of parole, the defendant had insufficient adult support or supervision and had suffered from psychological or physical trauma, or significant stress.

(v) The defendant suffers from cognitive limitations due to mental illness, developmental disabilities, or other factors that did not constitute a defense, but influenced the defendant's involvement in the offense.

(vi) The defendant has performed acts that tend to indicate rehabilitation or the potential for rehabilitation, including, but not limited to, availing himself or herself of rehabilitative, educational, or vocational programs, if those programs have been available at his or her classification level and facility, using self-study for self-improvement, or showing evidence of remorse.

(vii) The defendant has maintained family ties or connections with others through letter writing, calls, or visits, or has eliminated contact with individuals outside of prison who are currently involved with crime.

(viii) The defendant has had no disciplinary actions for violent activities in the last five years in which the defendant was determined to be the aggressor.

(G) The court shall have the discretion to resentence the defendant in the same manner as if the defendant had not previously been sentenced, provided that the new sentence, if any, is not greater than the initial sentence. The discretion of the court shall be exercised in consideration of the criteria in subparagraph (F). Victims, or victim family members if the victim is deceased, shall be notified of the resentencing hearing and shall retain their rights to participate in the hearing.

(H) If the sentence is not recalled or the defendant is resentenced to imprisonment for life without the possibility of parole, the defendant may submit another petition for recall and resentencing to the sentencing court when the defendant has been committed to the custody of the department for at least 20 years. If the sentence is not recalled or the defendant is resentenced to imprisonment for life without the possibility of parole under that petition, the defendant may file another petition after having served 24 years. The final petition may be submitted, and the response to that petition shall be determined, during the 25th year of the defendant's sentence.

(I) In addition to the criteria in subparagraph (F), the court may consider any other criteria that the court deems relevant to its decision, so long as the court identifies them on the record, provides a statement of reasons for adopting them, and states why the defendant does or does not satisfy the criteria.

(J) This subdivision shall have retroactive application.

(K) This paragraph is not intended to diminish or abrogate any rights or remedies otherwise available to the defendant.

(e) (1) Notwithstanding any other law and consistent with paragraph (1) of subdivision (a), if the secretary or the Board of Parole Hearings or both determine that a prisoner satisfies the criteria set forth in paragraph (2), the secretary or the board may recommend to the court that the prisoner's sentence be recalled.

(2) The court shall have the discretion to resentence or recall if the court finds that the facts described in subparagraphs (A) and (B) or subparagraphs (B) and (C) exist:

(A) The prisoner is terminally ill with an incurable condition caused by an illness or disease that would produce death within six months, as determined by a physician employed by the department.

(B) The conditions under which the prisoner would be released or receive treatment do not pose a threat to public safety.

(C) The prisoner is permanently medically incapacitated with a medical condition that renders him or her permanently unable to perform activities of basic daily living, and results in the prisoner requiring 24-hour total care, including, but not

limited to, coma, persistent vegetative state, brain death, ventilator-dependency, loss of control of muscular or neurological function, and that incapacitation did not exist at the time of the original sentencing.

The Board of Parole Hearings shall make findings pursuant to this subdivision before making a recommendation for resentence or recall to the court. This subdivision does not apply to a prisoner sentenced to death or a term of life without the possibility of parole.

(3) Within 10 days of receipt of a positive recommendation by the secretary or the board, the court shall hold a hearing to consider whether the prisoner's sentence should be recalled.

(4) Any physician employed by the department who determines that a prisoner has six months or less to live shall notify the chief medical officer of the prognosis. If the chief medical officer concurs with the prognosis, he or she shall notify the warden. Within 48 hours of receiving notification, the warden or the warden's representative shall notify the prisoner of the recall and resentencing procedures, and shall arrange for the prisoner to designate a family member or other outside agent to be notified as to the prisoner's medical condition and prognosis, and as to the recall and resentencing procedures. If the inmate is deemed mentally unfit, the warden or the warden's representative shall contact the inmate's emergency contact and provide the information described in paragraph (2).

(5) The warden or the warden's representative shall provide the prisoner and his or her family member, agent, or emergency contact, as described in paragraph (4), updated information throughout the recall and resentencing process with regard to the prisoner's medical condition and the status of the prisoner's recall and resentencing proceedings.

(6) Notwithstanding any other provisions of this section, the prisoner or his or her family member or designee may independently request consideration for recall and resentencing by contacting the chief medical officer at the prison or the secretary. Upon receipt of the request, the chief medical officer and the warden or the warden's representative shall follow the procedures described in paragraph (4). If the secretary determines that the prisoner satisfies the criteria set forth in paragraph (2), the secretary or board may recommend to the court that the prisoner's sentence be recalled. The secretary shall submit a recommendation for release within 30 days in the case of inmates sentenced to determinate terms and, in the case of inmates sentenced to indeterminate terms, the secretary shall make a recommendation to the Board of Parole Hearings with respect to the inmates who have applied under this section. The board shall consider this information and make an independent judgment pursuant to paragraph (2) and make findings related thereto before rejecting the request or making a recommendation to the court. This action shall be taken at the next lawfully noticed board meeting.

(7) Any recommendation for recall submitted to the court by the secretary or the Board of Parole Hearings shall include one or more medical evaluations, a postrelease plan, and findings pursuant to paragraph (2).

(8) If possible, the matter shall be heard before the same judge of the court who sentenced the prisoner.

(9) If the court grants the recall and resentencing application, the prisoner shall be released by the department within 48 hours of receipt of the court's order, unless a longer time period is agreed to by the inmate. At the time of release, the warden or the warden's representative shall ensure that the prisoner has each of the following in his or her possession: a discharge medical summary, full medical records, state identification, parole or postrelease community supervision medications, and all property belonging to the prisoner. After discharge, any additional records shall be sent to the prisoner's forwarding address.

(10) The secretary shall issue a directive to medical and correctional staff employed by the department that details the guidelines and procedures for initiating a recall and resentencing procedure. The directive shall clearly state that any prisoner who is given a prognosis of six months or less to live is eligible for recall and resentencing consideration, and that recall and resentencing procedures shall be initiated upon that prognosis.

(11) The provisions of this subdivision shall be available to an inmate who is sentenced to a county jail pursuant to subdivision (h). For purposes of those inmates, "secretary" or "warden" shall mean the county correctional administrator and "chief medical officer" shall mean a physician designated by the county correctional administrator for this purpose.

(f) Notwithstanding any other provision of this section, for purposes of paragraph (3) of subdivision (h), any allegation that a defendant is eligible for state prison due to a prior or current conviction, sentence enhancement, or because he or she is required to register as a sex offender shall not be subject to dismissal pursuant to Section 1385.

(g) A sentence to state prison for a determinate term for which only one term is specified, is a sentence to state prison under this section.

(h) (1) Except as provided in paragraph (3), a felony punishable pursuant to this subdivision where the term is not specified in the underlying offense shall be punishable by a term of imprisonment in a county jail for 16 months, or two or three years.

(2) Except as provided in paragraph (3), a felony punishable pursuant to this subdivision shall be punishable by imprisonment in a county jail for the term described in the underlying offense.

(3) Notwithstanding paragraphs (1) and (2), where the defendant (A) has a prior or current felony conviction for a serious felony described in subdivision (c) of Section 1192.7 or a prior or current conviction for a violent felony described in subdivision (c) of Section 667.5, (B) has a prior felony conviction in another jurisdiction for an offense that has all the elements of a serious felony described in subdivision (c) of Section 1192.7 or a violent felony described in subdivision (c) of Section 667.5, (C) is required to register as a sex offender pursuant to Chapter 5.5 (commencing with Section 290) of Title 9 of Part 1, or (D) is convicted of a crime and as part of the sentence an enhancement pursuant to Section 186.11 is imposed, an executed sentence for a felony punishable pursuant to this subdivision shall be served in state prison.

(4) This subdivision shall not be construed to prevent other dispositions authorized by law, including pretrial diversion, deferred entry of judgment, or an order granting probation pursuant to Section 1203.1.

(5) (A) Unless the court finds that, in the interests of justice, it is not appropriate in a particular case, the court, when imposing a sentence pursuant to paragraph (1) or (2), shall suspend execution of a concluding portion of the term for a period selected at the court's discretion.

(B) The portion of a defendant's sentenced term that is suspended pursuant to this paragraph shall be known as mandatory supervision, and, unless otherwise ordered by the court, shall commence upon release from physical custody or an alternative custody program, whichever is later. During the period of mandatory supervision, the defendant shall be supervised by the county probation officer in accordance with the terms, conditions, and procedures generally applicable to persons placed on probation, for the remaining unserved portion of the sentence imposed by the court. The period of supervision shall be mandatory, and may not be earlier terminated except by court order. Any proceeding to revoke or modify mandatory supervision under this subparagraph shall be conducted pursuant to either subdivisions (a) and (b) of Section 1203.2 or Section 1203.3. During the period when the defendant is under that supervision, unless in actual custody related to the sentence imposed by the court, the defendant shall be entitled to only actual time credit against the term of imprisonment imposed by the court. Any time period which is suspended because a person has absconded shall not be credited toward the period of supervision.

(6) The sentencing changes made by the act that added this subdivision shall be applied prospectively to any person sentenced on or after October 1, 2011.

(7) The sentencing changes made to paragraph (5) by the act that added this paragraph shall become effective and operative on January 1, 2015, and shall be applied prospectively to any person sentenced on or after January 1, 2015.

(i) This section shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

SEC. 188. Section 1170 of the Penal Code, as amended by Section 6.3 of Chapter 887 of the Statutes of 2016, is amended to read:

1170. (a) (1) The Legislature finds and declares that the purpose of sentencing is public safety achieved through punishment, rehabilitation, and restorative justice. When a sentence includes incarceration, this purpose is best served by terms that are proportionate to the seriousness of the offense with provision for uniformity in the sentences of offenders committing the same offense under similar circumstances.

(2) The Legislature further finds and declares that programs should be available for inmates, including, but not limited to, educational, rehabilitative, and restorative justice programs that are designed to promote behavior change and to prepare all eligible offenders for successful reentry into the community. The Legislature encourages the development of policies and programs designed to educate and rehabilitate all eligible offenders. In implementing this section, the Department of Corrections and Rehabilitation is encouraged to allow all eligible inmates the opportunity to enroll in programs that promote successful return to the community. The Department of Corrections and Rehabilitation is directed to establish a mission statement consistent with these principles.

(3) In any case in which the sentence prescribed by statute for a person convicted of a public offense is a term of imprisonment in the state prison, or a term pursuant to subdivision (h), of any specification of three time periods, the court shall sentence the defendant to one of the terms of imprisonment specified unless the convicted person is given any other disposition provided by law, including a fine, jail, probation, or the suspension of imposition or execution of sentence or is sentenced pursuant to subdivision (b) of Section 1168 because he or she had committed his or her crime prior to July 1, 1977. In sentencing the convicted person, the court shall apply the sentencing rules of the Judicial Council. The court, unless it determines that there are circumstances in mitigation of the sentence prescribed, shall also impose any other term that it is required by law to impose as an additional term. This article does not affect any provision of law that imposes the death penalty, that authorizes or

restricts the granting of probation or suspending the execution or imposition of sentence, or expressly provides for imprisonment in the state prison for life, except as provided in paragraph (2) of subdivision (d). In any case in which the amount of preimprisonment credit under Section 2900.5 or any other provision of law is equal to or exceeds any sentence imposed pursuant to this chapter, except for a remaining portion of mandatory supervision imposed pursuant to subparagraph (B) of paragraph (5) of subdivision (h), the entire sentence shall be deemed to have been served, except for the remaining period of mandatory supervision, and the defendant shall not be actually delivered to the custody of the secretary or the county correctional administrator. The court shall advise the defendant that he or she shall serve an applicable period of parole, postrelease community supervision, or mandatory supervision and order the defendant to report to the parole or probation office closest to the defendant's last legal residence, unless the in-custody credits equal the total sentence, including both confinement time and the period of parole, postrelease community supervision, or mandatory supervision. The sentence shall be deemed a separate prior prison term or a sentence of imprisonment in a county jail under subdivision (h) for purposes of Section 667.5, and a copy of the judgment and other necessary documentation shall be forwarded to the secretary.

(b) When a judgment of imprisonment is to be imposed and the statute specifies three possible terms, the court shall order imposition of the middle term, unless there are circumstances in aggravation or mitigation of the crime. At least four days prior to the time set for imposition of judgment, either party or the victim, or the family of the victim if the victim is deceased, may submit a statement in aggravation or mitigation to dispute facts in the record or the probation officer's report, or to present additional facts. In determining whether there are circumstances that justify imposition of the upper or lower term, the court may consider the record in the case, the probation officer's report, other reports, including reports received pursuant to Section 1203.03, and statements in aggravation or mitigation submitted by the prosecution, the defendant, or the victim, or the family of the victim if the victim is deceased, and any further evidence introduced at the sentencing hearing. The court shall set forth on the record the facts and reasons for imposing the upper or lower term. The court may not impose an upper term by using the fact of any enhancement upon which sentence is imposed under any provision of law. A term of imprisonment shall not be specified if imposition of sentence is suspended.

(c) The court shall state the reasons for its sentence choice on the record at the time of sentencing. The court shall also inform the defendant that as part of the sentence after expiration of the term he or she may be on parole for a period as provided in Section 3000 or 3000.08 or postrelease community supervision for a period as provided in Section 3451.

(d) (1) When a defendant subject to this section or subdivision (b) of Section 1168 has been sentenced to be imprisoned in the state prison or county jail pursuant to subdivision (h) and has been committed to the custody of the secretary or the county correctional administrator, the court may, within 120 days of the date of commitment on its own motion, or at any time upon the recommendation of the secretary or the Board of Parole Hearings in the case of state prison inmates, or the county correctional administrator in the case of county jail inmates, recall the sentence and commitment previously ordered and resentence the defendant in the same manner as if he or she had not previously been sentenced, provided the new sentence, if any, is no greater than the initial sentence. The court resentencing under this subdivision shall apply the sentencing rules of the Judicial Council so as to eliminate disparity of sentences and to promote uniformity of sentencing. Credit shall be given for time served.

(2) (A) (i) When a defendant who was under 18 years of age at the time of the commission of the offense for which the defendant was sentenced to imprisonment for life without the possibility of parole has been incarcerated for at least 15 years, the defendant may submit to the sentencing court a petition for recall and resentencing.

(ii) Notwithstanding clause (i), this paragraph shall not apply to defendants sentenced to life without parole for an offense where it was pled and proved that the defendant tortured, as described in Section 206, his or her victim or the victim was a public safety official, including any law enforcement personnel mentioned in Chapter 4.5 (commencing with Section 830) of Title 3, or any firefighter as described in Section 245.1, as well as any other officer in any segment of law enforcement who is employed by the federal government, the state, or any of its political subdivisions.

(B) The defendant shall file the original petition with the sentencing court. A copy of the petition shall be served on the agency that prosecuted the case. The petition shall include the defendant's statement that he or she was under 18 years of age at the time of the crime and was sentenced to life in prison without the possibility of parole, the defendant's statement describing his or her remorse and work towards rehabilitation, and the defendant's statement that one of the following is true:

(i) The defendant was convicted pursuant to felony murder or aiding and abetting murder provisions of law.

(ii) The defendant does not have juvenile felony adjudications for assault or other felony crimes with a significant potential for personal harm to victims prior to the offense for which the sentence is being considered for recall.

(iii) The defendant committed the offense with at least one adult codefendant.

(iv) The defendant has performed acts that tend to indicate rehabilitation or the potential for rehabilitation, including, but not limited to, availing himself or herself of rehabilitative, educational, or vocational programs, if those programs have been available at his or her classification level and facility, using self-study for self-improvement, or showing evidence of remorse.

(C) If any of the information required in subparagraph (B) is missing from the petition, or if proof of service on the prosecuting agency is not provided, the court shall return the petition to the defendant and advise the defendant that the matter cannot be considered without the missing information.

(D) A reply to the petition, if any, shall be filed with the court within 60 days of the date on which the prosecuting agency was served with the petition, unless a continuance is granted for good cause.

(E) If the court finds by a preponderance of the evidence that one or more of the statements specified in clauses (i) to (iv), inclusive, of subparagraph (B) are true, the court shall recall the sentence and commitment previously ordered and hold a hearing to resentence the defendant in the same manner as if the defendant had not previously been sentenced, provided that the new sentence, if any, is not greater than the initial sentence. Victims, or victim family members if the victim is deceased, shall retain the rights to participate in the hearing.

(F) The factors that the court may consider when determining whether to resentence the defendant to a term of imprisonment with the possibility of parole include, but are not limited to, the following:

(i) The defendant was convicted pursuant to felony murder or aiding and abetting murder provisions of law.

(ii) The defendant does not have juvenile felony adjudications for assault or other felony crimes with a significant potential for personal harm to victims prior to the offense for which the defendant was sentenced to life without the possibility of parole.

(iii) The defendant committed the offense with at least one adult codefendant.

(iv) Prior to the offense for which the defendant was sentenced to life without the possibility of parole, the defendant had insufficient adult support or supervision and had suffered from psychological or physical trauma, or significant stress.

(v) The defendant suffers from cognitive limitations due to mental illness, developmental disabilities, or other factors that did not constitute a defense, but influenced the defendant’s involvement in the offense.

(vi) The defendant has performed acts that tend to indicate rehabilitation or the potential for rehabilitation, including, but not limited to, availing himself or herself of rehabilitative, educational, or vocational programs, if those programs have been available at his or her classification level and facility, using self-study for self-improvement, or showing evidence of remorse.

(vii) The defendant has maintained family ties or connections with others through letter writing, calls, or visits, or has eliminated contact with individuals outside of prison who are currently involved with crime.

(viii) The defendant has had no disciplinary actions for violent activities in the last five years in which the defendant was determined to be the aggressor.

(G) The court shall have the discretion to resentence the defendant in the same manner as if the defendant had not previously been sentenced, provided that the new sentence, if any, is not greater than the initial sentence. The discretion of the court shall be exercised in consideration of the criteria in subparagraph (F). Victims, or victim family members if the victim is deceased, shall be notified of the resentencing hearing and shall retain their rights to participate in the hearing.

(H) If the sentence is not recalled or the defendant is resentenced to imprisonment for life without the possibility of parole, the defendant may submit another petition for recall and resentencing to the sentencing court when the defendant has been committed to the custody of the department for at least 20 years. If the sentence is not recalled or the defendant is resentenced to imprisonment for life without the possibility of parole under that petition, the defendant may file another petition after having served 24 years. The final petition may be submitted, and the response to that petition shall be determined, during the 25th year of the defendant’s sentence.

(I) In addition to the criteria in subparagraph (F), the court may consider any other criteria that the court deems relevant to its decision, so long as the court identifies them on the record, provides a statement of reasons for adopting them, and states why the defendant does or does not satisfy the criteria.

(J) This subdivision shall have retroactive application.

(K) This paragraph is not intended to diminish or abrogate any rights or remedies otherwise available to the defendant.

(e) (1) Notwithstanding any other law and consistent with paragraph (1) of subdivision (a), if the secretary or the Board of Parole Hearings or both determine that a prisoner satisfies the criteria set forth in paragraph (2), the secretary or the board may recommend to the court that the prisoner's sentence be recalled.

(2) The court shall have the discretion to resentence or recall if the court finds that the facts described in subparagraphs (A) and (B) or subparagraphs (B) and (C) exist:

(A) The prisoner is terminally ill with an incurable condition caused by an illness or disease that would produce death within six months, as determined by a physician employed by the department.

(B) The conditions under which the prisoner would be released or receive treatment do not pose a threat to public safety.

(C) The prisoner is permanently medically incapacitated with a medical condition that renders him or her permanently unable to perform activities of basic daily living, and results in the prisoner requiring 24-hour total care, including, but not limited to, coma, persistent vegetative state, brain death, ventilator-dependency, loss of control of muscular or neurological function, and that incapacitation did not exist at the time of the original sentencing.

The Board of Parole Hearings shall make findings pursuant to this subdivision before making a recommendation for resentence or recall to the court. This subdivision does not apply to a prisoner sentenced to death or a term of life without the possibility of parole.

(3) Within 10 days of receipt of a positive recommendation by the secretary or the board, the court shall hold a hearing to consider whether the prisoner's sentence should be recalled.

(4) Any physician employed by the department who determines that a prisoner has six months or less to live shall notify the chief medical officer of the prognosis. If the chief medical officer concurs with the prognosis, he or she shall notify the warden. Within 48 hours of receiving notification, the warden or the warden's representative shall notify the prisoner of the recall and resentencing procedures, and shall arrange for the prisoner to designate a family member or other outside agent to be notified as to the prisoner's medical condition and prognosis, and as to the recall and resentencing procedures. If the inmate is deemed mentally unfit, the warden or the warden's representative shall contact the inmate's emergency contact and provide the information described in paragraph (2).

(5) The warden or the warden's representative shall provide the prisoner and his or her family member, agent, or emergency contact, as described in paragraph (4), updated information throughout the recall and resentencing process with regard to the prisoner's medical condition and the status of the prisoner's recall and resentencing proceedings.

(6) Notwithstanding any other provisions of this section, the prisoner or his or her family member or designee may independently request consideration for recall and resentencing by contacting the chief medical officer at the prison or the secretary. Upon receipt of the request, the chief medical officer and the warden or the warden's representative shall follow the procedures described in paragraph (4). If the secretary determines that the prisoner satisfies the criteria set forth in paragraph (2), the secretary or board may recommend to the court that the prisoner's sentence be recalled. The secretary shall submit a recommendation for release within 30 days in the case of inmates sentenced to determinate terms and, in the case of inmates sentenced to indeterminate terms, the secretary shall make a recommendation to the Board of Parole Hearings with respect to the inmates who have applied under this section. The board shall consider this information and make an independent judgment pursuant to paragraph (2) and make findings related thereto before rejecting the request or making a recommendation to the court. This action shall be taken at the next lawfully noticed board meeting.

(7) Any recommendation for recall submitted to the court by the secretary or the Board of Parole Hearings shall include one or more medical evaluations, a postrelease plan, and findings pursuant to paragraph (2).

(8) If possible, the matter shall be heard before the same judge of the court who sentenced the prisoner.

(9) If the court grants the recall and resentencing application, the prisoner shall be released by the department within 48 hours of receipt of the court's order, unless a longer time period is agreed to by the inmate. At the time of release, the warden or the warden's representative shall ensure that the prisoner has each of the following in his or her possession: a discharge medical summary, full medical records, state identification, parole or postrelease community supervision medications, and all property belonging to the prisoner. After discharge, any additional records shall be sent to the prisoner's forwarding address.

(10) The secretary shall issue a directive to medical and correctional staff employed by the department that details the guidelines and procedures for initiating a recall and resentencing procedure. The directive shall clearly state that any prisoner who is given a prognosis of six months or less to live is eligible for recall and resentencing consideration, and that recall and resentencing procedures shall be initiated upon that prognosis.

(11) The provisions of this subdivision shall be available to an inmate who is sentenced to a county jail pursuant to subdivision (h). For purposes of those inmates, “secretary” or “warden” shall mean the county correctional administrator and “chief medical officer” shall mean a physician designated by the county correctional administrator for this purpose.

(f) Notwithstanding any other provision of this section, for purposes of paragraph (3) of subdivision (h), any allegation that a defendant is eligible for state prison due to a prior or current conviction, sentence enhancement, or because he or she is required to register as a sex offender shall not be subject to dismissal pursuant to Section 1385.

(g) A sentence to state prison for a determinate term for which only one term is specified, is a sentence to state prison under this section.

(h) (1) Except as provided in paragraph (3), a felony punishable pursuant to this subdivision where the term is not specified in the underlying offense shall be punishable by a term of imprisonment in a county jail for 16 months, or two or three years.

(2) Except as provided in paragraph (3), a felony punishable pursuant to this subdivision shall be punishable by imprisonment in a county jail for the term described in the underlying offense.

(3) Notwithstanding paragraphs (1) and (2), where the defendant (A) has a prior or current felony conviction for a serious felony described in subdivision (c) of Section 1192.7 or a prior or current conviction for a violent felony described in subdivision (c) of Section 667.5, (B) has a prior felony conviction in another jurisdiction for an offense that has all the elements of a serious felony described in subdivision (c) of Section 1192.7 or a violent felony described in subdivision (c) of Section 667.5, (C) is required to register as a sex offender pursuant to Chapter 5.5 (commencing with Section 290) of Title 9 of Part 1, or (D) is convicted of a crime and as part of the sentence an enhancement pursuant to Section 186.11 is imposed, an executed sentence for a felony punishable pursuant to this subdivision shall be served in state prison.

(4) This subdivision shall not be construed to prevent other dispositions authorized by law, including pretrial diversion, deferred entry of judgment, or an order granting probation pursuant to Section 1203.1.

(5) (A) Unless the court finds, in the interest of justice, that it is not appropriate in a particular case, the court, when imposing a sentence pursuant to paragraph (1) or (2), shall suspend execution of a concluding portion of the term for a period selected at the court’s discretion.

(B) The portion of a defendant’s sentenced term that is suspended pursuant to this paragraph shall be known as mandatory supervision, and, unless otherwise ordered by the court, shall commence upon release from physical custody or an alternative custody program, whichever is later. During the period of mandatory supervision, the defendant shall be supervised by the county probation officer in accordance with the terms, conditions, and procedures generally applicable to persons placed on probation, for the remaining unserved portion of the sentence imposed by the court. The period of supervision shall be mandatory, and may not be earlier terminated except by court order. Any proceeding to revoke or modify mandatory supervision under this subparagraph shall be conducted pursuant to either subdivisions (a) and (b) of Section 1203.2 or Section 1203.3. During the period when the defendant is under that supervision, unless in actual custody related to the sentence imposed by the court, the defendant shall be entitled to only actual time credit against the term of imprisonment imposed by the court. Any time period which is suspended because a person has absconded shall not be credited toward the period of supervision.

(6) The sentencing changes made by the act that added this subdivision shall be applied prospectively to any person sentenced on or after October 1, 2011.

(7) The sentencing changes made to paragraph (5) by the act that added this paragraph shall become effective and operative on January 1, 2015, and shall be applied prospectively to any person sentenced on or after January 1, 2015.

(i) This section shall become operative on January 1, 2022.

SEC. 189. Section 1170.18 of the Penal Code is amended to read:

1170.18. (a) A person who, on November 5, 2014, was serving a sentence for a conviction, whether by trial or plea, of a felony or felonies who would have been guilty of a misdemeanor under the act that added this section (“this act”) had this act been in effect at the time of the offense may petition for a recall of sentence before the trial court that entered the judgment of conviction in his or her case to request resentencing in accordance with Sections 11350, 11357, or 11377 of the Health and Safety Code, or Section 459.5, 473, 476a, 490.2, 496, or 666 of the Penal Code, as those sections have been amended or added by this act.

(b) Upon receiving a petition under subdivision (a), the court shall determine whether the petitioner satisfies the criteria in subdivision (a). If the petitioner satisfies the criteria in subdivision (a), the petitioner’s felony sentence shall be recalled and the petitioner resentenced to a misdemeanor pursuant to Sections 11350, 11357, or 11377 of the Health and Safety Code, or Section 459.5, 473, 476a, 490.2, 496, or 666 of the Penal Code, as those sections have been amended or added by this act, unless the

court, in its discretion, determines that resentencing the petitioner would pose an unreasonable risk of danger to public safety. In exercising its discretion, the court may consider all of the following:

(1) The petitioner's criminal conviction history, including the type of crimes committed, the extent of injury to victims, the length of prior prison commitments, and the remoteness of the crimes.

(2) The petitioner's disciplinary record and record of rehabilitation while incarcerated.

(3) Any other evidence the court, within its discretion, determines to be relevant in deciding whether a new sentence would result in an unreasonable risk of danger to public safety.

(c) As used throughout this Code, "unreasonable risk of danger to public safety" means an unreasonable risk that the petitioner will commit a new violent felony within the meaning of clause (iv) of subparagraph (C) of paragraph (2) of subdivision (e) of Section 667.

(d) A person who is resentenced pursuant to subdivision (b) shall be given credit for time served and shall be subject to parole for one year following completion of his or her sentence, unless the court, in its discretion, as part of its resentencing order, releases the person from parole. Such person is subject to Section 3000.08 parole supervision by the Department of Corrections and Rehabilitation and the jurisdiction of the court in the county in which the parolee is released or resides, or in which an alleged violation of supervision has occurred, for the purpose of hearing petitions to revoke parole and impose a term of custody.

(e) Under no circumstances may resentencing under this section result in the imposition of a term longer than the original sentence.

(f) A person who has completed his or her sentence for a conviction, whether by trial or plea, of a felony or felonies who would have been guilty of a misdemeanor under this act had this act been in effect at the time of the offense, may file an application before the trial court that entered the judgment of conviction in his or her case to have the felony conviction or convictions designated as misdemeanors.

(g) If the application satisfies the criteria in subdivision (f), the court shall designate the felony offense or offenses as a misdemeanor.

(h) Unless requested by the applicant, no hearing is necessary to grant or deny an application filed under subdivision (f).

(i) The provisions of this section shall not apply to persons who have one or more prior convictions for an offense specified in clause (iv) of subparagraph (C) of paragraph (2) of subdivision (e) of Section 667 or for an offense requiring registration pursuant to subdivision (c) of Section 290.

(j) Any petition or application under this section shall be filed on or before November 4, 2022, or at a later date upon showing of good cause.

(k) Any felony conviction that is recalled and resentenced under subdivision (b) or designated as a misdemeanor under subdivision (g) shall be considered a misdemeanor for all purposes, except that such resentencing shall not permit that person to own, possess, or have in his or her custody or control any firearm or prevent his or her conviction under Chapter 2 (commencing with Section 29800) of Division 9 of Title 4 of Part 6.

(l) If the court that originally sentenced the petitioner is not available, the presiding judge shall designate another judge to rule on the petition or application.

(m) This section is not intended to diminish or abrogate any rights or remedies otherwise available to the petitioner or applicant.

(n) This and related sections are not intended to diminish or abrogate the finality of judgments in any case not falling within the purview of this act.

(o) A resentencing hearing ordered under this act shall constitute a "post-conviction release proceeding" under paragraph (7) of subdivision (b) of Section 28 of Article I of the California Constitution (Marsy's Law).

SEC. 190. Section 1347.1 of the Penal Code is amended to read:

1347.1. (a) In any criminal proceeding in which a defendant is charged with a violation of Section 236.1, upon written notice by the prosecutor made at least three days prior to the date of the preliminary hearing or trial date on which the testimony of the minor is scheduled, or during the course of the proceeding on the court's own motion, the court may order that the testimony of a minor 15 years of age or younger at the time of the motion be taken by contemporaneous examination and cross-examination in another place and out of the presence of the judge, jury, defendant or defendants, and attorneys, and communicated to the courtroom by means of closed-circuit television, if the court makes all of the following findings:

(1) The minor's testimony will involve a recitation of the facts of an alleged offense of human trafficking, as defined in Section 236.1.

(2) (A) The impact on the minor of one or more of the factors enumerated in clauses (i) to (v), inclusive, is shown by clear and convincing evidence to be so substantial as to make the minor unavailable as a witness unless closed-circuit testimony is used.

(i) Testimony by the minor in the presence of the defendant would result in the minor suffering serious emotional distress so that the minor would be unavailable as a witness.

(ii) The defendant used a deadly weapon in the commission of the offense.

(iii) The defendant threatened serious bodily injury to the minor or the minor's family, threatened incarceration or deportation of the minor or a member of the minor's family, threatened removal of the minor from the minor's family, or threatened the dissolution of the minor's family in order to prevent or dissuade the minor from attending or giving testimony at any trial or court proceeding, or to prevent the minor from reporting the alleged sexual offense, or from assisting in criminal prosecution.

(iv) The defendant inflicted great bodily injury upon the minor in the commission of the offense.

(v) The defendant or his or her counsel behaved during the hearing or trial in a way that caused the minor to be unable to continue his or her testimony.

(B) In making the determination required by this paragraph, the court shall consider the age of the minor, the relationship between the minor and the defendant or defendants, any handicap or disability of the minor, and the nature of the acts charged. The minor's refusal to testify shall not alone constitute sufficient evidence that the special procedure described in this section is necessary to obtain the minor's testimony.

(3) The equipment available for use of closed-circuit television would accurately communicate the image and demeanor of the minor to the judge, jury, defendant or defendants, and attorneys.

(b) If the court orders the use of closed-circuit television, two-way closed-circuit television shall be used, except that if the impact on the minor of one or more of the factors enumerated in clauses (i) to (v), inclusive, of subparagraph (A) of paragraph (2) of subdivision (a), is shown by clear and convincing evidence to be so substantial as to make the minor unavailable as a witness even if two-way closed-circuit television is used, one-way closed-circuit television may be used. The prosecution shall give the defendant or defendants at least 30 days' written notice of the prosecution's intent to seek the use of one-way closed-circuit television, unless the prosecution shows good cause to the court why this 30-day notice requirement should not apply.

(c) (1) The hearing on a motion brought pursuant to this section shall be conducted out of the presence of the jury.

(2) Notwithstanding Section 804 of the Evidence Code or any other law, the court, in determining the merits of the motion, shall not compel the minor to testify at the hearing, nor shall the court deny the motion on the ground that the minor has not testified.

(3) In determining whether the impact on an individual minor of one or more of the five factors enumerated in clauses (i) to (v), inclusive, of subparagraph (A) of paragraph (2) of subdivision (a) is so substantial that the minor is unavailable as a witness unless two-way or one-way closed-circuit television is used, the court may question the minor in chambers, or at some other comfortable place other than the courtroom, on the record for a reasonable period of time with the support person, the prosecutor, and defense counsel present. The defendant or defendants shall not be present. The court shall conduct the questioning of the minor and shall not permit the prosecutor or defense counsel to examine the minor. The prosecutor and defense counsel shall be permitted to submit proposed questions to the court prior to the session in chambers. Defense counsel shall be afforded a reasonable opportunity to consult with the defendant or defendants prior to the conclusion of the session in chambers.

(d) When the court orders the testimony of a minor to be taken in another place outside of the courtroom, the court shall do all of the following:

(1) Make a brief statement on the record, outside of the presence of the jury, of the reasons in support of its order. While the statement need not include traditional findings of fact, the reasons shall be set forth with sufficient specificity to permit meaningful review and to demonstrate that discretion was exercised in a careful, reasonable, and equitable manner.

(2) Instruct the members of the jury that they are to draw no inferences from the use of closed-circuit television as a means of facilitating the testimony of the minor.

(3) Instruct respective counsel, outside of the presence of the jury, that they are to make no comment during the course of the trial on the use of closed-circuit television procedures.

(4) Instruct the support witness, outside of the presence of the jury, that he or she is not to coach, cue, or in any way influence or attempt to influence the testimony of the minor.

(5) Order that a complete record of the examination of the minor, including the images and voices of all persons who in any way participate in the examination, be made and preserved as a video recording in addition to being stenographically recorded. The video recording shall be transmitted to the clerk of the court in which the action is pending and shall be made available for viewing to the prosecuting attorney, the defendant or defendants, and his or her attorney during ordinary business hours. The video recording shall be destroyed after five years have elapsed from the date of entry of judgment. If an appeal is filed, the video recording shall not be destroyed until a final judgment on appeal has been ordered. A video recording that is taken pursuant to this section is subject to a protective order of the court for the purpose of protecting the privacy of the witness. This subdivision does not affect the provisions of subdivision (b) of Section 868.7.

(e) When the court orders the testimony of a minor to be taken in another place outside the courtroom, only the minor, a support person designated pursuant to Section 868.5, a nonuniformed bailiff, any technicians necessary to operate the closed-circuit equipment, and, after consultation with the prosecution and the defense, a representative appointed by the court, shall be physically present for the testimony. A video recording device shall record the image of the minor and his or her testimony, and a separate video recording device shall record the image of the support person.

(f) When the court orders the testimony of a minor to be taken in another place outside the courtroom, the minor shall be brought into the judge's chambers prior to the taking of his or her testimony to meet for a reasonable period of time with the judge, the prosecutor, and defense counsel. A support person for the minor shall also be present. This meeting shall be for the purpose of explaining the court process to the minor and to allow the attorneys an opportunity to establish rapport with the minor to facilitate later questioning by closed-circuit television. A participant shall not discuss the defendant or defendants or any of the facts of the case with the minor during this meeting.

(g) When the court orders the testimony of a minor to be taken in another place outside the courtroom, this section does not prohibit the court from ordering the minor to be brought into the courtroom for a limited purpose, including the identification of the defendant or defendants as the court deems necessary.

(h) The examination shall be under oath, and the defendant or defendants shall be able to see and hear the minor witness, and if two-way closed-circuit television is used, the defendant's image shall be transmitted live to the witness.

(i) This section does not affect the disqualification of witnesses pursuant to Section 701 of the Evidence Code.

(j) The cost of examination by contemporaneous closed-circuit television ordered pursuant to this section shall be borne by the court out of its existing budget.

(k) This section shall not be construed to prohibit a defendant from being represented by counsel during any closed-circuit testimony.

SEC. 191. Section 3409 of the Penal Code is amended to read:

3409. (a) Any incarcerated person in state prison who menstruates shall, upon request, have access to, and be allowed to use, materials necessary for personal hygiene with regard to their menstrual cycle and reproductive system. Any incarcerated person in state prison who is capable of becoming pregnant shall, upon request, have access to, and be allowed to obtain, contraceptive counseling and their choice of birth control methods, subject to the provisions of subdivision (b), unless medically contraindicated.

(b) (1) Except as provided in paragraph (2), all birth control methods and emergency contraception approved by the United States Food and Drug Administration (FDA) shall be made available to incarcerated persons who are capable of becoming pregnant, with the exception of sterilizing procedures prohibited by Section 3440.

(2) The California Correctional Health Care Services shall establish a formulary that consists of all FDA-approved birth control methods and that shall be available to persons specified in subdivision (a). If a birth control method has more than one FDA-approved therapeutic equivalent, only one version of that method shall be required to be made available, unless another version is specifically indicated by a prescribing provider and approved by the chief medical physician at the facility. Persons shall have access to nonprescription birth control methods without the requirement to see a licensed health care provider.

(c) (1) Any contraceptive service that requires a prescription, or any contraceptive counseling, provided to incarcerated persons who are capable of becoming pregnant, shall be furnished by a licensed health care provider who has been provided with training in reproductive health care and shall be nondirective, unbiased, and noncoercive. These services shall be furnished by the facility or by any other agency that contracts with the facility. Except as provided in paragraph (2), health care providers furnishing contraceptive services shall receive training in the following areas:

(A) The requirements of this section.

(B) Providing nondirective, unbiased, and noncoercive contraceptive counseling and services.

(2) Providers who attend an orientation program for the Family Planning, Access, Care, and Treatment Program shall be deemed to have met the training requirements described in paragraph (1).

(d) Any incarcerated person who is capable of becoming pregnant shall be furnished by the facility with information and education regarding the availability of family planning services and their right to receive nondirective, unbiased, and noncoercive contraceptive counseling and services. Each facility shall post this information in conspicuous places to which all incarcerated persons who are capable of becoming pregnant have access.

(e) Contraceptive counseling and family planning services shall be offered and made available to all incarcerated persons who are capable of becoming pregnant at least 60 days, but not longer than 180 days, prior to a scheduled release date.

(f) This section shall not be construed to limit an incarcerated person's access to any method of contraception that is prescribed or recommended for any medically indicated reason.

SEC. 192. Section 11105.04 of the Penal Code is amended to read:

11105.04. (a) A designated Court Appointed Special Advocate (CASA) program may submit to the Department of Justice fingerprint images and related information of employment and volunteer candidates for the purpose of obtaining information as to the existence and nature of any record of child abuse investigations contained in the Child Abuse Central Index, state- or federal-level convictions, or state- or federal-level arrests for which the department establishes that the applicant was released on bail or on his or her own recognizance pending trial. Requests for federal-level criminal offender record information received by the department pursuant to this section shall be forwarded to the Federal Bureau of Investigation by the department.

(b) When requesting state-level criminal offender record information pursuant to this section, the designated CASA program shall request subsequent arrest notification, pursuant to Section 11105.2, for all employment and volunteer candidates.

(c) The department shall respond to the designated CASA program with information as delineated in subdivision (p) of Section 11105.

(d) (1) The department shall charge a fee sufficient to cover the cost of processing the requests for federal-level criminal offender record information.

(2) The department shall not charge a fee for state-level criminal offender record information.

(e) For purposes of this section, a designated CASA program is a local court-appointed special advocate program that has adopted and adheres to the guidelines established by the Judicial Council and which has been designated by the local presiding juvenile court judge to recruit, screen, select, train, supervise, and support lay volunteers to be appointed by the court to help define the best interests of children in juvenile court dependency and wardship proceedings. For purposes of this section, there shall be only one designated CASA program in each California county.

SEC. 193. Section 11105.08 of the Penal Code is amended to read:

11105.08. (a) Notwithstanding any other law, a tribal agency may request from the Department of Justice state and federal level summary criminal history information for the purpose of approving a tribal home for the placement of an Indian child into foster or adoptive care.

(b) A tribal agency shall submit to the Department of Justice fingerprint images and related information required by the Department of Justice of an individual applying with the tribal agency as a prospective foster parent or adoptive parent, any adult who resides or is employed in the home of an applicant, any person who has a familial or intimate relationship with any person living in the home of an applicant, or employee of the child welfare agency who may have contact with a child, for the purposes of obtaining information as to the existence and content of a record of state or federal convictions and state or federal arrests and also information as to the existence and content of a record of state or federal arrests for which the Department of Justice establishes that the person is released on bail or on his or her own recognizance pending trial or appeal.

(c) Upon receipt of a request for federal summary criminal history information received pursuant to this section, the Department of Justice shall forward the request to the Federal Bureau of Investigation. The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the requesting tribal child welfare agency.

(d) The Department of Justice shall provide a state and federal level response to a tribal child welfare agency pursuant to subdivision (m) of Section 11105 of the Penal Code.

(e) A tribal agency shall request from the Department of Justice subsequent notification service pursuant to Section 11105.2 for persons described in subdivision (b) of this section.

(f) The Department of Justice may charge a fee sufficient to cover the reasonable and appropriate costs of processing the request pursuant to this section.

(g) As used in this section a "tribal agency" means an entity designated by a federally recognized tribe as authorized to approve a home consistent with the federal Indian Child Welfare Act (25 U.S.C. Sec. 1901 et seq.), for the purpose of placement of an Indian child into foster or adoptive care, including the authority to conduct a criminal or child abuse background check of, and grant exemptions to, an individual who is a prospective foster or adoptive parent, an adult who resides or is employed in the home of an applicant for approval, any person who has a familial or intimate relationship with any person living in the home of an applicant, or an employee of a tribal child welfare agency who may have contact with a child.

SEC. 194. Section 11106 of the Penal Code is amended to read:

11106. (a) (1) In order to assist in the investigation of crime, the prosecution of civil actions by city attorneys pursuant to paragraph (3) of subdivision (b), the arrest and prosecution of criminals, and the recovery of lost, stolen, or found property, the Attorney General shall keep and properly file a complete record of all of the following:

(A) All copies of fingerprints.

(B) Copies of licenses to carry firearms issued pursuant to Section 26150, 26155, 26170, or 26215.

(C) Information reported to the Department of Justice pursuant to Section 26225, 27875, 27920, 29180, or 29830.

(D) Dealers' Records of Sales of firearms.

(E) Reports provided pursuant to Article 1 (commencing with Section 27500) of Chapter 4 of Division 6 of Title 4 of Part 6, or pursuant to any provision listed in subdivision (a) of Section 16585.

(F) Forms provided pursuant to Section 12084, as that section read prior to being repealed on January 1, 2006.

(G) Reports provided pursuant to Article 1 (commencing with Section 26700) and Article 2 (commencing with Section 26800) of Chapter 2 of Division 6 of Title 4 of Part 6, that are not dealers' records of sales of firearms.

(H) Information provided pursuant to Section 28255.

(I) Reports of stolen, lost, found, pledged, or pawned property in any city or county of this state.

(2) The Attorney General shall, upon proper application therefor, furnish the information to the officers referred to in Section 11105.

(b) (1) The Attorney General shall permanently keep and properly file and maintain all information reported to the Department of Justice pursuant to the following provisions as to firearms and maintain a registry thereof:

(A) Article 1 (commencing with Section 26700) and Article 2 (commencing with Section 26800) of Chapter 2 of Division 6 of Title 4 of Part 6.

(B) Article 1 (commencing with Section 27500) of Chapter 4 of Division 6 of Title 4 of Part 6.

(C) Chapter 5 (commencing with Section 28050) of Division 6 of Title 4 of Part 6.

(D) Any provision listed in subdivision (a) of Section 16585.

(E) Former Section 12084.

(F) Section 28255.

(G) Section 29180.

(H) Any other law.

(2) The registry shall consist of all of the following:

(A) The name, address, identification of, place of birth (state or country), complete telephone number, occupation, sex, description, and all legal names and aliases ever used by the owner or person being loaned the particular firearm as listed on the information provided to the department on the Dealers' Record of Sale, the Law Enforcement Firearms Transfer

(LEFT), as defined in former Section 12084, or reports made to the department pursuant to any provision listed in subdivision (a) of Section 16585, Section 28255 or 29180, or any other law.

(B) The name and address of, and other information about, any person (whether a dealer or a private party) from whom the owner acquired or the person being loaned the particular firearm and when the firearm was acquired or loaned as listed on the information provided to the department on the Dealers' Record of Sale, the LEFT, or reports made to the department pursuant to any provision listed in subdivision (a) of Section 16585 or any other law.

(C) Any waiting period exemption applicable to the transaction which resulted in the owner of or the person being loaned the particular firearm acquiring or being loaned that firearm.

(D) The manufacturer's name if stamped on the firearm, model name or number if stamped on the firearm, and, if applicable, the serial number, other number (if more than one serial number is stamped on the firearm), caliber, type of firearm, if the firearm is new or used, barrel length, and color of the firearm, or, if the firearm is not a handgun and does not have a serial number or any identification number or mark assigned to it, that shall be noted.

(3) Information in the registry referred to in this subdivision shall, upon proper application therefor, be furnished to the officers referred to in Section 11105, to a city attorney prosecuting a civil action, solely for use in prosecuting that civil action and not for any other purpose, or to the person listed in the registry as the owner or person who is listed as being loaned the particular firearm.

(4) If any person is listed in the registry as the owner of a firearm through a Dealers' Record of Sale prior to 1979, and the person listed in the registry requests by letter that the Attorney General store and keep the record electronically, as well as in the record's existing photographic, photostatic, or nonerasable optically stored form, the Attorney General shall do so within three working days of receipt of the request. The Attorney General shall, in writing, and as soon as practicable, notify the person requesting electronic storage of the record that the request has been honored as required by this paragraph.

(c) (1) If the conditions specified in paragraph (2) are met, any officer referred to in paragraphs (1) to (6), inclusive, of subdivision (b) of Section 11105 may disseminate the name of the subject of the record, the number of the firearms listed in the record, and the description of any firearm, including the make, model, and caliber, from the record relating to any firearm's sale, transfer, registration, or license record, or any information reported to the Department of Justice pursuant to any of the following:

(A) Section 26225, 27875, or 27920.

(B) Article 1 (commencing with Section 26700) and Article 2 (commencing with Section 26800) of Chapter 2 of Division 6 of Title 4 of Part 6.

(C) Article 1 (commencing with Section 27500) of Chapter 4 of Division 6 of Title 4 of Part 6.

(D) Chapter 5 (commencing with Section 28050) of Division 6 of Title 4 of Part 6.

(E) Article 2 (commencing with Section 28150) of Chapter 6 of Division 6 of Title 4 of Part 6.

(F) Article 5 (commencing with Section 30900) of Chapter 2 of Division 10 of Title 4 of Part 6.

(G) Chapter 2 (commencing with Section 33850) of Division 11 of Title 4 of Part 6.

(H) Any provision listed in subdivision (a) of Section 16585.

(2) Information may be disseminated pursuant to paragraph (1) only if all of the following conditions are satisfied:

(A) The subject of the record has been arraigned for a crime in which the victim is a person described in subdivisions (a) to (f), inclusive, of Section 6211 of the Family Code and is being prosecuted or is serving a sentence for the crime, or the subject of the record is the subject of an emergency protective order, a temporary restraining order, or an order after hearing, which is in effect and has been issued by a family court under the Domestic Violence Protection Act set forth in Division 10 (commencing with Section 6200) of the Family Code.

(B) The information is disseminated only to the victim of the crime or to the person who has obtained the emergency protective order, the temporary restraining order, or the order after hearing issued by the family court.

(C) Whenever a law enforcement officer disseminates the information authorized by this subdivision, that officer or another officer assigned to the case shall immediately provide the victim of the crime with a "Victims of Domestic Violence" card, as specified in subparagraph (H) of paragraph (9) of subdivision (c) of Section 13701.

(3) The victim or person to whom information is disseminated pursuant to this subdivision may disclose it as he or she deems necessary to protect himself or herself or another person from bodily harm by the person who is the subject of the record.

SEC. 195. Section 11174.32 of the Penal Code is amended to read:

11174.32. (a) Each county may establish an interagency child death review team to assist local agencies in identifying and reviewing suspicious child deaths and facilitating communication among persons who perform autopsies and the various persons and agencies involved in child abuse or neglect cases. Interagency child death review teams have been used successfully to ensure that incidents of child abuse or neglect are recognized and other siblings and nonoffending family members receive the appropriate services in cases where a child has expired.

(b) Each county may develop a protocol that may be used as a guideline by persons performing autopsies on children to assist coroners and other persons who perform autopsies in the identification of child abuse or neglect, in the determination of whether child abuse or neglect contributed to death or whether child abuse or neglect had occurred prior to but was not the actual cause of death, and in the proper written reporting procedures for child abuse or neglect, including the designation of the cause and mode of death.

(c) In developing an interagency child death review team and an autopsy protocol, each county, working in consultation with local members of the California State Coroners Association and county child abuse prevention coordinating councils, may solicit suggestions and final comments from persons, including, but not limited to, the following:

(1) Experts in the field of forensic pathology.

(2) Pediatricians with expertise in child abuse.

(3) Coroners and medical examiners.

(4) Criminologists.

(5) District attorneys.

(6) Child protective services staff.

(7) Law enforcement personnel.

(8) Representatives of local agencies which are involved with child abuse or neglect reporting.

(9) County health department staff who deals with children’s health issues.

(10) Local professional associations of persons described in paragraphs (1) to (9), inclusive.

(d) Records exempt from disclosure to third parties pursuant to state or federal law shall remain exempt from disclosure when they are in the possession of a child death review team.

(e) Written and oral information pertaining to the child's death as requested by a child death review team may be disclosed to a child death review team established pursuant to this section. The team may make a request, in writing, for the information sought and any person with information of the kind described in paragraph (2) may rely on the request in determining whether information may be disclosed to the team.

(1) An individual or agency that has information governed by this subdivision shall not be required to disclose information. The intent of this subdivision is to allow the voluntary disclosure of information by the individual or agency that has the information.

(2) The following information may be disclosed pursuant to this subdivision:

(A) Notwithstanding Section 56.10 of the Civil Code, medical information, unless disclosure is prohibited by federal law.

(B) Notwithstanding Section 5328 of the Welfare and Institutions Code, mental health information.

(C) Notwithstanding Section 11167.5, information from child abuse reports and investigations, except the identity of the person making the report, which shall not be disclosed.

(D) State summary criminal history information, criminal offender record information, and local summary criminal history information, as defined in Sections 11105, 11075, and 13300, respectively.

(E) Notwithstanding Section 11163.2, information pertaining to reports by health practitioners of persons suffering from physical injuries inflicted by means of a firearm or of persons suffering physical injury where the injury is a result of assaultive or abusive conduct.

(F) Notwithstanding Section 10850 of the Welfare and Institutions Code, records of in-home supportive services, unless disclosure is prohibited by federal law.

(3) Written or oral information disclosed to a child death review team pursuant to this subdivision shall remain confidential, and shall not be subject to disclosure or discovery by a third party unless otherwise required by law.

(f) (1) No less than once each year, each child death review team shall make available to the public findings, conclusions, and recommendations of the team, including aggregate statistical data on the incidences and causes of child deaths.

(2) In its report, the child death review team shall withhold the last name of the child that is subject to a review or the name of the deceased child's siblings unless the name has been publicly disclosed or is required to be disclosed by state law, federal law, or court order.

SEC. 196. Section 12021.5 of the Penal Code, as amended by Section 11 of Chapter 887 of the Statutes of 2016, is amended to read:

12021.5. (a) Every person who carries a loaded or unloaded firearm on his or her person, or in a vehicle, during the commission or attempted commission of any street gang crimes described in subdivision (a) or (b) of Section 186.22, shall, upon conviction of the felony or attempted felony, be punished by an additional term of imprisonment in the state prison for one, two, or three years. The court shall select the sentence enhancement that, in the court's discretion, best serves the interests of justice and shall state the reasons for its choice on the record at the time of sentence, in accordance with subdivision (d) of Section 1170.1.

(b) Every person who carries a loaded or unloaded firearm together with a detachable shotgun magazine, a detachable pistol magazine, a detachable magazine, or a belt-feeding device on his or her person, or in a vehicle, during the commission or attempted commission of any street gang crimes described in subdivision (a) or (b) of Section 186.22, shall, upon conviction of the felony or attempted felony, be punished by an additional term of imprisonment in the state prison for two, three, or four years. The court shall select the sentence enhancement that, in the court's discretion, best serves the interests of justice and shall state the reasons for its choice on the record at the time of sentence, in accordance with subdivision (d) of Section 1170.1.

(c) As used in this section, the following definitions shall apply:

(1) "Detachable magazine" means a device that is designed or redesigned to do all of the following:

(A) To be attached to a rifle that is designed or redesigned to fire ammunition.

(B) To be attached to, and detached from, a rifle that is designed or redesigned to fire ammunition.

(C) To feed ammunition continuously and directly into the loading mechanism of a rifle that is designed or redesigned to fire ammunition.

(2) "Detachable pistol magazine" means a device that is designed or redesigned to do all of the following:

(A) To be attached to a semiautomatic firearm that is not a rifle or shotgun that is designed or redesigned to fire ammunition.

(B) To be attached to, and detached from, a firearm that is not a rifle or shotgun that is designed or redesigned to fire ammunition.

(C) To feed ammunition continuously and directly into the loading mechanism of a firearm that is not a rifle or a shotgun that is designed or redesigned to fire ammunition.

(3) "Detachable shotgun magazine" means a device that is designed or redesigned to do all of the following:

(A) To be attached to a firearm that is designed or redesigned to fire a fixed shotgun shell through a smooth or rifled bore.

(B) To be attached to, and detached from, a firearm that is designed or redesigned to fire a fixed shotgun shell through a smooth bore.

(C) To feed fixed shotgun shells continuously and directly into the loading mechanism of a firearm that is designed or redesigned to fire a fixed shotgun shell.

(4) "Belt-feeding device" means a device that is designed or redesigned to continuously feed ammunition into the loading mechanism of a machinegun or a semiautomatic firearm.

(5) "Rifle" shall have the same meaning as specified in Section 17090.

(6) "Shotgun" shall have the same meaning as specified in Section 17190.

(d) This section shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

SEC. 197. Section 12022.2 of the Penal Code, as amended by Section 13 of Chapter 887 of the Statutes of 2016, is amended to read:

12022.2. (a) A person who, while armed with a firearm in the commission or attempted commission of any felony, has in his or her immediate possession ammunition for the firearm designed primarily to penetrate metal or armor, shall, upon conviction of that felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony, be punished by an additional term of 3, 4, or 10 years. The court shall select the sentence enhancement that, in the court's discretion, best serves the interests of justice and shall state the reasons for its choice on the record at the time of the sentence in accordance with subdivision (d) of Section 1170.1.

(b) A person who wears a body vest in the commission or attempted commission of a violent offense, as defined in Section 29905, shall, upon conviction of that felony or attempted felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of one, two, or five years. The court shall select the sentence enhancement that, in the court's discretion, best serves the interests of justice and shall state the reasons for its choice on the record at the time of the sentence in accordance with subdivision (d) of Section 1170.1.

(c) As used in this section, "body vest" means any bullet-resistant material intended to provide ballistic and trauma protection for the wearer.

(d) This section shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

SEC. 198. Section 12022.4 of the Penal Code, as amended by Section 15 of Chapter 887 of the Statutes of 2016, is amended to read:

12022.4. (a) A person who, during the commission or attempted commission of a felony, furnishes or offers to furnish a firearm to another for the purpose of aiding, abetting, or enabling that person or any other person to commit a felony shall, in addition and consecutive to the punishment prescribed by the felony or attempted felony of which the person has been convicted, be punished by an additional term of one, two, or three years in the state prison. The court shall select the sentence enhancement that, in the court's discretion, best serves the interests of justice and shall state the reasons for its choice on the record at the time of the sentence, in accordance with subdivision (d) of Section 1170.1. The additional term provided in this section shall not be imposed unless the fact of the furnishing is charged in the accusatory pleading and admitted or found to be true by the trier of fact.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

SEC. 199. Section 13835.4 of the Penal Code is amended to read:

13835.4. In order to ensure the effective delivery of comprehensive services to victims and witnesses, a center established by an agency receiving funds pursuant to this article shall carry out all of the following activities in connection with both primary and optional services:

(a) Translation services for non-English-speaking victims and witnesses or the deaf or hard of hearing.

(b) Follow-up contact to determine whether the client received the necessary assistance.

(c) Field visits to a client's home, place of business, or other location, whenever necessary to provide services.

(d) Service to victims and witnesses of all types of crime.

(e) Volunteer participation to encourage community involvement.

(f) Services for elderly victims of crime, appropriate to their special needs.

SEC. 200. Section 29180 of the Penal Code is amended to read:

29180. (a) For purposes of this chapter, "manufacturing" or "assembling" a firearm means to fabricate or construct a firearm, or to fit together the component parts of a firearm to construct a firearm.

(b) Commencing July 1, 2018, prior to manufacturing or assembling a firearm, a person manufacturing or assembling the firearm shall do all of the following:

(1) Apply to the Department of Justice for a unique serial number or other mark of identification pursuant to Section 29182.

(2) (A) Within 10 days of manufacturing or assembling a firearm in accordance with paragraph (1), the unique serial number or other mark of identification provided by the department shall be engraved or permanently affixed to the firearm in a manner that meets or exceeds the requirements imposed on licensed importers and licensed manufacturers of firearms pursuant to subsection (i) of Section 923 of Title 18 of the United States Code and regulations issued pursuant thereto.

(B) If the firearm is manufactured or assembled from polymer plastic, 3.7 ounces of material type 17-4 PH stainless steel shall be embedded within the plastic upon fabrication or construction with the unique serial number engraved or otherwise permanently affixed in a manner that meets or exceeds the requirements imposed on licensed importers and licensed manufacturers of firearms pursuant to subsection (i) of Section 923 of Title 18 of the United States Code and regulations issued pursuant thereto.

(3) After the serial number provided by the department is engraved or otherwise permanently affixed to the firearm, the person shall notify the department of that fact in a manner and within a time period specified by the department, and with sufficient information to identify the owner of the firearm, the unique serial number or mark of identification provided by the department, and the firearm in a manner prescribed by the department.

(c) By January 1, 2019, any person who, as of July 1, 2018, owns a firearm that does not bear a serial number assigned to it pursuant to either Section 23910 or Chapter 44 (commencing with Section 921) of Part 1 of Title 18 of the United States Code and the regulations issued pursuant thereto, shall do all of the following:

(1) Apply to the Department of Justice for a unique serial number or other mark of identification pursuant to Section 29182.

(2) Within 10 days of receiving a unique serial number or other mark of identification from the department, the unique serial number or other mark of identification provided by the department shall be engraved or permanently affixed to the firearm in accordance with regulations prescribed by the department pursuant to Section 29182 and in a manner that meets or exceeds the requirements imposed on licensed importers and licensed manufacturers of firearms pursuant to subsection (i) of Section 923 of Title 18 of the United States Code and regulations issued pursuant thereto.

(3) After the serial number provided by the department is engraved or otherwise permanently affixed to the firearm, the person shall notify the department of that fact in a manner and within a time period specified by the department and with sufficient information to identify the owner of the firearm, the unique serial number or mark of identification provided by the department, and the firearm in a manner prescribed by the department.

(d) (1) The sale or transfer of ownership of a firearm manufactured or assembled pursuant to this section is prohibited.

(2) Paragraph (1) does not apply to the transfer, surrender, or sale of a firearm to a law enforcement agency.

(3) Any firearms surrendered, transferred, or sold to a local law enforcement agency pursuant to paragraph (2) shall be destroyed as provided in Section 18005.

(4) Sections 26500 and 27545, and subdivision (a) of Section 31615, do not apply to the transfer, sale, or surrender of firearms to a law enforcement agency pursuant to paragraph (2).

(e) A person, corporation, or firm shall not knowingly allow, facilitate, aid, or abet the manufacture or assembling of a firearm pursuant to this section by a person who is within any of the classes identified by Chapter 2 (commencing with Section 29800) or Chapter 3 (commencing with Section 29900) of Division 9 of this code, or Section 8100 or 8103 of the Welfare and Institutions Code.

(f) If the firearm is a handgun, a violation of this section is punishable by imprisonment in a county jail not to exceed one year, or by a fine not to exceed one thousand dollars ($1,000), or by both that fine and imprisonment. For all other firearms, a violation of this section is punishable by imprisonment in a county jail not to exceed six months, or by a fine not to exceed one thousand dollars ($1,000), or by both that fine and imprisonment. Each firearm found to be in violation of this section constitutes a distinct and separate offense. This section does not preclude prosecution under any other law providing for a greater penalty.

SEC. 201. Section 29181 of the Penal Code is amended to read:

29181. Section 29180 does not apply to or affect any of the following:

(a) A firearm that has a serial number assigned to it pursuant to either Section 23910 or Chapter 44 (commencing with Section 921) of Part 1 of Title 18 of the United States Code and the regulations issued pursuant thereto.

(b) A firearm made or assembled prior to December 16, 1968, that is not a handgun.

(c) A firearm which was entered into the centralized registry set forth in Section 11106 prior to July 1, 2018, as being owned by a specific individual or entity if that firearm has assigned to it a distinguishing number or mark of identification because the department accepted entry of that firearm into the centralized registry.

(d) A firearm that has a serial number assigned to it pursuant to Chapter 53 of Title 26 of the United States Code and the regulations issued pursuant thereto.

(e) A firearm that is a curio or relic, or an antique firearm, as those terms are defined in Section 479.11 of Title 27 of the Code of Federal Regulations.

SEC. 202. Section 29182 of the Penal Code is amended to read:

29182. (a) (1) The Department of Justice shall accept applications from, and shall grant applications in the form of serial numbers pursuant to Section 23910 to, persons who wish to manufacture or assemble firearms pursuant to subdivision (b) of Section 29180.

(2) The Department of Justice shall accept applications from, and shall grant applications in the form of serial numbers pursuant to Section 23910 to, persons who wish to own a firearm described in subdivision (c) of Section 29180.

(b) An application made pursuant to subdivision (a) shall only be granted by the department if the applicant does all of the following:

(1) For each transaction, completes a personal firearms eligibility check demonstrating that the applicant is not prohibited by state or federal law from possessing, receiving, owning, or purchasing a firearm.

(2) Presents proof of age and identity as specified in Section 16400. The applicant shall be 18 years of age or older to obtain a unique serial number or mark of identification for a firearm that is not a handgun, and shall be 21 years of age or older to obtain a unique serial number or mark of identification for a handgun.

(3) Provides a description of the firearm that he or she owns or intends to manufacture or assemble, in a manner prescribed by the department.

(4) Has a valid firearm safety certificate or handgun safety certificate.

(c) The department shall inform applicants who are denied an application of the reasons for the denial in writing.

(d) All applications shall be granted or denied within 15 calendar days of the receipt of the application by the department.

(e) This chapter does not authorize a person to manufacture, assemble, or possess a weapon prohibited under Section 16590, an assault weapon as defined in Section 30510 or 30515, a machinegun as defined in Section 16880, a .50 BMG rifle as defined in Section 30530, or a destructive device as defined in Section 16460.

(f) The department shall adopt regulations to administer this chapter.

SEC. 203. Section 20928.2 of the Public Contract Code is amended to read:

20928.2. The procurement process for the project shall progress as follows:

(a) The local agency shall prepare a set of documents setting forth the scope and estimated price of the project. The documents may include, but need not be limited to, the size, type, and desired design character of the project, performance specifications covering the quality of materials, equipment, workmanship, preliminary plans or building layouts, or any other information deemed necessary to describe adequately the local agency's needs. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California.

(b) The local agency shall prepare and issue a request for qualifications in order to prequalify or short-list the entities, including subcontractors and suppliers, whose bids shall be evaluated for final selection. The request for qualifications shall include, but need not be limited to, the following elements:

(1) Identification of the basic scope and needs of the project or contract, the expected cost range, the methodology that will be used by the local agency to evaluate bids, the procedure for final selection of the bidder, and any other information deemed necessary by the local agency to inform interested parties of the contracting opportunity.

(2) Significant factors that the local agency reasonably expects to consider in evaluating qualifications, including technical design-related expertise, construction expertise, acceptable safety records, and all other non-price-related factors.

(3) A standard template request for statements of qualifications prepared by the local agency. In preparing the standard template, the local agency may consult with the construction industry, the building trades and surety industry, and other local agencies interested in using the authorization provided by this article. The template shall require all of the following information:

(A) If the bidder is a privately held corporation, limited liability company, partnership, or joint venture, comprised of privately held entities, a listing of all of the shareholders, partners, or members known at the time of statement of qualification submission who will perform work on the project.

(B) Evidence that the members of the contracting team have completed, or demonstrated the experience, competency, capability, and capacity to complete, projects of similar size, scope, or complexity and that proposed key personnel have sufficient experience and training to competently manage and complete the project, and a financial statement that ensures that the bidder has the capacity to complete the project.

(C) The licenses, registration, and credentials required for the project, including, but not limited to, information on the revocation or suspension of any license, credential, or registration.

(D) Evidence that establishes that the bidder has the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.

(E) Information concerning workers' compensation experience history and a worker safety program.

(F) An acceptable safety record. "Safety record" means the prior history concerning the safe performance of construction contracts. The criteria used to evaluate a bidder's safety record shall include, at a minimum, its experience modification rate for the most recent three-year period, and its average total recordable injury or illness rate and average lost work rate for the most recent three-year period.

(4) The information required under this subdivision shall be certified under penalty of perjury by the bidder and its general partners or joint venture members.

(c) A contracting entity shall not be prequalified or short-listed unless the entity provides an enforceable commitment to the local agency that the entity and its subcontractors will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.

(1) For purposes of this subdivision:

(A) "Apprenticeable occupation" means an occupation for which the chief had approved an apprenticeship program pursuant to Section 3075 of the Labor Code prior to January 1, 2014.

(B) "Skilled and trained workforce" means a workforce that meets all of the following conditions:

(i) All the workers are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the Chief of the Division of Apprenticeship Standards.

(ii) (I) For work performed on or after January 1, 2017, at least 30 percent of the skilled journeypersons employed to perform work on the contract or project by the bidder and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(II) For work performed on or after January 1, 2018, at least 40 percent of the skilled journeypersons employed to perform work on the contract or project by the bidder and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(III) For work performed on or after January 1, 2019, at least 50 percent of the skilled journeypersons employed to perform work on the contract or project by the bidder and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(IV) For work performed on or after January 1, 2020, at least 60 percent of the skilled journeypersons employed to perform work on the contract or project by the bidder and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief of the Division of

Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(iii) For an apprenticeable occupation in which no apprenticeship program had been approved by the chief prior to January 1, 1995, up to one-half of the graduation percentage requirements of clause (ii) may be satisfied by skilled journeypersons who commenced working in the apprenticeable occupation prior to the chief's approval of an apprenticeship program for that occupation in the county in which the project is located.

(C) "Skilled journeyperson" means a worker who either:

(i) Graduated from an apprenticeship program for the applicable occupation that was approved by the chief or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(ii) Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the chief.

(2) The apprenticeship graduation percentage requirements of subparagraph (B) of paragraph (1) are satisfied if, in a particular calendar month, either of the following is true:

(A) The required percentage of the skilled journeypersons employed by the contractor or subcontractor to perform work on the contract or project meet the graduation percentage requirement.

(B) For the hours of work performed by skilled journeypersons employed by the contractor or subcontractor on the contract or project, the percentage of hours performed by skilled journeypersons who met the graduation requirement meets or exceeds the required graduation percentage.

(3) A contractor or subcontractor need not meet the apprenticeship graduation requirements of subparagraph (B) of paragraph (1) if, during the calendar month, the contractor or subcontractor employs skilled journeypersons to perform fewer than 10 hours of work on the contract or project.

(4) A subcontractor need not meet the apprenticeship graduation requirements of subparagraph (B) of paragraph (1) if both of the following requirements are met:

(A) The subcontractor was not a listed subcontractor under Section 4104 or a substitute for a listed subcontractor.

(B) The subcontract does not exceed one-half of 1 percent of the price of the prime contract.

(5) (A) A contractor, bidder, or other entity's commitment that a skilled and trained workforce will be used to perform the project or contract shall be established by the contractor, bidder, or other entity's agreement with the local agency that the contractor, bidder, or other entity and its subcontractors at every tier will comply with this subdivision and that the contractor, bidder, or other entity will provide the local agency with a report on a monthly basis while the project or contract is being performed, as to whether the contractor, bidder, or other entity and its subcontractors are complying with the requirements of this subdivision.

(B) If the contractor, bidder, or other entity fails to provide the monthly report required by this section, or provides a report that is incomplete, the local agency shall withhold further payments until a complete report is provided.

(C) If a monthly report does not demonstrate compliance with this chapter, the local agency shall withhold further payments until the contractor, bidder, or other entity provides a plan to achieve substantial compliance with this article, with respect to the relevant apprenticeable occupation, prior to completion of the contract or project.

(D) A monthly report provided to the public agency or other awarding body shall be a public record under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and shall be open to public inspection.

(6) This subdivision shall not apply if the contractor, bidder, or other entity has entered into a project labor agreement that will bind itself and all its subcontractors who perform construction work on the project, and the contractor, bidder, or other entity agrees to be bound by the project agreement.

(d) The local agency shall make the list of prequalified entities available to the public.

(e) Based on the documents prepared as described in subdivision (a), the local agency shall prepare a request for bids that invites prequalified or short-listed entities to submit competitive sealed bids in the manner prescribed by the local agency. The request for bids shall include, but need not be limited to, all of the following elements:

(1) Identification of the basic scope and needs of the project or contract, the estimated cost to perform the work being requested, the methodology that will be used by the local agency to evaluate bids, whether the contract will be awarded on the basis of best value or to the lowest responsible bidder, and any other information deemed necessary by the local agency to inform interested parties of the contracting opportunity.

(2) Significant factors that the local agency reasonably expects to consider in evaluating bids, including, but not limited to, cost or price and all non-price-related factors.

(3) The relative importance or the weight assigned to each of the factors identified in the request for bids.

(4) If a best value selection method is used, the local agency may reserve the right to request bid revisions and hold discussions and negotiations with responsive bidders, in which case the local agency shall so specify in the request for bids and shall publish separately or incorporate into the request for bids applicable procedures to be observed by the local agency to ensure that any discussions or negotiations are conducted in good faith.

(f) For those projects utilizing low bid as the final selection method, the competitive bidding process shall, if appropriate for the delivery method, result in lump-sum bids by the prequalified or short-listed entities, and awards shall be made to the bidder that is the lowest responsible bidder.

(g) For those projects utilizing best value as a selection method, the competition shall progress as follows:

(1) Competitive bids shall be evaluated by using only the criteria and selection procedures specifically identified in the request for bids. The following minimum factors, however, shall be included, if applicable to the delivery method and weighted as deemed appropriate by the local agency:

(A) Price, unless a stipulated sum is specified and including financial and bonding capacity requirements.

(B) Technical design, procurement, and construction expertise.

(C) Proposed construction approach, sequencing, and methods.

(D) Compliance with the requirements of the owner-provided performance specification.

(E) Ability to meet the milestone schedule dates and, if applicable, any liquidated damages.

(F) Ability to meet the quality requirements.

(G) Proposed risk allocation and sharing.

(H) Safety record.

(I) Warranty.

(J) Life-cycle costs over 15 or more years as specified by the local agency.

(2) Pursuant to subdivision (e), the local agency may hold discussions or negotiations with responsive bidders using the process articulated in the local agency's request for bids.

(3) When the evaluation is complete, the responsive bidders shall be ranked based on a determination of value provided by the local agency if no more than three bidders are required to be ranked.

(4) The award of the contract shall be made to the responsible bidder whose bid is determined by the local agency to have offered the best value to the public.

(5) Notwithstanding any provision of the Water Code, upon issuance of a contract award the local agency shall publicly announce its award, identifying the bidder to which the award is made, along with a statement regarding the basis of the award.

(6) The statement regarding the local agency's contract award, described in paragraph (5), and the contract file shall provide sufficient information to satisfy an external audit.

SEC. 204. Section 3357 of the Public Resources Code is amended to read:

3357. (a) In any proceeding before the director, and in any proceeding instituted by the supervisor for the purpose of enforcing or carrying out the provisions of this division, or for the purpose of holding an investigation to ascertain the condition of any well or wells complained of, or which in the opinion of the supervisor may reasonably be presumed to be improperly located, drilled, operated, maintained, or conducted, the supervisor and the director shall have the power to administer oaths and may apply to a judge of the superior court of the county in which the proceeding or investigation is pending for subpoenas for witnesses to attend

the proceeding or investigation. Upon the application of the supervisor or the director, the judge of the superior court shall assign a case number for the proceeding or investigation, shall issue an order prescribing the nature and scope of the proceeding or investigation, and shall retain jurisdiction for the limited purpose of enforcing subpoenas issued in the proceeding or investigation. Upon the assigning of a case number, the attorney of record for the supervisor or director may issue subpoenas directing witnesses to attend the proceeding or investigation, and those persons shall be required to produce, when directed, all records, surveys, documents, books, or accounts in the witness' custody or under the witness' control; except that no person shall be required to attend upon the proceeding unless the person resides within the same county or within 100 miles of the place of attendance. The attorney of record for the supervisor or the director may in that case cause the depositions of witnesses residing within or without the state to be taken in the manner prescribed by law for like depositions in civil actions in superior courts of this state under Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure, and may issue subpoenas compelling the attendance of witnesses and the production of records, surveys, documents, books, or accounts at designated places within the limits prescribed in this section.

(b) (1) In conducting a proceeding or investigation specified in subdivision (a), the supervisor or director may require an owner or operator to furnish, under penalty of perjury, technical or monitoring reports that the supervisor or director requires. The burden, including costs, of any report shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the report. In requiring a report, the supervisor or director shall explain in writing to the owner or operator the need for the report, and shall identify the rationale that supports requiring that owner or operator to provide the report.

(2) When requested by the owner or operator furnishing the report, neither the division nor the department shall make available to the public for inspection portions of a report that might disclose trade secrets, well data granted confidential status pursuant to Section 3234, or other confidential or privileged information. The division or department shall make that confidential or privileged information available to other public agencies as needed for regulatory purposes and in accordance with a written agreement with the other public agency regarding the sharing of the information.

(c) In conducting a proceeding or investigation pursuant to subdivision (a), the supervisor or director, or his or her inspector, may inspect the well site or production facilities of any owner or operator to ascertain whether the owner or operator is complying with the requirements of, or authorized by, this division. The inspection shall be made with the consent of the owner or operator or, if consent is withheld, with a warrant duly issued pursuant to the procedure set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure. In the event of an emergency affecting the public health or safety, an inspection may be performed without consent or a warrant. This subdivision is in addition to any other inspection authority granted or authorized by this division.

SEC. 205. Section 5795.20 of the Public Resources Code is amended to read:

5795.20. (a) In addition to the powers enumerated in Article 7 (commencing with Section 5786), which shall be subject to review and approval by the Los Angeles County Local Agency Formation Commission upon formation, change of organization, or reorganization under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), and to the financing authority provided by Article 9 (commencing with Section 5788), Article 10 (commencing with Section 5789), and Article 11 (commencing with Section 5790), the district shall do all of the following:

(1) Promote the development of open space and parks along the Lower Los Angeles River.

(2) Identify funding and resources to promote the revitalization of the Lower Los Angeles River and open spaces along the river for the benefit and enjoyment of local communities.

(3) Acquire, construct, improve, maintain, and operate parks and open space along the Lower Los Angeles River.

(b) The district shall conduct the activities specified in paragraphs (1) to (3), inclusive, of subdivision (a) in coordination with the Lower Los Angeles River Working Group established pursuant to Section 32622 and the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy established pursuant to Division 22.8 (commencing with Section 32600), which have certain responsibilities regarding the Lower Los Angeles River.

SEC. 206. Section 25402.12 of the Public Resources Code is amended to read:

25402.12. (a) On or before January 1, 2019, the commission, in consultation with the Contractors' State License Board, local building officials, and other stakeholders, shall approve a plan that will promote compliance with Part 6 of Title 24 of the California Code of Regulations in the installation of central air conditioning and heat pumps.

(b) Before approving the plan described in subdivision (a), the commission shall do all of the following:

(1) Evaluate the best available technological and economic information to ensure that data collection and its use is feasible and achievable at a reasonable cost to government, industry, and homeowners.

(2) Consider the impact of the plan on all of the following:

(A) Property owners.

(B) The heating, ventilation, and air conditioning industry, including manufacturers, distributors, and contractors.

(C) Local governments.

(D) Building officials.

(E) The Contractors' State License Board.

(3) Provide the public with the opportunity to review and comment on the proposed plan.

(c) The commission may adopt regulations to increase compliance with permitting and inspection requirements for central air conditioning and heat pumps, and associated sales and installations, consistent with the plan approved pursuant to subdivision (a).

SEC. 207. Section 30960 of the Public Resources Code is amended to read:

30960. The Secretary of the Natural Resources Agency shall initiate a comprehensive, long-range planning process for the use of ocean waters offshore of California, may use the advisory panel appointed pursuant to Section 6231 as the planning committee, and may use the California Sea Grant Program to promote sound scientific data analysis and assessment in this planning process.

SEC. 208. Section 33204.8 of the Public Resources Code is amended to read:

33204.8. (a) (1) Notwithstanding the requirements in Section 33105.5, if the conservancy determines, based on relevant scientific information and land use planning studies and after holding at least one public hearing in the area that would be affected by a revision of the boundaries of the Rim of the Valley Trail Corridor, that a boundary revision within and in the vicinity of the City of Moorpark, as described in paragraph (2), is necessary, the executive director shall prepare and file with the Secretary of State, the Assembly Committee on Natural Resources, and the Senate Committee on Natural Resources and Water a revised map showing the changes in the boundaries of the Rim of the Valley Trail Corridor.

(2) The conservancy shall determine potential boundary revisions of the Rim of the Valley Trail Corridor for the area within the city limits of the City of Moorpark; the area north of the city limits and south of Broadway Road between Happy Camp Canyon Regional Park and Grimes Canyon Road; and the area west of the city limits of the City of Moorpark, south of Los Angeles Avenue, north of the Arroyo Simi, and east of the Gabbert Canyon Drainage Channel.

(3) A revised map prepared pursuant to paragraph (1) shall be supported by relevant scientific information and shall be in accordance with the purposes and objectives of Section 33204.3.

(b) Notwithstanding Section 33201, this section does not affect the jurisdiction of the State Coastal Conservancy.

SEC. 209. Section 372 of the Public Utilities Code is amended to read:

372. (a) It is the policy of the state to encourage and support the development of cogeneration as an efficient, environmentally beneficial, competitive energy resource that will enhance the reliability of local generation supply, and promote local business growth. Subject to the specific conditions provided in this section, the commission shall determine the applicability to customers of uneconomic costs as specified in Sections 367, 368, 375, and 376. Consistent with this state policy, the commission shall provide that these costs shall not apply to any of the following:

(1) To load served onsite or under an over-the-fence arrangement by a nonmobile self-cogeneration or cogeneration facility that was operational on or before December 20, 1995, or by increases in the capacity of a facility to the extent that the increased capacity was constructed by an entity holding an ownership interest in or operating the facility and does not exceed 120 percent of the installed capacity as of December 20, 1995, provided that before June 30, 2000, the costs shall apply to over-the-fence arrangements entered into after December 20, 1995, between unaffiliated parties. For the purposes of this subdivision, "affiliated" means any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another specified entity. "Control" means either of the following:

(A) The possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of a person or entity, whether through an ownership, beneficial, contractual, or equitable interest.

(B) Direct or indirect ownership of at least 25 percent of an entity, whether through an ownership, beneficial, or equitable interest.

(2) To load served onsite or under an over-the-fence arrangement by a nonmobile self-cogeneration or cogeneration facility for which the customer was committed to construction as of December 20, 1995, provided that the facility was substantially operational on or before January 1, 1998, or by increases in the capacity of a facility to the extent that the increased capacity was constructed by an entity holding an ownership interest in or operating the facility and does not exceed 120 percent of the installed capacity as of January 1, 1998, provided that before June 30, 2000, the costs shall apply to over-the-fence arrangements entered into after December 20, 1995, between unaffiliated parties.

(3) To load served by existing, new, or portable emergency generation equipment used to serve the customer's load requirements during periods when utility service is unavailable, provided the emergency generation is not operated in parallel with the integrated electric grid, except on a momentary parallel basis.

(4) After June 30, 2000, to any load served onsite or under an over-the-fence arrangement by any nonmobile self-cogeneration or cogeneration facility.

(b) Further, consistent with state policy, with respect to self-cogeneration or cogeneration deferral agreements, the commission shall do the following:

(1) Provide that a utility shall execute a final self-cogeneration or cogeneration deferral agreement with any customer that, on or before December 20, 1995, had executed a letter of intent (or similar documentation) to enter into the agreement with the utility, provided that the final agreement shall be consistent with the terms and conditions set forth in the letter of intent and the commission shall review and approve the final agreement.

(2) Provide that a customer that holds a self-cogeneration or cogeneration deferral agreement that was in place on or before December 20, 1995, or that was executed pursuant to paragraph (1) in the event the agreement expires, or is terminated, may do any of the following:

(A) Continue through December 31, 2001, to receive utility service at the rate and under terms and conditions applicable to the customer under the deferral agreement that, as executed, includes an allocation of uneconomic costs consistent with subdivision (e) of Section 367.

(B) Engage in a direct transaction for the purchase of electricity and pay uneconomic costs consistent with Sections 367, 368, 375, and 376.

(C) Construct a self-cogeneration or cogeneration facility of approximately the same capacity as the facility previously deferred, provided that the costs provided in Sections 367, 368, 375, and 376 shall apply consistent with subdivision (e) of Section 367, unless otherwise authorized by the commission pursuant to subdivision (c).

(3) Subject to the firewall described in subdivision (e) of Section 367, provide that the ratemaking treatment for self-cogeneration or cogeneration deferral agreements executed before December 20, 1995, or executed pursuant to paragraph (1) shall be consistent with the ratemaking treatment for the contracts approved before January 1995.

(c) The commission shall authorize, within 60 days of the receipt of a joint application from the serving utility and one or more interested parties, applicability conditions as follows:

(1) The costs identified in Sections 367, 368, 375, and 376 shall not, before June 30, 2000, apply to load served onsite by a nonmobile self-cogeneration or cogeneration facility that became operational on or after December 20, 1995.

(2) The costs identified in Sections 367, 368, 375, and 376 shall not, before June 30, 2000, apply to a load served under an over-the-fence arrangement entered into after December 20, 1995, between unaffiliated entities.

(d) For the purposes of this section, all onsite or over-the-fence arrangements shall be consistent with Section 218 as it existed on December 20, 1995.

(e) To facilitate the development of new microcogeneration applications, electrical corporations may apply to the commission for a financing order to finance the transition costs to be recovered from customers employing the applications.

(f) To encourage the continued development, installation, and interconnection of clean and efficient self-generation and cogeneration resources, to improve system reliability for consumers by retaining existing generation and encouraging new

generation to connect to the electric grid, and to increase self-sufficiency of consumers of electricity through the deployment of self-generation and cogeneration, both of the following shall occur:

(1) The commission and the Electricity Oversight Board shall determine if any policy or action undertaken by the Independent System Operator, directly or indirectly, unreasonably discourages the connection of existing self-generation or cogeneration or new self-generation or cogeneration to the grid.

(2) If the commission and the Electricity Oversight Board find that any policy or action of the Independent System Operator unreasonably discourages the connection of existing self-generation or cogeneration or new self-generation or cogeneration to the grid, the commission and the Electricity Oversight Board shall undertake all necessary efforts to revise, mitigate, or eliminate that policy or action of the Independent System Operator.

SEC. 210. Section 399.4 of the Public Utilities Code is amended to read:

399.4. (a) (1) In order to ensure that prudent investments in energy efficiency continue to be made that produce cost-effective energy savings, reduce customer demand, and contribute to the safe and reliable operation of the electrical distribution grid, it is the policy of this state and the intent of the Legislature that the commission shall supervise the administration of cost-effective energy efficiency programs authorized pursuant to its statutory authority, including Sections 381, 381.1, 381.2, 381.5, 382, 384.5, 400, 454.5, 454.55, 454.56, 589, 701.1, 749, and 769, Article 10 (commencing with Section 890) of Chapter 4, and Chapter 6 (commencing with Section 2781) of Part 2.

(2) As used in this section, the term “energy efficiency” includes, but is not limited to, cost-effective activities to achieve peak load reduction that improve end-use efficiency, lower customers’ bills, and reduce system needs.

(b) (1) If a customer or contractor is the recipient of a rebate or incentive offered by a public utility for an energy efficiency improvement or installation of energy efficient components, equipment, or appliances in a building, the public utility shall provide the rebate or incentive only if the customer or contractor certifies that the improvement or installation has complied with any applicable permitting requirements, including any applicable specifications or requirements set forth in the California Building Standards Code (Title 24 of the California Code of Regulations), and, if a contractor performed the installation or improvement, that the contractor holds the appropriate license for the work performed.

(2) In addition to the requirements of paragraph (1), if a customer or contractor is the recipient of a rebate or incentive offered by a public utility for the purchase or installation of central air conditioning or a heat pump, and their related fans, the public utility shall provide the rebate or incentive only if the customer or contractor provides proof of permit closure. The public utility is not responsible for verifying the proof of permit closure documentation provided by the customer or contractor.

(3) This subdivision does not imply or create authority or responsibility, or expand existing authority or responsibility, of a public utility for the enforcement of the building energy and water efficiency standards adopted pursuant to subdivision (a) or (b) of Section 25402 of the Public Resources Code, or appliance efficiency standards and certification requirements adopted pursuant to subdivision (c) of Section 25402 of the Public Resources Code.

(4) This subdivision does not limit the authority of the commission to impose any additional requirements on a recipient of any rebate or incentive.

(c) The commission, in evaluating energy efficiency investments under its statutory authority, shall also ensure that local and regional interests, multifamily dwellings, and energy service industry capabilities are incorporated into program portfolio design and that local governments, community-based organizations, and energy efficiency service providers are encouraged to participate in program implementation where appropriate.

(d) The commission, in a new or existing proceeding, shall review and update its policies governing energy efficiency programs funded by utility customers to facilitate achieving the targets established pursuant to subdivision (c) of Section 25310 of the Public Resources Code. In updating its policies, the commission shall, at a minimum, do all of the following:

(1) Authorize market transformation programs with appropriate levels of funding to achieve deeper energy efficiency savings.

(2) Authorize pay for performance programs that link incentives directly to measured energy savings. As part of pay for performance programs authorized by the commission, customers should be reasonably compensated for developing and implementing an energy efficiency plan, with a portion of their incentive reserved pending post project measurement results.

(3) Authorize programs to achieve deeper savings through operational, behavioral, and retrocommissioning activities.

(4) Ensure that customers have certainty in the values and methodology used to determine energy efficiency incentives by basing the amount of any incentives provided by gas and electrical corporations on the values and methodology contained in the executed customer agreement. Incentive payments shall be based on measured results.

SEC. 211. Section 399.13 of the Public Utilities Code is amended to read:

399.13. (a) (1) The commission shall direct each electrical corporation to annually prepare a renewable energy procurement plan that includes the elements specified in paragraph (5), to satisfy its obligations under the renewables portfolio standard. To the extent feasible, this procurement plan shall be proposed, reviewed, and adopted by the commission as part of, and pursuant to, a general procurement plan process. The commission shall require each electrical corporation to review and update its renewable energy procurement plan as it determines to be necessary. The commission shall require all other retail sellers to prepare and submit renewable energy procurement plans that address the requirements identified in paragraph (5).

(2) Every electrical corporation that owns electrical transmission facilities shall annually prepare, as part of the Federal Energy Regulatory Commission Order 890 process, and submit to the commission, a report identifying any electrical transmission facility, upgrade, or enhancement that is reasonably necessary to achieve the renewables portfolio standard procurement requirements of this article. Each report shall look forward at least five years and, to ensure that adequate investments are made in a timely manner, shall include a preliminary schedule when an application for a certificate of public convenience and necessity will be made, pursuant to Chapter 5 (commencing with Section 1001), for any electrical transmission facility identified as being reasonably necessary to achieve the renewable energy resources procurement requirements of this article. Each electrical corporation that owns electrical transmission facilities shall ensure that project-specific interconnection studies are completed in a timely manner.

(3) The commission shall direct each retail seller to prepare and submit an annual compliance report that includes all of the following:

(A) The current status and progress made during the prior year toward procurement of eligible renewable energy resources as a percentage of retail sales, including, if applicable, the status of any necessary siting and permitting approvals from federal, state, and local agencies for those eligible renewable energy resources procured by the retail seller, and the current status of compliance with the portfolio content requirements of subdivision (c) of Section 399.16, including procurement of eligible renewable energy resources located outside the state and within the WECC and unbundled renewable energy credits.

(B) If the retail seller is an electrical corporation, the current status and progress made during the prior year toward construction of, and upgrades to, transmission and distribution facilities and other electrical system components it owns to interconnect eligible renewable energy resources and to supply the electricity generated by those resources to load, including the status of planning, siting, and permitting transmission facilities by federal, state, and local agencies.

(C) Recommendations to remove impediments to making progress toward achieving the renewable energy resources procurement requirements established pursuant to this article.

(4) The commission shall adopt, by rulemaking, all of the following:

(A) A process that provides criteria for the rank ordering and selection of least-cost and best-fit eligible renewable energy resources to comply with the California Renewables Portfolio Standard Program obligations on a total cost and best-fit basis. This process shall take into account all of the following:

(i) Estimates of indirect costs associated with needed transmission investments.

(ii) The cost impact of procuring the eligible renewable energy resources on the electrical corporation’s electricity portfolio.

(iii) The viability of the project to construct and reliably operate the eligible renewable energy resource, including the developer’s experience, the feasibility of the technology used to generate electricity, and the risk that the facility will not be built, or that construction will be delayed, with the result that electricity will not be supplied as required by the contract.

(iv) Workforce recruitment, training, and retention efforts, including the employment growth associated with the construction and operation of eligible renewable energy resources and goals for recruitment and training of women, minorities, and disabled veterans.

(v) (I) Estimates of electrical corporation expenses resulting from integrating and operating eligible renewable energy resources, including, but not limited to, any additional wholesale energy and capacity costs associated with integrating each eligible renewable resource.

(II) No later than December 31, 2015, the commission shall approve a methodology for determining the integration costs described in subclause (I).

(vi) Consideration of any statewide greenhouse gas emissions limit established pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(vii) Consideration of capacity and system reliability of the eligible renewable energy resource to ensure grid reliability.

(B) Rules permitting retail sellers to accumulate, beginning January 1, 2011, excess procurement in one compliance period to be applied to any subsequent compliance period. The rules shall apply equally to all retail sellers. In determining the quantity of excess procurement for the applicable compliance period, the commission shall retain the rules adopted by the commission and in effect as of January 1, 2015, for the compliance period specified in subparagraphs (A) to (C), inclusive, of paragraph (1) of subdivision (b) of Section 399.15. For any subsequent compliance period, the rules shall allow the following:

(i) For electricity products meeting the portfolio content requirements of paragraph (1) of subdivision (b) of Section 399.16, contracts of any duration may count as excess procurement.

(ii) Electricity products meeting the portfolio content requirements of paragraph (2) or (3) of subdivision (b) of Section 399.16 shall not be counted as excess procurement. Contracts of any duration for electricity products meeting the portfolio content requirements of paragraph (2) or (3) of subdivision (b) of Section 399.16 that are credited towards a compliance period shall not be deducted from a retail seller's procurement for purposes of calculating excess procurement.

(iii) If a retail seller notifies the commission that it will comply with the provisions of subdivision (b) for the compliance period beginning January 1, 2017, the provisions of clauses (i) and (ii) shall take effect for that retail seller for that compliance period.

(C) Standard terms and conditions to be used by all electrical corporations in contracting for eligible renewable energy resources, including performance requirements for renewable generators. A contract for the purchase of electricity generated by an eligible renewable energy resource, at a minimum, shall include the renewable energy credits associated with all electricity generation specified under the contract. The standard terms and conditions shall include the requirement that, no later than six months after the commission's approval of an electricity purchase agreement entered into pursuant to this article, the following information about the agreement shall be disclosed by the commission: party names, resource type, project location, and project capacity.

(D) An appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewables portfolio standard to mitigate the risk that renewable projects planned or under contract are delayed or canceled. This paragraph does not preclude an electrical corporation from voluntarily proposing a margin of procurement above the appropriate minimum margin established by the commission.

(5) Consistent with the goal of increasing California's reliance on eligible renewable energy resources, the renewable energy procurement plan shall include all of the following:

(A) An assessment of annual or multiyear portfolio supplies and demand to determine the optimal mix of eligible renewable energy resources with deliverability characteristics that may include peaking, dispatchable, baseload, firm, and as-available capacity.

(B) Potential compliance delays related to the conditions described in paragraph (5) of subdivision (b) of Section 399.15.

(C) A bid solicitation setting forth the need for eligible renewable energy resources of each deliverability characteristic, required online dates, and locational preferences, if any.

(D) A status update on the development schedule of all eligible renewable energy resources currently under contract.

(E) Consideration of mechanisms for price adjustments associated with the costs of key components for eligible renewable energy resource projects with online dates more than 24 months after the date of contract execution.

(F) An assessment of the risk that an eligible renewable energy resource will not be built, or that construction will be delayed, with the result that electricity will not be delivered as required by the contract.

(6) In soliciting and procuring eligible renewable energy resources, each electrical corporation shall offer contracts of no less than 10 years duration, unless the commission approves of a contract of shorter duration.

(7) (A) In soliciting and procuring eligible renewable energy resources for California-based projects, each electrical corporation shall give preference to renewable energy projects that provide environmental and economic benefits to communities afflicted

with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.

(B) Subparagraph (A) applies to all procurement of eligible renewable energy resources for California-based projects, whether the procurement occurs through all-source requests for offers, eligible renewable resources only requests for offers, or other procurement mechanisms. This subparagraph is declaratory of existing law.

(8) In soliciting and procuring eligible renewable energy resources, each retail seller shall consider the best-fit attributes of resource types that ensure a balanced resource mix to maintain the reliability of the electrical grid.

(b) A retail seller may enter into a combination of long- and short-term contracts for electricity and associated renewable energy credits. Beginning January 1, 2021, at least 65 percent of the procurement a retail seller counts toward the renewables portfolio standard requirement of each compliance period shall be from its contracts of 10 years or more in duration or in its ownership or ownership agreements for eligible renewable energy resources.

(c) The commission shall review and accept, modify, or reject each electrical corporation's renewable energy resource procurement plan prior to the commencement of renewable energy procurement pursuant to this article by an electrical corporation. The commission shall assess adherence to the approved renewable energy resource procurement plans in determining compliance with the obligations of this article.

(d) Unless previously preapproved by the commission, an electrical corporation shall submit a contract for the generation of an eligible renewable energy resource to the commission for review and approval consistent with an approved renewable energy resource procurement plan. If the commission determines that the bid prices are elevated due to a lack of effective competition among the bidders, the commission shall direct the electrical corporation to renegotiate the contracts or conduct a new solicitation.

(e) If an electrical corporation fails to comply with a commission order adopting a renewable energy resource procurement plan, the commission shall exercise its authority to require compliance.

(f) (1) The commission may authorize a procurement entity to enter into contracts on behalf of customers of a retail seller for electricity products from eligible renewable energy resources to satisfy the retail seller's renewables portfolio standard procurement requirements. The commission shall not require any person or corporation to act as a procurement entity or require any party to purchase eligible renewable energy resources from a procurement entity.

(2) Subject to review and approval by the commission, the procurement entity shall be permitted to recover reasonable administrative and procurement costs through the retail rates of end-use customers that are served by the procurement entity and are directly benefiting from the procurement of eligible renewable energy resources.

(g) Procurement and administrative costs associated with contracts entered into by an electrical corporation for eligible renewable energy resources pursuant to this article and approved by the commission are reasonable and prudent and shall be recoverable in rates.

(h) Construction, alteration, demolition, installation, and repair work on an eligible renewable energy resource that receives production incentives pursuant to Section 25742 of the Public Resources Code, including work performed to qualify, receive, or maintain production incentives, are "public works" for the purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

SEC. 212. Section 454.55 of the Public Utilities Code is amended to read:

454.55. (a) (1) The commission, in consultation with the Energy Commission, shall identify all potentially achievable cost-effective electricity efficiency savings and establish efficiency targets for an electrical corporation to achieve, pursuant to Section 454.5, consistent with the targets established pursuant to subdivision (c) of Section 25310 of the Public Resources Code.

(2) By July 1, 2018, and every four years thereafter, each electrical corporation shall report on its progress toward achieving the targets established pursuant to paragraph (1).

(b) (1) By December 31, 2023, the commission shall, in a new or existing proceeding, undertake a comprehensive review of the feasibility, costs, barriers, and benefits of achieving a cumulative doubling of energy efficiency savings and demand reduction by 2030 pursuant to subdivision (c) of Section 25310 of the Public Resources Code.

(2) Notwithstanding subdivision (c) of Section 25310 of the Public Resources Code, if the commission concludes the targets established for electrical corporations to achieve pursuant to subdivision (a) are not cost effective, feasible, or pose potential adverse impacts to public health and safety, the commission shall revise the targets to the level that optimizes the amount of

energy efficiency savings and demand reduction and shall modify, revise, or update its policies as needed to address barriers preventing achievement of those targets.

(c) The commission shall ensure that there are sufficient moneys available to electrical corporations to meet the efficiency targets established pursuant to subdivision (a). This subdivision shall not be construed to authorize the commission to impose or increase any tax.

SEC. 213. Section 913.4 of the Public Utilities Code is amended to read:

913.4. In order to evaluate the progress of the state's electrical corporations in complying with the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11) of Chapter 2.3), the commission shall report to the Legislature no later than November 1 of each year on all of the following:

(a) The progress and status of procurement activities by each retail seller pursuant to the California Renewables Portfolio Standard Program.

(b) For each electrical corporation, an implementation schedule to achieve the renewables portfolio standard procurement requirements, including all substantive actions that have been taken or will be taken to achieve the program procurement requirements.

(c) The projected ability of each electrical corporation to meet the renewables portfolio standard procurement requirements under the cost limitations in subdivisions (c) and (d) of Section 399.15 and any recommendations for revisions of those cost limitations.

(d) Any renewable energy procurement plan approved by the commission pursuant to Section 399.13, and a schedule and status report for all substantive procurement, transmission development, and other activities that the commission has approved to be undertaken by an electrical corporation to achieve the procurement requirements of the renewables portfolio standard.

(e) Any barriers to, and policy recommendations for, achieving the renewables portfolio standard pursuant to the California Renewables Portfolio Standard Program.

(f) The efforts each electrical corporation is taking to recruit and train employees to ensure an adequately trained and available workforce, including the number of new employees hired by the electrical corporation for purposes of implementing the requirements of the California Renewables Portfolio Standard Program, the goals adopted by the electrical corporation for increasing women, minority, and disabled veterans trained or hired for purposes of implementing the requirements of that program, and, to the extent information is available, the number of new employees hired and the number of women, minority, and disabled veterans trained or hired by persons or corporations owning or operating eligible renewable energy resources under contract with an electrical corporation. This subdivision does not provide the commission with authority to engage in or regulate, or expand its authority to include, workforce recruitment or training.

SEC. 214. Section 913.8 of the Public Utilities Code is amended to read:

913.8. On or before July 30, 2020, and by July 30 of every third year thereafter through 2029, the commission shall submit to the Legislature an assessment of the Multifamily Affordable Housing Solar Roofs Program (Chapter 9.5 (commencing with Section 2870) of Part 2). That assessment shall include the number of qualified multifamily affordable housing property sites that have a qualifying solar energy system for which an award was made pursuant to that program and, for each, the dollar value of the award and the electrical generating capacity of the qualifying renewable energy system, the bill reduction outcomes of the program for the participants, the cost of the program, the total electrical system benefits, the environmental benefits, the progress made toward reaching the goals of the program, the program's impact on the California Alternate Rates for Energy (CARE) program budget, and the recommendations for improving the program to meet its goals. The report shall include an analysis of pending program commitments, reservations, obligations, and projected demands for the program to determine whether future ongoing funding allocations for the program are substantiated. The report shall also include a summary of the other programs intended to benefit disadvantaged communities, including, but not limited to, the Single-Family Affordable Solar Homes Program established by the commission in Decision 07-11-045, the Multifamily Affordable Solar Housing Program established by the commission in Decision 08-10-036, and the Green Tariff Shared Renewables Program (Chapter 7.6 (commencing with Section 2831) of Part 2).

SEC. 215. Section 955.5 of the Public Utilities Code is amended to read:

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

(1) "Gas pipeline" means an intrastate distribution line as described in paragraph (1) of, or an intrastate transmission line as described in paragraph (2) of subdivision (a) of Section 950.

(2) “Hospital” means a licensed general acute care hospital as defined in subdivision (a) of Section 1250 of the Health and Safety Code.

(3) “School” means a public or private preschool, elementary, or secondary school.

(b) A gas corporation shall provide not less than three working days’ notice to the administration of a school or hospital prior to undertaking nonemergency excavation or construction of a gas pipeline, excluding any work that only uses hand tools, pneumatic hand tools, or vacuum technology for the purpose of marking and locating a subsurface installation pursuant to Article 2 (commencing with Section 4216) of Chapter 3.1 of Division 5 of Title 1 of the Government Code, if the work is located within 500 feet of the school or hospital. The notification shall include all of the following:

(1) The name, address, telephone number, and emergency contact information for the gas corporation.

(2) The specific location of the gas pipeline where the excavation or construction will be performed.

(3) The date and time the excavation or construction is to be conducted and when the work is expected to be completed.

(4) An invitation and a telephone number to call for further information on what the school or hospital should do in the event of a leak.

(c) The gas corporation shall maintain a record of the date and time of any notification provided to the administration of a school or hospital prior to undertaking nonemergency excavation or construction of a gas pipeline and any subsequent contacts with the administration of a school or hospital relative to the excavation or construction and the actions taken, if any, in response to those subsequent contacts. The gas corporation shall maintain these records and make them available for inspection for no less than five years from the date of the notification.

SEC. 216. Section 972 of the Public Utilities Code is amended to read:

972. (a) A penalty assessed against a gas corporation pursuant to this part in regards to a natural gas storage facility leak shall at least equal the amount necessary to reduce the impact on the climate from greenhouse gases by an amount equivalent to the impact on the climate from the greenhouse gases emitted by the leak from the natural gas storage facility, as determined by the State Air Resources Board. In determining the amount necessary to fully offset the impact on the climate from the gases emitted by the leak, the commission shall consider the extent to which the gas corporation has mitigated, or is in the process of mitigating, the impact on the climate from greenhouse gas emissions resulting from the leak, provided that the mitigation is consistent with subdivision (c), as determined by the State Air Resources Board.

(b) The commission shall deposit any penalties assessed against a gas corporation pursuant to this part in regards to a natural gas storage facility leak into the Gas Storage Facility Leak Mitigation Account, which is hereby established in the State Treasury.

(c) Moneys in the account shall be expended, upon appropriation by the Legislature, subject to all of the following conditions:

(1) Moneys shall be expended solely for direct emissions reductions in furtherance of the achievement of the greenhouse gas emissions limit established pursuant to Section 38550 of the Health and Safety Code and, if sufficient moneys remain after mitigating the impact on the climate from the gas corporation’s emissions, as specified in subdivision (a), to reimburse state and local response costs. Moneys shall not be used for the purchase of allowances or offsets otherwise authorized pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(2) Moneys shall be expended in a manner to be determined by the commission, in consultation with the State Air Resources Board, to achieve a reduction in greenhouse gases that will fully offset the impact on the climate from those gases emitted by the leak for which the moneys were collected.

(3) Moneys shall be expended consistent with Section 39713 of the Health and Safety Code.

(4) (A) Consistent with the State Air Resources Board’s Aliso Canyon Climate Impacts Mitigation Program, moneys in the fund resulting from penalties assessed for the Aliso Canyon gas leak shall be expended to do all the following:

(i) Generate significant and quantifiable reductions in methane emissions within the agriculture and waste sectors.

(ii) Promote a more sustainable energy infrastructure by promoting energy efficiency and decreasing reliance on fossil fuels.

(iii) Detect and address emissions from methane hot spots not presently targeted under federal, state, or local laws.

(iv) Where feasible, yield cobenefits in communities directly affected by the leak and in disadvantaged communities.

(B) Priority shall be given to projects in nearby communities harmed by the leak and other communities directly affected by methane emissions, disadvantaged communities, and communities within the Aliso Canyon service area.

(d) This section shall not affect or be interpreted to affect the authority of the State Air Resources Board to adopt rules and regulations to reduce greenhouse gas emissions at natural gas storage facilities or to require mitigation of natural gas leaks from those facilities.

SEC. 217. Section 2827.10 of the Public Utilities Code is amended to read:

2827.10. (a) As used in this section, the following terms have the following meanings:

(1) “Electrical corporation” means an electrical corporation, as defined in Section 218.

(2) “Eligible fuel cell electrical generating facility” means a facility that includes the following:

(A) Integrated powerplant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electricity.

(B) An inverter and fuel processing system where necessary.

(C) Other plant equipment, including heat recovery equipment, necessary to support the plant’s operation or its energy conversion.

(3) (A) “Eligible fuel cell customer-generator” means a customer of an electrical corporation that meets all the following criteria:

(i) Uses a fuel cell electrical generating facility with a generating capacity of not more than five megawatts that is located on or adjacent to the customer’s owned, leased, or rented premises, is interconnected and operates in parallel with the electrical grid while the grid is operational or in a grid independent mode when the grid is nonoperational, and is sized to offset part or all of the eligible fuel cell customer-generator’s own electrical requirements.

(ii) Is the recipient of local, state, or federal funds, or who self-finances projects designed to encourage the development of eligible fuel cell electrical generating facilities.

(iii) Uses technology the commission has determined will achieve reductions in emissions of greenhouse gases pursuant to subdivision (b).

(iv) Complies with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation.

(B) For purposes of this paragraph, a person or entity is a customer of the electrical corporation if the customer is physically located within the service territory of the electrical corporation and receives bundled service, distribution service, or transmission service from the electrical corporation.

(4) “Net energy metering” means measuring the difference between the electricity supplied through the electrical grid and the difference between the electricity generated by an eligible fuel cell electrical generating facility and fed back to the electrical grid over a 12-month period as described in subdivision (e). Net energy metering shall be accomplished using a time-of-use meter capable of registering the flow of electricity in two directions. If the existing electrical meter of an eligible fuel cell customer-generator is not capable of measuring the flow of electricity in two directions, the eligible fuel cell customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a time-of-use meter.

(b) (1) Not later than March 31, 2017, the State Air Resources Board, in consultation with the Energy Commission, shall establish a schedule of annual greenhouse gas emissions reduction standards for a fuel cell electrical generation resource for purposes of clause (iii) of subparagraph (A) of paragraph (3) of subdivision (a) and shall update the schedule every three years with applicable standards for each intervening year.

(2) The greenhouse gas emissions reduction standards shall ensure that each fuel cell electrical generation resource, for purposes of clause (iii) of subparagraph (A) of paragraph (3) of subdivision (a), reduces greenhouse gas emissions compared to the electrical grid resources, including renewable resources, that the fuel cell electrical generation resource displaces, accounting for both procurement and operation of the electrical grid.

(c) (1) Every electrical corporation, not later than March 1, 2004, shall file with the commission a standard tariff providing for net energy metering for eligible fuel cell customer-generators, consistent with this section. Subject to the limitation in subdivision (g),

every electrical corporation shall make this tariff available to eligible fuel cell customer-generators upon request, on a first-come-first-served basis, until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff, in addition to the installed capacity as of January 1, 2017, reaches a level equal to its proportionate share of a statewide limitation of 500 megawatts cumulative rated generation capacity served under this section. The proportionate share shall be calculated based on the ratio of the electrical corporation's peak demand compared to the total statewide peak demand.

(2) To continue the growth of the market for onsite electrical generation using fuel cells, the commission may review and incrementally raise the limitation established in paragraph (1) on the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff in paragraph (1).

(d) In determining the eligibility for the cumulative rated generating capacity within an electrical corporation's service territory, preference shall be given to facilities that, at the time of installation, are located in a community with significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to, communities of minority populations or low-income populations, or both, based on the ambient air quality standards established pursuant to Division 26 (commencing with Section 39000) of the Health and Safety Code.

(e) (1) Each net energy metering contract or tariff shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the contract or tariff to which the customer would be assigned if the customer was not an eligible fuel cell customer-generator. Any new or additional demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or other charge that would increase an eligible fuel cell customer-generator's costs beyond those of other customers in the rate class to which the eligible fuel cell customer-generator would otherwise be assigned are contrary to the intent of the Legislature in enacting this section, and shall not form a part of net energy metering tariffs.

(2) The commission shall authorize an electrical corporation to charge a fuel cell customer-generator a fee based on the cost to the utility associated with providing interconnection inspection services for that fuel cell customer-generator.

(f) The net metering calculation shall be made by measuring the difference between the electricity supplied to the eligible fuel cell customer-generator and the electricity generated by the eligible fuel cell customer-generator and fed back to the electrical grid over a 12-month period. The following rules shall apply to the annualized metering calculation:

(1) The eligible fuel cell customer-generator shall, at the end of each 12-month period following the date of final interconnection of the eligible fuel cell electrical generating facility with an electrical corporation, and at each anniversary date thereafter, be billed for electricity used during that period. The electrical corporation shall determine if the eligible fuel cell customer-generator was a net consumer or a net producer of electricity during that period. For purposes of determining if the eligible fuel cell customer-generator was a net consumer or a net producer of electricity during that period, the electrical corporation shall aggregate the electrical load of the meters located on the property where the eligible fuel cell electrical generating facility is located and on all property adjacent or contiguous to the property on which the facility is located, if those properties are solely owned, leased, or rented by the eligible fuel cell customer-generator. Each aggregated account shall be billed and measured according to a time-of-use rate schedule.

(2) At the end of each 12-month period, where the electricity supplied during the period by the electrical corporation exceeds the electricity generated by the eligible fuel cell customer-generator during that same period, the eligible fuel cell customer-generator is a net electricity consumer and the electrical corporation shall be owed compensation for the eligible fuel cell customer-generator's net kilowatthour consumption over that same period. The compensation owed for the eligible fuel cell customer-generator's consumption shall be calculated as follows:

(A) The generation charges for any net monthly consumption of electricity shall be calculated according to the terms of the tariff to which the same customer would be assigned to or be eligible for if the customer was not an eligible fuel cell customer-generator. When the eligible fuel cell customer-generator is a net generator during any discrete time-of-use period, the net kilowatthours produced shall be valued at the same price per kilowatthour as the electrical corporation would charge for retail kilowatthour sales for generation, exclusive of any surcharges, during that same time-of-use period. If the eligible fuel cell customer-generator's time-of-use electrical meter is unable to measure the flow of electricity in two directions, paragraph (4) of subdivision (a) shall apply. All other charges, other than generation charges, shall be calculated in accordance with the eligible fuel cell customer-generator's applicable tariff and based on the total kilowatthours delivered by the electrical corporation to the eligible fuel cell customer-generator. To the extent that charges for transmission and distribution services are recovered through demand charges in any particular month, no standby reservation charges shall apply in that monthly billing cycle.

(B) The net balance of moneys owed shall be paid in accordance with the electrical corporation's normal billing cycle.

(3) At the end of each 12-month period, where the electricity generated by the eligible fuel cell customer-generator during the 12-month period exceeds the electricity supplied by the electrical corporation during that same period, the eligible fuel cell customer-generator is a net electricity producer and the electrical corporation shall retain any excess kilowatthours generated during the prior 12-month period. The eligible fuel cell customer-generator shall not be owed any compensation for those excess kilowatthours.

(4) If an eligible fuel cell customer-generator terminates service with the electrical corporation, the electrical corporation shall reconcile the eligible fuel cell customer-generator's consumption and production of electricity during any 12-month period.

(g) A fuel cell electrical generating facility shall not be eligible for the tariff unless it commences operation on or before December 31, 2021, unless a later enacted statute, that is chaptered on or before December 31, 2021, extends this eligibility commencement date. The tariff shall remain in effect for an eligible fuel cell electrical generating facility that commences operation pursuant to the tariff on or before December 31, 2021. A fuel cell customer-generator is eligible for the tariff established pursuant to this section only for the operating life of the eligible fuel cell electrical generating facility.

SEC. 218. Section 2870 of the Public Utilities Code is amended to read:

2870. (a) As used in this section, the following terms have the following meanings:

(1) "CARE program" means the California Alternate Rates for Energy program established pursuant to Section 739.1.

(2) "Program" means the Multifamily Affordable Housing Solar Roofs Program established pursuant to this chapter.

(3) "Qualified multifamily affordable housing property" means a multifamily residential building of at least five rental housing units that is operated to provide deed-restricted low-income residential housing, as defined in clause (i) of subparagraph (A) of paragraph (3) of subdivision (a) of Section 2852, and that meets one or more of the following requirements:

(A) The property is located in a disadvantaged community, as identified by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code.

(B) At least 80 percent of the households have incomes at or below 60 percent of the area median income, as defined in subdivision (f) of Section 50052.5 of the Health and Safety Code.

(4) "Solar energy system" means a solar energy photovoltaic device that meets or exceeds the eligibility criteria established pursuant to Section 25782 of the Public Resources Code.

(b) (1) Adoption and implementation of the Multifamily Affordable Housing Solar Roofs Program may count toward the satisfaction of the commission's obligation to ensure that specific alternatives designed for growth among residential customers in disadvantaged communities are offered as part of the standard contract or tariff authorized pursuant to paragraph (1) of subdivision (b) of Section 2827.1.

(2) This section does not preclude electrical corporations from offering and administering distributed energy resource programs, including solar energy systems, in disadvantaged communities offered under current or proposed programs using funds provided under subdivision (c) of Section 748.5 or programs proposed to comply with paragraph (1) of subdivision (b) of Section 2827.1 as approved by the commission.

(c) The commission shall annually authorize the allocation of one hundred million dollars ($100,000,000) or 10 percent of available funds, whichever is less, from the revenues described in subdivision (c) of Section 748.5 for the Multifamily Affordable Housing Solar Roofs Program, beginning with the fiscal year commencing July 1, 2016, and ending with the fiscal year ending June 30, 2020. The commission shall continue authorizing the allocation of these funds through June 30, 2026, if the commission determines that revenues are available after 2020 and that there is adequate interest and participation in the program.

(d) The commission shall consider the most appropriate program administration structure, including administration by a qualified third-party administrator, selected by the commission through a competitive bidding process, or administration by an electrical corporation, in an existing or future proceeding.

(e) Not more than 10 percent of the funds allocated to the program shall be used for administration.

(f) (1) By June 30, 2017, the commission shall authorize the award of monetary incentives for qualifying solar energy systems that are installed on qualified multifamily affordable housing properties through December 31, 2030. The target of the program is to install a combined generating capacity of at least 300 megawatts on qualified properties.

(2) The commission shall require that the electricity generated by qualifying solar energy systems installed pursuant to the program be primarily used to offset electricity usage by low-income tenants. These requirements may include required covenants and restrictions in deeds.

(3) The commission shall require that qualifying solar energy systems owned by third-party owners be subject to contractual restrictions to ensure that additional costs for the system are not passed on to low-income tenants at the properties receiving incentives pursuant to the program. The commission shall require a third-party owner of a solar energy system to provide ongoing operation and maintenance of the system, monitor energy production, and, where necessary, take appropriate action to ensure that the kWh production levels projected for the system are achieved throughout the period of the third-party agreement. Such actions may include, but are not limited to, providing a performance guarantee of annual production levels or taking corrective actions to resolve underproduction problems.

(4) The commission shall ensure that incentive levels for photovoltaic installations receiving incentives through the program are aligned with the installation costs for solar energy systems in affordable housing markets and take account of federal investment tax credits and contributions from other sources to the extent feasible.

(5) The commission shall require that no individual installation receive incentives at a rate greater than 100 percent of the total system installation costs.

(6) The commission shall establish local hiring requirements for the program to provide economic development benefits to disadvantaged communities.

(7) The commission shall establish energy efficiency requirements that are equal to the energy efficiency requirements established for the program described in Section 2852, including participation in a federal, state, or utility-funded energy efficiency program or documentation of a recent energy efficiency retrofit.

(g) (1) Low-income tenants who participate in the program shall receive credits on utility bills from the program. The commission shall ensure that utility bill reductions are achieved through tariffs that allow for the allocation of credits, such as virtual net metering tariffs designed for participants in the Multifamily Affordable Solar Housing Program, established by the commission in Decision 08-10-036, or other tariffs that may be adopted by the commission pursuant to Section 2827.1.

(2) The commission shall ensure that electrical corporation tariff structures affecting the low-income tenants participating in the program continue to provide a direct economic benefit from the qualifying solar energy system.

(h) This chapter is not intended to supplant CARE program rates as the primary mechanism for achieving the goals of the CARE program.

(i) The commission shall determine the eligibility of qualified multifamily affordable housing property tenants that are customers of community choice aggregators.

(j) (1) Every three years, the commission shall evaluate the program's expenditures, commitments, uncommitted balances, future demands, performance, and outcomes and shall make any necessary adjustments to the program to ensure the goals of the program are being met. If, upon review, the commission finds there is insufficient participation in the program, the commission may credit uncommitted funds back to ratepayers pursuant to Section 748.5.

(2) As part of the annual work plan required pursuant to Section 910, the commission shall provide an annual update of the Multifamily Affordable Housing Solar Roofs Program that shall include, but not be limited to, the number of projects approved, number of projects completed, number of pending projects awaiting approval, and geographic distribution of the projects.

SEC. 219. Section 2881.4 of the Public Utilities Code is amended to read:

2881.4. (a) The Legislature finds and declares all of the following:

(1) Section 278 requires the commission to transfer to the Controller for deposit in the Deaf and Disabled Telecommunications Program Administrative Committee Fund all revenues collected by telephone corporations to fund programs to provide specified telecommunications services and equipment to deaf, disabled, and hard-of-hearing persons, as specified in Sections 2881, 2881.1, and 2881.2.

(2) The commission issued a report to the Legislature in May 2001, addressing compliance issues pertaining to the programs specified in Sections 2881, 2881.1, and 2881.2, including a recommendation to secure legislative authorization for the commission to contract with outside entities for the provision of services and equipment mandated by Sections 2881, 2881.1, and 2881.2.

(3) The telecommunications services and equipment provided to deaf, disabled, and hard-of-hearing individuals and their families, as specified in Sections 2881, 2881.1, and 2881.2, are of such a highly specialized and technical nature that the necessary expert knowledge, ability, and experience are not available within the current state civil service system.

(4) It is the intent of the Legislature, in enacting this section, to do all of the following:

(A) Maintain the availability of the state's current statewide infrastructure of telecommunications services and equipment to deaf, disabled, and hard-of-hearing persons, as provided for in Sections 2881, 2881.1, and 2881.2, as essential to maintaining public health and safety.

(B) Authorize the commission to enter into contracts for the provision of telecommunications services and equipment for deaf, disabled, and hard-of-hearing persons in a manner that protects and enhances the current statewide infrastructure and coordinated delivery of those services and equipment and includes a priority for maintaining long-term continuity of program administration and maximum involvement of the deaf and disabled community in program governance.

(C) Strengthen program priorities for expanded outreach through continuing consultation with, and participation by, the deaf, disabled, and hard-of-hearing community in order to ensure the state's network of services reach hard-to-serve populations, including rural, inner-city, and urban areas.

(D) Develop a mechanism to achieve cost-effective and timely deployment of new and emerging telecommunications technologies, to the extent fiscally and economically feasible.

(b) In order for the commission to ensure continued provision of telecommunications services and equipment for deaf, disabled, and hard-of-hearing persons, the commission, subject to annual appropriation of funds by the Legislature and consistent with state contracting requirements, may contract with entities, including nonprofit entities, or persons that have the necessary expert knowledge, ability, and experience to provide, manage, or operate the programs described in Sections 2881, 2881.1, and 2881.2.

(c) The commission may enter into contracts pursuant to subdivision (b) of Section 19130 of the Government Code for the services and equipment contemplated by the programs described in Sections 2881, 2881.1, and 2881.2.

(d) The commission may include provisions that accomplish any of the following in contracts authorized by this section:

(1) Establish standards and procedures, including prior commission approval, for subcontracting.

(2) Establish standards and procedures regarding personnel and accounting practices.

(3) Require budget approval.

(4) Require periodic audits.

(5) Monitor performance and establish performance standards and the method of evaluating performance, including remedies for unsatisfactory performance.

(6) Establish standards and procedures to investigate and resolve complaints.

(7) Provide for any other terms or restrictions as the commission finds necessary to ensure that the public funds are used in accordance with the goals of the Legislature and the commission.

(e) Notwithstanding any other law, a contract entered into pursuant to this section may provide for periodic advance payments for telecommunications services to be performed or telecommunications equipment to be provided. An advance payment made pursuant to this section shall not exceed 25 percent of the total annual contract amount.

(f) Any contractor the commission selects shall demonstrate knowledge of and the capacity to provide specialized telecommunications services and equipment to deaf, disabled, and hard-of-hearing persons, and shall be required to consult with the Telecommunications Access for Deaf and Disabled Administrative Committee regarding the specialized needs of individuals using program services and equipment, as specified in Sections 2881, 2881.1, and 2881.2.

(g) The commission shall, to the extent feasible and consistent with state civil service requirements, employ staff overseeing the programs described in Sections 2881, 2881.1, and 2881.2 who are members of the deaf, disabled, and hard-of-hearing community.

SEC. 220. Section 5445.2 of the Public Utilities Code is amended to read:

5445.2. (a) (1) A transportation network company shall conduct, or have a third party conduct, a local and national criminal background check for each participating driver that shall include both of the following:

(A) The use of a multistate and multijurisdiction criminal records locator or other similar commercial nationwide database with validation.

(B) A search of the United States Department of Justice National Sex Offender Public Web site.

(2) A transportation network company shall not contract with, employ, or retain a driver if he or she meets either of the following criteria:

(A) Is currently registered on the United States Department of Justice National Sex Offender Public Web site.

(B) Has been convicted of any of the following offenses:

(i) A violent felony, as defined in Section 667.5 of the Penal Code.

(ii) A violation of Section 11413, 11418, 11418.5, or 11419 of the Penal Code.

(3) A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of any of the following offenses within the previous seven years.

(A) Misdemeanor assault or battery.

(B) A domestic violence offense.

(C) Driving under the influence of alcohol or drugs.

(D) A felony violation of Section 18540 of the Elections Code, or of Section 67, 68, 85, 86, 92, 93, 137, 138, 165, 518, 530, or 18500 of, subdivision (a) of Section 484 of, subdivision (a) of Section 487 of, or subdivision (b) of Section 25540 of, the Penal Code.

(4) Paragraphs (2) and (3) apply with respect to a conviction of any offense committed in another jurisdiction that includes all of the elements of any of the offenses described or defined in those paragraphs.

(5) This section shall not be interpreted to prevent a transportation network company from imposing additional standards.

(b) A transportation network company that violates, or fails to comply with, this section is subject to a penalty of not less than one thousand dollars ($1,000) nor more than five thousand dollars ($5,000) for each offense.

(c) (1) Notwithstanding Section 1786.12 of the Civil Code, an investigative consumer reporting agency may furnish an investigative consumer report to a transportation network company about a person seeking to become a participating driver, regardless of whether the participating driver is to be an employee or an independent contractor of the transportation network company.

(2) Paragraph (7) of subdivision (a) of Section 1786.18 of the Civil Code does not apply to an investigative consumer report furnished to a transportation network company pursuant to paragraph (1).

SEC. 221. Section 9605 of the Public Utilities Code is amended to read:

9605. (a) This division and Chapter 2.3 (commencing with Section 330) of Part 1 of Division 1 do not affect preexisting ratemaking authority of a regulatory body of any local publicly owned electric utility.

(b) This division does not modify or abrogate any agreement, or any rights or obligations in any such agreement, between retail electric service providers relating to service areas.

(c) This division does not limit or affect the statutory rights of a local publicly owned electric utility to negotiate and design rates for existing customers and new customers not choosing to be served by an alternate supplier.

(d) This division does not limit electric supply options within the service territory of a local publicly owned electric utility to the extent the options are of the nature specified in Section 218 as it existed on December 20, 1995, with the exception of paragraph (3) of subdivision (b) of that section, and the imposition of a severance fee or transition charge on customers electing those options shall be prohibited whether the elections are made before or after the availability of direct transactions within the service area of the local publicly owned electric utility.

SEC. 222. Section 99684.5 of the Public Utilities Code is amended to read:

99684.5. (a) Funds allocated pursuant to this part that are not expended or encumbered by July 1, 2020, are hereby reallocated pursuant to subdivision (b) of Section 99684 to any other existing passenger rail project with existing rail service.

(b) The California Transportation Commission shall select the projects for the reallocation described in subdivision (a). The high-speed rail project as described in Chapter 20 (commencing with Section 2704) of Division 3 of the Streets and Highways Code is not eligible to receive reallocated funds pursuant to subdivision (a) as it is not providing existing rail service.

SEC. 223. Section 185020 of the Public Utilities Code is amended to read:

185020. (a) There is in the Transportation Agency a High-Speed Rail Authority.

(b) (1) The authority is composed of 11 members as follows:

(A) Five members appointed by the Governor.

(B) Two members appointed by the Senate Committee on Rules.

(C) Two members appointed by the Speaker of the Assembly.

(D) One Member of the Senate appointed by the Senate Committee on Rules and one Member of the Assembly appointed by the Speaker of the Assembly shall be ex officio members without vote and shall participate in the activities of the authority to the extent that participation is not incompatible with their positions as Members of the Legislature.

(2) For the purposes of making appointments to the authority pursuant to subparagraphs (A), (B), and (C) of paragraph (1), the Governor, the Senate Committee on Rules, and the Speaker of the Assembly shall take into consideration geographical diversity to ensure that all regions of the state are adequately represented.

(c) Except as provided in subdivision (d), and until their successors are appointed, members of the authority, other than ex officio members, shall hold office for terms of four years. A vacancy shall be filled by the appointing power making the original appointment, by appointing a member to serve the remainder of the term.

(d) (1) On and after January 1, 2001, the terms of all persons who are then members of the authority shall expire, but those members may continue to serve until they are reappointed or until their successors are appointed. In order to provide for evenly staggered terms, persons appointed or reappointed to the authority after January 1, 2001, shall be appointed to initial terms to expire as follows:

(A) Of the five persons appointed by the Governor, one shall be appointed to a term that expires on December 31, 2002, one shall be appointed to a term that expires on December 31, 2003, one shall be appointed to a term that expires on December 31, 2004, and two shall be appointed to terms that expire on December 31, 2005.

(B) Of the two persons appointed by the Senate Committee on Rules, one shall be appointed to a term that expires on December 31, 2002, and one shall be appointed to a term that expires on December 31, 2004.

(C) Of the two persons appointed by the Speaker of the Assembly, one shall be appointed to a term that expires on December 31, 2003, and one shall be appointed to a term that expires on December 31, 2005.

(2) Following expiration of each of the initial terms provided for in this subdivision, the term shall expire every four years thereafter on December 31.

(e) Members of the authority are subject to the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).

(f) From among its voting members, the authority shall elect a chairperson, who shall preside at all meetings of the authority, and a vice chairperson to preside in the absence of the chairperson. The chairperson shall serve a term of one year.

(g) Five voting members of the authority constitute a quorum for taking any action by the authority.

SEC. 224. Section 185040 of the Public Utilities Code is amended to read:

185040. (a) If the authority determines that real property or an interest therein, previously or hereafter acquired by the state for high-speed rail purposes, is no longer necessary for those purposes, the authority may sell or exchange the real property or interest therein at fair market value in the manner set forth in this section.

(b) Before selling the real property or interest therein in any manner authorized under this section, the authority shall send notification by certified mail to the last known owner of the real property or interest therein at his or her last known address, advising him or her that the real property or interest therein will be offered for sale. The authority shall not sell the real property or interest therein until at least 30 days after the notification has been sent.

(c) The authority may sell the property to an adjoining landowner if it makes either of the following findings:

(1) (A) That the property is of a size or shape that it is below the average normal standard size and shape of other privately owned properties in the immediate neighborhood, and that if the property were sold to other than the adjoining owner, it would

give rise to a land use development thereof that would be below and not consistent with the normal land use of other properties in that neighborhood, (B) that the sale of the property to a party other than the adjoining owner may cause an undue or unfair hardship to the adjoining owner in the normal land use development or operation of his or her property, (C) that the property considered as part of the adjoining property would have a higher and better use than under separate ownership, and (D) that the fair market value of the property considered as part of the adjoining property would be higher than under separate ownership.

(2) (A) That the sale of the excess parcel to other than the adjoining owner would deprive the adjoining owner of an existing vested right of access to a public highway and thereby create a possible cause of action against the authority or the state.

(B) A sale to an adjoining landowner pursuant to this subdivision may be by contract to sell or trust deed. The payment period in a contract of sale or sale by trust deed shall not extend longer than 10 years from the time the contract of sale or trust deed is executed, and a transaction involving a contract of sale or sale by trust deed to private parties shall require a downpayment of at least 30 percent of the purchase price.

(d) The authority may sell the property to municipalities or other local agencies at their request, without calling for competitive bids, at a price representing the fair market value thereof, and upon a determination that the intended use is for a public purpose.

(e) If it is improved property, the property may be sold to a former owner who has remained in occupancy or to a residential tenant of a tenure of five years or more with all rent obligations current or paid in full.

(f) Any real property or interest therein may in like manner be exchanged, either as whole or part consideration, for any other real property or interest therein as needed for high-speed rail purposes. This provision does not authorize exchanges where the value of the state-owned property exceeds the value of the property the authority seeks to acquire, unless the excess value is incidental and subdivision of the state-owned property, in order to produce a smaller parcel of equal value to the value of the property the authority seeks to acquire, would reduce the total value of the state-owned property.

(g) Except as otherwise provided in this section, property shall be sold either by receipt of competitive sealed bids or at public auction, whichever method is determined by the authority to be more likely to achieve the higher sales price.

(h) Any payments received under this section for the sale of real property no longer necessary for high-speed rail purposes shall be deposited in the High-Speed Rail Property Fund created pursuant to Section 185045 and shall be available to the authority upon appropriation as provided in that section.

SEC. 225. Section 5097 of the Revenue and Taxation Code is amended to read:

5097. (a) An order for a refund under this article shall not be made, except on a claim:

(1) Verified by the person who paid the tax, his or her guardian, executor, or administrator.

(2) Except as provided in paragraph (3) or (4), filed within four years after making the payment sought to be refunded, or within one year after the mailing of notice as prescribed in Section 2635, or the period agreed to as provided in Section 532.1, or within 60 days of the date of the notice prescribed by subdivision (a) of Section 4836, whichever is later.

(3) (A) Filed within one year, if an application for a reduction in an assessment or an application for equalization of an assessment has been filed pursuant to Section 1603 and the applicant does not state in the application that the application is intended to constitute a claim for a refund, of either of the following events, whichever occurs first:

(i) After the county assessment appeals board makes a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment of the property, and mails a written notice of its determination to the applicant and the notice does not advise the applicant to file a claim for refund.

(ii) After the expiration of the time period specified in subdivision (c) of Section 1604 if the county assessment appeals board fails to hear evidence and fails to make a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment of the property.

(B) Filed within six months, if an application for a reduction in an assessment or an application for equalization of an assessment has been filed pursuant to Section 1603 and the applicant does not state in the application that the application is intended to constitute a claim for a refund, after the county assessment appeals board makes a final determination on the application for reduction in assessment or on the application for equalization of an escape assessment, and mails a written notice of its determination to the applicant and the notice advises the applicant to file a claim for refund within six months of the date of the county assessment appeals board's final determination.

(4) Filed within eight years after making the payment sought to be refunded, or within 60 days of the notice prescribed by subdivision (a) of Section 4836, whichever is later, if the claim for refund is filed on or after January 1, 2015, and relates to the

disabled veterans' exemption described in Section 205.5.

(b) An application for a reduction in an assessment filed pursuant to Section 1603 shall also constitute a sufficient claim for refund under this section if the applicant states in the application that the application is intended to constitute a claim for refund. If the applicant does not so state, he or she may thereafter and within the period provided in paragraph (3) of subdivision (a) file a separate claim for refund of taxes extended on the assessment which the applicant applied to have reduced pursuant to Section 1603 or 1604.

(c) If an application for equalization of an escape assessment is filed pursuant to Section 1603, a claim may be filed on any taxes resulting from the escape assessment or the original assessment to which the escape relates within the period provided in paragraph (3) of subdivision (a).

(d) The amendments made to this section by Chapter 656 of the Statutes of 2014 apply to claims for refund filed on or after January 1, 2015.

SEC. 226. Section 6366.4 of the Revenue and Taxation Code is amended to read:

6366.4. (a) There are exempted from the taxes imposed by this part the gross receipts from the sale of, and the storage, use, or other consumption in this state of, tangible personal property purchased by a nonprofit museum regularly open to the public that is operated by or for a local or state government entity, or operated by a nonprofit organization which has qualified for exemption pursuant to Section 23701d, provided the property is purchased and used exclusively for display purposes within the museum.

(b) The exemption provided by this section extends only to items that have value as museum pieces and does not extend to display cases, shelving, lamps, lighting fixtures, or other items of tangible personal property utilized in the operation of a museum. However, the exemption does include sprung instant structures used as temporary exhibit housing.

(c) For purposes of this section, a "museum" includes only any of the following:

(1) A museum that has a significant portion of its space open to the public without charge.

(2) A museum open to the public without charge for not less than six hours during any month the museum is open to the public.

(3) A museum that is open to a segment of the student or adult population without charge.

(d) This section applies only to the San Diego Air & Space Museum and the California Science Center.

SEC. 227. Section 7094 of the Revenue and Taxation Code is amended to read:

7094. (a) The board shall release any levy or notice to withhold issued pursuant to this part on any property in the event that the expense of the sale process exceeds the liability for which the levy is made.

(b) (1) (A) The Taxpayers' Rights Advocate may order the release of any levy or notice to withhold issued pursuant to this part or, within 90 days from the receipt of funds pursuant to a levy or notice to withhold, order the return of any amount up to two thousand three hundred dollars ($2,300) of moneys received, upon his or her finding that the levy or notice to withhold threatens the health or welfare of the taxpayer or his or her spouse and dependents or family.

(B) The amount the Taxpayers' Rights Advocate may release or return to each taxpayer subject to a levy or notice to withhold, is limited to two thousand three hundred dollars ($2,300), or the adjusted amount as specified in paragraph (2), in any monthly period.

(C) The Taxpayers' Rights Advocate may order amounts returned in the case of a seizure of property as a result of a jeopardy determination, subject to the amounts set or adjusted pursuant to this section and if the ultimate collection of the amount due is no longer in jeopardy.

(2) (A) The board shall adjust the two-thousand-three-hundred-dollar ($2,300) amount specified in paragraph (1) as follows:

(i) On or before March 1, 2016, and on or before March 1 each year thereafter, the board shall multiply the amount applicable for the current fiscal year by the inflation factor adjustment calculated based on the percentage change in the Consumer Price Index, as recorded by the California Department of Industrial Relations for the most recent year available, and the formula set forth in paragraph (2) of subdivision (h) of Section 17041. The resulting amount will be the applicable amount for the succeeding fiscal year only when the applicable amount computed is equal to or exceeds a new operative threshold, as defined in subparagraph (B).

(ii) When the applicable amount equals or exceeds an operative threshold specified in subparagraph (B), the resulting applicable amount, rounded to the nearest multiple of one hundred dollars ($100), shall be operative for purposes of

paragraph (1) beginning July 1 of the succeeding fiscal year.

(B) For purposes of this paragraph, “operative threshold” means an amount that exceeds by at least one hundred dollars ($100) the greater of either the amount specified in paragraph (1) or the amount computed pursuant to subparagraph (A) as the operative adjustment to the amount specified in paragraph (1).

(c) The board shall not sell any seized property until it has first notified the taxpayer in writing of the exemptions from levy under Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(d) Except as provided in subparagraph (C) of paragraph (1) of subdivision (b), this section does not apply to the seizure of any property as a result of a jeopardy determination.

SEC. 228. Section 12206 of the Revenue and Taxation Code is amended to read:

12206. (a) (1) There shall be allowed as a credit against the “tax,” described by Section 12201, a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue Code, relating to low-income housing credit, except as otherwise provided in this section.

(2) “Taxpayer,” for purposes of this section, means the sole owner in the case of a “C” corporation, the partners in the case of a partnership, and the shareholders in the case of an “S” corporation.

(3) “Housing sponsor,” for purposes of this section, means the sole owner in the case of a “C” corporation, the partnership in the case of a partnership, and the “S” corporation in the case of an “S” corporation.

(b) (1) The amount of the credit allocated to any housing sponsor shall be authorized by the California Tax Credit Allocation Committee, or any successor thereof, based on a project’s need for the credit for economic feasibility in accordance with the requirements of this section.

(A) Except for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, that are allocated credits solely under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code, the low-income housing project shall be located in California and shall meet either of the following requirements:

(i) The project’s housing sponsor has been allocated by the California Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(ii) It qualifies for a credit under Section 42(h)(4)(B) of the Internal Revenue Code, relating to special rule where 50 percent or more of building is financed with tax-exempt bonds subject to volume cap.

(B) The California Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue Code, relating to low-income housing credit. The committee may require a fee if the application for the credit under this section is submitted in a calendar year after the year the application is submitted for the federal tax credit.

(C) (i) For a project that receives a preliminary reservation of the state low-income housing tax credit, allowed pursuant to subdivision (a), on or after January 1, 2009, and before January 1, 2020, the credit shall be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, regardless of how the federal low-income housing tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue Code, relating to determination of distributive share.

(ii) This subparagraph does not apply to a project that receives a preliminary reservation of state low-income housing tax credits under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code unless the project also receives a preliminary reservation of federal low-income housing tax credits.

(2) (A) The California Tax Credit Allocation Committee shall certify to the housing sponsor the amount of tax credit under this section allocated to the housing sponsor for each credit period.

(B) In the case of a partnership or an “S” corporation, the housing sponsor shall provide a copy of the California Tax Credit Allocation Committee certification to the taxpayer.

(C) The taxpayer shall attach a copy of the certification to any return upon which a tax credit is claimed under this section.

(D) In the case of a failure to attach a copy of the certification for the year to the return in which a tax credit is claimed under this section, no credit under this section shall be allowed for that year until a copy of that certification is provided.

(E) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue Code, relating to low-income housing credit, shall apply to this section.

(F) (i) Except as described in clause (ii), for buildings located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, credits may be allocated under this section in the amounts prescribed in subdivision (c), provided that the amount of credit allocated under Section 42 of the Internal Revenue Code, relating to low-income housing credit, is computed on 100 percent of the qualified basis of the building.

(ii) Notwithstanding clause (i), the California Tax Credit Allocation Committee may allocate the credit for buildings located in DDAs or QCTs that are restricted to having 50 percent of its occupants be special needs households, as defined in the California Code of Regulations by the California Tax Credit Allocation Committee, even if the taxpayer receives federal credits pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, provided that the credit allowed under this section shall not exceed 30 percent of the eligible basis of the building.

(G) (i) The California Tax Credit Allocation Committee may allocate a credit under this section in exchange for a credit allocated pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, in amounts up to 30 percent of the eligible basis of a building if the credits allowed under Section 42 of the Internal Revenue Code, relating to low-income housing credit, are reduced by an equivalent amount.

(ii) An equivalent amount shall be determined by the California Tax Credit Allocation Committee based upon the relative amount required to produce an equivalent state tax credit to the taxpayer.

(c) Section 42(b) of the Internal Revenue Code, relating to applicable percentage: 70 percent present value credit for certain new buildings; 30 percent present value credit for certain other buildings, shall be modified as follows:

(1) In the case of any qualified low-income building that receives an allocation after 1989 and is a new building not federally subsidized, the term “applicable percentage” means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are not federally subsidized for the taxable year, determined in accordance with the requirements of Section 42(b)(2) of the Internal Revenue Code, relating to temporary minimum credit rate for nonfederally subsidized new buildings, in lieu of the percentage prescribed in Section 42(b)(1)(B) of the Internal Revenue Code.

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

(2) In the case of any qualified low-income building that receives an allocation after 1989 and that is a new building that is federally subsidized or that is an existing building that is “at risk of conversion,” the term “applicable percentage” means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally subsidized for the taxable year.

(B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.

(3) For purposes of this section, the term “at risk of conversion,” with respect to an existing property means a property that satisfies all of the following criteria:

(A) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:

(i) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.

(ii) The Below-Market-Interest-Rate Program pursuant to Section 221(d)(3) of the National Housing Act, Sections 1715l(d)(3) and (5) of Title 12 of the United States Code.

(iii) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.

(iv) Programs for rent supplement assistance pursuant to Section 101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.

(v) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.

(vi) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(B) The restrictions on rent and income levels will terminate or the federally insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.

(C) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.

(D) The property satisfies the requirements of Section 42(e) of the Internal Revenue Code, relating to rehabilitation expenditures treated as separate new building, except that the provisions of Section 42(e)(3)(A)(ii)(I) shall not apply.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue Code, relating to qualified low-income building, is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cash distribution from the operations of the project, after funding required reserves, that, at the election of the taxpayer, is equal to:

(A) An amount not to exceed 8 percent of the lesser of:

(i) The owner equity, which shall include the amount of the capital contributions actually paid to the housing sponsor and shall not include any amounts until they are paid on an investor note.

(ii) Twenty percent of the adjusted basis of the building as of the close of the first taxable year of the credit period.

(B) The amount of the cashflow from those units in the building that are not low-income units. For purposes of computing cashflow under this subparagraph, operating costs shall be allocated to the low-income units using the "floor space fraction," as defined in Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(C) Any amount allowed to be distributed under subparagraph (A) that is not available for distribution during the first five years of the compliance period may be accumulated and distributed any time during the first 15 years of the compliance period but not thereafter.

(2) The limitation on return applies in the aggregate to the partners if the housing sponsor is a partnership and in the aggregate to the shareholders if the housing sponsor is an "S" corporation.

(3) The housing sponsor shall apply any cash available for distribution in excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue Code, relating to in general.

(e) The provisions of Section 42(f) of the Internal Revenue Code, relating to definition and special rules relating to credit period, shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue Code, relating to credit period defined, is modified by substituting "four taxable years" for "10 taxable years."

(2) The special rule for the first taxable year of the credit period under Section 42(f)(2) of the Internal Revenue Code, relating to special rule for 1st year of credit period, shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue Code, relating to determination of applicable percentage with respect to increases in qualified basis after 1st year of credit period, is modified to read:

If, as of the close of any taxable year in the compliance period, after the first year of the credit period, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the housing sponsor, to the extent of its tax credit allocation, shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the later of the taxable years in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue Code, relating to limitation on aggregate credit allowable with respect to projects located in a state, shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue Code, relating to allocated credit amount to apply to all taxable years ending during or after credit allocation year, does not apply and instead the following provisions apply:

The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the California Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (5), (6)(E)(i)(II), (6)(F), (6)(G), (6)(I), (7), and (8) of Section 42(h) of the Internal Revenue Code, relating to limitation on aggregate credit allowable with respect to projects located in a state, do not apply to this section.

(g) The aggregate housing credit dollar amount that may be allocated annually by the California Tax Credit Allocation Committee pursuant to this section, Section 17058, and Section 23610.5 shall be an amount equal to the sum of all the following:

(1) Seventy million dollars ($70,000,000) for the 2001 calendar year, and, for the 2002 calendar year and each calendar year thereafter, seventy million dollars ($70,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the 2001 calendar year. For the purposes of this paragraph, the term “Consumer Price Index” means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor.

(2) The unused housing credit ceiling, if any, for the preceding calendar years.

(3) The amount of housing credit ceiling returned in the calendar year. For purposes of this paragraph, the amount of housing credit dollar amount returned in the calendar year equals the housing credit dollar amount previously allocated to any project that does not become a qualified low-income housing project within the period required by this section or to any project with respect to which an allocation is canceled by mutual consent of the California Tax Credit Allocation Committee and the allocation recipient.

(4) Five hundred thousand dollars ($500,000) per calendar year for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(5) The amount of any unallocated or returned credits under former Sections 17053.14, 23608.2, and 23608.3, as those sections read prior to January 1, 2009, until fully exhausted for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(h) The term “compliance period” as defined in Section 42(i)(1) of the Internal Revenue Code, relating to compliance period, is modified to mean, with respect to any building, the period of 30 consecutive taxable years beginning with the first taxable year of the credit period with respect thereto.

(i) (1) Section 42(j) of the Internal Revenue Code, relating to recapture of credit, shall not be applicable and the provisions in paragraph (2) shall be substituted in its place.

(2) The requirements of this section shall be set forth in a regulatory agreement between the California Tax Credit Allocation Committee and the housing sponsor, and this agreement shall be subordinated, when required, to any lien or encumbrance of any banks or other institutional lenders to the project. The regulatory agreement entered into pursuant to subdivision (f) of Section 50199.14 of the Health and Safety Code, shall apply, provided that the agreement includes all of the following provisions:

(A) A term not less than the compliance period.

(B) A requirement that the agreement be recorded in the official records of the county in which the qualified low-income housing project is located.

(C) A provision stating which state and local agencies can enforce the regulatory agreement in the event the housing sponsor fails to satisfy any of the requirements of this section.

(D) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto and that allows individuals, whether prospective, present, or former occupants of the building, who meet the income limitation applicable to the building, the right to enforce the regulatory agreement in any state court.

(E) A provision incorporating the requirements of Section 42 of the Internal Revenue Code, relating to low-income housing credit, as modified by this section.

(F) A requirement that the housing sponsor notify the California Tax Credit Allocation Committee or its designee and the local agency that can enforce the regulatory agreement if there is a determination by the Internal Revenue Service that the

project is not in compliance with Section 42(g) of the Internal Revenue Code, relating to qualified low-income housing project.

(G) A requirement that the housing sponsor, as security for the performance of the housing sponsor's obligations under the regulatory agreement, assign the housing sponsor's interest in rents that it receives from the project, provided that until there is a default under the regulatory agreement, the housing sponsor is entitled to collect and retain the rents.

(H) A provision that the remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the housing sponsor is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance; securing the appointment of a receiver to operate the project; or any other relief as may be appropriate.

(j) (1) The committee shall allocate the housing credit on a regular basis consisting of two or more periods in each calendar year during which applications may be filed and considered. The committee shall establish application filing deadlines, the maximum percentage of federal and state low-income housing tax credit ceiling that may be allocated by the committee in that period, and the approximate date on which allocations shall be made. If the enactment of federal or state law, the adoption of rules or regulations, or other similar events prevent the use of two allocation periods, the committee may reduce the number of periods and adjust the filing deadlines, maximum percentage of credit allocated, and the allocation dates.

(2) The committee shall adopt a qualified allocation plan, as provided in Section 42(m)(1) of the Internal Revenue Code, relating to plans for allocation of credit among projects. In adopting this plan, the committee shall comply with the provisions of Sections 42(m)(1)(B) and 42(m)(1)(C) of the Internal Revenue Code, relating to qualified allocation plan and relating to certain selection criteria must be used, respectively.

(3) Notwithstanding Section 42(m) of the Internal Revenue Code, relating to responsibilities of housing credit agencies, the California Tax Credit Allocation Committee shall allocate housing credits in accordance with the qualified allocation plan and regulations, which shall include the following provisions:

(A) All housing sponsors, as defined by paragraph (3) of subdivision (a), shall demonstrate at the time the application is filed with the committee that the project meets the following threshold requirements:

(i) The housing sponsor shall demonstrate that there is a need and demand for low-income housing in the community or region for which it is proposed.

(ii) The project's proposed financing, including tax credit proceeds, shall be sufficient to complete the project and that the proposed operating income shall be adequate to operate the project for the extended use period.

(iii) The project shall have enforceable financing commitments, either construction or permanent financing, for at least 50 percent of the total estimated financing of the project.

(iv) The housing sponsor shall have and maintain control of the site for the project.

(v) The housing sponsor shall demonstrate that the project complies with all applicable local land use and zoning ordinances.

(vi) The housing sponsor shall demonstrate that the project development team has the experience and the financial capacity to ensure project completion and operation for the extended use period.

(vii) The housing sponsor shall demonstrate the amount of tax credit that is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the extended use period, taking into account operating expenses, a supportable debt service, reserves, funds set aside for rental subsidies and required equity, and a development fee that does not exceed a specified percentage of the eligible basis of the project prior to inclusion of the development fee in the eligible basis, as determined by the committee.

(B) The committee shall give a preference to those projects satisfying all of the threshold requirements of subparagraph (A) if both of the following apply:

(i) The project serves the lowest income tenants at rents affordable to those tenants.

(ii) The project is obligated to serve qualified tenants for the longest period.

(C) In addition to the provisions of subparagraphs (A) and (B), the committee shall use the following criteria in allocating housing credits:

(i) Projects serving large families in which a substantial number, as defined by the committee, of all residential units are low-income units with three and more bedrooms.

(ii) Projects providing single-room occupancy units serving very low income tenants.

(iii) Existing projects that are “at risk of conversion,” as defined by paragraph (3) of subdivision (c).

(iv) Projects for which a public agency provides direct or indirect long-term financial support for at least 15 percent of the total project development costs or projects for which the owner’s equity constitutes at least 30 percent of the total project development costs.

(v) Projects that provide tenant amenities not generally available to residents of low-income housing projects.

(4) For purposes of allocating credits pursuant to this section, the committee shall not give preference to any project by virtue of the date of submission of its application except to break a tie when two or more of the projects have an equal rating.

(k) Section 42(l) of the Internal Revenue Code, relating to certifications and other reports to secretary, shall be modified as follows:

The term “secretary” shall be replaced by the term “Franchise Tax Board.”

(l) In the case in which the credit allowed under this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and succeeding years if necessary, until the credit has been exhausted.

(m) The provisions of Section 11407(a) of Public Law 101-508, relating to the effective date of the extension of the low-income housing credit, apply to calendar years after 1993.

(n) The provisions of Section 11407(c) of Public Law 101-508, relating to election to accelerate credit, do not apply.

(o) (1) For a project that receives a preliminary reservation under this section beginning on or after January 1, 2016, and before January 1, 2020, a taxpayer may make an irrevocable election in its application to the California Tax Credit Allocation Committee to sell all or any portion of any credit allowed under this section to one or more unrelated parties for each taxable year in which the credit is allowed subject to both of the following conditions:

(A) The credit is sold for consideration that is not less than 80 percent of the amount of the credit.

(B) The unrelated party or parties purchasing any or all of the credit pursuant to this subdivision is a taxpayer allowed the credit under this section for the taxable year of the purchase or any prior taxable year or is a taxpayer allowed the federal credit under Section 42 of the Internal Revenue Code, relating to low-income housing credit, for the taxable year of the purchase or any prior taxable year in connection with any project located in this state. For purposes of this subparagraph, “taxpayer allowed the credit under this section” means a taxpayer that is allowed the credit under this section without regard to the purchase of a credit pursuant to this subdivision.

(2) (A) The taxpayer that originally received the credit shall report to the California Tax Credit Allocation Committee within 10 days of the sale of the credit, in the form and manner specified by the California Tax Credit Allocation Committee, all required information regarding the purchase and sale of the credit, including the social security or other taxpayer identification number of the unrelated party or parties to whom the credit has been sold, the face amount of the credit sold, and the amount of consideration received by the taxpayer for the sale of the credit.

(B) The California Tax Credit Allocation Committee shall provide an annual listing to the Franchise Tax Board, in a form and manner agreed upon by the California Tax Credit Allocation Committee and the Franchise Tax Board, of the taxpayers that have sold or purchased a credit pursuant to this subdivision.

(3) (A) A credit may be sold pursuant to this subdivision to more than one unrelated party.

(B) (i) Except as provided in clause (ii), a credit shall not be resold by the unrelated party to another taxpayer or other party.

(ii) All or any portion of any credit allowed under this section may be resold once by an original purchaser to one or more unrelated parties, subject to all of the requirements of this subdivision.

(4) Notwithstanding any other law, the taxpayer that originally received the credit that is sold pursuant to paragraph (1) shall remain solely liable for all obligations and liabilities imposed on the taxpayer by this section with respect to the credit, none of which shall apply to a party to whom the credit has been sold or subsequently transferred. Parties that purchase credits pursuant to paragraph (1) shall be entitled to utilize the purchased credits in the same manner in which the taxpayer that originally received the credit could utilize them.

(5) A taxpayer shall not sell a credit allowed by this section if the taxpayer was allowed the credit on any tax return of the taxpayer.

(6) Notwithstanding paragraph (1), the taxpayer, with the approval of the Executive Director of the California Tax Credit Allocation Committee, may rescind the election to sell all or any portion of the credit allowed under this section if the consideration for the credit falls below 80 percent of the amount of the credit after the California Tax Credit Allocation Committee reservation.

(p) The California Tax Credit Allocation Committee may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section, including any guidelines regarding the allocation of the credit allowed under this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the California Tax Credit Allocation Committee pursuant to this section.

(q) This section shall remain in effect for as long as Section 42 of the Internal Revenue Code, relating to low-income housing credit, remains in effect.

SEC. 229. Section 12258 of the Revenue and Taxation Code is amended to read:

12258. (a) Any insurer that fails to pay any prepayment within the time required shall pay a penalty of 10 percent of the amount of the required prepayment, plus interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the due date of the prepayment until the date of payment but not for any period after the due date of the annual tax. Assessments of prepayment deficiencies may be made in the manner provided by deficiency assessments of the annual tax.

(b) Notwithstanding any other law, if a Medi-Cal managed care plan, as defined in subdivision (a) of Section 12009, receives additional amounts includable in its total operating revenue, as defined in Section 12241, for the service periods from January 1, 2009, to June 30, 2013, inclusive, those amounts shall continue to be subject to the tax imposed by Section 12201, as added by Section 4 of Chapter 33 of the Statutes of 2013, as added by Section 5 of Chapter 157 of the Statutes of 2009, as added by Section 31 of Chapter 717 of the Statutes of 2010, and as added by Section 2 of Chapter 11 of the First Extraordinary Session of the Statutes of 2011, and 100 percent of the tax continues to be due and shall be submitted to the Department of Insurance no later than 30 days after receipt of those amounts.

(c) This section does not apply to an insurer subject to paragraph (1) of subdivision (c) of Section 12254.

SEC. 230. Section 12491 of the Revenue and Taxation Code is amended to read:

12491. (a) Every tax levied upon an insurer under the provisions of Article XIII of the California Constitution and of this part is a lien upon all property and franchises of every kind and nature belonging to the insurer, and has the effect of a judgment against the insurer.

(b) (1) Every tax levied upon a surplus line broker under Part 7.5 (commencing with Section 13201) is a lien upon all property and franchises of every kind and nature belonging to the surplus line broker, and has the effect of a judgment against the surplus line broker.

(2) A lien levied pursuant to this subdivision shall not exceed the amount of unpaid tax collected by the surplus line broker.

SEC. 231. Section 12636 of the Revenue and Taxation Code is amended to read:

12636. (a) If the board finds that an insurer's failure to make a timely return or payment is due to reasonable cause and to circumstances beyond the insurer's control, and which occurred despite the exercise of ordinary care and in the absence of willful neglect, the insurer may be relieved of the penalty provided by Section 12258, 12287, 12631, 12632, or 12633.

(b) Any insurer seeking to be relieved of the penalty shall file with the board a statement under penalty of perjury setting forth the facts upon which the claim for relief is based.

SEC. 232. Section 17058 of the Revenue and Taxation Code is amended to read:

17058. (a) (1) There shall be allowed as a credit against the "net tax," defined by Section 17039, a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue Code, relating to low-income housing credit, except as otherwise provided in this section.

(2) "Taxpayer," for purposes of this section, means the sole owner in the case of an individual, the partners in the case of a partnership, and the shareholders in the case of an "S" corporation.

(3) “Housing sponsor,” for purposes of this section, means the sole owner in the case of an individual, the partnership in the case of a partnership, and the “S” corporation in the case of an “S” corporation.

(b) (1) The amount of the credit allocated to any housing sponsor shall be authorized by the California Tax Credit Allocation Committee, or any successor thereof, based on a project’s need for the credit for economic feasibility in accordance with the requirements of this section.

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) Except for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, that are allocated credits solely under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code, the project’s housing sponsor has been allocated by the California Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(ii) It qualifies for a credit under Section 42(h)(4)(B) of the Internal Revenue Code, relating to special rule where 50 percent or more of building is financed with tax-exempt bonds subject to volume cap.

(B) The California Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue Code, relating to low-income housing credit. The committee may require a fee if the application for the credit under this section is submitted in a calendar year after the year the application is submitted for the federal tax credit.

(C) (i) For a project that receives a preliminary reservation of the state low-income housing tax credit, allowed pursuant to subdivision (a), on or after January 1, 2009, and before January 1, 2020, the credit shall be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, regardless of how the federal low-income housing tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue Code, relating to determination of distributive share.

(ii) To the extent the allocation of the credit to a partner under this section lacks substantial economic effect, any loss or deduction otherwise allowable under this part that is attributable to the sale or other disposition of that partner’s partnership interest made prior to the expiration of the federal credit shall not be allowed in the taxable year in which the sale or other disposition occurs, but shall instead be deferred until and treated as if it occurred in the first taxable year immediately following the taxable year in which the federal credit period expires for the project described in clause (i).

(iii) This subparagraph does not apply to a project that receives a preliminary reservation of state low-income housing tax credits under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code unless the project also receives a preliminary reservation of federal low-income housing tax credits.

(2) (A) The California Tax Credit Allocation Committee shall certify to the housing sponsor the amount of tax credit under this section allocated to the housing sponsor for each credit period.

(B) In the case of a partnership or an “S” corporation, the housing sponsor shall provide a copy of the California Tax Credit Allocation Committee certification to the taxpayer.

(C) The taxpayer shall, upon request, provide a copy of the certification to the Franchise Tax Board.

(D) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue Code, relating to low-income housing credit, apply to this section.

(E) (i) Except as described in clause (ii), for buildings located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, credits may be allocated under this section in the amounts prescribed in subdivision (c), provided that the amount of credit allocated under Section 42 of the Internal Revenue Code, relating to low-income housing credit, is computed on 100 percent of the qualified basis of the building.

(ii) Notwithstanding clause (i), the California Tax Credit Allocation Committee may allocate the credit for buildings located in DDAs or QCTs that are restricted to having 50 percent of its occupants be special needs households, as defined in the California Code of Regulations by the California Tax Credit Allocation Committee, even if the taxpayer receives federal credits pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, provided that the credit allowed under this section shall not exceed 30 percent of the eligible basis of the building.

(F) (i) The California Tax Credit Allocation Committee may allocate a credit under this section in exchange for a credit allocated pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, in amounts up to 30 percent of the eligible basis of a building if the credits allowed under Section 42 of the Internal Revenue Code, relating to low-income housing credit, are reduced by an equivalent amount.

(ii) An equivalent amount shall be determined by the California Tax Credit Allocation Committee based upon the relative amount required to produce an equivalent state tax credit to the taxpayer.

(c) Section 42(b) of the Internal Revenue Code, relating to applicable percentage: 70 percent present value credit for certain new buildings; 30 percent present value credit for certain other buildings, shall be modified as follows:

(1) In the case of any qualified low-income building placed in service by the housing sponsor during 1987, the term "applicable percentage" means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.

(2) In the case of any qualified low-income building that receives an allocation after 1989 and is a new building not federally subsidized, the term "applicable percentage" means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are not federally subsidized for the taxable year, determined in accordance with the requirements of Section 42(b)(2) of the Internal Revenue Code, relating to temporary minimum credit rate for nonfederally subsidized new buildings, in lieu of the percentage prescribed in Section 42(b)(1)(B) of the Internal Revenue Code.

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

(3) In the case of any qualified low-income building that receives an allocation after 1989 and that is a new building that is federally subsidized or that is an existing building that is "at risk of conversion," the term "applicable percentage" means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally subsidized for the taxable year.

(B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.

(4) For purposes of this section, the term "at risk of conversion," with respect to an existing property means a property that satisfies all of the following criteria:

(A) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:

(i) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.

(ii) The Below-Market-Interest-Rate Program pursuant to Section 221(d)(3) of the National Housing Act, Sections 1715l(d)(3) and (5) of Title 12 of the United States Code.

(iii) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.

(iv) Programs for rent supplement assistance pursuant to Section 101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.

(v) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.

(vi) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(B) The restrictions on rent and income levels will terminate or the federally insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.

(C) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.

(D) The property satisfies the requirements of Section 42(e) of the Internal Revenue Code, relating to rehabilitation expenditures treated as separate new building, except that the provisions of Section 42(e)(3)(A)(ii)(I) shall not apply.

(d) The term "qualified low-income housing project" as defined in Section 42(c)(2) of the Internal Revenue Code, relating to qualified low-income building, is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cash distribution from the operations of the project, after funding required reserves, that, at the election of the taxpayer, is equal to:

(A) An amount not to exceed 8 percent of the lesser of:

(i) The owner equity, which shall include the amount of the capital contributions actually paid to the housing sponsor and shall not include any amounts until they are paid on an investor note.

(ii) Twenty percent of the adjusted basis of the building as of the close of the first taxable year of the credit period.

(B) The amount of the cashflow from those units in the building that are not low-income units. For purposes of computing cashflow under this subparagraph, operating costs shall be allocated to the low-income units using the "floor space fraction," as defined in Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(C) Any amount allowed to be distributed under subparagraph (A) that is not available for distribution during the first five years of the compliance period may be accumulated and distributed any time during the first 15 years of the compliance period but not thereafter.

(2) The limitation on return applies in the aggregate to the partners if the housing sponsor is a partnership and in the aggregate to the shareholders if the housing sponsor is an "S" corporation.

(3) The housing sponsor shall apply any cash available for distribution in excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue Code, relating to in general.

(e) The provisions of Section 42(f) of the Internal Revenue Code, relating to definition and special rules relating to credit period, shall be modified as follows:

(1) The term "credit period" as defined in Section 42(f)(1) of the Internal Revenue Code, relating to credit period defined, is modified by substituting "four taxable years" for "10 taxable years."

(2) The special rule for the first taxable year of the credit period under Section 42(f)(2) of the Internal Revenue Code, relating to special rules for 1st year of credit period, shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue Code, relating to determination of applicable percentage with respect to increases in qualified basis after 1st year of credit period, is modified to read:

If, as of the close of any taxable year in the compliance period, after the first year of the credit period, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the housing sponsor, to the extent of its tax credit allocation, shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the taxable year in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue Code, relating to limitation on aggregate credit allowable with respect to projects located in a state, shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue Code, relating to allocated credit amount to apply to all taxable years ending during or after credit allocation year, does not apply and instead the following provisions apply:

The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the California Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (5), (6)(E)(i)(II), (6)(F), (6)(G), (6)(I), (7), and (8) of Section 42(h) of the Internal Revenue Code, relating to limitation on aggregate credit allowable with respect to projects located in a state, do not apply to this section.

(g) The aggregate housing credit dollar amount that may be allocated annually by the California Tax Credit Allocation Committee pursuant to this section, Section 12206, and Section 23610.5 shall be an amount equal to the sum of all the following:

(1) Seventy million dollars ($70,000,000) for the 2001 calendar year, and, for the 2002 calendar year and each calendar year thereafter, seventy million dollars ($70,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the 2001 calendar year. For the purposes of this paragraph, the term “Consumer Price Index” means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor.

(2) The unused housing credit ceiling, if any, for the preceding calendar years.

(3) The amount of housing credit ceiling returned in the calendar year. For purposes of this paragraph, the amount of housing credit dollar amount returned in the calendar year equals the housing credit dollar amount previously allocated to any project that does not become a qualified low-income housing project within the period required by this section or to any project with respect to which an allocation is canceled by mutual consent of the California Tax Credit Allocation Committee and the allocation recipient.

(4) Five hundred thousand dollars ($500,000) per calendar year for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(5) The amount of any unallocated or returned credits under former Sections 17053.14, 23608.2, and 23608.3, as those sections read prior to January 1, 2009, until fully exhausted for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(h) The term “compliance period” as defined in Section 42(i)(1) of the Internal Revenue Code, relating to compliance period, is modified to mean, with respect to any building, the period of 30 consecutive taxable years beginning with the first taxable year of the credit period with respect thereto.

(i) Section 42(j) of the Internal Revenue Code, relating to recapture of credit, does not apply and the following requirements of this section shall be set forth in a regulatory agreement between the California Tax Credit Allocation Committee and the housing sponsor, and this agreement shall be subordinated, when required, to any lien or encumbrance of any banks or other institutional lenders to the project. The regulatory agreement entered into pursuant to subdivision (f) of Section 50199.14 of the Health and Safety Code shall apply, provided that the agreement includes all of the following provisions:

(1) A term not less than the compliance period.

(2) A requirement that the agreement be recorded in the official records of the county in which the qualified low-income housing project is located.

(3) A provision stating which state and local agencies can enforce the regulatory agreement in the event the housing sponsor fails to satisfy any of the requirements of this section.

(4) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto and that allows individuals, whether prospective, present, or former occupants of the building, who meet the income limitation applicable to the building, the right to enforce the regulatory agreement in any state court.

(5) A provision incorporating the requirements of Section 42 of the Internal Revenue Code, relating to low-income housing credit, as modified by this section.

(6) A requirement that the housing sponsor notify the California Tax Credit Allocation Committee or its designee if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue Code, relating to qualified low-income housing project.

(7) A requirement that the housing sponsor, as security for the performance of the housing sponsor’s obligations under the regulatory agreement, assign the housing sponsor’s interest in rents that it receives from the project, provided that until there is a default under the regulatory agreement, the housing sponsor is entitled to collect and retain the rents.

(8) A provision that the remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the housing sponsor is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance; securing the appointment of a receiver to operate the project; or any other relief as may be appropriate.

(j) (1) The committee shall allocate the housing credit on a regular basis consisting of two or more periods in each calendar year during which applications may be filed and considered. The committee shall establish application filing deadlines, the maximum percentage of federal and state low-income housing tax credit ceiling that may be allocated by the committee in that period, and the approximate date on which allocations shall be made. If the enactment of federal or state law, the adoption of rules or regulations, or other similar events prevent the use of two allocation periods, the committee may reduce the number of periods and adjust the filing deadlines, maximum percentage of credit allocated, and the allocation dates.

(2) The committee shall adopt a qualified allocation plan, as provided in Section 42(m)(1) of the Internal Revenue Code, relating to plans for allocation of credit among projects. In adopting this plan, the committee shall comply with the provisions of Sections 42(m)(1)(B) and 42(m)(1)(C) of the Internal Revenue Code, relating to qualified allocation plan and relating to certain selection criteria must be used, respectively.

(3) Notwithstanding Section 42(m) of the Internal Revenue Code, relating to responsibilities of housing credit agencies, the California Tax Credit Allocation Committee shall allocate housing credits in accordance with the qualified allocation plan and regulations, which shall include the following provisions:

(A) All housing sponsors, as defined by paragraph (3) of subdivision (a), shall demonstrate at the time the application is filed with the committee that the project meets the following threshold requirements:

(i) The housing sponsor shall demonstrate that there is a need and demand for low-income housing in the community or region for which it is proposed.

(ii) The project's proposed financing, including tax credit proceeds, shall be sufficient to complete the project and that the proposed operating income shall be adequate to operate the project for the extended use period.

(iii) The project shall have enforceable financing commitments, either construction or permanent financing, for at least 50 percent of the total estimated financing of the project.

(iv) The housing sponsor shall have and maintain control of the site for the project.

(v) The housing sponsor shall demonstrate that the project complies with all applicable local land use and zoning ordinances.

(vi) The housing sponsor shall demonstrate that the project development team has the experience and the financial capacity to ensure project completion and operation for the extended use period.

(vii) The housing sponsor shall demonstrate the amount of tax credit that is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the extended use period, taking into account operating expenses, a supportable debt service, reserves, funds set aside for rental subsidies and required equity, and a development fee that does not exceed a specified percentage of the eligible basis of the project prior to inclusion of the development fee in the eligible basis, as determined by the committee.

(B) The committee shall give a preference to those projects satisfying all of the threshold requirements of subparagraph (A) if both of the following apply:

(i) The project serves the lowest income tenants at rents affordable to those tenants.

(ii) The project is obligated to serve qualified tenants for the longest period.

(C) In addition to the provisions of subparagraphs (A) and (B), the committee shall use the following criteria in allocating housing credits:

(i) Projects serving large families in which a substantial number, as defined by the committee, of all residential units are low-income units with three and more bedrooms.

(ii) Projects providing single-room occupancy units serving very low income tenants.

(iii) Existing projects that are "at risk of conversion," as defined by paragraph (4) of subdivision (c).

(iv) Projects for which a public agency provides direct or indirect long-term financial support for at least 15 percent of the total project development costs or projects for which the owner's equity constitutes at least 30 percent of the total project development costs.

(v) Projects that provide tenant amenities not generally available to residents of low-income housing projects.

(4) For purposes of allocating credits pursuant to this section, the committee shall not give preference to any project by virtue of the date of submission of its application.

(k) Section 42(l) of the Internal Revenue Code, relating to certifications and other reports to secretary, shall be modified as follows:

The term “secretary” shall be replaced by the term “Franchise Tax Board.”

(l) In the case in which the credit allowed under this section exceeds the net tax, the excess may be carried over to reduce the net tax in the following year, and succeeding years, if necessary, until the credit has been exhausted.

(m) A project that received an allocation of a 1989 federal housing credit dollar amount shall be eligible to receive an allocation of a 1990 state housing credit dollar amount, subject to all of the following conditions:

(1) The project was not placed in service prior to 1990.

(2) To the extent the amendments made to this section by the Statutes of 1990 conflict with any provisions existing in this section prior to those amendments, the prior provisions of law shall prevail.

(3) Notwithstanding paragraph (2), a project applying for an allocation under this subdivision is subject to the requirements of paragraph (3) of subdivision (j).

(n) The credit period with respect to an allocation of credit in 1989 by the California Tax Credit Allocation Committee of which any amount is attributable to unallocated credit from 1987 or 1988 shall not begin until after December 31, 1989.

(o) The provisions of Section 11407(a) of Public Law 101-508, relating to the effective date of the extension of the low-income housing credit, apply to calendar years after 1989.

(p) The provisions of Section 11407(c) of Public Law 101-508, relating to election to accelerate credit, do not apply.

(q) (1) For a project that receives a preliminary reservation under this section beginning on or after January 1, 2016, and before January 1, 2020, a taxpayer may make an irrevocable election in its application to the California Tax Credit Allocation Committee to sell all or any portion of any credit allowed under this section to one or more unrelated parties for each taxable year in which the credit is allowed subject to both of the following conditions:

(A) The credit is sold for consideration that is not less than 80 percent of the amount of the credit.

(B) The unrelated party or parties purchasing any or all of the credit pursuant to this subdivision is a taxpayer allowed the credit under this section for the taxable year of the purchase or any prior taxable year or is a taxpayer allowed the federal credit under Section 42 of the Internal Revenue Code, relating to low-income housing credit, for the taxable year of the purchase or any prior taxable year in connection with any project located in this state. For purposes of this subparagraph, “taxpayer allowed the credit under this section” means a taxpayer that is allowed the credit under this section without regard to the purchase of a credit pursuant to this subdivision.

(2) (A) The taxpayer that originally received the credit shall report to the California Tax Credit Allocation Committee within 10 days of the sale of the credit, in the form and manner specified by the California Tax Credit Allocation Committee, all required information regarding the purchase and sale of the credit, including the social security or other taxpayer identification number of the unrelated party or parties to whom the credit has been sold, the face amount of the credit sold, and the amount of consideration received by the taxpayer for the sale of the credit.

(B) The California Tax Credit Allocation Committee shall provide an annual listing to the Franchise Tax Board, in a form and manner agreed upon by the California Tax Credit Allocation Committee and the Franchise Tax Board, of the taxpayers that have sold or purchased a credit pursuant to this subdivision.

(3) (A) A credit may be sold pursuant to this subdivision to more than one unrelated party.

(B) (i) Except as provided in clause (ii), a credit shall not be resold by the unrelated party to another taxpayer or other party.

(ii) All or any portion of any credit allowed under this section may be resold once by an original purchaser to one or more unrelated parties, subject to all of the requirements of this subdivision.

(4) Notwithstanding any other law, the taxpayer that originally received the credit that is sold pursuant to paragraph (1) shall remain solely liable for all obligations and liabilities imposed on the taxpayer by this section with respect to the credit, none of which shall apply to a party to whom the credit has been sold or subsequently transferred. Parties that purchase credits

pursuant to paragraph (1) shall be entitled to utilize the purchased credits in the same manner in which the taxpayer that originally received the credit could utilize them.

(5) A taxpayer shall not sell a credit allowed by this section if the taxpayer was allowed the credit on any tax return of the taxpayer.

(6) Notwithstanding paragraph (1), the taxpayer, with the approval of the Executive Director of the California Tax Credit Allocation Committee, may rescind the election to sell all or any portion of the credit allowed under this section if the consideration for the credit falls below 80 percent of the amount of the credit after the California Tax Credit Allocation Committee reservation.

(r) The California Tax Credit Allocation Committee may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section, including any guidelines regarding the allocation of the credit allowed under this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the California Tax Credit Allocation Committee pursuant to this section.

(s) The amendments to this section made by Chapter 1222 of the Statutes of 1993 apply only to taxable years beginning on or after January 1, 1994.

(t) This section shall remain in effect on and after December 1, 1990, for as long as Section 42 of the Internal Revenue Code, relating to low-income housing credit, remains in effect. Any unused credit may continue to be carried forward, as provided in subdivision (l), until the credit has been exhausted.

SEC. 233. Section 17220 of the Revenue and Taxation Code is amended to read:

17220. (a) Section 164(a)(3) of the Internal Revenue Code, relating to the deductibility of state, local, and foreign income, war profits, and excess profits taxes, shall not apply.

(b) Section 164(b)(5) of the Internal Revenue Code, relating to general sales taxes, shall not apply.

(c) In addition to the provisions of Section 164(c) of the Internal Revenue Code, relating to deduction denied in case of certain taxes, no deduction shall be allowed for any tax imposed under Chapter 10.5 (commencing with Section 17935), Chapter 10.6 (commencing with Section 17941), or Chapter 10.7 (commencing with Section 17948) of this part or under Part 11 (commencing with Section 23001).

SEC. 234. Section 17851.5 of the Revenue and Taxation Code is amended to read:

17851.5. Notwithstanding the provisions of Section 701 of the Internal Revenue Code, relating to partners, not partnerships, subject to tax, a partnership, as an entity shall be subject to Chapter 10.5 (commencing with Section 17935), relating to tax on limited partnerships, Chapter 10.6 (commencing with Section 17941), relating to tax on limited liability companies, and Chapter 10.7 (commencing with Section 17948), relating to tax on limited liability partnerships.

SEC. 235. Section 18708 of the Revenue and Taxation Code is amended to read:

18708. All moneys transferred to the Special Olympics Fund pursuant to Section 18707, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the State Department of Social Services where the balance shall be disbursed to the Special Olympics Northern California and the Special Olympics Southern California based on the amount of donations provided by taxpayers in each organization's jurisdiction based on the county of the taxpayer contributing, for the purpose of supporting children and adults with intellectual disabilities. The State Department of Social Services shall be responsible for overseeing that disbursement and may use up to 3 percent of the moneys allocated to it for administrative costs. The Special Olympics Northern California and the Special Olympics Southern California shall not use the moneys received pursuant to this article for administrative costs.

(c) The Special Olympics Northern California and the Special Olympics Southern California shall annually provide a report to the State Department of Social Services that includes documentation that the moneys disbursed to each organization pursuant to this section were not used for administrative costs nor for any purposes outside of California and that describes in narrative form the amount of moneys received pursuant to this section and the purposes for which the moneys were expended.

SEC. 236. Section 19192 of the Revenue and Taxation Code is amended to read:

19192. For purposes of this article, the following terms have the following meanings:

(a) (1) “Qualified entity” means an entity that is all of the following:

(A) A corporation, as defined in Section 23038, a limited liability company, as defined in subdivision (d) of Section 17941, or a qualified trust, as defined in paragraph (7).

(B) An entity, including any predecessors to the entity, that previously has never filed a return with the Franchise Tax Board pursuant to this part, Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001).

(C) An entity, including any predecessors to the entity, that previously has not been the subject of an inquiry by the Franchise Tax Board with respect to liability for any of the taxes imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001).

(D) An entity that voluntarily comes forward prior to any unilateral contact from the Franchise Tax Board, makes application for a voluntary disclosure agreement in a form and manner prescribed by the Franchise Tax Board, and makes a full and accurate statement of its activities in this state for the six immediately preceding taxable years.

(2) (A) Notwithstanding paragraph (1), a qualified entity does not include any of the following:

(i) An entity that is organized and existing under the laws of this state.

(ii) An entity that is qualified or registered with the office of the Secretary of State.

(iii) An entity that maintains and staffs a permanent facility in this state.

(B) For purposes of this paragraph, the storing of materials, goods, or products in a public warehouse pursuant to a public warehouse contract does not constitute maintaining a permanent facility in this state.

(3) “Qualified shareholder” means an individual that is all of the following:

(A) A nonresident on the signing date of the voluntary disclosure agreement.

(B) A shareholder of an “S” corporation (defined in Section 23800) that has applied for a voluntary disclosure agreement under this article under which all material facts pertinent to the shareholder’s liability would be disclosed on that “S” corporation’s voluntary disclosure agreement as required under clause (i) of subparagraph (A) of paragraph (2) of subdivision (d) of Section 19191.

(4) Notwithstanding paragraph (3), subparagraph (B) of paragraph (1) of subdivision (d) of Section 19191 shall not apply to any of the six taxable years immediately preceding the signing date that the qualified shareholder was a California resident required to file a California tax return, nor to any penalties or additions to tax attributable to income other than the California source income from the “S” corporation that filed an application under this article.

(5) “Qualified member” means an individual, corporation, or limited liability company that is all of the following:

(A) (i) In the case of an individual, is a nonresident on the signing date of the voluntary disclosure agreement.

(ii) In the case of a corporation or limited liability company, is not either of the following:

(I) Organized under the laws of this state.

(II) Qualified or registered with the office of the Secretary of State.

(B) A member of a limited liability company that has applied for a voluntary disclosure agreement under this article under which all material facts pertinent to the member’s liability would be disclosed on that limited liability company’s voluntary disclosure agreement as required under clause (i) of subparagraph (A) of paragraph (2) of subdivision (d) of Section 19191.

(6) Notwithstanding paragraph (5), in the case of a qualified member who is an individual, subparagraph (B) of paragraph (1) of subdivision (d) of Section 19191 shall not apply to any of the six taxable years immediately preceding the signing date that the qualified member was a California resident required to file a California tax return, nor to any penalties or additions to tax attributable to income other than the California source income from the limited liability company that filed an application under this article.

(7) “Qualified trust” means a trust that meets both of the following:

(A) (i) The administration of the trust has never been performed in California.

(ii) For purposes of this subparagraph, administrative activities performed in California would be deemed to be performed outside of California if those activities were inconsequential to the overall administration of the trust.

(B) For six taxable years ending immediately preceding the signing date of the voluntary disclosure agreement, the trust has had no resident beneficiaries (other than a beneficiary whose interest in that trust is contingent; a beneficiary's trust interest is not contingent if the trust has made any distribution to the resident beneficiary at any time during the six taxable years ending immediately preceding the signing date of the voluntary disclosure agreement).

(8) "Qualified beneficiary" means an individual who is all of the following:

(A) A nonresident on the signing date of the voluntary disclosure agreement and a nonresident during each of the six taxable years ending immediately preceding the signing date of the voluntary disclosure agreement.

(B) A beneficiary of a qualified trust that has applied for a voluntary disclosure agreement under this article under which all material facts pertinent to the beneficiary's liability would be disclosed on that trust's voluntary disclosure agreement as required under clause (i) of subparagraph (A) of paragraph (2) of subdivision (d) of Section 19191.

(9) Notwithstanding paragraph (8), subparagraph (B) of paragraph (1) of subdivision (d) of Section 19191 shall not apply to any penalties or additions to tax attributable to income other than income from the trust that filed an application under this article.

(b) "Signing date" of the voluntary disclosure agreement means the date on which a person duly authorized by the Franchise Tax Board signs the agreement.

(c) The amendments to this section made by Chapter 954 of the Statutes of 1996 shall apply to taxable years beginning on or after January 1, 1997.

(d) The amendments to this section made by Chapter 543 of the Statutes of 2001 shall apply to voluntary disclosure agreements entered into on or after January 1, 2002.

(e) The amendments to this section made by the act adding this subdivision shall apply to voluntary disclosure agreements entered into on or after January 1, 2005.

SEC. 237. Section 19854 of the Revenue and Taxation Code is amended to read:

19854. (a) The notice furnished to employees regarding the availability of the federal and the California EITC shall state as follows:

BASED ON YOUR ANNUAL EARNINGS, YOU MAY BE ELIGIBLE TO RECEIVE THE EARNED INCOME TAX CREDIT FROM THE FEDERAL GOVERNMENT (FEDERAL EITC). THE FEDERAL EITC IS A REFUNDABLE FEDERAL INCOME TAX CREDIT FOR LOW-INCOME WORKING INDIVIDUALS AND FAMILIES. THE FEDERAL EITC HAS NO EFFECT ON CERTAIN WELFARE BENEFITS. IN MOST CASES, FEDERAL EITC PAYMENTS WILL NOT BE USED TO DETERMINE ELIGIBILITY FOR MEDICAID, SUPPLEMENTAL SECURITY INCOME, FOOD STAMPS, LOW-INCOME HOUSING, OR MOST TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PAYMENTS. EVEN IF YOU DO NOT OWE FEDERAL TAXES, YOU MUST FILE A FEDERAL TAX RETURN TO RECEIVE THE FEDERAL EITC. BE SURE TO FILL OUT THE FEDERAL EITC FORM IN THE FEDERAL INCOME TAX RETURN BOOKLET. FOR INFORMATION REGARDING YOUR ELIGIBILITY TO RECEIVE THE FEDERAL EITC, INCLUDING INFORMATION ON HOW TO OBTAIN THE IRS NOTICE 797 OR ANY OTHER NECESSARY FORMS AND INSTRUCTIONS, CONTACT THE INTERNAL REVENUE SERVICE BY CALLING 1-800-829-3676 OR THROUGH ITS WEB SITE AT WWW.IRS.GOV.

YOU ALSO MAY BE ELIGIBLE TO RECEIVE THE CALIFORNIA EARNED INCOME TAX CREDIT (CALIFORNIA EITC) STARTING WITH THE CALENDAR YEAR 2015 TAX YEAR. THE CALIFORNIA EITC IS A REFUNDABLE STATE INCOME TAX CREDIT FOR LOW-INCOME WORKING INDIVIDUALS AND FAMILIES. THE CALIFORNIA EITC IS TREATED IN THE SAME MANNER AS THE FEDERAL EITC AND GENERALLY WILL NOT BE USED TO DETERMINE ELIGIBILITY FOR WELFARE BENEFITS UNDER CALIFORNIA LAW. TO CLAIM THE CALIFORNIA EITC, EVEN IF YOU DO NOT OWE CALIFORNIA TAXES, YOU MUST FILE A CALIFORNIA INCOME TAX RETURN AND COMPLETE AND ATTACH THE CALIFORNIA EITC FORM (FTB 3514). FOR INFORMATION ON THE AVAILABILITY OF THE CREDIT, ELIGIBILITY REQUIREMENTS, AND HOW TO OBTAIN THE NECESSARY CALIFORNIA FORMS AND GET HELP FILING, CONTACT THE FRANCHISE TAX BOARD AT 1-800-852-5711 OR THROUGH ITS WEB SITE AT WWW.FTB.CA.GOV.

(b) The amendments made to this section by Chapter 294 of the Statutes of 2016 apply to notices furnished on or after January 1, 2017.

SEC. 238. Section 21026 of the Revenue and Taxation Code is amended to read:

21026. (a) Except as otherwise provided in subdivision (b), for taxable years beginning on or after January 1, 1998, the board shall, not less than annually, mail a written notice to each taxpayer who has a tax delinquent account of the amount of the tax delinquency as of the date of the notice.

(b) Subdivision (a) shall not apply to accounts where a previously mailed notice to the address of record was returned to the board as undeliverable, or to accounts that are discharged from accountability pursuant to Article 2.5 (commencing with Section 12433) of Chapter 5 of Part 2 of Division 3 of Title 2 of the Government Code.

SEC. 239. Section 23610.5 of the Revenue and Taxation Code is amended to read:

23610.5. (a) (1) There shall be allowed as a credit against the "tax," defined by Section 23036, a state low-income housing tax credit in an amount equal to the amount determined in subdivision (c), computed in accordance with Section 42 of the Internal Revenue Code, relating to low-income housing credit, except as otherwise provided in this section.

(2) "Taxpayer," for purposes of this section, means the sole owner in the case of a "C" corporation, the partners in the case of a partnership, and the shareholders in the case of an "S" corporation.

(3) "Housing sponsor," for purposes of this section, means the sole owner in the case of a "C" corporation, the partnership in the case of a partnership, and the "S" corporation in the case of an "S" corporation.

(b) (1) The amount of the credit allocated to any housing sponsor shall be authorized by the California Tax Credit Allocation Committee, or any successor thereof, based on a project's need for the credit for economic feasibility in accordance with the requirements of this section.

(A) The low-income housing project shall be located in California and shall meet either of the following requirements:

(i) Except for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code, that are allocated credits solely under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code, the project's housing sponsor has been allocated by the California Tax Credit Allocation Committee a credit for federal income tax purposes under Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(ii) It qualifies for a credit under Section 42(h)(4)(B) of the Internal Revenue Code, relating to special rule where 50 percent or more of building is financed with tax-exempt bonds subject to volume cap.

(B) The California Tax Credit Allocation Committee shall not require fees for the credit under this section in addition to those fees required for applications for the tax credit pursuant to Section 42 of the Internal Revenue Code, relating to low-income housing credit. The committee may require a fee if the application for the credit under this section is submitted in a calendar year after the year the application is submitted for the federal tax credit.

(C) (i) For a project that receives a preliminary reservation of the state low-income housing tax credit, allowed pursuant to subdivision (a), on or after January 1, 2009, and before January 1, 2020, the credit shall be allocated to the partners of a partnership owning the project in accordance with the partnership agreement, regardless of how the federal low-income housing tax credit with respect to the project is allocated to the partners, or whether the allocation of the credit under the terms of the agreement has substantial economic effect, within the meaning of Section 704(b) of the Internal Revenue Code, relating to determination of distributive share.

(ii) To the extent the allocation of the credit to a partner under this section lacks substantial economic effect, any loss or deduction otherwise allowable under this part that is attributable to the sale or other disposition of that partner's partnership interest made prior to the expiration of the federal credit shall not be allowed in the taxable year in which the sale or other disposition occurs, but shall instead be deferred until and treated as if it occurred in the first taxable year immediately following the taxable year in which the federal credit period expires for the project described in clause (i).

(iii) This subparagraph does not apply to a project that receives a preliminary reservation of state low-income housing tax credits under the set-aside described in subdivision (c) of Section 50199.20 of the Health and Safety Code unless the project also receives a preliminary reservation of federal low-income housing tax credits.

(2) (A) The California Tax Credit Allocation Committee shall certify to the housing sponsor the amount of tax credit under this section allocated to the housing sponsor for each credit period.

(B) In the case of a partnership or an “S” corporation, the housing sponsor shall provide a copy of the California Tax Credit Allocation Committee certification to the taxpayer.

(C) The taxpayer shall, upon request, provide a copy of the certification to the Franchise Tax Board.

(D) All elections made by the taxpayer pursuant to Section 42 of the Internal Revenue Code, relating to low-income housing credit, apply to this section.

(E) (i) Except as described in clause (ii), for buildings located in designated difficult development areas (DDAs) or qualified census tracts (QCTs), as defined in Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, credits may be allocated under this section in the amounts prescribed in subdivision (c), provided that the amount of credit allocated under Section 42 of the Internal Revenue Code, relating to low-income housing credit, is computed on 100 percent of the qualified basis of the building.

(ii) Notwithstanding clause (i), the California Tax Credit Allocation Committee may allocate the credit for buildings located in DDAs or QCTs that are restricted to having 50 percent of its occupants be special needs households, as defined in the California Code of Regulations by the California Tax Credit Allocation Committee, even if the taxpayer receives federal credits pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, provided that the credit allowed under this section shall not exceed 30 percent of the eligible basis of the building.

(F) (i) The California Tax Credit Allocation Committee may allocate a credit under this section in exchange for a credit allocated pursuant to Section 42(d)(5)(B) of the Internal Revenue Code, relating to increase in credit for buildings in high-cost areas, in amounts up to 30 percent of the eligible basis of a building if the credits allowed under Section 42 of the Internal Revenue Code, relating to low-income housing credit, are reduced by an equivalent amount.

(ii) An equivalent amount shall be determined by the California Tax Credit Allocation Committee based upon the relative amount required to produce an equivalent state tax credit to the taxpayer.

(c) Section 42(b) of the Internal Revenue Code, relating to applicable percentage: 70 percent present value credit for certain new buildings; 30 percent present value credit for certain other buildings, shall be modified as follows:

(1) In the case of any qualified low-income building placed in service by the housing sponsor during 1987, the term “applicable percentage” means 9 percent for each of the first three years and 3 percent for the fourth year for new buildings (whether or not the building is federally subsidized) and for existing buildings.

(2) In the case of any qualified low-income building that receives an allocation after 1989 and is a new building not federally subsidized, the term “applicable percentage” means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are not federally subsidized for the taxable year, determined in accordance with the requirements of Section 42(b)(2) of the Internal Revenue Code, relating to temporary minimum credit rate for nonfederally subsidized new buildings, in lieu of the percentage prescribed in Section 42(b)(1)(B) of the Internal Revenue Code.

(B) For the fourth year, the difference between 30 percent and the sum of the applicable percentages for the first three years.

(3) In the case of any qualified low-income building that receives an allocation after 1989 and that is a new building that is federally subsidized or that is an existing building that is “at risk of conversion,” the term “applicable percentage” means the following:

(A) For each of the first three years, the percentage prescribed by the Secretary of the Treasury for new buildings that are federally subsidized for the taxable year.

(B) For the fourth year, the difference between 13 percent and the sum of the applicable percentages for the first three years.

(4) For purposes of this section, the term “at risk of conversion,” with respect to an existing property means a property that satisfies all of the following criteria:

(A) The property is a multifamily rental housing development in which at least 50 percent of the units receive governmental assistance pursuant to any of the following:

(i) New construction, substantial rehabilitation, moderate rehabilitation, property disposition, and loan management set-aside programs, or any other program providing project-based assistance pursuant to Section 8 of the United States

Housing Act of 1937, Section 1437f of Title 42 of the United States Code, as amended.

(ii) The Below-Market-Interest-Rate Program pursuant to Section 221(d)(3) of the National Housing Act, Sections 1715l(d)(3) and (5) of Title 12 of the United States Code.

(iii) Section 236 of the National Housing Act, Section 1715z-1 of Title 12 of the United States Code.

(iv) Programs for rent supplement assistance pursuant to Section 101 of the Housing and Urban Development Act of 1965, Section 1701s of Title 12 of the United States Code, as amended.

(v) Programs pursuant to Section 515 of the Housing Act of 1949, Section 1485 of Title 42 of the United States Code, as amended.

(vi) The low-income housing credit program set forth in Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(B) The restrictions on rent and income levels will terminate or the federally insured mortgage on the property is eligible for prepayment any time within five years before or after the date of application to the California Tax Credit Allocation Committee.

(C) The entity acquiring the property enters into a regulatory agreement that requires the property to be operated in accordance with the requirements of this section for a period equal to the greater of 55 years or the life of the property.

(D) The property satisfies the requirements of Section 42(e) of the Internal Revenue Code, relating to rehabilitation expenditures treated as separate new building, except that the provisions of Section 42(e)(3)(A)(ii)(I) shall not apply.

(d) The term “qualified low-income housing project” as defined in Section 42(c)(2) of the Internal Revenue Code, relating to qualified low-income building, is modified by adding the following requirements:

(1) The taxpayer shall be entitled to receive a cash distribution from the operations of the project, after funding required reserves, that, at the election of the taxpayer, is equal to:

(A) An amount not to exceed 8 percent of the lesser of:

(i) The owner equity, which shall include the amount of the capital contributions actually paid to the housing sponsor and shall not include any amounts until they are paid on an investor note.

(ii) Twenty percent of the adjusted basis of the building as of the close of the first taxable year of the credit period.

(B) The amount of the cashflow from those units in the building that are not low-income units. For purposes of computing cashflow under this subparagraph, operating costs shall be allocated to the low-income units using the “floor space fraction,” as defined in Section 42 of the Internal Revenue Code, relating to low-income housing credit.

(C) Any amount allowed to be distributed under subparagraph (A) that is not available for distribution during the first five years of the compliance period may be accumulated and distributed any time during the first 15 years of the compliance period but not thereafter.

(2) The limitation on return applies in the aggregate to the partners if the housing sponsor is a partnership and in the aggregate to the shareholders if the housing sponsor is an “S” corporation.

(3) The housing sponsor shall apply any cash available for distribution in excess of the amount eligible to be distributed under paragraph (1) to reduce the rent on rent-restricted units or to increase the number of rent-restricted units subject to the tests of Section 42(g)(1) of the Internal Revenue Code, relating to in general.

(e) The provisions of Section 42(f) of the Internal Revenue Code, relating to definition and special rules relating to credit period, shall be modified as follows:

(1) The term “credit period” as defined in Section 42(f)(1) of the Internal Revenue Code, relating to credit period defined, is modified by substituting “four taxable years” for “10 taxable years.”

(2) The special rule for the first taxable year of the credit period under Section 42(f)(2) of the Internal Revenue Code, relating to special rule for 1st year of credit period, shall not apply to the tax credit under this section.

(3) Section 42(f)(3) of the Internal Revenue Code, relating to determination of applicable percentage with respect to increases in qualified basis after 1st year of credit period, is modified to read:

If, as of the close of any taxable year in the compliance period, after the first year of the credit period, the qualified basis of any building exceeds the qualified basis of that building as of the close of the first year of the credit period, the housing sponsor, to the extent of its tax credit allocation, shall be eligible for a credit on the excess in an amount equal to the applicable percentage determined pursuant to subdivision (c) for the four-year period beginning with the later of the taxable years in which the increase in qualified basis occurs.

(f) The provisions of Section 42(h) of the Internal Revenue Code, relating to limitation on aggregate credit allowable with respect to projects located in a state, shall be modified as follows:

(1) Section 42(h)(2) of the Internal Revenue Code, relating to allocated credit amount to apply to all taxable years ending during or after credit allocation year, does not apply and instead the following provisions apply:

The total amount for the four-year credit period of the housing credit dollars allocated in a calendar year to any building shall reduce the aggregate housing credit dollar amount of the California Tax Credit Allocation Committee for the calendar year in which the allocation is made.

(2) Paragraphs (3), (4), (5), (6)(E)(i)(II), (6)(F), (6)(G), (6)(I), (7), and (8) of Section 42(h) of the Internal Revenue Code, relating to limitation on aggregate credit allowable with respect to projects located in a state, do not apply to this section.

(g) The aggregate housing credit dollar amount that may be allocated annually by the California Tax Credit Allocation Committee pursuant to this section, Section 12206, and Section 17058 shall be an amount equal to the sum of all the following:

(1) Seventy million dollars ($70,000,000) for the 2001 calendar year, and, for the 2002 calendar year and each calendar year thereafter, seventy million dollars ($70,000,000) increased by the percentage, if any, by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for the 2001 calendar year. For the purposes of this paragraph, the term “Consumer Price Index” means the last Consumer Price Index for All Urban Consumers published by the federal Department of Labor.

(2) The unused housing credit ceiling, if any, for the preceding calendar years.

(3) The amount of housing credit ceiling returned in the calendar year. For purposes of this paragraph, the amount of housing credit dollar amount returned in the calendar year equals the housing credit dollar amount previously allocated to any project that does not become a qualified low-income housing project within the period required by this section or to any project with respect to which an allocation is canceled by mutual consent of the California Tax Credit Allocation Committee and the allocation recipient.

(4) Five hundred thousand dollars ($500,000) per calendar year for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(5) The amount of any unallocated or returned credits under former Sections 17053.14, 23608.2, and 23608.3, as those sections read prior to January 1, 2009, until fully exhausted for projects to provide farmworker housing, as defined in subdivision (h) of Section 50199.7 of the Health and Safety Code.

(h) The term “compliance period” as defined in Section 42(i)(1) of the Internal Revenue Code, relating to compliance period, is modified to mean, with respect to any building, the period of 30 consecutive taxable years beginning with the first taxable year of the credit period with respect thereto.

(i) Section 42(j) of the Internal Revenue Code, relating to recapture of credit, does not apply and the following shall be substituted in its place:

The requirements of this section shall be set forth in a regulatory agreement between the California Tax Credit Allocation Committee and the housing sponsor, and this agreement shall be subordinated, when required, to any lien or encumbrance of any banks or other institutional lenders to the project. The regulatory agreement entered into pursuant to subdivision (f) of Section 50199.14 of the Health and Safety Code shall apply, provided that the agreement includes all of the following provisions:

(1) A term not less than the compliance period.

(2) A requirement that the agreement be recorded in the official records of the county in which the qualified low-income housing project is located.

(3) A provision stating which state and local agencies can enforce the regulatory agreement in the event the housing sponsor fails to satisfy any of the requirements of this section.

(4) A provision that the regulatory agreement shall be deemed a contract enforceable by tenants as third-party beneficiaries thereto and that allows individuals, whether prospective, present, or former occupants of the building, who meet the income

limitation applicable to the building, the right to enforce the regulatory agreement in any state court.

(5) A provision incorporating the requirements of Section 42 of the Internal Revenue Code, relating to low-income housing credit, as modified by this section.

(6) A requirement that the housing sponsor notify the California Tax Credit Allocation Committee or its designee if there is a determination by the Internal Revenue Service that the project is not in compliance with Section 42(g) of the Internal Revenue Code, relating to qualified low-income housing project.

(7) A requirement that the housing sponsor, as security for the performance of the housing sponsor's obligations under the regulatory agreement, assign the housing sponsor's interest in rents that it receives from the project, provided that until there is a default under the regulatory agreement, the housing sponsor is entitled to collect and retain the rents.

(8) A provision that the remedies available in the event of a default under the regulatory agreement that is not cured within a reasonable cure period include, but are not limited to, allowing any of the parties designated to enforce the regulatory agreement to collect all rents with respect to the project; taking possession of the project and operating the project in accordance with the regulatory agreement until the enforcer determines the housing sponsor is in a position to operate the project in accordance with the regulatory agreement; applying to any court for specific performance; securing the appointment of a receiver to operate the project; or any other relief as may be appropriate.

(j) (1) The committee shall allocate the housing credit on a regular basis consisting of two or more periods in each calendar year during which applications may be filed and considered. The committee shall establish application filing deadlines, the maximum percentage of federal and state low-income housing tax credit ceiling that may be allocated by the committee in that period, and the approximate date on which allocations shall be made. If the enactment of federal or state law, the adoption of rules or regulations, or other similar events prevent the use of two allocation periods, the committee may reduce the number of periods and adjust the filing deadlines, maximum percentage of credit allocated, and the allocation dates.

(2) The committee shall adopt a qualified allocation plan, as provided in Section 42(m)(1) of the Internal Revenue Code, relating to plans for allocation of credit among projects. In adopting this plan, the committee shall comply with the provisions of Sections 42(m)(1)(B) and 42(m)(1)(C) of the Internal Revenue Code, relating to qualified allocation plan and relating to certain selection criteria must be used, respectively.

(3) Notwithstanding Section 42(m) of the Internal Revenue Code, relating to responsibilities of housing credit agencies, the California Tax Credit Allocation Committee shall allocate housing credits in accordance with the qualified allocation plan and regulations, which shall include the following provisions:

(A) All housing sponsors, as defined by paragraph (3) of subdivision (a), shall demonstrate at the time the application is filed with the committee that the project meets the following threshold requirements:

(i) The housing sponsor shall demonstrate that there is a need for low-income housing in the community or region for which it is proposed.

(ii) The project's proposed financing, including tax credit proceeds, shall be sufficient to complete the project and shall be adequate to operate the project for the extended use period.

(iii) The project shall have enforceable financing commitments, either construction or permanent financing, for at least 50 percent of the total estimated financing of the project.

(iv) The housing sponsor shall have and maintain control of the site for the project.

(v) The housing sponsor shall demonstrate that the project complies with all applicable local land use and zoning ordinances.

(vi) The housing sponsor shall demonstrate that the project development team has the experience and the financial capacity to ensure project completion and operation for the extended use period.

(vii) The housing sponsor shall demonstrate the amount of tax credit that is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the extended use period, taking into account operating expenses, a supportable debt service, reserves, funds set aside for rental subsidies and required equity, and a development fee that does not exceed a specified percentage of the eligible basis of the project prior to inclusion of the development fee in the eligible basis, as determined by the committee.

(B) The committee shall give a preference to those projects satisfying all of the threshold requirements of subparagraph (A) if both of the following apply:

(i) The project serves the lowest income tenants at rents affordable to those tenants.

(ii) The project is obligated to serve qualified tenants for the longest period.

(C) In addition to the provisions of subparagraphs (A) and (B), the committee shall use the following criteria in allocating housing credits:

(i) Projects serving large families in which a substantial number, as defined by the committee, of all residential units are low-income units with three and more bedrooms.

(ii) Projects providing single-room occupancy units serving very low income tenants.

(iii) Existing projects that are "at risk of conversion," as defined by paragraph (4) of subdivision (c).

(iv) Projects for which a public agency provides direct or indirect long-term financial support for at least 15 percent of the total project development costs or projects for which the owner's equity constitutes at least 30 percent of the total project development costs.

(v) Projects that provide tenant amenities not generally available to residents of low-income housing projects.

(4) For purposes of allocating credits pursuant to this section, the committee shall not give preference to any project by virtue of the date of submission of its application except to break a tie when two or more of the projects have an equal rating.

(5) Not less than 20 percent of the low-income housing tax credits available annually under this section, Section 12206, and Section 17058 shall be set aside for allocation to rural areas as defined in Section 50199.21 of the Health and Safety Code. Any amount of credit set aside for rural areas remaining on or after October 31 of any calendar year shall be available for allocation to any eligible project. No amount of credit set aside for rural areas shall be considered available for any eligible project so long as there are eligible rural applications pending on October 31.

(k) Section 42(l) of the Internal Revenue Code, relating to certifications and other reports to secretary, shall be modified as follows:

The term "secretary" shall be replaced by the term "Franchise Tax Board."

(l) In the case in which the credit allowed under this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.

(m) A project that received an allocation of a 1989 federal housing credit dollar amount shall be eligible to receive an allocation of a 1990 state housing credit dollar amount, subject to all of the following conditions:

(1) The project was not placed in service prior to 1990.

(2) To the extent the amendments made to this section by the Statutes of 1990 conflict with any provisions existing in this section prior to those amendments, the prior provisions of law shall prevail.

(3) Notwithstanding paragraph (2), a project applying for an allocation under this subdivision is subject to the requirements of paragraph (3) of subdivision (j).

(n) The credit period with respect to an allocation of credit in 1989 by the California Tax Credit Allocation Committee of which any amount is attributable to unallocated credit from 1987 or 1988 shall not begin until after December 31, 1989.

(o) The provisions of Section 11407(a) of Public Law 101-508, relating to the effective date of the extension of the low-income housing credit, apply to calendar years after 1989.

(p) The provisions of Section 11407(c) of Public Law 101-508, relating to election to accelerate credit, do not apply.

(q) (1) A corporation may elect to assign any portion of any credit allowed under this section to one or more affiliated corporations for each taxable year in which the credit is allowed. For purposes of this subdivision, "affiliated corporation" has the meaning provided in subdivision (b) of Section 25110, as that section was amended by Chapter 881 of the Statutes of 1993, as of the last day of the taxable year in which the credit is allowed, except that "100 percent" is substituted for "more than 50 percent" wherever it appears in the section, as that section was amended by Chapter 881 of the Statutes of 1993, and "voting common stock" is substituted for "voting stock" wherever it appears in the section, as that section was amended by Chapter 881 of the Statutes of 1993.

(2) The election provided in paragraph (1):

(A) May be based on any method selected by the corporation that originally receives the credit.

(B) Shall be irrevocable for the taxable year the credit is allowed, once made.

(C) May be changed for any subsequent taxable year if the election to make the assignment is expressly shown on each of the returns of the affiliated corporations that assign and receive the credits.

(r) (1) For a project that receives a preliminary reservation under this section beginning on or after January 1, 2016, and before January 1, 2020, a taxpayer may make an irrevocable election in its application to the California Tax Credit Allocation Committee to sell all or any portion of any credit allowed under this section to one or more unrelated parties for each taxable year in which the credit is allowed subject to both of the following conditions:

(A) The credit is sold for consideration that is not less than 80 percent of the amount of the credit.

(B) (i) The unrelated party or parties purchasing any or all of the credit pursuant to this subdivision is a taxpayer allowed the credit under this section for the taxable year of the purchase or any prior taxable year or is a taxpayer allowed the federal credit under Section 42 of the Internal Revenue Code, relating to low-income housing credit, for the taxable year of the purchase or any prior taxable year in connection with any project located in this state.

(ii) For purposes of this subparagraph, “taxpayer allowed the credit under this section” means a taxpayer that is allowed the credit under this section without regard to the purchase of a credit pursuant to this subdivision without regard to any of the following:

(I) The purchase of a credit under this section pursuant to this subdivision.

(II) The assignment of a credit under this section pursuant to subdivision (q).

(III) The assignment of a credit under this section pursuant to Section 23363.

(2) (A) The taxpayer that originally received the credit shall report to the California Tax Credit Allocation Committee within 10 days of the sale of the credit, in the form and manner specified by the California Tax Credit Allocation Committee, all required information regarding the purchase and sale of the credit, including the social security or other taxpayer identification number of the unrelated party or parties to whom the credit has been sold, the face amount of the credit sold, and the amount of consideration received by the taxpayer for the sale of the credit.

(B) The California Tax Credit Allocation Committee shall provide an annual listing to the Franchise Tax Board, in a form and manner agreed upon by the California Tax Credit Allocation Committee and the Franchise Tax Board, of the taxpayers that have sold or purchased a credit pursuant to this subdivision.

(3) (A) A credit may be sold pursuant to this subdivision to more than one unrelated party.

(B) (i) Except as provided in clause (ii), a credit shall not be resold by the unrelated party to another taxpayer or other party.

(ii) All or any portion of any credit allowed under this section may be resold once by an original purchaser to one or more unrelated parties, subject to all of the requirements of this subdivision.

(4) Notwithstanding any other law, the taxpayer that originally received the credit that is sold pursuant to paragraph (1) shall remain solely liable for all obligations and liabilities imposed on the taxpayer by this section with respect to the credit, none of which shall apply to a party to whom the credit has been sold or subsequently transferred. Parties that purchase credits pursuant to paragraph (1) shall be entitled to utilize the purchased credits in the same manner in which the taxpayer that originally received the credit could utilize them.

(5) A taxpayer shall not sell a credit allowed by this section if the taxpayer was allowed the credit on any tax return of the taxpayer.

(6) Notwithstanding paragraph (1), the taxpayer, with the approval of the Executive Director of the California Tax Credit Allocation Committee, may rescind the election to sell all or any portion of the credit allowed under this section if the consideration for the credit falls below 80 percent of the amount of the credit after the California Tax Credit Allocation Committee reservation.

(s) The California Tax Credit Allocation Committee may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section, including any guidelines regarding the allocation of the credit allowed under this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the California Tax Credit Allocation Committee pursuant to this section.

(t) Any unused credit may continue to be carried forward, as provided in subdivision (l), until the credit has been exhausted.

(u) This section shall remain in effect on and after December 1, 1990, for as long as Section 42 of the Internal Revenue Code, relating to low-income housing credit, remains in effect.

(v) The amendments to this section made by Chapter 1222 of the Statutes of 1993 shall apply only to taxable years beginning on or after January 1, 1994, except that paragraph (1) of subdivision (q), as amended, shall apply to taxable years beginning on or after January 1, 1993.

SEC. 240. Section 25128 of the Revenue and Taxation Code is amended to read:

25128. (a) Notwithstanding Section 38006, for taxable years beginning before January 1, 2013, all business income shall be apportioned to this state by multiplying the business income by a fraction, the numerator of which is the property factor plus the payroll factor plus twice the sales factor, and the denominator of which is four, except as provided in subdivision (b) or (c).

(b) If an apportioning trade or business derives more than 50 percent of its "gross business receipts" from conducting one or more qualified business activities, all business income of the apportioning trade or business shall be apportioned to this state by multiplying business income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.

(c) For purposes of this section, a "qualified business activity" means the following:

(1) An agricultural business activity.

(2) An extractive business activity.

(3) A savings and loan activity.

(4) A banking or financial business activity.

(d) For purposes of this section:

(1) "Gross business receipts" means gross receipts described in subdivision (e) or (f) of Section 25120 (other than gross receipts from sales or other transactions within an apportioning trade or business between members of a group of corporations whose income and apportionment factors are required to be included in a combined report under Section 25101, limited, if applicable, by Section 25110), whether or not the receipts are excluded from the sales factor by operation of Section 25137.

(2) "Agricultural business activity" means activities relating to any stock, dairy, poultry, fruit, furbearing animal, or truck farm, plantation, ranch, nursery, or range. "Agricultural business activity" also includes activities relating to cultivating the soil or raising or harvesting any agricultural or horticultural commodity, including, but not limited to, the raising, shearing, feeding, caring for, training, or management of animals on a farm as well as the handling, drying, packing, grading, or storing on a farm any agricultural or horticultural commodity in its unmanufactured state, but only if the owner, tenant, or operator of the farm regularly produces more than one-half of the commodity so treated.

(3) "Extractive business activity" means activities relating to the production, refining, or processing of oil, natural gas, or mineral ore.

(4) "Savings and loan activity" means any activities performed by savings and loan associations or savings banks which have been chartered by federal or state law.

(5) "Banking or financial business activity" means activities attributable to dealings in money or moneyed capital in substantial competition with the business of national banks.

(6) "Apportioning trade or business" means a distinct trade or business whose business income is required to be apportioned under Sections 25101 and 25120, limited, if applicable, by Section 25110, using the same denominator for each of the applicable payroll, property, and sales factors.

(7) Paragraph (4) of subdivision (c) shall apply only if the Franchise Tax Board adopts the Proposed Multistate Tax Commission Formula for the Uniform Apportionment of Net Income from Financial Institutions, or its substantial equivalent, and shall become operative upon the same operative date as the adopted formula.

(8) In any case where the income and apportionment factors of two or more savings associations or corporations are required to be included in a combined report under Section 25101, limited, if applicable, by Section 25110, both of the following shall apply:

(A) The application of the more than 50 percent test of subdivision (b) shall be made with respect to the “gross business receipts” of the entire apportioning trade or business of the group.

(B) The entire business income of the group shall be apportioned in accordance with either subdivision (a) or (b), or Section 25128.7, as applicable.

SEC. 241. The heading of Part 20 (commencing with Section 41001) of Division 2 of the Revenue and Taxation Code is amended to read:

PART 20. EMERGENCY TELEPHONE USERS SURCHARGE ACT

SEC. 242. Section 45153.5 of the Revenue and Taxation Code is amended to read:

45153.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the fee was due until the date of payment, if all of the following occur:

(1) The payment of the fee was made one business day after the date the fee was due.

(2) The person was granted relief from all penalties that applied to that fee payment.

(3) The person files a request for an oral hearing before the board.

(b) For purposes of this section, “modified adjusted daily rate” means the modified adjusted rate per annum, as defined in subdivision (a) of Section 6591.5, determined on a daily basis by dividing the modified adjusted rate per annum by 365.

(c) For purposes of this section, “board” means the members of the State Board of Equalization meeting as a public body.

(d) For purposes of this section, “business day” means any day other than a Saturday, Sunday, or any day designated as a state holiday.

(e) This section does not apply to any payment made pursuant to a deficiency determination, a determination where a return has not been filed, or a jeopardy determination issued by the board.

(f) This section only applies to electronic payments of fees.

SEC. 243. Section 50112.1 of the Revenue and Taxation Code is amended to read:

50112.1. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the fee was due until the date of payment, if all of the following occur:

(1) The payment of the fee was made one business day after the date the fee was due.

(2) The person was granted relief from all penalties that applied to that fee payment.

(3) The person files a request for an oral hearing before the board.

(b) For purposes of this section, “modified adjusted daily rate” means the modified adjusted rate per annum, as defined in subdivision (a) of Section 6591.5, determined on a daily basis by dividing the modified adjusted rate per annum by 365.

(c) For purposes of this section, “board” means the members of the State Board of Equalization meeting as a public body.

(d) For purposes of this section, “business day” means any day other than a Saturday, Sunday, or any day designated as a state holiday.

(e) This section does not apply to any payment made pursuant to a deficiency determination, a determination where a return has not been filed, or a jeopardy determination issued by the board.

(f) This section only applies to electronic payments of fees.

SEC. 244. Section 55042.5 of the Revenue and Taxation Code is amended to read:

55042.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the fee was due until the date of payment, if all of the following occur:

(1) The payment of the fee was made one business day after the date the fee was due.

(2) The person was granted relief from all penalties that applied to that fee payment.

(3) The person files a request for an oral hearing before the board.

(b) For purposes of this section, “modified adjusted daily rate” means the modified adjusted rate per annum, as defined in subdivision (a) of Section 6591.5, determined on a daily basis by dividing the modified adjusted rate per annum by 365.

(c) For purposes of this section, “board” means the members of the State Board of Equalization meeting as a public body.

(d) For purposes of this section, “business day” means any day other than a Saturday, Sunday, or any day designated as a state holiday.

(e) This section does not apply to any payment made pursuant to a deficiency determination, a determination where a return has not been filed, or a jeopardy determination issued by the board.

(f) This section only applies to electronic payments of fees.

SEC. 245. Section 60207.5 of the Revenue and Taxation Code is amended to read:

60207.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax was due until the date of payment, if all of the following occur:

(1) The payment of tax was made one business day after the date the tax was due.

(2) The person was granted relief from all penalties that applied to that payment of tax.

(3) The person files a request for an oral hearing before the board.

(b) For purposes of this section, “modified adjusted daily rate” means the modified adjusted rate per annum, as defined in subdivision (a) of Section 6591.5, determined on a daily basis by dividing the modified adjusted rate per annum by 365.

(c) For purposes of this section, “board” means the members of the State Board of Equalization meeting as a public body.

(d) For purposes of this section, “business day” means any day other than a Saturday, Sunday, or any day designated as a state holiday.

(e) This section does not apply to any payment made pursuant to a deficiency determination, a determination where a return has not been filed, or a jeopardy determination issued by the board.

(f) This section only applies to electronic payments of taxes.

SEC. 246. Section 60632 of the Revenue and Taxation Code is amended to read:

60632. (a) The board shall release any levy or notice to withhold issued pursuant to this part on any property in the event the expense of the sale process exceeds the liability for which the levy is made.

(b) (1) (A) The Taxpayers’ Rights Advocate may order the release of any levy or notice to withhold issued pursuant to this part, or within 90 days from the receipt of the funds pursuant to a levy or notice to withhold may order the return of any amount up to two thousand three hundred dollars ($2,300) of moneys received, upon his or her finding that the levy or notice to withhold threatens the health or welfare of the taxpayer or his or her spouse or dependents.

(B) The amount the Taxpayers’ Rights Advocate may release or return to each taxpayer subject to a levy or notice to withhold, is limited to two thousand three hundred dollars ($2,300), or the adjusted amount as specified in paragraph (2), in any monthly period.

(C) The Taxpayers’ Rights Advocate may order amounts returned in the case of a seizure of property as a result of a jeopardy determination, subject to the amounts set or adjusted pursuant to this section and if the ultimate collection of the amount due is no longer in jeopardy.

(2) (A) The board shall adjust the two-thousand-three-hundred-dollar ($2,300) amount specified in paragraph (1) as follows:

(i) On or before March 1, 2016, and on or before March 1 each year thereafter, the board shall multiply the amount applicable for the current fiscal year by the inflation factor adjustment calculated based on the percentage change in the Consumer Price Index, as recorded by the California Department of Industrial Relations for the most recent year available, and the formula set forth in paragraph (2) of subdivision (h) of Section 17041. The resulting amount will be the

applicable amount for the succeeding fiscal year only when the applicable amount computed is equal to or exceeds a new operative threshold, as defined in subparagraph (B).

(ii) When the applicable amount equals or exceeds an operative threshold specified in subparagraph (B), the resulting applicable amount, rounded to the nearest multiple of one hundred dollars ($100), shall be operative for purposes of paragraph (1) beginning July 1 of the succeeding fiscal year.

(B) For purposes of this paragraph, “operative threshold” means an amount that exceeds by at least one hundred dollars ($100) the greater of either the amount specified in paragraph (1) or the amount computed pursuant to subparagraph (A) as the operative adjustment to the amount specified in paragraph (1).

(c) The board shall not sell any seized property until it has first notified the taxpayer in writing of the exemptions from levy under Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(d) Except as provided in subparagraph (C) of paragraph (1) of subdivision (b), this section does not apply to the seizure of any property as a result of a jeopardy determination.

SEC. 247. Section 5898.16 of the Streets and Highways Code is amended to read:

5898.16. (a) A public agency shall not permit a property owner to participate in any program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3 if any of the following apply:

(1) The property owner’s participation would result in the total amount of the annual property taxes and assessments exceeding 5 percent of the property’s market value, as determined at the time of approval of the property owner’s contractual assessment.

(2) The property does not comply with the conditions specified in paragraphs (1) to (5), inclusive, and paragraph (8), and, in addition, for properties with energy efficiency improvements specified under Section 5898.20 of this code and paragraph (7) of subdivision (a) of Section 26063 of the Public Resources Code.

(b) A public agency shall not permit the property owner to participate in any program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3 unless the property owner is given the right to cancel the contractual assessment without penalty or obligation, consistent with the following:

(1) The property owner shall receive the right to cancel document set forth below or a substantially similar document that displays the same information in a substantially similar format. The document shall be provided to the property owner as a printed copy unless the property owner agrees to an electronic copy.

Right to Cancel

Property Owner: [Owner Full Name],[Phone],[Email]

Property Address: [Property Address]

Your Right to Cancel:

You are entering into a contractual assessment with [Provider] for financing that will result in a lien on the property at [Property Address]. You may cancel this transaction, without cost, on or before midnight on the third business day after whichever of the following events occurs last:
(1) The date on which you signed the contractual assessment.
(2) The date you received your Financing Estimate and Disclosure.
(3) The date you received this notice of your right to cancel.
If you cancel the transaction, [Provider], within 20 calendar days after [Provider] receives notice of cancellation, must take the steps necessary to reflect the fact that, if recorded, the lien on your property has been discharged and removed from the tax rolls, and [Provider] must return to you any money you have given in connection with your application, not including the application processing fee. After [Provider] has done the things mentioned above, you must return any money paid to you or on your behalf, whether to your contractor or any other person. All money must be returned to the address below.

If you cancel the transaction:

●You will not be charged a cancellation fee; and

●You will be refunded any money you have given, excluding application and processing fees as applicable.

To cancel this transaction, you may submit this form to [Provider] in writing at:

Provider:_____

Attn:Right to Cancel Notification

Email:_____

Fax number:_____

Address:_____

Deadline to Cancel:

If you want to cancel this transaction, you must submit this form on or before midnight on the third business day after whichever of the following events occurs last:
(1) The date on which you signed the contractual assessment.
(2) The date you received your Financing Estimate and Disclosure.
(3) The date you received this notice of your right to cancel.

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. If you cancel by mail, fax, or email, you must send the notice no later than midnight of the third business day following the date on which you signed the contractual assessment. If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than midnight on the third business day after whichever of the following events occurs last:
(1) The date on which you signed the contractual assessment.
(2) The date you received your Financing Estimate and Disclosure.
(3) The date you received this notice of your right to cancel.

I WISH TO CANCEL

Property Owner Date

(2) The property owner is deemed to have given notice of cancellation at the moment that the property owner sends the notice by mail, email, or fax or at the moment that the property owner otherwise delivers the notice, as applicable.

(c) This section only applies to a property owner who seeks to participate in a program established pursuant to this chapter for the purposes specified in paragraph (2) of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3 for a residential property with four or fewer units.

(d) For the purposes of this section, “property owner” shall include all owners of record.

SEC. 248. Section 1110 of the Unemployment Insurance Code is amended to read:

1110. (a) Employer contributions required under Sections 976 and 976.6, the amount of benefits received by any individual pursuant to this part that is deducted from an award or settlement made by the employer under Section 1382, and, except as provided by subdivision (b), worker contributions required under Section 984 are due and payable on the first day of the calendar month following the close of each calendar quarter and shall become delinquent if not paid on or before the last day of that month.

(b) Worker contributions required under Section 984 are due and payable at the same time and by the same method as amounts required to be withheld under Section 13020 are paid to the department pursuant to Section 13021, regardless of the amount of accumulated unpaid liability for worker contributions.

(c) Employer contributions submitted pursuant to Section 976.5 shall be paid on or before the last working day of March of the calendar year to which the reduced contribution rate would be applicable. Any employer whose eligibility for an unemployment insurance contribution rate determination is redetermined to make that employer eligible to submit voluntary unemployment insurance contributions in accordance with Section 976.5, may submit a voluntary unemployment insurance contribution within 30 days of the date of notification of the redetermination.

(d) Except as provided in subdivision (e), any employer described in Sections 682 and 684 may elect to report and pay employer contributions required under Sections 976 and 976.6, and worker contributions required under Section 984, annually. All contributions are due and payable on the first day of January following the close of the prior calendar year and shall become delinquent if not paid on or before the last day of that month. An election under this subdivision shall be effective the first day of the calendar year in which it is approved by the department. An election under this subdivision may not be approved if the employer has an outstanding return or report delinquency on the records of the department, or an unpaid amount owed to the department, that is not the subject of a timely petition for reassessment pending before the appeals board at the time the election is filed.

(e) An employer described in Sections 682 and 684 who pays more than twenty thousand dollars ($20,000) in wages annually, shall not be entitled to the election allowed in subdivision (d). If at any time during the year the total wages paid by an employer electing to file under subdivision (d) exceeds twenty thousand dollars ($20,000), the election shall be terminated at the close of that calendar quarter. In addition to the report of wages due for that quarter, the employer shall file a return and pay any contributions due for that portion of the year during which the election was in effect, and shall pay contributions in accordance with subdivisions (a), (b), and (c) for the remainder of that year.

(f) Contributions due pursuant to this section may be submitted by electronic funds transfer. Contributions submitted by electronic funds transfer shall be deemed complete in accordance with paragraph (4) of subdivision (e) of Section 13021.

(g) (1) Notwithstanding subdivision (f), effective on and after January 1, 2017, an employer with 10 or more employees shall remit the contributions and withholdings by electronic funds transfer.

(2) Notwithstanding subdivision (f), effective on and after January 1, 2018, all employers shall remit the contributions and withholdings by electronic funds transfer.

(3) Notwithstanding paragraphs (1) and (2), an employer may request a waiver from the electronic funds transfer requirement of this subdivision. The department may grant the waiver when the employer has established to the satisfaction of the director that there is a lack of automation, a severe economic hardship, a current exemption from filing electronically for federal purposes, or other good cause. An approved waiver shall be valid for one year or longer, at the discretion of the director.

(h) For purposes of this section, “electronic funds transfer” shall have the same meaning as in Section 13021.5.

SEC. 249. Section 2737 of the Unemployment Insurance Code, as amended by Section 7 of Chapter 276 of the Statutes of 2016, is amended to read:

2737. (a) Within 20 days from the date of mailing or serving of the notice of overpayment determination, the person affected may file an appeal to an administrative law judge. The director shall be an interested party to this appeal. The administrative law judge, after affording reasonable opportunity for a fair hearing, shall, unless the appeal is withdrawn, affirm, reverse, modify, or set aside the findings set forth in the notice of overpayment determination. The party and the director shall be notified of the administrative law judge’s decision, together with his or her reasons therefor, which shall be final unless within 20 days from the date of notification or mailing of the decision a further appeal is initiated to the appeals board pursuant to Section 1336. The 20-day period for an appeal to the administrative law judge or to the appeals board may be extended for good cause.

(b) “Good cause,” as used in this section, includes, but is not limited to, mistake, inadvertence, surprise, or excusable neglect.

(c) This section shall remain in effect only until March 1, 2018, and as of that date is repealed.

SEC. 250. Section 2737 of the Unemployment Insurance Code, as added by Section 8 of Chapter 276 of the Statutes of 2016, is amended to read:

2737. (a) Within 30 days from the date of mailing or serving of the notice of overpayment determination, the person affected may file an appeal to an administrative law judge. The director shall be an interested party to this appeal. The administrative law judge, after affording reasonable opportunity for a fair hearing, shall, unless the appeal is withdrawn, affirm, reverse, modify, or set aside the findings set forth in the notice of overpayment determination. The party and the director shall be notified of the administrative law judge’s decision, together with his or her reasons therefor, which shall be final unless within 30 days from the date of notification or mailing of the decision a further appeal is initiated to the appeals board pursuant to Section 1336. The 30-day period for an appeal to the administrative law judge or to the appeals board may be extended for good cause.

(b) “Good cause,” as used in this section, shall include, but not be limited to, mistake, inadvertence, surprise, or excusable neglect.

(c) This section shall become operative on March 1, 2018.

SEC. 251. Section 11003 of the Unemployment Insurance Code is amended to read:

11003. (a) The department, with the advice of persons knowledgeable about providing employment services to persons who are deaf and hard of hearing, shall establish the criteria for choosing contractors.

(b) The criteria shall include, but not be limited to, all of the following:

(1) The ability to provide services to a person who is deaf or hard of hearing in the person's preferred mode of communication.

(2) The ability to secure community support, including written endorsements of local officials, employers, the workforce investment board of the local workforce investment area, and organizations of and for persons who are deaf and hard of hearing.

(3) The existence of funding from one or more public or private sources.

(c) Preference shall be given in the selection of a contractor to those proposals which demonstrate all of the following:

(1) Participation of persons who are deaf and hard of hearing on the potential contractor's employment services staff, and in the case of a private nonprofit corporation, on the board of directors.

(2) A commitment to the development and maintenance of self-determination for persons who are deaf and hard of hearing.

SEC. 252. Section 13002 of the Unemployment Insurance Code is amended to read:

13002. The following provisions of this code shall apply to any amount required to be deducted, reported, and paid to the department under this division:

(a) Sections 301, 305, 306, 310, 311, 317, and 318, relating to general administrative powers of the department.

(b) Sections 403 to 413, inclusive, Section 1336, and Chapter 8 (commencing with Section 1951) of Part 1 of Division 1, relating to appeals and hearing procedures.

(c) Sections 1110.6, 1111, 1111.5, 1112, 1112.1, 1113, 1113.1, 1114, 1115, 1116, and 1117, relating to the making of returns or the payment of reported contributions.

(d) Article 8 (commencing with Section 1126) of Chapter 4 of Part 1 of Division 1, relating to assessments.

(e) Article 9 (commencing with Section 1176), except Section 1176, of Chapter 4 of Part 1 of Division 1, relating to refunds and overpayments.

(f) Article 10 (commencing with Section 1206) of Chapter 4 of Part 1 of Division 1, relating to notice.

(g) Article 11 (commencing with Section 1221) of Chapter 4 of Part 1 of Division 1, relating to administrative appellate review.

(h) Article 12 (commencing with Section 1241) of Chapter 4 of Part 1 of Division 1, relating to judicial review.

(i) Chapter 7 (commencing with Section 1701) of Part 1 of Division 1, relating to collections.

(j) Chapter 10 (commencing with Section 2101) of Part 1 of Division 1, relating to violations.

SEC. 253. Section 13353.6 of the Vehicle Code is amended to read:

13353.6. (a) Notwithstanding any other law, a person whose driving privilege has been suspended under Section 13353.2 and who is eligible for a restricted driver's license as provided for in Section 13353.7 or 13353.75 may be eligible for a restricted driver's license without serving any period of the suspension if the person meets all of the eligibility requirements specified in those sections and the person does both of the following:

(1) The person installs a functioning, certified ignition interlock device on any vehicle that he or she owns or operates and submits the "Verification of Installation" form described in paragraph (2) of subdivision (g) of Section 13386.

(2) The person agrees to maintain the ignition interlock device as required under Section 23575.3.

(b) A person whose driving privilege has been suspended under Section 13353.2 may install a functioning, certified ignition interlock device prior to the effective date specified in Section 13353.3. A person who installs a functioning, certified ignition interlock device pursuant to this subdivision, meets all of the eligibility requirements specified in Section 13353.7 or 13353.75 and

complies with paragraphs (1) and (2) of subdivision (a) is eligible for a restricted driver's license on the effective date specified in Section 13353.3.

(c) The department shall terminate the restriction issued pursuant to Section 13353.7 or 13353.75 and shall immediately reinstate the suspension of the privilege to operate a motor vehicle upon receipt of notification from the ignition interlock device installer that a person has attempted to remove, bypass, or tamper with the ignition interlock device, has removed the device prior to the termination date of the restriction, or has failed to comply with any requirement for the maintenance or calibration of the ignition interlock device. The privilege shall remain suspended for the remaining mandatory suspension period imposed pursuant to Section 13353.3, provided, however, that if the person provides proof to the satisfaction of the department that the person is in compliance with the restriction issued pursuant to this section, the department may, in its discretion, restore the privilege to operate a motor vehicle and reimpose the remaining term of the restriction.

(d) Notwithstanding any other law, a person whose driving privilege has been suspended under Section 13353.2, who is eligible for a restricted driver's license as provided for in Section 13353.7 or 13353.75, and who installs a functioning, certified ignition interlock device pursuant to this section or Section 13353.75, shall receive credit towards the mandatory term the person is required to install a functioning, certified ignition interlock device pursuant to Section 23575.3 for a conviction of a violation arising out of the same occurrence that led to the person's driving privilege being suspended pursuant to Section 13352.2 equal to the period of time the person installs a functioning, certified ignition interlock device pursuant to this section or Section 13353.75.

(e) This section shall become operative on January 1, 2019.

(f) This section shall remain in effect only until January 1, 2026, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2026, deletes or extends that date.

SEC. 254. Section 22513.1 of the Vehicle Code is amended to read:

22513.1. (a) (1) A business taking possession of a vehicle from a tow truck during hours the business is open to the public shall document all of the following:

(A) The name, address, and telephone number of the towing company.

(B) The name and driver's license number, driver's identification number issued by a motor club, as defined in Section 12142 of the Insurance Code, or other government authorized unique identifier of the tow truck operator.

(C) The make, model, and license plate or vehicle identification number.

(D) The date and time that possession was taken of the vehicle.

(2) For purposes of subparagraph (B) of paragraph (1), if a tow truck operator refuses to provide information described in subparagraph (B) of paragraph (1) to a new motor vehicle dealer, as defined in Section 426, a new motor vehicle dealer is in compliance with this section if the new motor vehicle dealer documents the reasonable efforts made to obtain this information from the tow truck operator.

(b) A business taking possession of a vehicle from a tow truck when the business is closed to the public shall document all of the following:

(1) The make, model, and license plate or vehicle identification number.

(2) The date and time that the business first observed the vehicle on its property.

(3) The reasonable effort made by the business to contact the towing company, if identifying information was left with the vehicle, and the vehicle's owner or operator to obtain and document both of the following:

(A) The name, address, and telephone number of the towing company.

(B) The name and driver's license number, driver's identification number issued by a motor club, as defined in Section 12142 of the Insurance Code, or other government authorized unique identifier of the tow truck operator.

(c) The information required in this section shall be maintained for three years and shall be available for inspection and copying within 48 hours of a written request by any officer or agent of a police department, a sheriff's department, the Department of the California Highway Patrol, the Attorney General's office, the Bureau of Automotive Repair, a district attorney's office, or a city attorney's office.

(d) For purposes of this section, a new motor vehicle dealer, as defined in Section 426, is not open to the public during hours its repair shop is closed to the public.

(e) A person who willfully violates this section is guilty of a misdemeanor, and that violation is punishable by a fine of not more than two thousand five hundred dollars ($2,500), or by imprisonment in a county jail for not more than three months, or by both that fine and imprisonment.

SEC. 255. Section 23301.5 of the Vehicle Code is amended to read:

23301.5. (a) An authorized emergency vehicle is exempt from any requirement to pay a toll or other charge on a vehicular crossing, toll highway, or high-occupancy toll (HOT) lane, including the requirements of Section 23301, if all of the following conditions are satisfied:

(1) The authorized emergency vehicle is properly displaying an exempt California license plate, and is properly identified or marked as an authorized emergency vehicle, including, but not limited to, displaying an external surface-mounted red warning light, blue warning light, or both, and displaying public agency identification, including, but not limited to, “Fire Department,” “Sheriff,” or “Police.”

(2) (A) The vehicle is being driven while responding to or returning from an urgent or emergency call, engaged in an urgent or emergency response, or engaging in a fire station coverage assignment directly related to an emergency response.

(B) For purposes of this paragraph, an “urgent” response or call means an incident or circumstance that requires an immediate response to a public safety-related incident, but does not warrant the use of emergency warning lights. “Urgent” does not include any personal use, commuting, training, or administrative uses.

(C) Notwithstanding subparagraph (A), an authorized emergency vehicle, when returning from an urgent or emergency call, or from being engaged in an urgent or emergency response, or from engaging in a fire station coverage assignment directly related to an emergency response, shall not be exempt from any requirement to pay a toll or other charge imposed while traveling on a HOT lane.

(3) The driver of the vehicle determines that the use of the toll facility shall likely improve the availability or response and arrival time of the authorized emergency vehicle and its delivery of essential public safety services.

(b) If the operator of a toll facility elects to send a bill or invoice to the public agency for the use of the toll facility by an authorized emergency vehicle, exempt pursuant to subdivision (a), the fire chief, police chief, county sheriff, head of the public agency, or his or her designee, is authorized to certify in writing that the authorized emergency vehicle was responding to or returning from an emergency call or response and is exempt from the payment of the toll or other charge in accordance with this section. The letter shall be accepted by the toll operator in lieu of payment and is a public document.

(c) An authorized emergency vehicle that does not comply with this section is not exempt from the requirement to pay a toll or other charge on a toll highway, vehicular crossing, or HOT lane. Upon information and belief of the toll operator that an authorized emergency vehicle is not in compliance with this section, the fire chief, police chief, county sheriff, head of the public agency, or his or her designee, upon the written request of the owner or operator of the toll facility, shall provide or otherwise make accessible to the toll operator the dispatch records or log books relevant to the time period when the vehicle was in use on the toll highway, vehicular crossing, or HOT lane.

(d) This section does not prohibit or amend an agreement entered into between the owner or operator of a toll facility and a local emergency service provider that establishes mutually agreed upon terms for the use of the toll facility by the emergency service provider. This section shall not prohibit the owner or operator of a toll facility from having a policy that meets or exceeds this section. If at any time an emergency service provider or the owner or operator of a toll facility opts to terminate an agreement regarding the payment and processing of tolls or other charges, this section shall apply to the emergency service provider and the toll facility. An agreement between an emergency service provider and the owner or operator of a toll facility does not exempt other emergency service providers not named in the original agreement and the toll facility from the requirements of this section when those other emergency service providers use a toll facility in the jurisdiction of the owner or operator of the toll facility.

(e) Sections 23302 and 23302.5 do not apply to authorized emergency vehicles exempt pursuant to this section.

(f) As used in this section, “toll facility” includes a toll road, HOT lane, toll bridge, toll highway, a vehicular crossing for which payment of a toll or charge is required, or any other toll facility.

SEC. 256. Section 27427 of the Vehicle Code is amended to read:

27427. This article does not alter or affect the requirements of the Passenger Charter-party Carriers’ Act (Chapter 8 (commencing with Section 5351) of Division 2 of the Public Utilities Code).

SEC. 257. Section 34501.12 of the Vehicle Code, as amended by Section 2 of Chapter 748 of the Statutes of 2016, is amended to read:

34501.12. (a) Vehicles and the operation thereof, subject to this section, are those described in subdivision (a), (b), (e), (f), (g), (j), or (k) of Section 34500, except an agricultural vehicle as defined in Section 34500.6.

(b) It is unlawful for a motor carrier to operate any vehicle of a type described in subdivision (a) without identifying to the department all terminals, as defined in Section 34515, in this state where vehicles may be inspected by the department pursuant to paragraph (4) of subdivision (a) of Section 34501 and where vehicle inspection and maintenance records and driver records will be made available for inspection. Motor carriers shall make vehicles and records available for inspection upon request by an authorized representative of the department. If a motor carrier fails to provide vehicles and records, an unsatisfactory terminal rating shall be issued by the department.

(1) The number of vehicles that will be selected for inspection by the department at a terminal shall be based on terminal fleet size and applied separately to a terminal fleet of power units and trailers, according to the following schedule:

Fleet Size	Representative Sample
1 or 2	All
3 to 8	3
9 to 15	4
16 to 25	6
26 to 50	9
51 to 90	14
91 or more	20

(2) The lessor of any vehicle described in subdivision (a) shall make vehicles available for inspection upon request of an authorized representative of the department in the course of inspecting the terminal of the lessee. This section does not affect whether the lessor or driver provided by the lessor is an employee of the authorized carrier lessee, and compliance with this section and its attendant administrative requirements does not imply an employee-employer relationship.

(c) (1) The department may inspect any terminal, as defined in Section 34515, of a motor carrier who, at any time, operates any vehicle described in subdivision (a).

(2) The department shall adopt rules and regulations establishing a performance-based truck terminal inspection selection priority system. In adopting the system's rules and regulations, the department shall incorporate methodologies consistent with those used by the Federal Motor Carrier Safety Administration, including those related to the quantitative analysis of safety-related motor carrier performance data, collected during the course of inspection or enforcement contact by authorized representatives of the department or any authorized federal, state, or local safety official, in categories, including, but not limited to, driver fatigue, driver fitness, vehicle maintenance, and controlled substances and alcohol use. The department shall also incorporate other safety-related motor carrier performance data in this system, including citations and accident information. The department shall create a database to include all performance-based data specified in this section that shall be updated in a manner to provide real-time information to the department on motor carrier performance. The department shall prioritize for selection those motor carrier terminals never previously inspected by the department, those identified by the inspection priority selection system, and those terminals operating vehicles listed in subdivision (g) of Section 34500. The department is not required to inspect a terminal subject to inspection pursuant to this section more often than once every six years, if a terminal receives a satisfactory compliance rating as the result of a terminal inspection conducted by the department pursuant to this section or Section 34501, or if the department has not received notification by the system of a motor carrier operating while exceeding the threshold of the inspection selection priority system. Any motor carrier that is inspected and receives less than a satisfactory compliance rating, or that falls below the threshold of the selection priority system, shall be subject to periodic inquiries and inspections as outlined in subdivision (f), and these inquiries and inspections shall be based on the severity of the violations.

(3) As used in this section and Section 34505.6, subdivision (f) of Section 34500 includes only those combinations where the gross vehicle weight rating of the towing vehicle exceeds 10,000 pounds, but does not include a pickup truck or any combination never operated in commercial use, and subdivision (g) of Section 34500 includes only those vehicles transporting hazardous material for which the display of placards is required pursuant to Section 27903, a license is required pursuant to Section 32000.5, or for which hazardous waste transporter registration is required pursuant to Section 25163 of the Health and

Safety Code. Notwithstanding Section 5014.1, vehicles that display special identification plates in accordance with Section 5011, historical vehicles, as described in Section 5004, implements of husbandry and farm vehicles, as defined in Chapter 1 (commencing with Section 36000) of Division 16, and vehicles owned or operated by an agency of the federal government are not subject to this section or Section 34505.6.

(d) It is unlawful for a motor carrier to operate, or cause to be operated, any vehicle that is subject to this section, Section 34520, or Division 14.85 (commencing with Section 34600), unless the motor carrier is knowledgeable of, and in compliance with, all applicable statutes and regulations.

(e) It is unlawful for a motor carrier to contract or subcontract with, or otherwise engage the services of, another motor carrier, subject to this section, unless the contracted motor carrier has complied with subdivision (d). A motor carrier shall not contract or subcontract with, or otherwise engage the services of, another motor carrier until the contracted motor carrier provides certification of compliance with subdivision (d). This certification shall be completed in writing by the contracted motor carrier in a manner prescribed by the department. The certification, or a copy of the certification, shall be maintained by each involved party for the duration of the contract or the period of service plus two years, and shall be presented for inspection immediately upon the request of an authorized employee of the department. The certifications required by this subdivision and subdivision (b) of Section 34620 may be combined.

(f) (1) An inspected terminal that receives an unsatisfactory compliance rating shall be reinspected by the department within 120 days after the issuance of the unsatisfactory compliance rating.

(2) If a motor carrier's Motor Carrier of Property Permit or Public Utilities Commission operating authority is suspended as a result of an unsatisfactory compliance rating, the department shall not conduct a reinspection for permit or authority reinstatement until requested to do so by the Department of Motor Vehicles or the Public Utilities Commission, as appropriate.

(g) A motor carrier issued an unsatisfactory terminal rating may request a review of the rating within five business days of receipt of the notification of the rating. The department shall conduct and evaluate the review within 10 business days of the request.

(h) The department shall publish performance-based inspection completion data and make the data available for public review.

(i) This section shall be known, and may be cited, as the Basic Inspection of Terminals program or BIT program.

(j) This section shall remain in effect only until January 1, 2023, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2023, deletes or extends that date.

SEC. 258. Section 34501.12 of the Vehicle Code, as added by Section 3 of Chapter 748 of the Statutes of 2016, is amended to read:

34501.12. (a) Vehicles and the operation thereof, subject to this section, are those described in subdivision (a), (b), (e), (f), (g), (j), or (k) of Section 34500.

(b) It is unlawful for a motor carrier to operate any vehicle of a type described in subdivision (a) without identifying to the department all terminals, as defined in Section 34515, in this state where vehicles may be inspected by the department pursuant to paragraph (4) of subdivision (a) of Section 34501 and where vehicle inspection and maintenance records and driver records will be made available for inspection. Motor carriers shall make vehicles and records available for inspection upon request by an authorized representative of the department. If a motor carrier fails to provide vehicles and records, an unsatisfactory terminal rating shall be issued by the department.

(1) The number of vehicles that will be selected for inspection by the department at a terminal shall be based on terminal fleet size and applied separately to a terminal fleet of power units and trailers, according to the following schedule:

Fleet Size	Representative Sample
1 or 2	All
3 to 8	3
9 to 15	4
16 to 25	6
26 to 50	9
51 to 90	14
91 or more	20

(2) The lessor of any vehicle described in subdivision (a) shall make vehicles available for inspection upon request of an authorized representative of the department in the course of inspecting the terminal of the lessee. This section does not affect whether the lessor or driver provided by the lessor is an employee of the authorized carrier lessee, and compliance with this section and its attendant administrative requirements does not imply an employee-employer relationship.

(c) (1) The department may inspect any terminal, as defined in Section 34515, of a motor carrier who, at any time, operates any vehicle described in subdivision (a).

(2) The department shall adopt rules and regulations establishing a performance-based truck terminal inspection selection priority system. In adopting the system's rules and regulations, the department shall incorporate methodologies consistent with those used by the Federal Motor Carrier Safety Administration, including those related to the quantitative analysis of safety-related motor carrier performance data, collected during the course of inspection or enforcement contact by authorized representatives of the department or any authorized federal, state, or local safety official, in categories, including, but not limited to, driver fatigue, driver fitness, vehicle maintenance, and controlled substances and alcohol use. The department shall also incorporate other safety-related motor carrier performance data in this system, including citations and accident information. The department shall create a database to include all performance-based data specified in this section that shall be updated in a manner to provide real-time information to the department on motor carrier performance. The department shall prioritize for selection those motor carrier terminals never previously inspected by the department, those identified by the inspection priority selection system, and those terminals operating vehicles listed in subdivision (g) of Section 34500. The department is not required to inspect a terminal subject to inspection pursuant to this section more often than once every six years, if a terminal receives a satisfactory compliance rating as the result of a terminal inspection conducted by the department pursuant to this section or Section 34501, or if the department has not received notification by the system of a motor carrier operating while exceeding the threshold of the inspection selection priority system. Any motor carrier that is inspected and receives less than a satisfactory compliance rating, or that falls below the threshold of the selection priority system, shall be subject to periodic inquiries and inspections as outlined in subdivision (f), and these inquiries and inspections shall be based on the severity of the violations.

(3) As used in this section and Section 34505.6, subdivision (f) of Section 34500 includes only those combinations where the gross vehicle weight rating of the towing vehicle exceeds 10,000 pounds, but does not include a pickup truck or any combination never operated in commercial use, and subdivision (g) of Section 34500 includes only those vehicles transporting hazardous material for which the display of placards is required pursuant to Section 27903, a license is required pursuant to Section 32000.5, or for which hazardous waste transporter registration is required pursuant to Section 25163 of the Health and Safety Code. Notwithstanding Section 5014.1, vehicles that display special identification plates in accordance with Section 5011, historical vehicles, as described in Section 5004, implements of husbandry and farm vehicles, as defined in Chapter 1 (commencing with Section 36000) of Division 16 and vehicles owned or operated by an agency of the federal government are not subject to this section or Section 34505.6.

(d) It is unlawful for a motor carrier to operate, or cause to be operated, any vehicle that is subject to this section, Section 34520, or Division 14.85 (commencing with Section 34600), unless the motor carrier is knowledgeable of, and in compliance with, all applicable statutes and regulations.

(e) It is unlawful for a motor carrier to contract or subcontract with, or otherwise engage the services of, another motor carrier, subject to this section, unless the contracted motor carrier has complied with subdivision (d). A motor carrier shall not contract or subcontract with, or otherwise engage the services of, another motor carrier until the contracted motor carrier provides certification of compliance with subdivision (d). This certification shall be completed in writing by the contracted motor carrier in a manner prescribed by the department. The certification, or a copy of the certification, shall be maintained by each involved party for the duration of the contract or the period of service plus two years, and shall be presented for inspection immediately upon the request of an authorized employee of the department. The certifications required by this subdivision and subdivision (b) of Section 34620 may be combined.

(f) (1) An inspected terminal that receives an unsatisfactory compliance rating shall be reinspected by the department within 120 days after the issuance of the unsatisfactory compliance rating.

(2) If a motor carrier's Motor Carrier of Property Permit or Public Utilities Commission operating authority is suspended as a result of an unsatisfactory compliance rating, the department shall not conduct a reinspection for permit or authority reinstatement until requested to do so by the Department of Motor Vehicles or the Public Utilities Commission, as appropriate.

(g) A motor carrier issued an unsatisfactory terminal rating may request a review of the rating within five business days of receipt of the notification of the rating. The department shall conduct and evaluate the review within 10 business days of the request.

(h) The department shall publish performance-based inspection completion data and make the data available for public review.

(i) This section shall be known, and may be cited, as the Basic Inspection of Terminals program or BIT program.

(j) This section shall become operative on January 1, 2023.

SEC. 259. Section 41501 of the Vehicle Code, as added by Section 12.5 of Chapter 216 of the Statutes of 2010, is repealed.

SEC. 260. Section 366 of the Water Code is amended to read:

366. (a) During periods described in subdivision (a) of Section 367, excessive water use is prohibited by a residential customer in a single-family residence or by a customer in a multiunit housing complex in which each unit is individually metered or submetered by the urban retail water supplier.

(b) Each urban retail water supplier shall establish a method to identify and discourage excessive water use, through one of the following options:

(1) Establishing a rate structure, subject to applicable constitutional and statutory limitations, that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water use by a residential water customer.

(2) (A) Establishing an excessive water use ordinance, rule, or tariff condition, or amending an existing ordinance, rule, or tariff condition, that includes a definition of or a procedure to identify and address excessive water use by metered single-family residential customers and customers in multiunit housing complexes in which each unit is individually metered or submetered and may include a process to issue written warnings to a customer and perform a site audit of customer water usage prior to deeming the customer in violation.

(B) For the purposes of subparagraph (A), excessive water use shall be measured in terms of either gallons or hundreds of cubic feet of water used during the urban retail water supplier's regular billing cycle. In establishing the definition of excessive use, the urban retail water supplier may consider factors that include, but are not limited to, all of the following:

(i) Average daily use.

(ii) Full-time occupancy of households.

(iii) Amount of landscaped land on a property.

(iv) Rate of evapotranspiration.

(v) Seasonal weather changes.

(C) (i) A violation of an excessive use ordinance, rule, or tariff condition established pursuant to subparagraph (A) shall result in an infraction or administrative civil penalty. The penalty for a violation may be based on conditions identified by the urban retail water supplier and may include, but is not limited to, a fine of up to five hundred dollars ($500) for each hundred cubic feet of water, or 748 gallons, used above the excessive water use threshold established by the urban retail water supplier in a billing cycle.

(ii) Any fine imposed pursuant to this subparagraph shall be added to the customer's water bill and is due and payable with that water bill.

(iii) Each urban retail water supplier shall have a process for nonpayment of the fine, which shall be consistent with due process and reasonably similar to the water supplier's existing process for nonpayment of a water bill.

(D) (i) Consistent with due process, an urban retail water supplier shall establish a process and conditions for the appeal of a fine imposed pursuant to subparagraph (C) whereby the customer may contest the imposition of the fine for excessive water use.

(ii) As part of the appeal process, the customer shall be provided with an opportunity to provide evidence that there was no excessive water use or of a bona fide reason for the excessive water use, including evidence of a water leak, a medical reason, or any other reasonable justification for the water use, as determined by the urban retail water supplier.

(iii) As part of the appeal process, the urban retail water supplier shall provide documentation demonstrating the excessive water use.

(c) (1) The provisions of subdivision (b) do not apply to an urban retail water supplier that is not fully metered in accordance with Section 527. An urban retail water supplier shall comply with the provisions of subdivision (b) when all of the water supplier's residential water service connections are being billed based on metered water usage.

(2) An urban retail water supplier that is not fully metered shall prohibit water use practices by an ordinance, resolution, rule, or tariff condition that imposes penalties for prohibited uses of water supplied by the water supplier. The urban retail water supplier may include a process to issue written warnings prior to imposing penalties as well as increased penalty amounts for successive violations.

SEC. 261. Section 13321 of the Water Code is amended to read:

13321. (a) (1) In the case of a review by the state board under Section 13320 or review by the state board of a decision or order issued under authority delegated to an officer or employee of the state board where the state board by regulation has authorized a petition for reconsideration, the state board, upon notice and hearing, if a hearing is requested, may stay in whole or in part the effect of the decision or order of a regional board or of the state board. Except as provided in paragraph (2), the state board shall issue or deny the stay within 90 days of receipt of a request for stay that complies with the applicable regulations for requesting a stay. The party requesting the stay may extend the 90-day period.

(2) (A) If the request for stay relates to either of the following, the state board shall issue or deny the stay within 45 days of receipt of a request for stay that complies with the applicable regulations for requesting the stay:

(i) A water quality certification issued under Section 13160 authority delegated to an officer or employee of the state board for a discharge for a proposed activity associated with a hydroelectric facility and the proposed activity requires a license or an amendment to a license issued by the Federal Energy Regulatory Commission.

(ii) A cleanup and abatement order issued under Section 13304 authority delegated to an officer or employee of the state board or a regional board that requires the provision of alternate water supplies within 120 days of the date of the order.

(B) The party requesting a stay may extend the 45-day period described in subparagraph (A).

(3) If the state board fails to issue or deny the stay within the applicable period specified in paragraph (1) or (2), the request for stay shall be deemed denied on the first day following the applicable period.

(b) (1) Within 30 days of any order of the state board issuing or denying a stay or within 30 days of a stay being deemed denied pursuant to paragraph (3) of subdivision (a), any aggrieved party may file with the superior court a petition for writ of mandate for review of the state board's order issuing or denying a stay or failure to issue or deny a stay.

(2) (A) Except as otherwise provided in this section, Section 1094.5 of the Code of Civil Procedure shall govern proceedings for which petitions are filed under this section.

(B) If the superior court finds that the state board failed to follow the procedures specified in subdivision (a) or otherwise prejudicially abused its discretion, the superior court may set aside the state board's order issuing or denying the stay and may stay, in whole or in part, the effect of the decision or order of a regional board or of the state board pending review by the state board.

(C) Notwithstanding subparagraph (A) or (B), if a request for stay is subject to paragraph (2) of subdivision (a), the superior court may proceed without a certified administrative record and may stay, in whole or in part, the effect of the order or decision issued under delegated authority pending the state board's review of the order or decision. The court shall not impose the stay if the court is satisfied that it is against the public interest.

(3) In an action under this section or Section 13330 involving a water quality certification issued pursuant to Section 13160, the court shall not issue a stay or other order that enjoins or has the effect of preventing the state board from taking action necessary to avoid a waiver of water quality certification for failure to act within the period provided under federal law. In determining whether there is a risk of waiver, the court shall consider the applicable regulations or policies of the federal agency issuing the permit or license subject to the water quality certification.

(c) If the state board or the superior court grants a stay under this section, the stay may be made effective as of the effective date of the regional board or state board decision or order.

(d) If a petition is filed with the superior court under Section 13330, any stay in effect at the time of the filing of the petition shall remain in effect by operation of law for a period of 20 days from the date of the filing of that petition.

SEC. 262. Section 71611.5 of the Water Code is amended to read:

71611.5. Notwithstanding any other law:

(a) Upon the request of an Indian tribe and the satisfaction of the conditions stated in subdivision (b), a district shall provide service of water at substantially the same terms applicable to the customers of the district to an Indian tribe's lands that are not

within a district as if the lands had been fully annexed into the district and into any other public agencies required for the provision of water service if the Indian tribe's lands meet all of the following requirements:

(1) The lands were owned by the tribe on January 1, 2016.

(2) The lands are contiguous with at least two districts.

(3) The lands lie within the special study area of at least one district.

(4) At least 70 percent of the Indian tribe's total Indian lands are currently within the boundaries of one or more districts.

(b) Before a district provides service of water pursuant to this section, the Indian tribe shall satisfy all of the following conditions:

(1) The Indian tribe complies with all federal and tribal laws.

(2) The Indian tribe acquires all federal and tribal approvals necessary for the applicable district to provide water service to the tribal lands on substantially the same terms applicable to customers of the district.

(3) The Indian tribe shall by agreement accept all terms of, and payments, including service payments, to, the district and any public agency providing water to the district, as if the Indian tribe's lands were fully annexed into the district and into the service area of any other public agency. The terms and payments are also a condition of continued service by the district and by any public agency providing water to the district.

(c) If a district provides service of water to an Indian tribe's lands pursuant to this section, the service areas of the district and of any public agencies providing water to the district are deemed for all purposes to include the Indian tribe's lands for the longest of the following periods of time:

(1) The time service of water is provided by the district to the Indian tribe.

(2) The time moneys are owed by the Indian tribe to the district for the service of water.

(3) The term of any agreement between the district and the Indian tribe.

SEC. 263. Section 208.3 of the Welfare and Institutions Code is amended to read:

208.3. (a) For purposes of this section, the following definitions apply:

(1) "Juvenile facility" includes any of the following:

(A) A juvenile hall, as described in Section 850.

(B) A juvenile camp or ranch, as described in Article 24 (commencing with Section 880).

(C) A facility of the Department of Corrections and Rehabilitation, Division of Juvenile Facilities.

(D) A regional youth educational facility, as described in Section 894.

(E) A youth correctional center, as described in Article 9 (commencing with Section 1850) of Chapter 1 of Division 2.5.

(F) A juvenile regional facility as described in Section 5695.

(G) Any other local or state facility used for the confinement of minors or wards.

(2) "Minor" means a person who is any of the following:

(A) A person under 18 years of age.

(B) A person under the maximum age of juvenile court jurisdiction who is confined in a juvenile facility.

(C) A person under the jurisdiction of the Department of Corrections and Rehabilitation, Division of Juvenile Facilities.

(3) "Room confinement" means the placement of a minor or ward in a locked sleeping room or cell with minimal or no contact with persons other than correctional facility staff and attorneys. Room confinement does not include confinement of a minor or ward in a single-person room or cell for brief periods of locked room confinement necessary for required institutional operations.

(4) "Ward" means a person who has been declared a ward of the court pursuant to Section 602.

(b) The placement of a minor or ward in room confinement shall be accomplished in accordance with the following guidelines:

(1) Room confinement shall not be used before other less restrictive options have been attempted and exhausted, unless attempting those options poses a threat to the safety or security of any minor, ward, or staff.

(2) Room confinement shall not be used for the purposes of punishment, coercion, convenience, or retaliation by staff.

(3) Room confinement shall not be used to the extent that it compromises the mental and physical health of the minor or ward.

(c) A minor or ward may be held up to four hours in room confinement. After the minor or ward has been held in room confinement for a period of four hours, staff shall do one or more of the following:

(1) Return the minor or ward to general population.

(2) Consult with mental health or medical staff.

(3) Develop an individualized plan that includes the goals and objectives to be met in order to reintegrate the minor or ward to general population.

(d) If room confinement must be extended beyond four hours, staff shall do the following:

(1) Document the reason for room confinement and the basis for the extension, the date and time the minor or ward was first placed in room confinement, and when he or she is eventually released from room confinement.

(2) Develop an individualized plan that includes the goals and objectives to be met in order to reintegrate the minor or ward to general population.

(3) Obtain documented authorization by the facility superintendent or his or her designee every four hours thereafter.

(e) This section is not intended to limit the use of single-person rooms or cells for the housing of minors or wards in juvenile facilities and does not apply to normal sleeping hours.

(f) This section does not apply to minors or wards in court holding facilities or adult facilities.

(g) This section shall not be construed to conflict with any law providing greater or additional protections to minors or wards.

(h) This section does not apply during an extraordinary, emergency circumstance that requires a significant departure from normal institutional operations, including a natural disaster or facility-wide threat that poses an imminent and substantial risk of harm to multiple staff, minors, or wards. This exception shall apply for the shortest amount of time needed to address the imminent and substantial risk of harm.

(i) This section does not apply when a minor or ward is placed in a locked cell or sleeping room to treat and protect against the spread of a communicable disease for the shortest amount of time required to reduce the risk of infection, with the written approval of a licensed physician or nurse practitioner, when the minor or ward is not required to be in an infirmary for an illness. Additionally, this section does not apply when a minor or ward is placed in a locked cell or sleeping room for required extended care after medical treatment with the written approval of a licensed physician or nurse practitioner, when the minor or ward is not required to be in an infirmary for illness.

(j) This section shall become operative on January 1, 2018.

SEC. 264. Section 361.2 of the Welfare and Institutions Code is amended to read:

361.2. (a) When a court orders removal of a child pursuant to Section 361, the court shall first determine whether there is a parent of the child, with whom the child was not residing at the time that the events or conditions arose that brought the child within the provisions of Section 300, who desires to assume custody of the child. If that parent requests custody, the court shall place the child with the parent unless it finds that placement with that parent would be detrimental to the safety, protection, or physical or emotional well-being of the child. The fact that the parent is enrolled in a certified substance abuse treatment facility that allows a dependent child to reside with his or her parent shall not be, for that reason alone, prima facie evidence that placement with that parent would be detrimental.

(b) If the court places the child with that parent it may do any of the following:

(1) Order that the parent become legal and physical custodian of the child. The court may also provide reasonable visitation by the noncustodial parent. The court shall then terminate its jurisdiction over the child. The custody order shall continue unless modified by a subsequent order of the superior court. The order of the juvenile court shall be filed in any domestic relation proceeding between the parents.

(2) Order that the parent assume custody subject to the jurisdiction of the juvenile court and require that a home visit be conducted within three months. In determining whether to take the action described in this paragraph, the court shall consider any concerns that have been raised by the child's current caregiver regarding the parent. After the social worker conducts the home visit and files his or her report with the court, the court may then take the action described in paragraph (1), (3), or this paragraph. However, this paragraph shall not be interpreted to imply that the court is required to take the action described in this paragraph as a prerequisite to the court taking the action described in either paragraph (1) or (3).

(3) Order that the parent assume custody subject to the supervision of the juvenile court. In that case the court may order that reunification services be provided to the parent or guardian from whom the child is being removed, or the court may order that services be provided solely to the parent who is assuming physical custody in order to allow that parent to retain later custody without court supervision, or that services be provided to both parents, in which case the court shall determine, at review hearings held pursuant to Section 366, which parent, if either, shall have custody of the child.

(c) The court shall make a finding either in writing or on the record of the basis for its determination under subdivisions (a) and (b).

(d) Part 6 (commencing with Section 7950) of Division 12 of the Family Code applies to the placement of a child pursuant to paragraphs (1) and (2) of subdivision (e).

(e) When the court orders removal pursuant to Section 361, the court shall order the care, custody, control, and conduct of the child to be under the supervision of the social worker who may place the child in any of the following:

(1) The home of a noncustodial parent as described in subdivision (a), regardless of the parent's immigration status.

(2) The approved home of a relative, regardless of the relative's immigration status.

(3) The approved home of a nonrelative extended family member as defined in Section 362.7.

(4) The approved home of a resource family as defined in Section 16519.5.

(5) A foster home considering first a foster home in which the child has been placed before an interruption in foster care, if that placement is in the best interest of the child and space is available.

(6) A home or facility in accordance with the federal Indian Child Welfare Act (25 U.S.C. Sec. 1901 et seq.).

(7) A suitable licensed community care facility, except a runaway and homeless youth shelter licensed by the State Department of Social Services pursuant to Section 1502.35 of the Health and Safety Code.

(8) With a foster family agency, as defined in subdivision (g) of Section 11400 and paragraph (4) of subdivision (a) of Section 1502 of the Health and Safety Code, to be placed in a suitable family home certified or approved by the agency, with prior approval of the county placing agency.

(9) A child of any age who is placed in a community care facility licensed as a group home for children or a short-term residential therapeutic program as defined in subdivision (ad) of Section 11400 and paragraph (18) of subdivision (a) of Section 1502 of the Health and Safety Code, shall have a case plan that indicates that placement is for purposes of providing short-term, specialized, and intensive treatment for the child, the case plan specifies the need for, nature of, and anticipated duration of this treatment, pursuant to paragraph (2) of subdivision (d) of Section 16501.1, and the case plan includes transitioning the child to a less restrictive environment and the projected timeline by which the child will be transitioned to a less restrictive environment. If the placement is longer than six months, the placement shall be documented consistent with paragraph (3) of subdivision (a) of Section 16501.1 and shall be approved by the deputy director or director of the county child welfare department.

(A) A child under six years of age shall not be placed in a community care facility licensed as a group home for children, or a short-term residential therapeutic program except under the following circumstances:

(i) When the facility meets the applicable regulations adopted under Section 1530.8 of the Health and Safety Code and standards developed pursuant to Section 11467.1 of this code, and the deputy director or director of the county child welfare department has approved the case plan.

(ii) The short-term, specialized, and intensive treatment period shall not exceed 120 days, unless the county has made progress toward or is actively working toward implementing the case plan that identifies the services or supports necessary to transition the child to a family setting, circumstances beyond the county's control have prevented the county from obtaining those services or supports within the timeline documented in the case plan, and the need for

additional time pursuant to the case plan is documented by the caseworker and approved by a deputy director or director of the county child welfare department.

(iii) To the extent that placements pursuant to this paragraph are extended beyond an initial 120 days, the requirements of clauses (i) and (ii) shall apply to each extension. In addition, the deputy director or director of the county child welfare department shall approve the continued placement no less frequently than every 60 days.

(iv) In addition, when a case plan indicates that placement is for purposes of providing family reunification services, the facility shall offer family reunification services that meet the needs of the individual child and his or her family, permit parents to have reasonable access to their children 24 hours a day, encourage extensive parental involvement in meeting the daily needs of their children, and employ staff trained to provide family reunification services. In addition, one of the following conditions exists:

(I) The child's parent is also under the jurisdiction of the court and resides in the facility.

(II) The child's parent is participating in a treatment program affiliated with the facility and the child's placement in the facility facilitates the coordination and provision of reunification services.

(III) Placement in the facility is the only alternative that permits the parent to have daily 24-hour access to the child in accordance with the case plan, to participate fully in meeting all of the daily needs of the child, including feeding and personal hygiene, and to have access to necessary reunification services.

(B) A child who is 6 to 12 years of age, inclusive, may be placed in a community care facility licensed as a group home for children or a short-term residential therapeutic program under the following conditions:

(i) The short-term, specialized, and intensive treatment period shall not exceed six months, unless the county has made progress or is actively working toward implementing the case plan that identifies the services or supports necessary to transition the child to a family setting, circumstances beyond the county's control have prevented the county from obtaining those services or supports within the timeline documented in the case plan, and the need for additional time pursuant to the case plan is documented by the caseworker and approved by a deputy director or director of the county child welfare department.

(ii) To the extent that placements pursuant to this paragraph are extended beyond an initial six months, the requirements of this subparagraph shall apply to each extension. In addition, the deputy director or director of the county child welfare department shall approve the continued placement no less frequently than every 60 days.

(10) Any child placed in a short-term residential therapeutic program shall be either of the following:

(A) A child who has been assessed as meeting one of the placement requirements set forth in subdivisions (b) and (e) of Section 11462.01.

(B) A child under 6 years of age who is placed with his or her minor parent or for the purpose of reunification pursuant to clause (iv) of subparagraph (A) of paragraph (9).

(11) This subdivision shall not be construed to allow a social worker to place any dependent child outside the United States, except as specified in subdivision (f).

(f) (1) A child under the supervision of a social worker pursuant to subdivision (e) shall not be placed outside the United States prior to a judicial finding that the placement is in the best interest of the child, except as required by federal law or treaty.

(2) The party or agency requesting placement of the child outside the United States shall carry the burden of proof and shall show, by clear and convincing evidence, that placement outside the United States is in the best interest of the child.

(3) In determining the best interest of the child, the court shall consider, but not be limited to, the following factors:

(A) Placement with a relative.

(B) Placement of siblings in the same home.

(C) Amount and nature of any contact between the child and the potential guardian or caretaker.

(D) Physical and medical needs of the dependent child.

(E) Psychological and emotional needs of the dependent child.

(F) Social, cultural, and educational needs of the dependent child.

(G) Specific desires of any dependent child who is 12 years of age or older.

(4) If the court finds that a placement outside the United States is, by clear and convincing evidence, in the best interest of the child, the court may issue an order authorizing the social worker to make a placement outside the United States. A child subject to this subdivision shall not leave the United States prior to the issuance of the order described in this paragraph.

(5) For purposes of this subdivision, “outside the United States” shall not include the lands of any federally recognized American Indian tribe or Alaskan Natives.

(6) This subdivision does not apply to the placement of a dependent child with a parent pursuant to subdivision (a).

(g) (1) If the child is taken from the physical custody of the child’s parent or guardian and unless the child is placed with relatives, the child shall be placed in foster care in the county of residence of the child’s parent or guardian in order to facilitate reunification of the family.

(2) In the event that there are no appropriate placements available in the parent’s or guardian’s county of residence, a placement may be made in an appropriate place in another county, preferably a county located adjacent to the parent’s or guardian’s community of residence.

(3) This section shall not be interpreted as requiring multiple disruptions of the child’s placement corresponding to frequent changes of residence by the parent or guardian. In determining whether the child should be moved, the social worker shall take into consideration the potential harmful effects of disrupting the placement of the child and the parent’s or guardian’s reason for the move.

(4) When it has been determined that it is necessary for a child to be placed in a county other than the child’s parent’s or guardian’s county of residence, the specific reason the out-of-county placement is necessary shall be documented in the child’s case plan. If the reason the out-of-county placement is necessary is the lack of resources in the sending county to meet the specific needs of the child, those specific resource needs shall be documented in the case plan.

(5) When it has been determined that a child is to be placed out of county either in a group home or with a foster family agency for subsequent placement in a certified foster family home, and the sending county is to maintain responsibility for supervision and visitation of the child, the sending county shall develop a plan of supervision and visitation that specifies the supervision and visitation activities to be performed and specifies that the sending county is responsible for performing those activities. In addition to the plan of supervision and visitation, the sending county shall document information regarding any known or suspected dangerous behavior of the child that indicates the child may pose a safety concern in the receiving county. Upon implementation of the Child Welfare Services Case Management System, the plan of supervision and visitation, as well as information regarding any known or suspected dangerous behavior of the child, shall be made available to the receiving county upon placement of the child in the receiving county. If placement occurs on a weekend or holiday, the information shall be made available to the receiving county on or before the end of the next business day.

(6) When it has been determined that a child is to be placed out of county and the sending county plans that the receiving county shall be responsible for the supervision and visitation of the child, the sending county shall develop a formal agreement between the sending and receiving counties. The formal agreement shall specify the supervision and visitation to be provided the child, and shall specify that the receiving county is responsible for providing the supervision and visitation. The formal agreement shall be approved and signed by the sending and receiving counties prior to placement of the child in the receiving county. In addition, upon completion of the case plan, the sending county shall provide a copy of the completed case plan to the receiving county. The case plan shall include information regarding any known or suspected dangerous behavior of the child that indicates the child may pose a safety concern to the receiving county.

(h) Whenever the social worker must change the placement of the child and is unable to find a suitable placement within the county and must place the child outside the county, the placement shall not be made until he or she has served written notice on the parent or guardian, the child’s attorney, and, if the child is 10 years of age or older, on the child, at least 14 days prior to the placement, unless the child’s health or well-being is endangered by delaying the action or would be endangered if prior notice were given. The notice shall state the reasons that require placement outside the county. The child or parent or guardian may object to the placement not later than seven days after receipt of the notice and, upon objection, the court shall hold a hearing not later than five days after the objection and prior to the placement. The court shall order out-of-county placement if it finds that the child’s particular needs require placement outside the county.

(i) If the court has ordered removal of the child from the physical custody of his or her parents pursuant to Section 361, the court shall consider whether the family ties and best interest of the child will be served by granting visitation rights to the child’s grandparents. The court shall clearly specify those rights to the social worker.

(j) If the court has ordered removal of the child from the physical custody of his or her parents pursuant to Section 361, the court shall consider whether there are any siblings under the court's jurisdiction, or any nondependent siblings in the physical custody of a parent subject to the court's jurisdiction, the nature of the relationship between the child and his or her siblings, the appropriateness of developing or maintaining the sibling relationships pursuant to Section 16002, and the impact of the sibling relationships on the child's placement and planning for legal permanence.

(k) (1) An agency shall ensure placement of a child in a home that, to the fullest extent possible, best meets the day-to-day needs of the child. A home that best meets the day-to-day needs of the child shall satisfy all of the following criteria:

(A) The child's caregiver is able to meet the day-to-day health, safety, and well-being needs of the child.

(B) The child's caregiver is permitted to maintain the least restrictive family setting that promotes normal childhood experiences and that serves the day-to-day needs of the child.

(C) The child is permitted to engage in reasonable, age-appropriate day-to-day activities that promote normal childhood experiences for the foster child.

(2) The foster child's caregiver shall use a reasonable and prudent parent standard, as defined in paragraph (2) of subdivision (a) of Section 362.04, to determine day-to-day activities that are age appropriate to meet the needs of the child. This section shall not be construed to permit a child's caregiver to permit the child to engage in day-to-day activities that carry an unreasonable risk of harm, or subject the child to abuse or neglect.

SEC. 265. Section 366.3 of the Welfare and Institutions Code is amended to read:

366.3. (a) If a juvenile court orders a permanent plan of adoption, tribal customary adoption, adoption of a nonminor dependent pursuant to subdivision (f) of Section 366.31, or legal guardianship pursuant to Section 360 or 366.26, the court shall retain jurisdiction over the child or nonminor dependent until the child or nonminor dependent is adopted or the legal guardianship is established, except as provided for in Section 366.29 or, on and after January 1, 2012, Section 366.32. The status of the child or nonminor dependent shall be reviewed every six months to ensure that the adoption or legal guardianship is completed as expeditiously as possible. When the adoption of the child or nonminor dependent has been granted, or in the case of a tribal customary adoption, when the tribal customary adoption order has been afforded full faith and credit and the petition for adoption has been granted, the court shall terminate its jurisdiction over the child or nonminor dependent. Following establishment of a legal guardianship, the court may continue jurisdiction over the child as a dependent child of the juvenile court or may terminate its dependency jurisdiction and retain jurisdiction over the child as a ward of the legal guardianship, as authorized by Section 366.4. If, however, a relative of the child is appointed the legal guardian of the child and the child has been placed with the relative for at least six months, the court shall, except if the relative guardian objects, or upon a finding of exceptional circumstances, terminate its dependency jurisdiction and retain jurisdiction over the child as a ward of the guardianship, as authorized by Section 366.4. Following a termination of parental rights, the parent or parents shall not be a party to, or receive notice of, any subsequent proceedings regarding the child.

(b) (1) If the court has dismissed dependency jurisdiction following the establishment of a legal guardianship, or no dependency jurisdiction attached because of the granting of a legal guardianship pursuant to Section 360, and the legal guardianship is subsequently revoked or otherwise terminated, the county department of social services or welfare department shall notify the juvenile court of this fact. The court may vacate its previous order dismissing dependency jurisdiction over the child.

(2) Notwithstanding Section 1601 of the Probate Code, the proceedings to terminate a legal guardianship that has been granted pursuant to Section 360 or 366.26 shall be held in either the juvenile court that retains jurisdiction over the guardianship as authorized by Section 366.4 or the juvenile court in the county where the guardian and child currently reside, based on the best interests of the child, unless the termination is due to the emancipation or adoption of the child. The juvenile court having jurisdiction over the guardianship shall receive notice from the court in which the petition is filed within five calendar days of the filing. Before the hearing on a petition to terminate legal guardianship pursuant to this subdivision, the court shall order the county department of social services or welfare department having jurisdiction or jointly with the county department where the guardian and child currently reside to prepare a report, for the court's consideration, that shall include an evaluation of whether the child could safely remain in, or be returned to, the legal guardian's home, without terminating the legal guardianship, if services were provided to the child or legal guardian. If applicable, the report shall also identify recommended family maintenance or reunification services to maintain the legal guardianship and set forth a plan for providing those services. If the petition to terminate legal guardianship is granted, either juvenile court may resume dependency jurisdiction over the child, and may order the county department of social services or welfare department to develop a new permanent plan, which shall be presented to the court within 60 days of the termination. If no dependency jurisdiction has attached, the social worker shall make any investigation he or she deems necessary to determine whether the child may be within the jurisdiction of the juvenile court, as provided in Section 328.

(3) Unless the parental rights of the child's parent or parents have been terminated, they shall be notified that the legal guardianship has been revoked or terminated and shall be entitled to participate in the new permanency planning hearing. The court shall try to place the child in another permanent placement. At the hearing, the parents may be considered as custodians but the child shall not be returned to the parent or parents unless they prove, by a preponderance of the evidence, that reunification is the best alternative for the child. The court may, if it is in the best interests of the child, order that reunification services again be provided to the parent or parents.

(c) If, following the establishment of a legal guardianship, the county welfare department becomes aware of changed circumstances that indicate adoption or, for an Indian child, tribal customary adoption, may be an appropriate plan for the child, the department shall so notify the court. The court may vacate its previous order dismissing dependency jurisdiction over the child and order that a hearing be held pursuant to Section 366.26 to determine whether adoption or continued legal guardianship is the most appropriate plan for the child. The hearing shall be held no later than 120 days from the date of the order. If the court orders that a hearing shall be held pursuant to Section 366.26, the court shall direct the agency supervising the child and the county adoption agency, or the State Department of Social Services if it is acting as an adoption agency, to prepare an assessment under subdivision (c) of Section 366.22.

(d) If the child or, on and after January 1, 2012, nonminor dependent is in a placement other than the home of a legal guardian and jurisdiction has not been dismissed, the status of the child shall be reviewed at least every six months. The review of the status of a child for whom the court has ordered parental rights terminated and who has been ordered placed for adoption shall be conducted by the court. The review of the status of a child or, on and after January 1, 2012, nonminor dependent for whom the court has not ordered parental rights terminated and who has not been ordered placed for adoption may be conducted by the court or an appropriate local agency. The court shall conduct the review under the following circumstances:

(1) Upon the request of the child's parents or legal guardians.

(2) Upon the request of the child or, on and after January 1, 2012, nonminor dependent.

(3) It has been 12 months since a hearing held pursuant to Section 366.26 or an order that the child remain in foster care pursuant to Section 366.21, 366.22, 366.25, 366.26, or subdivision (h).

(4) It has been 12 months since a review was conducted by the court.

The court shall determine whether or not reasonable efforts to make and finalize a permanent placement for the child have been made.

(e) Except as provided in subdivision (g), at the review held every six months pursuant to subdivision (d), the reviewing body shall inquire about the progress being made to provide a permanent home for the child, shall consider the safety of the child, and shall determine all of the following:

(1) The continuing necessity for, and appropriateness of, the placement.

(2) Identification of individuals other than the child's siblings who are important to a child who is 10 years of age or older and has been in out-of-home placement for six months or longer, and actions necessary to maintain the child's relationship with those individuals, provided that those relationships are in the best interest of the child. The social worker shall ask every child who is 10 years of age or older and who has been in out-of-home placement for six months or longer to identify individuals other than the child's siblings who are important to the child, and may ask any other child to provide that information, as appropriate. The social worker shall make efforts to identify other individuals who are important to the child, consistent with the child's best interests.

(3) The continuing appropriateness and extent of compliance with the permanent plan for the child, including efforts to maintain relationships between a child who is 10 years of age or older and who has been in out-of-home placement for six months or longer and individuals who are important to the child and efforts to identify a prospective adoptive parent or legal guardian, including, but not limited to, child-specific recruitment efforts and listing on an adoption exchange.

(4) The extent of the agency's compliance with the child welfare services case plan in making reasonable efforts either to return the child to the safe home of the parent or to complete whatever steps are necessary to finalize the permanent placement of the child. If the reviewing body determines that a second period of reunification services is in the child's best interests, and that there is a significant likelihood of the child's return to a safe home due to changed circumstances of the parent, pursuant to subdivision (f), the specific reunification services required to effect the child's return to a safe home shall be described.

(5) Whether there should be any limitation on the right of the parent or guardian to make educational decisions or developmental services decisions for the child. That limitation shall be specifically addressed in the court order and may not exceed what is necessary to protect the child. If the court specifically limits the right of the parent or guardian to make

educational decisions or developmental services decisions for the child, the court shall at the same time appoint a responsible adult to make educational decisions or developmental services decisions for the child pursuant to Section 361.

(6) The adequacy of services provided to the child. The court shall consider the progress in providing the information and documents to the child, as described in Section 391. The court shall also consider the need for, and progress in providing, the assistance and services described in Section 391.

(7) The extent of progress the parents or legal guardians have made toward alleviating or mitigating the causes necessitating placement in foster care.

(8) The likely date by which the child may be returned to, and safely maintained in, the home, placed for adoption, legal guardianship, placed with a fit and willing relative, or, for an Indian child, in consultation with the child's tribe, placed for tribal customary adoption, or, if the child is 16 years of age or older, and no other permanent plan is appropriate at the time of the hearing, in another planned permanent living arrangement.

(9) Whether the child has any siblings under the court's jurisdiction, and, if any siblings exist, all of the following:

(A) The nature of the relationship between the child and his or her siblings.

(B) The appropriateness of developing or maintaining the sibling relationships pursuant to Section 16002. At the first review conducted for a child for whom the court has ordered parental rights terminated and who has been ordered placed for adoption, the court shall inquire into the status of the development of a voluntary postadoption sibling contact agreement pursuant to subdivision (e) of Section 16002.

(C) If the siblings are not placed together in the same home, why the siblings are not placed together and what efforts are being made to place the siblings together, or why those efforts are not appropriate.

(D) If the siblings are not placed together, all of the following:

(i) The frequency and nature of the visits between the siblings.

(ii) If there are visits between the siblings, whether the visits are supervised or unsupervised. If the visits are supervised, a discussion of the reasons why the visits are supervised, and what needs to be accomplished in order for the visits to be unsupervised.

(iii) If there are visits between the siblings, a description of the location and length of the visits.

(iv) Any plan to increase visitation between the siblings.

(E) The impact of the sibling relationships on the child's placement and planning for legal permanence.

The factors the court may consider as indicators of the nature of the child's sibling relationships include, but are not limited to, whether the siblings were raised together in the same home, whether the siblings have shared significant common experiences or have existing close and strong bonds, whether either sibling expresses a desire to visit or live with his or her sibling, as applicable, and whether ongoing contact is in the child's best emotional interests.

(10) For a child who is 14 years of age or older, and, effective January 1, 2012, for a nonminor dependent, the services needed to assist the child or nonminor dependent to make the transition from foster care to successful adulthood.

The reviewing body shall determine whether or not reasonable efforts to make and finalize a permanent placement for the child have been made.

Each licensed foster family agency shall submit reports for each child in its care, custody, and control to the court concerning the continuing appropriateness and extent of compliance with the child's permanent plan, the extent of compliance with the case plan, and the type and adequacy of services provided to the child.

(f) Unless their parental rights have been permanently terminated, the parent or parents of the child are entitled to receive notice of, and participate in, those hearings. It shall be presumed that continued care is in the best interests of the child, unless the parent or parents prove, by a preponderance of the evidence, that further efforts at reunification are the best alternative for the child. In those cases, the court may order that further reunification services to return the child to a safe home environment be provided to the parent or parents up to a period of six months, and family maintenance services, as needed for an additional six months in order to return the child to a safe home environment. On and after January 1, 2012, this subdivision shall not apply to the parents of a nonminor dependent.

(g) At the review conducted by the court and held at least every six months, regarding a child for whom the court has ordered parental rights terminated and who has been ordered placed for adoption, or, for an Indian child for whom parental rights are not being terminated and a tribal customary adoption is being considered, the county welfare department shall prepare and present to the court a report describing the following:

(1) The child's present placement.

(2) The child's current physical, mental, emotional, and educational status.

(3) If the child has not been placed with a prospective adoptive parent or guardian, identification of individuals, other than the child's siblings, who are important to the child and actions necessary to maintain the child's relationship with those individuals, provided that those relationships are in the best interest of the child. The agency shall ask every child who is 10 years of age or older to identify any individuals who are important to him or her, consistent with the child's best interest, and may ask any child who is younger than 10 years of age to provide that information as appropriate. The agency shall make efforts to identify other individuals who are important to the child.

(4) Whether the child has been placed with a prospective adoptive parent or parents.

(5) Whether an adoptive placement agreement has been signed and filed.

(6) If the child has not been placed with a prospective adoptive parent or parents, the efforts made to identify an appropriate prospective adoptive parent or legal guardian, including, but not limited to, child-specific recruitment efforts and listing on an adoption exchange.

(7) Whether the final adoption order should include provisions for postadoptive sibling contact pursuant to Section 366.29.

(8) The progress of the search for an adoptive placement if one has not been identified.

(9) Any impediments to the adoption or the adoptive placement.

(10) The anticipated date by which the child will be adopted or placed in an adoptive home.

(11) The anticipated date by which an adoptive placement agreement will be signed.

(12) Recommendations for court orders that will assist in the placement of the child for adoption or in the finalization of the adoption.

The court shall determine whether or not reasonable efforts to make and finalize a permanent placement for the child have been made.

The court shall make appropriate orders to protect the stability of the child and to facilitate and expedite the permanent placement and adoption of the child.

(h) (1) At the review held pursuant to subdivision (d) for a child in foster care, the court shall consider all permanency planning options for the child including whether the child should be returned to the home of the parent, placed for adoption, or, for an Indian child, in consultation with the child's tribe, placed for tribal customary adoption, or appointed a legal guardian, placed with a fit and willing relative, or, if compelling reasons exist for finding that none of the foregoing options are in the best interest of the child and the child is 16 years of age or older, whether the child should be placed in another planned permanent living arrangement. The court shall order that a hearing be held pursuant to Section 366.26, unless it determines by clear and convincing evidence that there is a compelling reason for determining that a hearing held pursuant to Section 366.26 is not in the best interest of the child because the child is being returned to the home of the parent, the child is not a proper subject for adoption, or no one is willing to accept legal guardianship as of the hearing date. If the county adoption agency, or the department when it is acting as an adoption agency, has determined it is unlikely that the child will be adopted or one of the conditions described in paragraph (1) of subdivision (c) of Section 366.26 applies, that fact shall constitute a compelling reason for purposes of this subdivision. Only upon that determination may the court order that the child remain in foster care, without holding a hearing pursuant to Section 366.26. The court shall make factual findings identifying any barriers to achieving the permanent plan as of the hearing date. On and after January 1, 2012, the nonminor dependent's legal status as an adult is in and of itself a compelling reason not to hold a hearing pursuant to Section 366.26.

(2) When the child is 16 years of age or older and in another planned permanent living arrangement, the court shall do all of the following:

(A) Ask the child about his or her desired permanency outcome.

(B) Make a judicial determination explaining why, as of the hearing date, another planned permanent living arrangement is the best permanency plan for the child.

(C) State for the record the compelling reason or reasons why it continues not to be in the best interest of the child to return home, be placed for adoption, be placed for tribal customary adoption in the case of an Indian child, be placed with a legal guardian, or be placed with a fit and willing relative.

(3) When the child is 16 years of age or older and is in another planned permanent living arrangement, the social study prepared for the hearing shall include a description of all of the following:

(A) The intensive and ongoing efforts to return the child to the home of the parent, place the child for adoption, or establish a legal guardianship, as appropriate.

(B) The steps taken to do both of the following:

(i) Ensure that the child's care provider is following the reasonable and prudent parent standard.

(ii) Determine whether the child has regular, ongoing opportunities to engage in age or developmentally appropriate activities, including consulting with the child about opportunities for the child to participate in those activities.

(4) When the child is under 16 years of age and has a permanent plan of return home, adoption, legal guardianship, or placement with a fit and willing relative, any barriers to achieving the permanent plan and the efforts made by the agency to address those barriers.

(i) If, as authorized by subdivision (h), the court orders a hearing pursuant to Section 366.26, the court shall direct the agency supervising the child and the county adoption agency, or the State Department of Social Services when it is acting as an adoption agency, to prepare an assessment as provided for in subdivision (i) of Section 366.21 or subdivision (c) of Section 366.22. A hearing held pursuant to Section 366.26 shall be held no later than 120 days from the date of the 12-month review at which it is ordered, and at that hearing the court shall determine whether adoption, tribal customary adoption, legal guardianship, placement with a fit and willing relative, or, for a child 16 years of age or older, another planned permanent living arrangement is the most appropriate plan for the child. On and after January 1, 2012, a hearing pursuant to Section 366.26 shall not be ordered if the child is a nonminor dependent, unless the nonminor dependent is an Indian child and tribal customary adoption is recommended as the permanent plan. The court may order that a nonminor dependent who otherwise is eligible pursuant to Section 11403 remain in a planned, permanent living arrangement. At the request of the nonminor dependent who has an established relationship with an adult determined to be the nonminor dependent's permanent connection, the court may order adoption of the nonminor dependent pursuant to subdivision (f) of Section 366.31.

(j) The reviews conducted pursuant to subdivision (a) or (d) may be conducted earlier than every six months if the court determines that an earlier review is in the best interests of the child or as court rules prescribe.

SEC. 266. Section 727 of the Welfare and Institutions Code is amended to read:

727. (a) (1) If a minor or nonminor is adjudged a ward of the court on the ground that he or she is a person described by Section 601 or 602, the court may make any reasonable orders for the care, supervision, custody, conduct, maintenance, and support of the minor or nonminor, including medical treatment, subject to further order of the court.

(2) In the discretion of the court, a ward may be ordered to be on probation without supervision of the probation officer. The court, in so ordering, may impose on the ward any and all reasonable conditions of behavior as may be appropriate under this disposition. A minor or nonminor who has been adjudged a ward of the court on the basis of the commission of any of the offenses described in subdivision (b) of Section 707, Section 459 of the Penal Code, or subdivision (a) of Section 11350 of the Health and Safety Code, shall not be eligible for probation without supervision of the probation officer. A minor or nonminor who has been adjudged a ward of the court on the basis of the commission of any offense involving the sale or possession for sale of a controlled substance, except misdemeanor offenses involving marijuana, as specified in Chapter 6 (commencing with Section 11350) of Division 10 of the Health and Safety Code, or of an offense in violation of Section 32625 of the Penal Code, shall be eligible for probation without supervision of the probation officer only when the court determines that the interests of justice would best be served and states reasons on the record for that determination.

(3) In all other cases, the court shall order the care, custody, and control of the minor or nonminor to be under the supervision of the probation officer.

(4) It is the responsibility of the probation agency, pursuant to Section 672(a)(2)(B) of Title 42 of the United States Code, to determine the appropriate placement for the ward once the court issues a placement order. In determining the appropriate placement for the ward, the probation officer shall consider any recommendations of the child and family. The probation agency may place the minor or nonminor in any of the following:

(A) The approved home of a relative or the approved home of a nonrelative, extended family member, as defined in Section 362.7. If a decision has been made to place the minor in the home of a relative, the court may authorize the relative to give legal consent for the minor's medical, surgical, and dental care and education as if the relative caregiver were the custodial parent of the minor.

(B) A foster home, the approved home of a resource family as defined in Section 16519.5, or a home or facility in accordance with the federal Indian Child Welfare Act (25 U.S.C. Sec. 1901 et seq.).

(C) A suitable licensed community care facility, as identified by the probation officer, except a runaway and homeless youth shelter licensed by the State Department of Social Services pursuant to Section 1502.35 of the Health and Safety Code.

(D) A foster family agency, as defined in subdivision (g) of Section 11400 and paragraph (4) of subdivision (a) of Section 1502 of the Health and Safety Code, in a suitable certified family home or with a resource family.

(E) Commencing January 1, 2017, a minor or nonminor dependent may be placed in a short-term residential therapeutic program as defined in subdivision (ad) of Section 11400 and paragraph (18) of subdivision (a) of Section 1502 of the Health and Safety Code. The placing agency shall also comply with requirements set forth in paragraph (9) of subdivision (e) of Section 361.2, which includes, but is not limited to, authorization, limitation on length of stay, extensions, and additional requirements related to minors. For youth 13 years of age and older, the chief probation officer of the county probation department, or his or her designee, shall approve the placement if it is longer than 12 months, and no less frequently than every 12 months thereafter.

(F) (i) Every minor adjudged a ward of the juvenile court shall be entitled to participate in age-appropriate extracurricular, enrichment, and social activities. A state or local regulation or policy shall not prevent, or create barriers to, participation in those activities. Each state and local entity shall ensure that private agencies that provide foster care services to wards have policies consistent with this section and that those agencies promote and protect the ability of wards to participate in age-appropriate extracurricular, enrichment, and social activities. A group home administrator, a facility manager, or his or her responsible designee, and a caregiver, as defined in paragraph (1) of subdivision (a) of Section 362.04, shall use a reasonable and prudent parent standard, as defined in paragraph (2) of subdivision (a) of Section 362.04, in determining whether to give permission for a minor residing in foster care to participate in extracurricular, enrichment, and social activities. A group home administrator, a facility manager, or his or her responsible designee, and a caregiver shall take reasonable steps to determine the appropriateness of the activity taking into consideration the minor's age, maturity, and developmental level.

(ii) A group home administrator or a facility manager, or his or her responsible designee, is encouraged to consult with social work or treatment staff members who are most familiar with the minor at the group home in applying and using the reasonable and prudent parent standard.

(G) For nonminors, an approved supervised independent living setting as defined in Section 11400, including a residential housing unit certified by a licensed transitional housing placement provider.

(5) The minor or nonminor shall be released from juvenile detention upon an order being entered under paragraph (3), unless the court determines that a delay in the release from detention is reasonable pursuant to Section 737.

(b) (1) To facilitate coordination and cooperation among agencies, the court may, at any time after a petition has been filed, after giving notice and an opportunity to be heard, join in the juvenile court proceedings any agency that the court determines has failed to meet a legal obligation to provide services to a minor, for whom a petition has been filed under Section 601 or 602, to a nonminor, as described in Section 303, or to a nonminor dependent, as defined in subdivision (v) of Section 11400. In any proceeding in which an agency is joined, the court shall not impose duties upon the agency beyond those mandated by law. The purpose of joinder under this section is to ensure the delivery and coordination of legally mandated services to the minor. The joinder shall not be maintained for any other purpose. This section does not prohibit agencies that have received notice of the hearing on joinder from meeting before the hearing to coordinate services.

(2) The court has no authority to order services unless it has been determined through the administrative process of an agency that has been joined as a party, that the minor, nonminor, or nonminor dependent is eligible for those services. With respect to mental health assessment, treatment, and case management services pursuant to an individualized education program developed pursuant to Article 2 (commencing with Section 56320) of Chapter 4 of Part 30 of Division 4 of Title 2 of the Education Code, the court's determination shall be limited to whether the agency has complied with that chapter.

(3) For the purposes of this subdivision, "agency" means any governmental agency or any private service provider or individual that receives federal, state, or local governmental funding or reimbursement for providing services directly to a child, nonminor, or nonminor dependent.

(c) If a minor has been adjudged a ward of the court on the ground that he or she is a person described in Section 601 or 602, and the court finds that notice has been given in accordance with Section 661, and if the court orders that a parent or guardian shall retain custody of that minor either subject to or without the supervision of the probation officer, the parent or guardian may be required to participate with that minor in a counseling or education program, including, but not limited to, parent education and parenting programs operated by community colleges, school districts, or other appropriate agencies designated by the court.

(d) The juvenile court may direct any reasonable orders to the parents and guardians of the minor who is the subject of any proceedings under this chapter as the court deems necessary and proper to carry out subdivisions (a), (b), and (c), including orders to appear before a county financial evaluation officer, to ensure the minor's regular school attendance, and to make reasonable efforts to obtain appropriate educational services necessary to meet the needs of the minor.

If counseling or other treatment services are ordered for the minor, the parent, guardian, or foster parent shall be ordered to participate in those services, unless participation by the parent, guardian, or foster parent is deemed by the court to be inappropriate or potentially detrimental to the minor.

(e) The court may, after receipt of relevant testimony and other evidence from the parties, affirm or reject the placement determination. If the court rejects the placement determination, the court may instruct the probation department to determine an alternative placement for the ward, or the court may modify the placement order to an alternative placement recommended by a party to the case after the court has received the probation department's assessment of that recommendation and other relevant evidence from the parties.

SEC. 267. Section 727.1 of the Welfare and Institutions Code is amended to read:

727.1. (a) If the court orders the care, custody, and control of the minor to be under the supervision of the probation officer for foster care placement pursuant to subdivision (a) of Section 727, the decision regarding choice of placement, pursuant to Section 706.6, shall be based upon selection of a safe setting that is the least restrictive or most familylike, and the most appropriate setting that meets the individual needs of the minor and is available, in proximity to the parent's home, consistent with the selection of the environment best suited to meet the minor's special needs and best interests. The selection shall consider, in order of priority, placement with relatives, tribal members, and foster family, group care, and residential treatment pursuant to Section 7950 of the Family Code.

(b) Unless otherwise authorized by law, the court shall not order the placement of a minor who is adjudged a ward of the court on the basis that he or she is a person described by either Section 601 or 602 in a private residential facility or program that provides 24-hour supervision, outside of the state, unless the court finds, in its order of placement, that all of the following conditions are met:

(1) In-state facilities or programs have been determined to be unavailable or inadequate to meet the needs of the minor.

(2) The State Department of Social Services or its designee has performed initial and continuing inspection of the out-of-state residential facility or program and has either certified that the facility or program meets the greater of all licensure standards required of group homes or of short-term residential therapeutic programs operated in California, or that the department has granted a waiver to a specific licensing standard upon a finding that there exists no adverse impact to health and safety, pursuant to subdivision (c) of Section 7911.1 of the Family Code.

(3) The requirements of Section 7911.1 of the Family Code are met.

(c) If, upon inspection, the probation officer of the county in which the minor is adjudged a ward of the court determines that the out-of-state facility or program is not in compliance with the standards required under paragraph (2) of subdivision (b) or has an adverse impact on the health and safety of the minor, the probation officer may temporarily remove the minor from the facility or program. The probation officer shall promptly inform the court of the minor's removal, and shall return the minor to the court for a hearing to review the suitability of continued out-of-state placement. The probation officer shall, within one business day of removing the minor, notify the State Department of Social Services' Compact Administrator, and, within five working days, submit a written report of the findings and actions taken.

(d) The court shall review each of these placements for compliance with the requirements of subdivision (b) at least once every six months.

(e) The county shall not be entitled to receive or expend any public funds for the placement of a minor in an out-of-state group home or short-term residential therapeutic program, unless the conditions of subdivisions (b) and (d) are met.

SEC. 268. Section 4096.5 of the Welfare and Institutions Code is amended to read:

4096.5. (a) This section governs standards for the mental health program approval for short-term residential therapeutic programs, which is required under subdivision (c) of Section 1562.01 of the Health and Safety Code.

(b) All short-term residential therapeutic programs that serve children who have either been assessed as meeting the medical necessity criteria for Medi-Cal specialty mental health services, as provided for in Section 1830.205 or 1830.210 of Title 9 of the California Code of Regulations, or who have been assessed as seriously emotionally disturbed, as defined in subdivision (a) of Section 5600.3, shall obtain and have in good standing a mental health program approval that includes a Medi-Cal mental health certification, as described in Section 11462.01, issued by the State Department of Health Care Services or a county mental health plan to which the department has delegated approval authority. This approval is a condition for receiving an Aid to Families with Dependent Children-Foster Care rate pursuant to Section 11462.01.

(c) (1) A short-term residential therapeutic program shall not directly provide specialty mental health services without a current mental health program approval. A licensed short-term residential therapeutic program that has not obtained a program approval shall provide children in its care access to appropriate mental health services.

(2) County mental health plans shall ensure that Medi-Cal specialty mental health services, including, but not limited to, services under the Early and Periodic Screening, Diagnosis, and Treatment benefit, are provided to all Medi-Cal beneficiaries served by short-term residential therapeutic programs who meet medical necessity criteria, as provided for in Section 1830.205 or 1830.210 of Title 9 of the California Code of Regulations.

(d) (1) The State Department of Health Care Services or a county mental health plan to which the department has delegated mental health program approval authority shall approve or deny mental health program approval requests within 45 days of receiving a request. The State Department of Health Care Services or a county mental health plan to which the department has delegated mental health program approval authority shall issue each mental health program approval for a period of one year, except for approvals granted pursuant to paragraph (2) and provisional approvals granted pursuant to regulations promulgated under subdivision (f), and shall specify the effective date of the approval. Approved entities shall meet all program standards to be reapproved.

(2) (A) Between January 1, 2017, and December 31, 2017, the State Department of Health Care Services, or a county mental health plan to which the department has delegated mental health program approval authority, shall approve or deny a mental health program approval request within 90 days of receipt.

(B) Between January 1, 2017, and December 31, 2017, the State Department of Health Care Services, or a county mental health plan to which the department has delegated mental health program approval authority, may issue a mental health program approval for a period of less than one year.

(e) (1) The State Department of Health Care Services and the county mental health plans to which the department has delegated mental health program approval authority may enforce the mental health program approval standards by taking any of the following actions against a noncompliant short-term residential therapeutic program:

(A) Suspend or revoke a mental health program approval.

(B) Impose monetary penalties.

(C) Place a mental health program on probation.

(D) Require a mental health program to prepare and comply with a corrective action plan.

(2) The State Department of Health Care Services and the county mental health plans to which the department has delegated mental health program approval authority shall provide short-term residential therapeutic programs with due process protections when taking any of the actions described in paragraph (1).

(f) The State Department of Health Care Services, in consultation with the State Department of Social Services, shall promulgate regulations regarding program standards, oversight, enforcement, issuance of mental health program approvals, including provisional approvals that are effective for a period of less than one year, and due process protections related to the mental health program approval process for short-term residential therapeutic programs.

(g) (1) Except for mental health program approval of short-term residential therapeutic programs operated by a county, the State Department of Health Care Services may, upon the request of a county, delegate to that county mental health plan the mental health program approval of short-term residential therapeutic programs within its borders.

(2) Any county to which mental health program approval is delegated pursuant to paragraph (1) shall be responsible for the oversight and enforcement of program standards and the provision of due process for approved and denied entities.

(h) The State Department of Health Care Services or a county mental health plan to which the department has delegated mental health program approval authority shall notify the State Department of Social Services immediately upon the termination of any mental health program approval issued in accordance with subdivisions (b) and (d).

(i) The State Department of Social Services shall notify the State Department of Health Care Services and, if applicable, a county to which the State Department of Health Care Services has delegated mental health program approval authority, immediately upon the revocation of any license issued pursuant to Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code.

(j) Revocation of a license or a mental health program approval is a basis for rate termination.

SEC. 269. Section 4652.5 of the Welfare and Institutions Code, as added by Section 2 of Chapter 429 of the Statutes of 2016, is amended to read:

4652.5. (a) (1) An entity that receives payments from one or more regional centers shall contract with an independent accounting firm to obtain an independent audit or independent review report of its financial statements relating to payments made by regional centers, subject to both of the following:

(A) If the amount received from the regional center or regional centers during each state fiscal year is more than or equal to five hundred thousand dollars ($500,000), but less than two million dollars ($2,000,000), the entity shall obtain an independent review report of its financial statements for the entity's fiscal year that includes the last day of the most recent state fiscal year. Consistent with Subchapter 21 (commencing with Section 58800) of Chapter 3 of Division 2 of Title 17 of the California Code of Regulations, this subdivision shall also apply to work activity program providers receiving less than five hundred thousand dollars ($500,000).

(B) If the amount received from the regional center or regional centers during each state fiscal year is equal to or more than two million dollars ($2,000,000), the entity shall obtain an independent audit of its financial statements for the entity's fiscal year that includes the last day of the most recent state fiscal year.

(2) This requirement does not apply to payments made using usual and customary rates, as defined by Title 17 of the California Code of Regulations, for services provided by regional centers.

(3) This requirement does not apply to state and local governmental agencies, the University of California, or the California State University.

(b) An entity subject to subdivision (a) shall provide copies of the independent audit or independent review report required by subdivision (a), and accompanying management letters, to the vendoring regional center within nine months of the end of the entity's fiscal year.

(c) Regional centers that receive the audit or review reports required by subdivision (b) shall review and require resolution by the entity for issues identified in the report that have an impact on regional center services. Regional centers shall take appropriate action, up to termination of vendorization, for lack of adequate resolution of issues.

(d) (1) Regional centers shall notify the department of all qualified opinion reports or reports noting significant issues that directly or indirectly impact regional center services within 30 days after receipt. Notification shall include a plan for resolution of issues.

(2) A regional center shall submit copies of all independent audit reports that it receives to the department for review. The department shall compile data, by regional center, on vendor compliance with audit requirements and opinions resulting from audit reports and shall annually publish the data in the performance dashboard developed pursuant to Section 4572.

(e) For purposes of this section, an independent review of financial statements shall be performed by an independent accounting firm and shall cover, at a minimum, all of the following:

(1) An inquiry as to the entity's accounting principles and practices and methods used in applying them.

(2) An inquiry as to the entity's procedures for recording, classifying, and summarizing transactions and accumulating information.

(3) Analytical procedures designed to identify relationships or items that appear to be unusual.

(4) An inquiry about budgetary actions taken at meetings of the board of directors or other comparable meetings.

(5) An inquiry about whether the financial statements have been properly prepared in conformity with generally accepted accounting principles and whether any events subsequent to the date of the financial statements would have a material effect on the statements under review.

(6) Working papers prepared in connection with a review of financial statements describing the items covered as well as any unusual items, including their disposition.

(f) For purposes of this section, an independent review report shall cover, at a minimum, all of the following:

(1) Certification that the review was performed in accordance with standards established by the American Institute of Certified Public Accountants.

(2) Certification that the statements are the representations of management.

(3) Certification that the review consisted of inquiries and analytical procedures that are lesser in scope than those of an audit.

(4) Certification that the accountant is not aware of any material modifications that need to be made to the statements for them to be in conformity with generally accepted accounting principles.

(g) The department shall not consider a request for adjustments to rates submitted in accordance with Title 17 of the California Code of Regulations by an entity receiving payments from one or more regional centers solely to fund either anticipated or unanticipated changes required to comply with this section.

(h) (1) An entity required to obtain an independent review report of its financial statements pursuant to subparagraph (A) of paragraph (1) of subdivision (a) may apply to the regional center for, and the regional center shall grant, a two-year exemption from the independent review report requirement if the regional center does not find issues in the prior year's independent review report that have an impact on regional center services.

(2) An entity required to obtain an independent audit of its financial statements pursuant to subparagraph (B) of paragraph (1) of subdivision (a) may apply to the regional center for an exemption from the independent audit requirement, subject to both of the following conditions:

(A) If the independent audit for the prior year resulted in an unmodified opinion or an unmodified opinion with additional communication, the regional center shall grant the entity a two-year exemption.

(B) If the independent audit for the prior year resulted in a qualified opinion and the issues are not material, the regional center shall grant the entity a two-year exemption. The entity and the regional center shall continue to address issues raised in this independent audit, regardless of whether the exemption is granted.

(3) A regional center shall annually report to the department any exemptions granted pursuant to this subdivision.

(i) This section shall become operative on January 1, 2018.

SEC. 270. Section 5848.5 of the Welfare and Institutions Code is amended to read:

5848.5. (a) The Legislature finds and declares all of the following:

(1) California has realigned public community mental health services to counties and it is imperative that sufficient community-based resources be available to meet the mental health needs of eligible individuals.

(2) Increasing access to effective outpatient and crisis stabilization services provides an opportunity to reduce costs associated with expensive inpatient and emergency room care and to better meet the needs of individuals with mental health disorders in the least restrictive manner possible.

(3) Almost one-fifth of people with mental health disorders visit a hospital emergency room at least once per year. If an adequate array of crisis services is not available, it leaves an individual with little choice but to access an emergency room for assistance and, potentially, an unnecessary inpatient hospitalization.

(4) Recent reports have called attention to a continuing problem of inappropriate and unnecessary utilization of hospital emergency rooms in California due to limited community-based services for individuals in psychological distress and acute psychiatric crisis. Hospitals report that 70 percent of people taken to emergency rooms for psychiatric evaluation can be stabilized and transferred to a less intensive level of crisis care. Law enforcement personnel report that their personnel need to stay with people in the emergency room waiting area until a placement is found, and that less intensive levels of care tend not to be available.

(5) Comprehensive public and private partnerships at both local and regional levels, including across physical health services, mental health, substance use disorder, law enforcement, social services, and related supports, are necessary to develop and maintain high quality, patient-centered, and cost-effective care for individuals with mental health disorders that facilitates their recovery and leads towards wellness.

(6) The recovery of individuals with mental health disorders is important for all levels of government, business, and the local community.

(b) This section shall be known, and may be cited, as the Investment in Mental Health Wellness Act of 2013. The objectives of this section are to do all of the following:

(1) Expand access to early intervention and treatment services to improve the client experience, achieve recovery and wellness, and reduce costs.

(2) Expand the continuum of services to address crisis intervention, crisis stabilization, and crisis residential treatment needs that are wellness, resiliency, and recovery oriented.

(3) Add at least 25 mobile crisis support teams and at least 2,000 crisis stabilization and crisis residential treatment beds to bolster capacity at the local level to improve access to mental health crisis services and address unmet mental health care needs.

(4) Add at least 600 triage personnel to provide intensive case management and linkage to services for individuals with mental health care disorders at various points of access, such as at designated community-based service points, homeless shelters, and clinics.

(5) Reduce unnecessary hospitalizations and inpatient days by appropriately utilizing community-based services and improving access to timely assistance.

(6) Reduce recidivism and mitigate unnecessary expenditures of local law enforcement.

(7) Provide local communities with increased financial resources to leverage additional public and private funding sources to achieve improved networks of care for individuals with mental health disorders.

(8) Provide a complete continuum of crisis services for children and youth 21 years of age and under regardless of where they live in the state. The funds included in the Budget Act of 2016 for the purpose of developing the continuum of mental health crisis services for children and youth 21 years of age and under shall be for the following objectives:

(A) Provide a continuum of crisis services for children and youth 21 years of age and under regardless of where they live in the state.

(B) Provide for early intervention and treatment services to improve the client experience, achieve recovery and wellness, and reduce costs.

(C) Expand the continuum of community-based services to address crisis intervention, crisis stabilization, and crisis residential treatment needs that are wellness-, resiliency-, and recovery-oriented.

(D) Add at least 200 mobile crisis support teams.

(E) Add at least 120 crisis stabilization services and beds and crisis residential treatment beds to increase capacity at the local level to improve access to mental health crisis services and address unmet mental health care needs.

(F) Add triage personnel to provide intensive case management and linkage to services for individuals with mental health care disorders at various points of access, such as at designated community-based service points, homeless shelters, schools, and clinics.

(G) Expand family respite care to help families and sustain caregiver health and well-being.

(H) Expand family supportive training and related services designed to help families participate in the planning process, access services, and navigate programs.

(I) Reduce unnecessary hospitalizations and inpatient days by appropriately utilizing community-based services.

(J) Reduce recidivism and mitigate unnecessary expenditures of local law enforcement.

(K) Provide local communities with increased financial resources to leverage additional public and private funding sources to achieve improved networks of care for children and youth 21 years of age and under with mental health disorders.

(c) Through appropriations provided in the annual Budget Act for this purpose, it is the intent of the Legislature to authorize the California Health Facilities Financing Authority, hereafter referred to as the authority, and the Mental Health Services Oversight and Accountability Commission, hereafter referred to as the commission, to administer competitive selection processes as

provided in this section for capital capacity and program expansion to increase capacity for mobile crisis support, crisis intervention, crisis stabilization services, crisis residential treatment, and specified personnel resources.

(d) Funds appropriated by the Legislature to the authority for purposes of this section shall be made available to selected counties, or counties acting jointly. The authority may, at its discretion, also give consideration to private nonprofit corporations and public agencies in an area or region of the state if a county, or counties acting jointly, affirmatively supports this designation and collaboration in lieu of a county government directly receiving grant funds.

(1) Grant awards made by the authority shall be used to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase capacity for client assistance and services in the following areas:

(A) Crisis intervention, as authorized by Sections 14021.4, 14680, and 14684.

(B) Crisis stabilization, as authorized by Sections 14021.4, 14680, and 14684.

(C) Crisis residential treatment, as authorized by Sections 14021.4, 14680, and 14684.

(D) Rehabilitative mental health services, as authorized by Sections 14021.4, 14680, and 14684.

(E) Mobile crisis support teams, including personnel and equipment, such as the purchase of vehicles.

(2) The authority shall develop selection criteria to expand local resources, including those described in paragraph (1), and processes for awarding grants after consulting with representatives and interested stakeholders from the mental health community, including, but not limited to, the County Behavioral Health Directors Association of California, service providers, consumer organizations, and other appropriate interests, such as health care providers and law enforcement, as determined by the authority. The authority shall ensure that grants result in cost-effective expansion of the number of community-based crisis resources in regions and communities selected for funding. The authority shall also take into account at least the following criteria and factors when selecting recipients of grants and determining the amount of grant awards:

(A) Description of need, including, at a minimum, a comprehensive description of the project, community need, population to be served, linkage with other public systems of health and mental health care, linkage with local law enforcement, social services, and related assistance, as applicable, and a description of the request for funding.

(B) Ability to serve the target population, which includes individuals eligible for Medi-Cal and individuals eligible for county health and mental health services.

(C) Geographic areas or regions of the state to be eligible for grant awards, which may include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the County Behavioral Health Directors Association of California.

(D) Level of community engagement and commitment to project completion.

(E) Financial support that, in addition to a grant that may be awarded by the authority, will be sufficient to complete and operate the project for which the grant from the authority is awarded.

(F) Ability to provide additional funding support to the project, including public or private funding, federal tax credits and grants, foundation support, and other collaborative efforts.

(G) Memorandum of understanding among project partners, if applicable.

(H) Information regarding the legal status of the collaborating partners, if applicable.

(I) Ability to measure key outcomes, including improved access to services, health and mental health outcomes, and cost benefit of the project.

(3) The authority shall determine maximum grants awards, which shall take into consideration the number of projects awarded to the grantee, as described in paragraph (1), and shall reflect reasonable costs for the project and geographic region. The authority may allocate a grant in increments contingent upon the phases of a project.

(4) Funds awarded by the authority pursuant to this section may be used to supplement, but not to supplant, existing financial and resource commitments of the grantee or any other member of a collaborative effort that has been awarded a grant.

(5) All projects that are awarded grants by the authority shall be completed within a reasonable period of time, to be determined by the authority. Funds shall not be released by the authority until the applicant demonstrates project readiness to the

authority's satisfaction. If the authority determines that a grant recipient has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all or a portion of the grant.

(6) A grantee that receives a grant from the authority under this section shall commit to using that capital capacity and program expansion project, such as the mobile crisis team, crisis stabilization unit, or crisis residential treatment program, for the duration of the expected life of the project.

(7) The authority may consult with a technical assistance entity, as described in paragraph (5) of subdivision (a) of Section 4061, for purposes of implementing this section.

(8) The authority may adopt emergency regulations relating to the grants for the capital capacity and program expansion projects described in this section, including emergency regulations that define eligible costs and determine minimum and maximum grant amounts.

(9) The authority shall provide reports to the fiscal and policy committees of the Legislature on or before May 1, 2014, and on or before May 1, 2015, on the progress of implementation, that include, but are not limited to, the following:

(A) A description of each project awarded funding.

(B) The amount of each grant issued.

(C) A description of other sources of funding for each project.

(D) The total amount of grants issued.

(E) A description of project operation and implementation, including who is being served.

(10) A recipient of a grant provided pursuant to paragraph (1) shall adhere to all applicable laws relating to scope of practice, licensure, certification, staffing, and building codes.

(e) Of the funds specified in paragraph (8) of subdivision (b), it is the intent of the Legislature to authorize the authority and the commission to administer competitive selection processes as provided in this section for capital capacity and program expansion to increase capacity for mobile crisis support, crisis intervention, crisis stabilization services, crisis residential treatment, family respite care, family supportive training and related services, and triage personnel resources for children and youth 21 years of age and under.

(f) Funds appropriated by the Legislature to the authority to address crisis services for children and youth 21 years of age and under for the purposes of this section shall be made available to selected counties or counties acting jointly. The authority may, at its discretion, also give consideration to private nonprofit corporations and public agencies in an area or region of the state if a county, or counties acting jointly, affirmatively support this designation and collaboration in lieu of a county government directly receiving grant funds.

(1) Grant awards made by the authority shall be used to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase capacity for client assistance and crisis services for children and youth 21 years of age and under in the following areas:

(A) Crisis intervention, as authorized by Sections 14021.4, 14680, and 14684.

(B) Crisis stabilization, as authorized by Sections 14021.4, 14680, and 14684.

(C) Crisis residential treatment, as authorized by Sections 14021.4, 14680, and 14684.

(D) Mobile crisis support teams, including the purchase of equipment and vehicles.

(E) Family respite care.

(2) The authority shall develop selection criteria to expand local resources, including those described in paragraph (1), and processes for awarding grants after consulting with representatives and interested stakeholders from the mental health community, including, but not limited to, county mental health directors, service providers, consumer organizations, and other appropriate interests, such as health care providers and law enforcement, as determined by the authority. The authority shall ensure that grants result in cost-effective expansion of the number of community-based crisis resources in regions and communities selected for funding. The authority shall also take into account at least the following criteria and factors when selecting recipients of grants and determining the amount of grant awards:

(A) Description of need, including, at a minimum, a comprehensive description of the project, community need, population to be served, linkage with other public systems of health and mental health care, linkage with local law enforcement, social

services, and related assistance, as applicable, and a description of the request for funding.

(B) Ability to serve the target population, which includes individuals eligible for Medi-Cal and individuals eligible for county health and mental health services.

(C) Geographic areas or regions of the state to be eligible for grant awards, which may include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the California Behavioral Health Directors Association.

(D) Level of community engagement and commitment to project completion.

(E) Financial support that, in addition to a grant that may be awarded by the authority, will be sufficient to complete and operate the project for which the grant from the authority is awarded.

(F) Ability to provide additional funding support to the project, including public or private funding, federal tax credits and grants, foundation support, and other collaborative efforts.

(G) Memorandum of understanding among project partners, if applicable.

(H) Information regarding the legal status of the collaborating partners, if applicable.

(I) Ability to measure key outcomes, including utilization of services, health and mental health outcomes, and cost benefit of the project.

(3) The authority shall determine maximum grant awards, which shall take into consideration the number of projects awarded to the grantee, as described in paragraph (1), and shall reflect reasonable costs for the project, geographic region, and target ages. The authority may allocate a grant in increments contingent upon the phases of a project.

(4) Funds awarded by the authority pursuant to this section may be used to supplement, but not to supplant, existing financial and resource commitments of the grantee or any other member of a collaborative effort that has been awarded a grant.

(5) All projects that are awarded grants by the authority shall be completed within a reasonable period of time, to be determined by the authority. Funds shall not be released by the authority until the applicant demonstrates project readiness to the authority's satisfaction. If the authority determines that a grant recipient has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all, or a portion, of the grant.

(6) A grantee that receives a grant from the authority under this section shall commit to using that capital capacity and program expansion project, such as the mobile crisis team, crisis stabilization unit, family respite care, or crisis residential treatment program, for the duration of the expected life of the project.

(7) The authority may consult with a technical assistance entity, as described in paragraph (5) of subdivision (a) of Section 4061, for the purposes of implementing this section.

(8) The authority may adopt emergency regulations relating to the grants for the capital capacity and program expansion projects described in this section, including emergency regulations that define eligible costs and determine minimum and maximum grant amounts.

(9) The authority shall provide reports to the fiscal and policy committees of the Legislature on or before January 10, 2018, and annually thereafter, on the progress of implementation, that include, but are not limited to, the following:

(A) A description of each project awarded funding.

(B) The amount of each grant issued.

(C) A description of other sources of funding for each project.

(D) The total amount of grants issued.

(E) A description of project operation and implementation, including who is being served.

(10) A recipient of a grant provided pursuant to paragraph (1) shall adhere to all applicable laws relating to scope of practice, licensure, certification, staffing, and building codes.

(g) Funds appropriated by the Legislature to the commission for purposes of this section shall be allocated for triage personnel to provide intensive case management and linkage to services for individuals with mental health disorders at various points of access. These funds shall be made available to selected counties, counties acting jointly, or city mental health departments, as

determined by the commission through a selection process. It is the intent of the Legislature for these funds to be allocated in an efficient manner to encourage early intervention and receipt of needed services for individuals with mental health disorders, and to assist in navigating the local service sector to improve efficiencies and the delivery of services.

(1) Triage personnel may provide targeted case management services face to face, by telephone, or by telehealth with the individual in need of assistance or his or her significant support person, and may be provided anywhere in the community. These service activities may include, but are not limited to, the following:

(A) Communication, coordination, and referral.

(B) Monitoring service delivery to ensure the individual accesses and receives services.

(C) Monitoring the individual's progress.

(D) Providing placement service assistance and service plan development.

(2) The commission shall take into account at least the following criteria and factors when selecting recipients and determining the amount of grant awards for triage personnel as follows:

(A) Description of need, including potential gaps in local service connections.

(B) Description of funding request, including personnel and use of peer support.

(C) Description of how triage personnel will be used to facilitate linkage and access to services, including objectives and anticipated outcomes.

(D) Ability to obtain federal Medicaid reimbursement, when applicable.

(E) Ability to administer an effective service program and the degree to which local agencies and service providers will support and collaborate with the triage personnel effort.

(F) Geographic areas or regions of the state to be eligible for grant awards, which shall include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the County Behavioral Health Directors Association of California.

(3) The commission shall determine maximum grant awards, and shall take into consideration the level of need, population to be served, and related criteria, as described in paragraph (2), and shall reflect reasonable costs.

(4) Funds awarded by the commission for purposes of this section may be used to supplement, but not supplant, existing financial and resource commitments of the county, counties acting jointly, or city mental health department that received the grant.

(5) Notwithstanding any other law, a county, counties acting jointly, or city mental health department that receives an award of funds for the purpose of supporting triage personnel pursuant to this subdivision is not required to provide a matching contribution of local funds.

(6) Notwithstanding any other law, the commission, without taking any further regulatory action, may implement, interpret, or make specific this section by means of informational letters, bulletins, or similar instructions.

(7) The commission shall provide a status report to the fiscal and policy committees of the Legislature on the progress of implementation no later than March 1, 2014.

(h) Funds appropriated by the Legislature to the commission as described in paragraph (8) of subdivision (b) for the purposes of addressing children's crisis services shall be allocated to support triage personnel and family supportive training and related services. These funds shall be made available to selected counties, counties acting jointly, or city mental health departments, as determined by the commission through a selection process. The commission may, at its discretion, also give consideration to private nonprofit corporations and public agencies in an area or region of the state if a county, or counties acting jointly, affirmatively supports this designation and collaboration in lieu of a county government directly receiving grant funds.

(1) These funds may provide for a range of crisis-related services for a child in need of assistance, or his or her parent, guardian, or caregiver. These service activities may include, but are not limited to, the following:

(A) Intensive coordination of care and services.

(B) Communication, coordination, and referral.

(C) Monitoring service delivery to the child or youth.

(D) Monitoring the child's progress.

(E) Providing placement service assistance and service plan development.

(F) Crisis or safety planning.

(2) The commission shall take into account at least the following criteria and factors when selecting recipients and determining the amount of grant awards for these funds, as follows:

(A) Description of need, including potential gaps in local service connections.

(B) Description of funding request, including personnel.

(C) Description of how personnel and other services will be used to facilitate linkage and access to services, including objectives and anticipated outcomes.

(D) Ability to obtain federal Medicaid reimbursement, when applicable.

(E) Ability to provide a matching contribution of local funds.

(F) Ability to administer an effective service program and the degree to which local agencies and service providers will support and collaborate with the triage personnel effort.

(G) Geographic areas or regions of the state to be eligible for grant awards, which shall include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the County Behavioral Health Directors Association of California.

(3) The commission shall determine maximum grant awards, and shall take into consideration the level of need, population to be served, and related criteria, as described in paragraph (2), and shall reflect reasonable costs.

(4) Funds awarded by the commission for purposes of this section may be used to supplement, but not supplant, existing financial and resource commitments of the county, counties acting jointly, or a city mental health department that received the grant.

(5) Notwithstanding any other law, a county, counties acting jointly, or a city mental health department that receives an award of funds for the purpose of this section is not required to provide a matching contribution of local funds.

(6) Notwithstanding any other law, the commission, without taking any further regulatory action, may implement, interpret, or make specific this section by means of informational letters, bulletins, or similar instructions.

(7) The commission may waive requirements in this section for counties with a population of 100,000 or less, if the commission determines it is in the best interest of the state and meets the intent of the law.

(8) The commission shall provide a status report to the fiscal and policy committees of the Legislature on the progress of implementation no later than January 10, 2018, and annually thereafter.

SEC. 271. Section 5849.1 of the Welfare and Institutions Code is amended to read:

5849.1. (a) The Legislature finds and declares that this part is consistent with and furthers the purposes of the Mental Health Services Act, enacted by Proposition 63 at the November 2, 2004, statewide general election, within the meaning of Section 18 of that measure.

(b) The Legislature further finds and declares all of the following:

(1) Housing is a key factor for stabilization and recovery to occur and results in improved outcomes for individuals living with a mental illness.

(2) Untreated mental illness can increase the risk of homelessness, especially for single adults.

(3) California has the nation's largest homeless population that is disproportionally comprised of women with children, veterans, and the chronically homeless.

(4) California has the largest number of homeless veterans in the United States at 24 percent of the total population in our nation. Fifty percent of California's veterans live with serious mental illness and 70 percent have a substance use disorder.

(5) Fifty percent of mothers experiencing homelessness have experienced a major depressive episode since becoming homeless and 36 percent of these mothers live with post-traumatic stress disorder and 41 percent have a substance use disorder.

(6) Ninety-three percent of supportive housing tenants who live with mental illness and substance use disorders voluntarily participated in the services offered.

(7) Adults who receive two years of “whatever-it-takes,” or Full Service Partnership services, experience a 68 percent reduction in homelessness.

(8) For every dollar of bond funds invested in permanent supportive housing, the state and local governments can leverage a significant amount of additional dollars through tax credits, Medicaid health services funding, and other housing development funds.

(9) Tenants of permanent supportive housing reduced their visits to the emergency department by 56 percent, and their hospital admissions by 45 percent.

(10) The cost in public services for a chronically homeless Californian ranges from $60,000 to $100,000 annually. When housed, these costs are cut in half and some reports show reductions in cost of more than 70 percent, including potentially less involvement with the health and criminal justice systems.

(11) Californians have identified homelessness as their top tier priority; this measure seeks to address the needs of the most vulnerable people within this population.

(12) Having counties provide mental health programming and services is a benefit to the state.

(13) The Department of Housing and Community Development is the state entity with sufficient expertise to implement and oversee a grant or loan program for permanent supportive housing of the target population.

(14) The California Health Facilities Financing Authority is authorized by law to issue bonds and to consult with the Mental Health Services Oversight and Accountability Commission and the State Department of Health Care Services concerning the implementation of a grant or loan program for California counties to support the development of programs that increase access to, and capacity for, crisis mental health services. It is therefore appropriate for the authority to issue bonds and contract for services with the Department of Housing and Community Development to provide grants or loans to California counties for permanent supportive housing for the target population.

(15) Use of bond funding will accelerate the availability of funding for the grant or loan program to provide permanent supportive housing for the target population as compared to relying on annual allocations from the Mental Health Services Fund and better allow counties to provide permanent supportive housing for homeless individuals living with mental illness.

(16) The findings and declarations set forth in subdivision (c) of Section 5849.35 are hereby incorporated herein.

SEC. 272. Section 5849.35 of the Welfare and Institutions Code is amended to read:

5849.35. (a) The authority may do all of the following:

(1) Consult with the commission and the State Department of Health Care Services concerning the implementation of the No Place Like Home Program, including the review of annual reports provided to the authority by the department pursuant to Section 5849.11.

(2) Enter into one or more contracts with the department for the department to provide, and the authority to pay the department for providing, services described in Sections 5849.7, 5849.8, and 5849.9, related to permanent supportive housing for the target population. Before entering into any contract pursuant to this paragraph, the executive director of the authority shall transmit to the commission a copy of the contract in substantially final form. The contract shall be deemed approved by the commission unless it acts within 10 days to disapprove the contract.

(3) On or before June 15 and December 15 of each year, the authority shall certify to the Controller the amounts the authority is required to pay as provided in Section 5890 for the following six-month period to the department pursuant to any service contract entered into pursuant to paragraph (2).

(b) The department may do all of the following:

(1) Enter into one or more contracts with the authority to provide services described in Sections 5849.7, 5849.8, and 5849.9, related to permanent supportive housing for the target population. Payments received by the department under any service

contract authorized by this paragraph shall be used, before any other allocation or distribution, to repay loans from the authority pursuant to Section 15463 of the Government Code.

(2) Enter into one or more loan agreements with the authority as security for the repayment of the revenue bonds issued by the authority pursuant to Section 15463 of the Government Code. The department shall deposit the proceeds of these loans, excluding any refinancing loans to redeem, refund, or retire bonds, into the fund. The department's obligations to make payments under these loan agreements shall be limited obligations payable solely from amounts received pursuant to its service contracts with the authority.

(3) The department may pledge and assign its right to receive all or a portion of the payments under the service contracts entered into pursuant to paragraph (1) directly to the authority or its bond trustee for the payment of principal, premiums, if any, and interest under any loan agreement authorized by paragraph (2).

(c) The Legislature hereby finds and declares both of the following:

(1) The consideration to be paid by the authority to the department for the services provided pursuant to the contracts authorized by paragraph (2) of subdivision (a) and paragraph (1) of subdivision (b) is fair and reasonable and in the public interest.

(2) The service contracts and payments made by the authority to the department pursuant to a service contract authorized by paragraph (2) of subdivision (a) and paragraph (1) of subdivision (b) and the loan agreements and loan repayments made by the department to the authority pursuant to a loan agreement authorized by paragraph (2) of subdivision (b) shall not constitute a debt or liability, or a pledge of the faith and credit, of the state or any political subdivision.

(d) The state hereby covenants with the holders from time to time of any bonds issued by the authority pursuant to Section 15463 of the Government Code that it will not alter, amend, or restrict the provisions of this section, subdivision (f) of Section 5890, or subdivision (b) of Section 5891 in any manner adverse to the interests of those bondholders so long as any of those bonds remain outstanding. The authority may include this covenant in the resolution, indenture, or other documents governing the bonds.

(e) Agreements under this section are not subject to, and need not comply with, the requirements of any other law applicable to the execution of those agreements, including, but not limited to, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code shall not apply to any contract entered into between the authority and the department under this section.

SEC. 273. Section 5849.8 of the Welfare and Institutions Code is amended to read:

5849.8. (a) Under any service contract entered into pursuant to Section 5849.35, the department may allocate an amount not to exceed one billion eight hundred million dollars ($1,800,000,000) from the fund for the purposes of the competitive program described in this subdivision and the alternative process described in subdivision (b). The department shall develop a competitive application process for the purpose of awarding moneys pursuant to this section. In considering applications, the department shall do all of the following:

(1) Restrict eligibility to applicants that meet the following minimum criteria:

(A) The county commits to provide mental health supportive services and to coordinate the provision of or referral to other services, including, but not limited to, substance use treatment services, to the tenants of the supportive housing development for at least 20 years. Services shall be provided onsite at the supportive housing development or in a location otherwise easily accessible to tenants. The county may use, but is not restricted to using, any of the following available funding sources as allowed by state and federal law:

(i) The Local Mental Health Services Fund established pursuant to subdivision (f) of Section 5892.

(ii) The Mental Health Account within the Local Health Welfare Trust Fund established pursuant to Section 17600.10.

(iii) The Behavioral Health Subaccount within the County Local Revenue Fund 2011 established pursuant to paragraph (4) of subdivision (f) of Section 30025 of the Government Code.

(iv) Funds received from other private or public entities.

(v) Other county funds.

(B) The county has developed a county plan to combat homelessness, which includes a description of homelessness countywide, any special challenges or barriers to serving the target population, county resources applied to address the issue, available community-based resources, an outline of partners and collaborations, and proposed solutions.

(C) Meet other threshold requirements, including, but not limited to, developer capacity to develop, own, and operate a permanent supportive housing development for the target population, application proposes a financially feasible development with reasonable development costs.

(2) The department shall evaluate applications using, at minimum, the following criteria:

(A) The extent to which units assisted by the program are restricted to persons who are chronically homeless or at risk of chronic homelessness within the target population.

(B) The extent to which funds are leveraged for capital costs.

(C) The extent to which projects achieve deeper affordability through the use of nonstate project-based rental assistance, operating subsidies, or other funding.

(D) Project readiness.

(E) The extent to which applicants offer a range of onsite and off-site supportive services to tenants, including mental health services, behavioral health services, primary health, employment, and other tenancy support services.

(F) Past history of implementing programs that use evidence-based best practices that have led to the reduction of the number of chronic homeless or at risk of chronic homelessness individuals within the target population.

(b) The department may establish an alternative process for allocating funds directly to counties, as calculated in Section 5849.6, with at least 5 percent of the state's homeless population and that demonstrate the capacity to directly administer loan funds for permanent supportive housing serving the target population and the ability to prioritize individuals with mental health supportive needs who are homeless or at risk of chronic homelessness, consistent with this part and as determined by the department. The department shall adopt guidelines establishing the parameters of an alternative process, if any, and requirements for local administration of funds, including, but not limited to, project selection process, eligible use of funds, loan terms, rent and occupancy restrictions, provision of services, and reporting and monitoring requirements. Counties participating in the alternative process shall not be eligible for the competitive process and shall be limited to funds in proportion to their share of the percentage of the statewide homeless population, as calculated by the department in Section 5849.6. Funds not committed to supportive housing developments within two years following award of funds to counties shall be returned to the state for the purposes of the competitive program. The department shall consider the following when selecting participating counties:

(1) Demonstrated ability to finance permanent supportive housing with local and federal funds, and monitor requirements for the life of the loan.

(2) Past history of delivering supportive services to the target population in housing.

(3) Past history of committing project-based vouchers to supportive housing.

(4) Ability to prioritize the most vulnerable within the target population through coordinated entry system.

(c) The department shall set aside 8 percent of funds offered in rounds 1 to 4, inclusive, for the competitive program for small counties as provided in subdivision (d) of Section 5849.6.

(d) The department shall award funds for the competitive program in at least four rounds as follows:

(1) The department shall issue its first request for proposal for the competitive program no later than 180 days after the effective date of a final judgment, with no further opportunity for appeals, in any court proceeding affirming the validity of the contracts authorized by the authority and the department pursuant to Section 5849.35 and any bonds authorized to be issued by the authority pursuant to Section 15463 of the Government Code and any contracts related to those bonds.

(2) The second round shall be completed no later than one year after the completion of the first round.

(3) The third round shall be completed no later than one year after the completion of the second round.

(4) The fourth round shall be completed no later than one year after the completion of the third round.

(5) Subsequent rounds shall occur annually thereafter in order to fully exhaust remaining funds and the department may discontinue the use of the competitive groupings in Section 5849.6, the alternative process in subdivision (b) for any funds not awarded by the county, and the rural set-aside funds as set forth in subdivision (c).

(e) (1) Any loans made by the department pursuant to this section shall be in the form of secured deferred payment loans to pay for the eligible costs of development. All unpaid principal and accumulated interest is due and payable no later than completion of the term of the loan, which shall be established through program guidelines adopted pursuant to Section 5849.5. The loan shall bear simple interest at a rate of 3 percent per annum on the unpaid principal balance. The department shall require annual loan payments in the minimum amount necessary to cover the costs of project monitoring. For the first 15 years of the loan term, the amount of the required loan payments shall not exceed forty-two hundredths of 1 percent per annum.

(2) The department may establish maximum loan-to-value requirements for some or all of the types of projects that are eligible for funding under this part, which shall be established through program guidelines adopted pursuant to Section 5849.5.

(3) The department shall establish per-unit and per-project loan limits for all project types.

(f) (1) The department may designate an amount not to exceed 4 percent of funds allocated for the competitive program, not including funding allocated pursuant to subdivision (b), in order to cure or avert a default on the terms of any loan or other obligation by the recipient of financial assistance, or bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department's security in the rental housing development assisted pursuant to this part. The funds so designated shall be known as the "default reserve."

(2) The department may use default reserve funds made available pursuant to this section to repair or maintain any rental housing development assistance pursuant to this part to protect the department's security interest.

(3) The payment or advance of funds by the department pursuant to this subdivision shall be exclusively within the department's discretion, and no person shall be deemed to have any entitlement to the payment or advance of those funds. The amount of any funds expended by the department for the purposes of curing or averting a default shall be added to the loan amount secured by the rental housing development and shall be payable to the department upon demand.

(g) (1) Before disbursement of any funds for loans made pursuant to this section, the department shall enter into a regulatory agreement with the development sponsor that provides for all of the following:

(A) Sets standards for tenant selection to ensure occupancy of assisted units by eligible households of very low and low income for the term of the agreement.

(B) Governs the terms of occupancy agreements.

(C) Contains provisions to maintain affordable rent levels to serve eligible households.

(D) Provides for periodic inspections and review of yearend fiscal audits and related reports by the department.

(E) Permits a developer to distribute earnings in an amount established by the department and based on the number of units in the rental housing development.

(F) Has a term for not less than the original term of the loan.

(G) Contains any other provisions necessary to carry out the purposes of this part.

(2) The agreement shall be binding upon the developer and successors in interest upon sale or transfer of the rental housing development regardless of any prepayment of the loan.

(3) The agreement shall be recorded in the office of the county recorder in the county in which the real property subject to the agreement is located.

(h) (1) The department shall monitor county compliance with applicable program regulations, loan agreements and regulatory agreements, and any agreements related to the program that designate the department as a third-party beneficiary, and enforce those regulations and agreements to the extent necessary and desirable in order to provide, to the greatest degree possible, the successful provision of permanent supportive housing.

(2) The department shall annually report to the authority the status of its efforts pursuant to this section and Section 5849.9, as set forth in Section 5849.11.

(i) The department may provide technical assistance to counties or developers of supportive housing to facilitate the construction of permanent supportive housing for the target population.

SEC. 274. Section 5849.14 of the Welfare and Institutions Code is amended to read:

5849.14. The Department of Finance may authorize one or more loans from the General Fund to the No Place Like Home Fund for cashflow purposes in an aggregate amount not to exceed two million dollars ($2,000,000) subject to the following conditions:

(a) The loans are for either of the following purposes:

(1) To allow the department to begin program implementation activities, including, but not limited to, drafting program guidelines and regulations.

(2) To allow the department, the authority, and the Treasurer to implement Section 5849.35 of this code and Section 15463 of the Government Code, including, but not limited to, payment for financial advisory and legal services to prepare for, and in connection with, any validation action pursuant to Section 5849.13 or any other court action regarding this part or Section 15463 of the Government Code.

(b) The loans are short term, and shall be repaid within 30 days after the deposit of bond proceeds into the fund pursuant to paragraph (1) of subdivision (b) of Section 5849.4.

(c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

SEC. 275. Section 5890 of the Welfare and Institutions Code is amended to read:

5890. (a) The Mental Health Services Fund is hereby created in the State Treasury. The fund shall be administered by the state. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are, except as provided in subdivision (d) of Section 5892, continuously appropriated, without regard to fiscal years, for the purpose of funding the following programs and other related activities as designated by other provisions of this division:

(1) Part 3 (commencing with Section 5800), the Adult and Older Adult System of Care Act.

(2) Part 3.2 (commencing with Section 5830), Innovative Programs.

(3) Part 3.6 (commencing with Section 5840), Prevention and Early Intervention Programs.

(4) Part 3.9 (commencing with Section 5849.1), No Place Like Home Program.

(5) Part 4 (commencing with Section 5850), the Children's Mental Health Services Act.

(b) The establishment of this fund and any other provisions of the act establishing it or the programs funded shall not be construed to modify the obligation of health care service plans and disability insurance policies to provide coverage for mental health services, including those services required under Section 1374.72 of the Health and Safety Code and Section 10144.5 of the Insurance Code, related to mental health parity. This act shall not be construed to modify the oversight duties of the Department of Managed Health Care or the duties of the Department of Insurance with respect to enforcing these obligations of plans and insurance policies.

(c) This act shall not be construed to modify or reduce the existing authority or responsibility of the State Department of Health Care Services.

(d) The State Department of Health Care Services shall seek approval of all applicable federal Medicaid approvals to maximize the availability of federal funds and eligibility of participating children, adults, and seniors for medically necessary care.

(e) Share of costs for services pursuant to Part 3 (commencing with Section 5800) and Part 4 (commencing with Section 5850) of this division, shall be determined in accordance with the Uniform Method of Determining Ability to Pay applicable to other publicly funded mental health services, unless this Uniform Method is replaced by another method of determining copayments, in which case the new method applicable to other mental health services shall be applicable to services pursuant to Part 3 (commencing with Section 5800) and Part 4 (commencing with Section 5850) of this division.

(f) The Supportive Housing Program Subaccount is hereby created in the Mental Health Services Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the subaccount are reserved and continuously appropriated, without regard to fiscal years, to the California Health Facilities Financing Authority to provide funds to meet its financial obligations pursuant to any service contracts entered into pursuant to Section 5849.35. Notwithstanding any other law, including any other provision of this section, no later than the last day of each month, the Controller shall, before any transfer or expenditure from the fund for any other purpose for the following month, transfer from the Mental Health Services Fund to the Supportive Housing Program Subaccount an amount that has been certified by the California Health Facilities Financing Authority pursuant to paragraph (3) of subdivision (a) of Section 5849.35, but not to exceed an aggregate amount of one hundred forty million dollars ($140,000,000) per year. If in any month the amounts in the Mental Health Services Fund are insufficient to fully transfer to the subaccount or the amounts in the subaccount are insufficient to fully pay the amount certified by the California Health Facilities Financing Authority, the shortfall shall be carried over to the next month. Moneys in the Supportive Housing Program Subaccount shall not be loaned to the General Fund pursuant to Section 16310 or 16381 of the Government Code.

SEC. 276. Section 5899 of the Welfare and Institutions Code is amended to read:

5899. (a) The State Department of Health Care Services, in consultation with the Mental Health Services Oversight and Accountability Commission and the County Behavioral Health Directors Association of California, shall develop and administer instructions for the Annual Mental Health Services Act Revenue and Expenditure Report. The instructions shall include a requirement that the county certify the accuracy of this report. This report shall be submitted electronically to the department and to the Mental Health Services Oversight and Accountability Commission. The department and the commission shall annually post each county's report on its Internet Web site in a timely manner.

(b) The department, in consultation with the commission and the County Behavioral Health Directors Association of California, shall revise the instructions described in subdivision (a) by July 1, 2017, and as needed thereafter, to improve the timely and accurate submission of county revenue and expenditure data.

(c) The purpose of the Annual Mental Health Services Act Revenue and Expenditure Report is as follows:

(1) Identify the expenditures of Mental Health Services Act (MHSA) funds that were distributed to each county.

(2) Quantify the amount of additional funds generated for the mental health system as a result of the MHSA.

(3) Identify unexpended funds, and interest earned on MHSA funds.

(4) Determine reversion amounts, if applicable, from prior fiscal year distributions.

(d) This report is intended to provide information that allows for the evaluation of all of the following:

(1) Children's systems of care.

(2) Prevention and early intervention strategies.

(3) Innovative projects.

(4) Workforce education and training.

(5) Adults and older adults systems of care.

(6) Capital facilities and technology needs.

(e) If a county does not submit the annual revenue and expenditure report described in subdivision (a) by the required deadline, the department may withhold MHSA funds until the reports are submitted.

SEC. 277. Section 10553.12 of the Welfare and Institutions Code is amended to read:

10553.12. (a) Notwithstanding any other law, a federally recognized tribe is authorized, but not required, to approve a home for the purpose of foster or adoptive placement of an Indian child pursuant to the federal Indian Child Welfare Act (25 U.S.C. Sec. 1915).

(b) An Indian child, as defined by subdivisions (a) and (b) of Section 224, that has been removed pursuant to Section 361, from the custody of his or her parents or Indian custodian may be placed in a tribally approved home pursuant to Section 1915 of the federal Indian Child Welfare Act.

(c) To facilitate the availability of tribally approved homes that have been fully approved in accord with federal law, including completion of required background checks, a tribal agency may request from the Department of Justice federal and state summary criminal history information regarding a prospective foster parent or adoptive parent, an adult who resides or is employed in the home of an applicant, a person who has a familial or intimate relationship with a person living in the home of an applicant, or an employee of the child welfare agency who may have contact with children, in accord with subdivision (m) of Section 11105 of the Penal Code and Child Abuse Central Index Information pursuant to paragraph (8) of subdivision (b) of Section 11170 of the Penal Code.

(d) As used in this section, a "tribal agency" means an entity designated by a federally recognized tribe as authorized to approve homes consistent with the federal Indian Child Welfare Act for the purpose of placement of Indian children, into foster or adoptive care, including the authority to conduct criminal record and child abuse background checks of, and grant exemptions to, individuals who are prospective foster parents or adoptive parents, an adult who resides or is employed in the home of an applicant for approval, a person who has a familial or intimate relationship with a person living in the home of an applicant, or an employee of the tribal agency who may have contact with children.

(e) A county social worker may place an Indian child in a tribally approved home without having to conduct a separate background check, upon certification by the tribal agency of the following:

(1) The tribal agency has completed a criminal record background check in accord with the standards set forth in Section 1522 of the Health and Safety Code, and a Child Abuse Central Index Check pursuant to Section 1522.1 of the Health and Safety Code, with respect to each of the individuals described in subdivision (c).

(2) The tribal agency has agreed to report to a county child welfare agency responsible for a child placed in the tribally approved home, within 24 hours of notification to the tribal agency by the Department of Justice, of a subsequent state or federal arrest or disposition notification provided pursuant to Section 11105.2 of the Penal Code involving an individual associated with the tribally approved home where an Indian child is placed.

(3) If the tribal agency in its certification states that the individual was granted a criminal record exemption, the certification shall specify that the exemption was evaluated in accord with the standards and limitations set forth in paragraph (1) of subdivision (g) of Section 1522 of the Health and Safety Code and was not granted to an individual ineligible for an exemption under that provision.

SEC. 278. Section 10559 of the Welfare and Institutions Code is amended to read:

10559. (a) There are in the department a division or office devoted to carrying out the provisions of this division pertaining to the services to the blind and another division or office devoted to carrying out the public social services to deaf and hard-of-hearing persons. The divisions or offices shall each be headed by a chief, one who is a trained social worker experienced in work for the blind, the other a trained social worker or counselor experienced in work for the deaf and hard of hearing or a person experienced in administering a deaf or hard-of-hearing services program. The duties of the division for the blind and its chief shall be confined to carrying out the provisions of this division pertaining to services to the blind. The duties of the division or office for the deaf and hard of hearing shall be confined to carrying out the provision of public social services to the deaf and hard of hearing. Blindness, deafness, or being hard of hearing shall not be grounds to disqualify a person from holding the position of chief of the office or division. The divisions or offices shall not be made a part of any other division, office, or subdivision of the department. The chiefs of the divisions or offices shall be directly responsible to the director.

(b) The director through the divisions or offices may provide consultative services to county personnel administering services to the blind, deaf, or hard of hearing which shall include, but not be limited to, information concerning the various aspects of blindness, deafness, and being hard of hearing and its problems and implications, the rehabilitative potential of the blind, deaf, and hard of hearing, public and private services available, employment opportunities for blind, deaf, and hard-of-hearing persons, and concepts in counseling blind, deaf, and hard-of-hearing persons.

SEC. 279. Section 10621 of the Welfare and Institutions Code is amended to read:

10621. Public social services for the deaf and hard of hearing shall include, but not be limited to, the following services:

(a) Complete communication services through interpreter services by a professional interpreter for the deaf possessing the comprehensive skills certification of the national Registry of Interpreters for the Deaf or the equivalent, teletypewriter relay, and, when necessary, training in communication skills.

(b) Advocacy to ensure deaf and hard-of-hearing persons receive equal access to public and private services.

(c) Job development and job placement.

(d) Information and referral.

(e) Counseling, including peer counseling.

(f) Independent living skills instruction.

(g) Community education about deafness and being hard of hearing.

SEC. 280. Section 11405 of the Welfare and Institutions Code is amended to read:

11405. (a) Except for nonminors described in paragraph (2) of subdivision (e), AFDC-FC benefits shall be paid to an otherwise eligible child living with a nonrelated legal guardian, provided that the legal guardian cooperates with the county welfare department in all of the following:

(1) Developing a written assessment of the child's needs.

(2) Updating the assessment no less frequently than once every six months.

(3) Carrying out the case plan developed by the county.

(b) Except for nonminors described in paragraph (2) of subdivision (e), when AFDC-FC is applied for on behalf of a child living with a nonrelated legal guardian the county welfare department shall do all of the following:

(1) Develop a written assessment of the child's needs.

(2) Update those assessments no less frequently than once every six months.

(3) Develop a case plan that specifies how the problems identified in the assessment are to be addressed.

(4) Make visits to the child as often as appropriate, but in no event less often than once every six months.

(c) Where the child is a parent and has a child living with him or her in the same eligible facility, the assessment required by paragraph (1) of subdivision (a) shall include the needs of his or her child.

(d) Nonrelated legal guardians of eligible children who are in receipt of AFDC-FC payments described in this section shall be exempt from the requirement to register with the Statewide Registry of Private Professional Guardians pursuant to former Sections 2850 and 2851 of the Probate Code.

(e) (1) On and after January 1, 2012, a nonminor youth whose nonrelated guardianship was ordered in juvenile court pursuant to Section 360 or 366.26, and whose dependency was dismissed, shall remain eligible for AFDC-FC benefits until the youth attains 19 years of age, effective January 1, 2013, until the youth attains 20 years of age, and effective January 1, 2014, until the youth attains 21 years of age, provided that the youth enters into a mutual agreement with the agency responsible for his or her guardianship, and the youth is meeting the conditions of eligibility, as described in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 11403.

(2) A nonminor former dependent or ward as defined in paragraph (2) of subdivision (aa) of Section 11400 shall be eligible for benefits under this section until the youth attains 21 years of age if all of the following conditions are met:

(A) The nonminor former dependent or ward attained 18 years of age while in receipt of Kin-GAP benefits pursuant to Article 4.7 (commencing with Section 11385).

(B) The nonminor's relationship to the kinship guardian is defined in paragraph (2), (3), or (4) of subdivision (c) of Section 11391.

(C) The nonminor was under 16 years of age at the time the Kin-GAP negotiated agreement payments commenced.

(D) The guardian continues to be responsible for the support of the nonminor.

(E) The nonminor otherwise is meeting the conditions of eligibility, as described in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 11403.

(f) On or after January 1, 2012, a child whose nonrelated guardianship was ordered in probate court pursuant Article 2 (commencing with Section 1510) of Chapter 1 of Part 2 of Division 4 of the Probate Code, who is attending high school or the equivalent level of vocational or technical training on a full-time basis, or who is in the process of pursuing a high school equivalency certificate before his or her 18th birthday may continue to receive aid following his or her 18th birthday as long as the child continues to reside in the guardian's home, remains otherwise eligible for AFDC-FC benefits and continues to attend high school or the equivalent level of vocational or technical training on a full-time basis, or continues to pursue a high school equivalency certificate, and the child may reasonably be expected to complete the educational or training program or to receive a high school equivalency certificate, before his or her 19th birthday. Aid shall be provided to an individual pursuant to this section provided that both the individual and the agency responsible for the foster care placement have signed a mutual agreement, if the individual is capable of making an informed agreement, documenting the continued need for out-of-home placement.

(g) (1) For cases in which a guardianship was established on or before June 30, 2011, or the date specified in a final order, for which the time for appeal has passed, issued by a court of competent jurisdiction in California State Foster Parent Association, et al. v. William Lightbourne, et al. (U.S. Dist. Ct. No. C 07-05086 WHA), whichever is earlier, the AFDC-FC payment described in this section shall be the foster family home rate structure in effect before the effective date specified in the order described in this paragraph.

(2) For cases in which guardianship has been established on or after July 1, 2011, or the date specified in the order described in paragraph (1), whichever is earlier, the AFDC-FC payments described in this section shall be the basic foster family home rate set forth in paragraph (1) of subdivision (g) of Section 11461.

(3) Beginning with the 2011–12 fiscal year, the AFDC-FC payments identified in this subdivision shall be adjusted annually by the percentage change in the California Necessities Index rate as set forth in paragraph (2) of subdivision (g) of Section 11461.

(h) In addition to the AFDC-FC rate paid, all of the following also shall be paid:

(1) A specialized care increment, if applicable, as set forth in subdivision (e) of Section 11461.

(2) A clothing allowance, as set forth in subdivision (f) of Section 11461.

(3) For a child eligible for an AFDC-FC payment who is a teen parent, the rate shall include the two hundred dollar ($200) monthly payment made to the relative caregiver in a whole family foster home pursuant to paragraph (3) of subdivision (d) of Section 11465.

SEC. 281. Section 14087.325 of the Welfare and Institutions Code is amended to read:

14087.325. (a) The department shall require, as a condition of obtaining a contract with the department, that a local initiative, as defined in subdivision (w) of Section 53810 of Title 22 of the California Code of Regulations, offer a subcontract to an entity defined in Section 1396d(l)(2)(B) of Title 42 of the United States Code providing services as defined in Section 1396d(a)(2)(C) of Title 42 of the United States Code and operating in the service area covered by the local initiative's contract with the department. These entities are also known as federally qualified health centers.

(b) Except as otherwise provided in this section, managed care subcontracts offered to a federally qualified health center or a rural health clinic, as defined in Section 1396d(l)(1) of Title 42 of the United States Code, by a local initiative, county organized health system, as defined in Section 12693.05 of the Insurance Code, commercial plan, as defined in subdivision (i) of Section 53810 of Title 22 of the California Code of Regulations, or a health plan contracting with a geographic managed care program, as defined in subdivision (g) of Section 53902 of Title 22 of the California Code of Regulations, shall be on the same terms and conditions offered to other subcontractors providing a similar scope of service. A beneficiary, subscriber, or enrollee of a program or plan who affirmatively selects, or is assigned by default to, a federally qualified health center or rural health clinic under the terms of a contract between a plan, government program, or a subcontractor of a plan or program, and a federally qualified health center or rural health clinic, shall be assigned directly to the federally qualified health center or rural health clinic, and not to an individual provider performing services on behalf of the federally qualified health center or rural health clinic.

(c) The department shall provide incentives in the competitive application process described in paragraph (1) of subdivision (b) of Section 53800 of Title 22 of the California Code of Regulations, to encourage potential commercial plans as defined in subdivision (i) of Section 53810 of Title 22 of the California Code of Regulations to offer subcontracts to these federally qualified health centers.

(d) Reimbursement to federally qualified health centers and rural health centers for services provided pursuant to a subcontract with a local initiative, a commercial plan, geographic managed care program health plan, or a county organized health system, shall be paid in a manner that is not less than the level and amount of payment that the plan would make for the same scope of services if the services were furnished by a provider that is not a federally qualified health center or rural health clinic.

(e) (1) The department shall administer a program to ensure that total payments to federally qualified health centers and rural health clinics operating as managed care subcontractors pursuant to subdivision (d) comply with applicable federal law pursuant to Sections 1902(aa) and 1903(m)(2)(A)(ix) of the Social Security Act (42 U.S.C. Secs. 1396a(aa) and 1396b(m)(2)(A)(ix)). Under the department's program, federally qualified health centers and rural health clinics subcontracting with local initiatives, commercial plans, county organized health systems, and geographic managed care program health plans shall seek supplemental reimbursement from the department through a per visit fee-for-service billing system utilizing the state's Medi-Cal fee-for-service claims processing system contractor. To carry out this per visit payment process, each federally qualified health system and rural health clinic shall submit to the department for approval a rate differential calculated to reflect the amount necessary to reimburse the federally qualified health center or rural health clinic for the difference between the payment the center or clinic received from the managed care health plan and either the interim rate established by the department based on the center's or clinic's reasonable cost or the center's or clinic's prospective payment rate. The department shall adjust the computed rate differential as it deems necessary to minimize the difference between the center's or clinic's revenue from the plan and the center's or clinic's cost-based reimbursement or the center's or clinic's prospective payment rate.

(2) In addition, to the extent feasible, within six months of the end of the center's or clinic's fiscal year, the department shall perform an annual reconciliation to reasonable cost, and make payments to, or obtain a recovery from, the center or clinic.

(f) In calculating the capitation rates to be paid to local initiatives, commercial plans, geographic managed care program health plans, and county organized health systems, the department shall not include the additional dollar amount applicable to cost-based reimbursement that would otherwise be paid, absent cost-based reimbursement, to federally qualified health centers and rural health clinics in the Medi-Cal fee-for-service program.

(g) On or before September 30, 2002, the director shall conduct a study of the actual and projected impact of the transition from a cost-based reimbursement system to a prospective payment system for federally qualified health centers and rural health clinics.

In conducting the study, the director shall evaluate the extent to which the prospective payment system stimulates expansion of services, including new facilities to expand capacity of the centers, and the extent to which actual and estimated prospective payment rates of federally qualified health centers and rural health clinics for the first five years of the prospective payment system are reflective of the cost of providing services to Medi-Cal beneficiaries. Clinics may submit cost reporting information to the department to provide data for the study.

(h) The department shall approve all contracts between federally qualified health centers or rural health clinics and a local initiative, commercial plan, geographic managed care program health plan, or county organized health system in order to ensure compliance with this section.

(i) This section shall not preclude the department from establishing pilot programs pursuant to Section 14087.329.

SEC. 282. Section 14132.100 of the Welfare and Institutions Code is amended to read:

14132.100. (a) The federally qualified health center services described in Section 1396d(a)(2)(C) of Title 42 of the United States Code are covered benefits.

(b) The rural health clinic services described in Section 1396d(a)(2)(B) of Title 42 of the United States Code are covered benefits.

(c) Federally qualified health center services and rural health clinic services shall be reimbursed on a per-visit basis in accordance with the definition of “visit” set forth in subdivision (g).

(d) Effective October 1, 2004, and on each October 1 thereafter, until no longer required by federal law, federally qualified health center (FQHC) and rural health clinic (RHC) per-visit rates shall be increased by the Medicare Economic Index applicable to primary care services in the manner provided for in Section 1396a(bb)(3)(A) of Title 42 of the United States Code. Before January 1, 2004, FQHC and RHC per-visit rates shall be adjusted by the Medicare Economic Index in accordance with the methodology set forth in the state plan in effect on October 1, 2001.

(e) (1) An FQHC or RHC may apply for an adjustment to its per-visit rate based on a change in the scope of services provided by the FQHC or RHC. Rate changes based on a change in the scope of services provided by an FQHC or RHC shall be evaluated in accordance with Medicare reasonable cost principles, as set forth in Part 413 (commencing with Section 413.1) of Title 42 of the Code of Federal Regulations, or its successor.

(2) Subject to the conditions set forth in subparagraphs (A) to (D), inclusive, of paragraph (3), a change in scope of service means any of the following:

(A) The addition of a new FQHC or RHC service that is not incorporated in the baseline prospective payment system (PPS) rate, or a deletion of an FQHC or RHC service that is incorporated in the baseline PPS rate.

(B) A change in service due to amended regulatory requirements or rules.

(C) A change in service resulting from relocating or remodeling an FQHC or RHC.

(D) A change in types of services due to a change in applicable technology and medical practice utilized by the center or clinic.

(E) An increase in service intensity attributable to changes in the types of patients served, including, but not limited to, populations with HIV or AIDS, or other chronic diseases, or homeless, elderly, migrant, or other special populations.

(F) A change in any service described in subdivision (a) or (b), or in the provider mix of an FQHC or RHC or one of its sites.

(G) Changes in operating costs attributable to capital expenditures associated with a modification of the scope of a service described in subdivision (a) or (b), including new or expanded service facilities, regulatory compliance, or changes in technology or medical practices at the center or clinic.

(H) Indirect medical education adjustments and a direct graduate medical education payment that reflects the costs of providing teaching services to interns and residents.

(I) A change in the scope of a project approved by the federal Health Resources and Services Administration (HRSA).

(3) No change in costs, in and of itself, shall be considered a scope-of-service change unless all of the following apply:

(A) The increase or decrease in cost is attributable to an increase or decrease in the scope of services defined in subdivisions (a) and (b), as applicable.

(B) The cost is allowable under Medicare reasonable cost principles set forth in Part 413 (commencing with Section 413.1) of Subchapter B of Chapter 4 of Title 42 of the Code of Federal Regulations, or its successor.

(C) The change in the scope of services is a change in the type, intensity, duration, or amount of services, or any combination thereof.

(D) The net change in the FQHC's or RHC's rate equals or exceeds 1.75 percent for the affected FQHC or RHC site. For FQHCs and RHCs that filed consolidated cost reports for multiple sites to establish the initial prospective payment reimbursement rate, the 1.75-percent threshold shall be applied to the average per-visit rate of all sites for the purposes of calculating the cost associated with a scope-of-service change. "Net change" means the per-visit rate change attributable to the cumulative effect of all increases and decreases for a particular fiscal year.

(4) An FQHC or RHC may submit requests for scope-of-service changes once per fiscal year, only within 90 days following the beginning of the FQHC's or RHC's fiscal year. An approved increase or decrease in the provider's rate shall be retroactive to the beginning of the FQHC's or RHC's fiscal year in which the request is submitted.

(5) An FQHC or RHC shall submit a scope-of-service rate change request within 90 days of the beginning of an FQHC or RHC fiscal year occurring after the effective date of this section, if, during the FQHC's or RHC's prior fiscal year, the FQHC or RHC experienced a decrease in the scope of services provided that the FQHC or RHC either knew or should have known would have resulted in a significantly lower per-visit rate. If an FQHC or RHC discontinues providing onsite pharmacy or dental services, it shall submit a scope-of-service rate change request within 90 days of the beginning of the following fiscal year. The rate change shall be effective as provided for in paragraph (4). As used in this paragraph, "significantly lower" means an average per-visit rate decrease in excess of 2.5 percent.

(6) Notwithstanding paragraph (4), if the approved scope-of-service change or changes were initially implemented on or after the first day of an FQHC's or RHC's fiscal year ending in calendar year 2001, but before the adoption and issuance of written instructions for applying for a scope-of-service change, the adjusted reimbursement rate for that scope-of-service change shall be made retroactive to the date the scope-of-service change was initially implemented. Scope-of-service changes under this paragraph shall be required to be submitted within the later of 150 days after the adoption and issuance of the written instructions by the department, or 150 days after the end of the FQHC's or RHC's fiscal year ending in 2003.

(7) All references in this subdivision to "fiscal year" shall be construed to be references to the fiscal year of the individual FQHC or RHC, as the case may be.

(f) (1) An FQHC or RHC may request a supplemental payment if extraordinary circumstances beyond the control of the FQHC or RHC occur after December 31, 2001, and PPS payments are insufficient due to these extraordinary circumstances. Supplemental payments arising from extraordinary circumstances under this subdivision shall be solely and exclusively within the discretion of the department and shall not be subject to subdivision (l). These supplemental payments shall be determined separately from the scope-of-service adjustments described in subdivision (e). Extraordinary circumstances include, but are not limited to, acts of nature, changes in applicable requirements in the Health and Safety Code, changes in applicable licensure requirements, and changes in applicable rules or regulations. Mere inflation of costs alone, absent extraordinary circumstances, shall not be grounds for supplemental payment. If an FQHC's or RHC's PPS rate is sufficient to cover its overall costs, including those associated with the extraordinary circumstances, then a supplemental payment is not warranted.

(2) The department shall accept requests for supplemental payment at any time throughout the prospective payment rate year.

(3) Requests for supplemental payments shall be submitted in writing to the department and shall set forth the reasons for the request. Each request shall be accompanied by sufficient documentation to enable the department to act upon the request. Documentation shall include the data necessary to demonstrate that the circumstances for which supplemental payment is requested meet the requirements set forth in this section. Documentation shall include both of the following:

(A) A presentation of data to demonstrate reasons for the FQHC's or RHC's request for a supplemental payment.

(B) Documentation showing the cost implications. The cost impact shall be material and significant, two hundred thousand dollars ($200,000) or 1 percent of a facility's total costs, whichever is less.

(4) A request shall be submitted for each affected year.

(5) Amounts granted for supplemental payment requests shall be paid as lump-sum amounts for those years and not as revised PPS rates, and shall be repaid by the FQHC or RHC to the extent that it is not expended for the specified purposes.

(6) The department shall notify the provider of the department's discretionary decision in writing.

(g) (1) An FQHC or RHC "visit" means a face-to-face encounter between an FQHC or RHC patient and a physician, physician assistant, nurse practitioner, certified nurse-midwife, clinical psychologist, licensed clinical social worker, or a visiting nurse. For purposes of this section, "physician" shall be interpreted in a manner consistent with the Centers for Medicare and Medicaid Services' Medicare Rural Health Clinic and Federally Qualified Health Center Manual (Publication 27), or its successor, only to the extent that it defines the professionals whose services are reimbursable on a per-visit basis and not as to the types of services that these professionals may render during these visits and shall include a physician and surgeon, osteopath, podiatrist, dentist, optometrist, and chiropractor. A visit shall also include a face-to-face encounter between an FQHC or RHC patient and a comprehensive perinatal practitioner, as defined in Section 51179.7 of Title 22 of the California Code of Regulations, providing comprehensive perinatal services, a four-hour day of attendance at an adult day health care center, and any other provider identified in the state plan's definition of an FQHC or RHC visit.

(2) (A) A visit shall also include a face-to-face encounter between an FQHC or RHC patient and a dental hygienist, a dental hygienist in alternative practice, or a marriage and family therapist.

(B) Notwithstanding subdivision (e), if an FQHC or RHC that currently includes the cost of the services of a dental hygienist in alternative practice, or a marriage and family therapist for the purposes of establishing its FQHC or RHC rate chooses to bill these services as a separate visit, the FQHC or RHC shall apply for an adjustment to its per-visit rate, and, after the rate adjustment has been approved by the department, shall bill these services as a separate visit. However, multiple encounters with dental professionals or marriage and family therapists that take place on the same day shall constitute a single visit. The department shall develop the appropriate forms to determine which FQHC's or RHC's rates shall be adjusted and to facilitate the calculation of the adjusted rates. An FQHC's or RHC's application for, or the department's approval of, a rate adjustment pursuant to this subparagraph shall not constitute a change in scope of service within the meaning of subdivision (e). An FQHC or RHC that applies for an adjustment to its rate pursuant to this subparagraph may continue to bill for all other FQHC or RHC visits at its existing per-visit rate, subject to reconciliation, until the rate adjustment for visits between an FQHC or RHC patient and a dental hygienist, a dental hygienist in alternative practice, or a marriage and family therapist has been approved. An approved increase or decrease in the provider's rate shall be made within six months after the date of receipt of the department's rate adjustment forms pursuant to this subparagraph and shall be retroactive to the beginning of the fiscal year in which the FQHC or RHC submits the request, but in no case shall the effective date be earlier than January 1, 2008.

(C) An FQHC or RHC that does not provide dental hygienist, dental hygienist in alternative practice, or marriage and family therapist services, and later elects to add these services and bill these services as a separate visit, shall process the addition of these services as a change in scope of service pursuant to subdivision (e).

(h) If FQHC or RHC services are partially reimbursed by a third-party payer, such as a managed care entity (as defined in Section 1396u-2(a)(1)(B) of Title 42 of the United States Code), the Medicare Program, or the Child Health and Disability Prevention (CHDP) Program, the department shall reimburse an FQHC or RHC for the difference between its per-visit PPS rate and receipts from other plans or programs on a contract-by-contract basis and not in the aggregate, and may not include managed care financial incentive payments that are required by federal law to be excluded from the calculation.

(i) (1) An entity that first qualifies as an FQHC or RHC in the year 2001 or later, a newly licensed facility at a new location added to an existing FQHC or RHC, and an entity that is an existing FQHC or RHC that is relocated to a new site shall each have its reimbursement rate established in accordance with one of the following methods, as selected by the FQHC or RHC:

(A) The rate may be calculated on a per-visit basis in an amount that is equal to the average of the per-visit rates of three comparable FQHCs or RHCs located in the same or adjacent area with a similar caseload.

(B) In the absence of three comparable FQHCs or RHCs with a similar caseload, the rate may be calculated on a per-visit basis in an amount that is equal to the average of the per-visit rates of three comparable FQHCs or RHCs located in the same or an adjacent service area, or in a reasonably similar geographic area with respect to relevant social, health care, and economic characteristics.

(C) At a new entity's one-time election, the department shall establish a reimbursement rate, calculated on a per-visit basis, that is equal to 100 percent of the projected allowable costs to the FQHC or RHC of furnishing FQHC or RHC services during the first 12 months of operation as an FQHC or RHC. After the first 12-month period, the projected per-visit rate shall be increased by the Medicare Economic Index then in effect. The projected allowable costs for the first 12 months shall be cost settled and the prospective payment reimbursement rate shall be adjusted based on actual and allowable cost per visit.

(D) The department may adopt any further and additional methods of setting reimbursement rates for newly qualified FQHCs or RHCs as are consistent with Section 1396a(bb)(4) of Title 42 of the United States Code.

(2) In order for an FQHC or RHC to establish the comparability of its caseload for purposes of subparagraph (A) or (B) of paragraph (1), the department shall require that the FQHC or RHC submit its most recent annual utilization report as submitted to the Office of Statewide Health Planning and Development, unless the FQHC or RHC was not required to file an annual utilization report. FQHCs or RHCs that have experienced changes in their services or caseload subsequent to the filing of the annual utilization report may submit to the department a completed report in the format applicable to the prior calendar year. FQHCs or RHCs that have not previously submitted an annual utilization report shall submit to the department a completed report in the format applicable to the prior calendar year. The FQHC or RHC shall not be required to submit the annual utilization report for the comparable FQHCs or RHCs to the department, but shall be required to identify the comparable FQHCs or RHCs.

(3) The rate for a newly qualified entity set forth under this subdivision shall be effective retroactively to the later of the date that the entity was first qualified by the applicable federal agency as an FQHC or RHC, the date a new facility at a new location was added to an existing FQHC or RHC, or the date on which an existing FQHC or RHC was relocated to a new site. The FQHC or RHC shall be permitted to continue billing for Medi-Cal covered benefits on a fee-for-service basis under its existing provider number until it is informed of its FQHC or RHC enrollment approval, and the department shall reconcile the difference between the fee-for-service payments and the FQHC's or RHC's prospective payment rate at that time.

(j) Visits occurring at an intermittent clinic site, as described in subdivision (h) of Section 1206 of the Health and Safety Code, of an existing FQHC or RHC, or in a mobile unit as defined by paragraph (2) of subdivision (b) of Section 1765.105 of the Health and Safety Code, shall be billed by and reimbursed at the same rate as the FQHC or RHC establishing the intermittent clinic site or the mobile unit, subject to the right of the FQHC or RHC to request a scope-of-service adjustment to the rate.

(k) An FQHC or RHC may elect to have pharmacy or dental services reimbursed on a fee-for-service basis, utilizing the current fee schedules established for those services. These costs shall be adjusted out of the FQHC's or RHC's clinic base rate as scope-of-service changes. An FQHC or RHC that reverses its election under this subdivision shall revert to its prior rate, subject to an increase to account for all Medicare Economic Index increases occurring during the intervening time period, and subject to any increase or decrease associated with applicable scope-of-service adjustments as provided in subdivision (e).

(l) FQHCs and RHCs may appeal a grievance or complaint concerning ratesetting, scope-of-service changes, and settlement of cost report audits, in the manner prescribed by Section 14171. The rights and remedies provided under this subdivision are cumulative to the rights and remedies available under all other provisions of law of this state.

(m) No later than March 30, 2008, the department shall promptly seek all necessary federal approvals in order to implement this section, including any amendment to the state plan. To the extent that an element or requirement of this section is not approved, the department shall submit a request to the federal Centers for Medicare and Medicaid Services for a waiver that would be necessary to implement this section.

(n) The department shall implement this section only to the extent that federal financial participation is obtained.

SEC. 283. Section 14134.25 of the Welfare and Institutions Code is amended to read:

14134.25. (a) Tobacco cessation services are covered benefits under the Medi-Cal program, subject to utilization controls. Tobacco cessation services shall include all intervention recommendations, as periodically updated, assigned a grade A or B by the United States Preventive Services Task Force. Tobacco cessation services shall include quit attempts based on medical necessity, as defined in Section 14059.5, and consistent with United States Preventive Services Task Force grade A and B recommendations, with no required break between attempts, for all beneficiaries 18 years of age and older who use tobacco. For beneficiaries under 18 years of age, tobacco cessation services shall be provided in accordance with both the American Academy of Pediatrics Bright Futures periodicity schedule and anticipatory guidance as periodically updated, as well as services assigned a grade A or B by the United States Preventive Services Task Force.

(b) For purposes of this section, in addition to the services described in subdivision (a) and only to the extent consistent with the intervention recommendations, as periodically updated, assigned a grade A or B by the United States Preventive Services Task Force, tobacco cessation services for beneficiaries 18 years of age and older shall include all of the following:

(1) At least four tobacco cessation counseling sessions per quit attempt that may be conducted in person or by telephone and individually or as part of a group, at the beneficiary's option.

(2) (A) A tobacco cessation treatment regimen of any medication approved by the federal Food and Drug Administration, and that is a covered Medi-Cal benefit, for tobacco cessation, including prescription and over-the-counter medications, in accordance with United States Preventive Services Task Force grade A and B recommendations.

(B) A prescription from a provider with authority to prescribe and proof of Medi-Cal coverage shall be sufficient documentation to fill a prescription for over-the-counter tobacco cessation medications.

(c) Beneficiaries who are covered under this section shall not be required to receive a particular form of tobacco cessation service as a condition of receiving any other form of tobacco cessation service.

(d) Effective January 1, 2017, the department shall seek any federal approvals that the department determines are necessary to implement this section.

(e) This section shall be implemented only to the extent that federal financial participation is available and not otherwise jeopardized, and any necessary federal approvals have been obtained.

SEC. 284. Section 14184.40 of the Welfare and Institutions Code is amended to read:

14184.40. (a) (1) The department shall implement the Global Payment Program authorized under the demonstration project to support participating public health care systems that provide health care services for the uninsured. Under the Global Payment Program, GPP systems receive global payments based on the health care they provide to the uninsured, in lieu of traditional disproportionate share hospital payments and safety net care pool payments previously made available pursuant to Article 5.2 (commencing with Section 14166).

(2) The Global Payment Program is intended to streamline funding sources for care for California's remaining uninsured population, creating a value-based mechanism to increase incentives to provide primary and preventive care services and other high-value services. The Global Payment Program supports GPP systems for their key role providing and promoting effective, higher value services to California's remaining uninsured. Promoting more cost-effective and higher value care means that the payment structure rewards the provision of care in more appropriate venues for patients, and will support structural changes to the care delivery system that will improve the options for treating both Medi-Cal and uninsured patients.

(3) Under the Global Payment Program, GPP systems will receive Global Payment Program payments calculated using an innovative value-based point methodology that incorporates measures of value for the patient in conjunction with the recognition of costs. To receive the full amount of Global Payment Program payments, a GPP system shall provide a threshold level of services, as measured in the point methodology described in paragraph (2) of subdivision (c), and based on the GPP system's historical volume, cost, and mix of services. This payment methodology is intended to support GPP systems that continue to provide services to the uninsured, while incentivizing the GPP systems to shift the overall delivery of services for the uninsured to provide more cost-effective, higher value care.

(4) The department shall implement and oversee the operation of the Global Payment Program in accordance with the Special Terms and Conditions and the requirements of this section, to maximize the amount of federal financial participation available to participating GPP systems.

(b) For purposes of this article, the following definitions apply:

(1) "GPP system" means a public health care system that consists of a designated public hospital, as defined in subdivision (f) of Section 14184.10 but excluding the hospitals operated by the University of California, and its affiliated and contracted providers. Multiple designated public hospitals operated by a single legal entity may belong to the same GPP system, to the extent set forth in the Special Terms and Conditions.

(2) "GPP program year" means a state fiscal year beginning on July 1 and ending on June 30 during which the Global Payment Program is authorized under the demonstration project, beginning with state fiscal year 2015–16, and, as applicable, each state fiscal year thereafter through 2019–20, and any years or partial years during which the Global Payment Program is authorized under an extension or successor to the demonstration project.

(c) (1) For each GPP program year, the department shall determine the Global Payment Program's aggregate annual limit, which is the maximum amount of funding available under the demonstration project for the Global Payment Program and which is the sum of the components described in subparagraphs (A) and (B). To the extent feasible, the aggregate annual limit shall be determined and made available by the department before the implementation of a GPP program year, and shall be updated and adjusted as necessary to reflect changes or adjustments to the amount of funding available for the Global Payment Program.

(A) A portion of the federal disproportionate share allotment specified for California under Section 1396r-4(f) of Title 42 of the United States Code shall be included as a component of the aggregate annual limit for each GPP program year. The amount of this portion shall equal the state's total computable disproportionate share allotment reduced by the maximum amount of funding projected for payments pursuant to subparagraphs (B) and (C) of paragraph (4) of subdivision (b) of Section 14184.30 to disproportionate share hospitals that are not participating in the Global Payment Program. For purposes of this determination, the federal disproportionate share allotment shall be aligned with the GPP program year in which the applicable federal fiscal year commences.

(B) The aggregate annual limit shall also include the amount authorized under the demonstration project for the uncompensated care component of the Global Payment Program for the applicable GPP program year, as determined

pursuant to the Special Terms and Conditions.

(2) The department shall develop a methodology for valuing health care services and activities provided to the uninsured that achieves the goals of the Global Payment Program, including those values set forth in subdivision (a) and as expressed in the Special Terms and Conditions. The points assigned to a particular service or activity shall be the same across all GPP systems. Points for specific services or activities may be increased or decreased over time as the Global Payment Program progresses, to incentivize appropriate changes in the mix of services provided to the uninsured. To the extent necessary, the department shall obtain federal approval for the methodology and any applicable changes to the methodology.

(3) For each GPP system, the department shall perform a baseline analysis of the GPP system's historical volume, cost, and mix of services to the uninsured to establish an annual threshold for purposes of the Global Payment Program. The annual threshold shall be measured in points established through the methodology developed pursuant to paragraph (2) and as set forth in the Special Terms and Conditions.

(4) The department shall determine a pro rata allocation percentage for each GPP system by dividing the GPP system's annual threshold determined in paragraph (3) by the sum of all GPP systems' thresholds.

(5) For each GPP system, the department shall determine an annual budget the GPP system will receive if it achieves its threshold. A GPP system's annual budget shall equal the allocation percentage determined in paragraph (4) for the GPP system, multiplied by the Global Payment Program's aggregate annual limit determined in paragraph (1).

(6) In the event of a change in the aggregate annual limit, the department shall adjust and recalculate each GPP system's annual threshold and annual budget in proportion to changes in the aggregate annual limit calculated in paragraph (1) in accordance with the Special Terms and Conditions.

(d) The amount of Global Payment Program funding payable to a GPP system for a GPP program year shall be calculated as follows, subject to the Special Terms and Conditions:

(1) The full amount of a GPP system's annual budget shall be payable to the GPP system if the services it provided to the uninsured during the GPP program year, as measured and scored using the point methodology described under paragraph (2) of subdivision (c), meets or exceeds its threshold for a given year. For GPP systems that do not achieve their threshold, the amount payable to the GPP system shall equal its annual budget reduced by the proportion by which it fell short of its threshold.

(2) The department shall develop a methodology to redistribute unearned Global Payment Program funds for a given GPP program year to those GPP systems that exceeded their respective threshold for that same year. To the extent sufficient funds are available for all qualifying GPP systems, the GPP system's redistributed amount shall equal the GPP system's annual budget multiplied by the percentage by which the GPP system exceeded its threshold, and any remaining amounts of unearned funds will remain undistributed. If sufficient funds are unavailable to make all these payments to qualifying GPP systems, the amounts of these additional payments will be reduced for all qualifying GPP systems by the same proportion, so that the full amount of unearned Global Payment Program funds are redistributed. Redistributed payment amounts calculated pursuant to this paragraph shall be added to the amounts payable to a GPP system calculated pursuant to paragraph (1).

(3) The department shall specify a reporting schedule for participating GPP systems to submit an interim yearend report and a final reconciliation report for each GPP program year. The interim yearend report and the final reconciliation report shall identify the services the GPP system provided to the uninsured during the GPP program year, the associated point calculation, and the amount of payments earned by the GPP system before any redistribution. The method and format of the reporting shall be established by the department, consistent with the approved Special Terms and Conditions.

(4) Payments shall be made in the manner and within the timeframes as follows, except if one or more GPP systems fail to provide the intergovernmental transfer amount determined pursuant to subdivision (g) by the date specified in this paragraph, the timeframe for the associated payments shall be extended to the extent necessary to allow the department to timely process the payments. In no event, however, shall payment be delayed beyond 21 days after all the necessary intergovernmental transfers have been made.

(A) Except as provided in subparagraph (B), for each of the first three quarters of a GPP program year the department shall notify GPP systems of their payment amounts and intergovernmental transfer amounts and make a quarterly interim payment equal to 25 percent of each GPP system's annual global budget to the GPP system.

(i) For quarters ending September 30, the payment amount and intergovernmental transfer amount notice shall be sent by September 15, intergovernmental transfers shall be due by September 22, and payments shall be made by October 15.

(ii) For quarters ending December 31, the payment amount and intergovernmental transfer amount notice shall be sent by December 15, intergovernmental transfers shall be due by December 22, and payments shall be made by January 15.

(iii) For quarters ending March 31, the payment amount and intergovernmental transfer amount notice shall be sent by March 15, intergovernmental transfers shall be due by March 22, and payments shall be made by April 15.

(B) For the 2015–16 GPP program year, the department shall make the quarterly interim payments described in subdivision (a) in a single interim payment for the first three quarters as soon as practicable following approval of the Global Payment Program protocols as part of the Special Terms and Conditions and receipt of the associated intergovernmental transfers. The amount of this interim payment that is otherwise payable to a GPP system shall be reduced by the payments described in paragraph (2) of subdivision (c) of Section 14184.30 that were received by a designated public hospital affiliated with the GPP system.

(C) By September 15 following the end of each GPP program year, the department shall determine and notify each GPP system of the amount the GPP system earned for the GPP program year pursuant to paragraph (1) based on its interim yearend report, the amount of additional interim payments necessary to bring the GPP system's aggregate interim payments for the GPP program year to that amount, and the transfer amounts calculated pursuant to subdivision (g). If the GPP system has earned less than 75 percent of its annual budget, no additional interim payment will be made for the GPP program year. Intergovernmental transfer amounts shall be due by September 22 following the end of the GPP program year, and interim payments shall be made by October 15 following the end of each GPP program year. All interim payments shall be subject to reconciliation after the submission of the final reconciliation report.

(D) By June 30 following the end of each GPP program year, the department shall review the final reconciliation reports and determine and notify each GPP system of the final amounts earned by the GPP system for the GPP program year pursuant to paragraph (1), as well as the redistribution amounts, if any, pursuant to paragraph (2), the amount of the payment adjustments or recoupments necessary to reconcile interim payments to those amounts, and the transfer amount pursuant to subdivision (g). Intergovernmental transfer amounts shall be due by July 14 following the notification, and final reconciliation payments for the GPP program year shall be made no later than August 15 following this notification.

(e) The Global Payment Program provides a source of funding for GPP systems to support their ability to make health care activities and services available to the uninsured, and shall not be construed to constitute or offer health care coverage for individuals receiving services. Global Payment Program payments are not paid on behalf of specific individuals, and participating GPP systems may determine the scope, type, and extent to which services are available, to the extent consistent with the Special Terms and Conditions. The operation of the Global Payment Program shall not be construed to decrease, expand, or otherwise alter the scope of a county's obligations to the medically indigent pursuant to Part 5 (commencing with Section 17000) of Division 9.

(f) The nonfederal share of any payments under the Global Payment Program shall consist of voluntary intergovernmental transfers of funds provided by designated public hospitals or affiliated governmental agencies or entities, in accordance with this section.

(1) The Global Payment Program Special Fund is hereby established in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys deposited in the Global Payment Program Special Fund shall be continuously appropriated, without regard to fiscal years, to the department for the purposes specified in this section. All funds derived pursuant to this section shall be deposited in the State Treasury to the credit of the Global Payment Program Special Fund.

(2) The Global Payment Program Special Fund shall consist of moneys that a designated public hospital or affiliated governmental agency or entity elects to transfer to the department for deposit into the fund as a condition of participation in the Global Payment Program, to the extent permitted under Section 433.51 of Title 42 of the Code of Federal Regulations, the Special Terms and Conditions, and any other applicable federal Medicaid laws. Except as otherwise provided in paragraph (3), moneys derived from these intergovernmental transfers in the Global Payment Program Special Fund shall be used as the source for the nonfederal share of Global Payment Program payments authorized under the demonstration project. Any intergovernmental transfer of funds provided for purposes of the Global Payment Program shall be made as specified in this section. Upon providing any intergovernmental transfer of funds, each transferring entity shall certify that the transferred funds qualify for federal financial participation pursuant to applicable federal Medicaid laws and the Special Terms and Conditions, and in the form and manner as required by the department.

(3) The department shall claim federal financial participation for GPP payments using moneys derived from intergovernmental transfers made pursuant to this section, and deposited in the Global Payment Program Special Fund to the full extent permitted by law. The moneys disbursed from the fund, and all associated federal financial participation, shall be distributed only to GPP systems and the governmental agencies or entities to which they are affiliated, as applicable. In the event federal financial

participation is not available with respect to a payment under this section and either is not obtained, or results in a recoupment of payments already made, the department shall return any intergovernmental transfer fund amounts associated with the payment for which federal financial participation is not available to the applicable transferring entities within 14 days from the date of the associated recoupment or other determination, as applicable.

(4) As a condition of participation in the Global Payment Program, each designated public hospital or affiliated governmental agency or entity, agrees to provide intergovernmental transfer of funds necessary to meet the nonfederal share obligation as calculated under subdivision (g) for Global Payment Program payments made pursuant to this section and the Special Terms and Conditions. Any intergovernmental transfer of funds made pursuant to this section shall be considered voluntary for purposes of all federal laws. No state General Fund moneys shall be used to fund the nonfederal share of any Global Payment Program payment.

(g) For each scheduled quarterly interim payment, interim yearend payment, and final reconciliation payment pursuant to subdivision (d), the department shall determine the intergovernmental transfer amount for each GPP system as follows:

(1) The department shall determine the amount of the quarterly interim payment, interim yearend payment, or final reconciliation payment, as applicable, that is payable to each GPP system pursuant to subdivision (d). For purposes of these determinations, the redistributed amounts described in paragraph (2) of subdivision (d) shall be disregarded.

(2) The department shall determine the aggregate amount of intergovernmental transfers necessary to fund the nonfederal share of the quarterly interim payment, interim yearend payment, or final reconciliation payment, as applicable, identified in paragraph (1) for all the GPP systems.

(3) With respect to each quarterly interim payment, interim yearend payment, or final yearend reconciliation payment, as applicable, an initial transfer amount shall be determined for each GPP system, calculated as the amount for the GPP system determined in paragraph (1), multiplied by the nonfederal share percentage, as defined in Section 14184.10, and multiplied by the applicable GPP system-specific IGT factor as follows:

(A) Los Angeles County Health System: 1.100.

(B) Alameda Health System: 1.137.

(C) Arrowhead Regional Medical Center: 0.923.

(D) Contra Costa Regional Medical Center: 0.502.

(E) Kern Medical Center: 0.581.

(F) Natividad Medical Center: 1.183.

(G) Riverside University Health System-Medical Center: 0.720.

(H) San Francisco General Hospital: 0.507.

(I) San Joaquin General Hospital: 0.803.

(J) San Mateo Medical Center: 1.325.

(K) Santa Clara Valley Medical Center: 0.706.

(L) Ventura County Medical Center: 1.401.

(4) The initial transfer amount for each GPP system determined under paragraph (3) shall be further adjusted as follows to ensure that sufficient intergovernmental transfers are available to make payments to all GPP systems:

(A) With respect to each quarterly interim payment, interim yearend payment, or final reconciliation payment, as applicable, the initial transfer amounts for all GPP systems determined under paragraph (3) shall be added together.

(B) The sum of the initial transfer amounts in subparagraph (A) shall be subtracted from the aggregate amount of intergovernmental transfers necessary to fund the payments as determined in paragraph (2). The resulting positive or negative amount shall be the aggregate positive or negative intergovernmental transfer adjustment.

(C) Each GPP system-specific IGT factor, as specified in subparagraphs (A) to (L), inclusive, of paragraph (3) shall be subtracted from 2.000, yielding an IGT adjustment factor for each GPP system.

(D) The IGT adjustment factor calculated in subparagraph (C) for each GPP system shall be multiplied by the positive or negative amount in subparagraph (B), and multiplied by the allocation percentage determined for the GPP system in paragraph (4) of subdivision (c), yielding the amount to be added or subtracted from the initial transfer amount determined in paragraph (3) for the applicable GPP system.

(E) The transfer amount to be paid by each GPP system with respect to the applicable quarterly interim payment, interim yearend payment, or final reconciliation payment, shall equal the initial transfer amount determined in paragraph (3) as adjusted by the amount determined in subparagraph (D).

(5) Upon the determination of the redistributed amounts described in paragraph (2) of subdivision (d) for the final reconciliation payment, the department shall, with respect to each GPP system that exceeded its respective threshold, determine the associated intergovernmental transfer amount equal to the nonfederal share that is necessary to draw down the additional payment, and shall include this amount in the GPP system's transfer amount.

(h) The department may initiate audits of GPP systems' data submissions and reports, and may request supporting documentation. Any audits conducted by the department shall be complete within 22 months of the end of the applicable GPP program year to allow for the appropriate finalization of payments to the participating GPP system, but subject to recoupment if it is later determined that federal financial participation is not available for any portion of the applicable payments.

(i) If the department determines, during the course of the demonstration term and in consultation with participating GPP systems, that the Global Payment Program should be terminated for subsequent years, the department shall terminate the Global Payment Program by notifying the federal Centers for Medicare and Medicaid Services in accordance with the timeframes specified in the Special Terms and Conditions. In the event of this type of termination, the department shall issue a declaration terminating the Global Payment Program and shall work with the federal Centers for Medicare and Medicaid Services to finalize all remaining payments under the Global Payment Program. Subsequent to the effective date for any termination accomplished pursuant to this subdivision, the designated public hospitals that participated in the Global Payment Program shall claim and receive disproportionate share hospital payments, if eligible, as described in subparagraph (D) of paragraph (4) of subdivision (b) of Section 14184.30, but only to the extent that any necessary federal approvals are obtained and federal financial participation is available and not otherwise jeopardized.

SEC. 285. Section 14184.50 of the Welfare and Institutions Code is amended to read:

14184.50. (a) (1) The department shall establish and operate the Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program to build upon the foundational delivery system transformation work, expansion of coverage, and increased access to coordinated primary care achieved through the prior California's "Bridge to Reform" Medicaid demonstration project. The activities supported by the PRIME program are designed to accelerate efforts by participating PRIME entities to change care delivery to maximize health care value and strengthen their ability to successfully perform under risk-based alternative payment models in the long term and consistent with the demonstration's goals. Participating PRIME entities consist of two types of entities: designated public hospital systems and district and municipal public hospitals.

(2) Participating PRIME entities shall be eligible to earn incentive payments by undertaking projects set forth in the Special Terms and Conditions, for which there are required project metrics and targets. Additionally, a minimum number of required projects is specified for each designated public hospital system.

(3) The department shall provide participating PRIME entities the opportunity to earn the maximum amount of funds authorized for the PRIME program under the demonstration project. Under the demonstration project, funding is available for the designated public hospital systems and the district and municipal public hospitals through two separate pools. Subject to the Special Terms and Conditions, up to one billion four hundred million dollars ($1,400,000,000) is authorized annually for the designated public hospital systems pool, and up to two hundred million dollars ($200,000,000) is authorized annually for the district and municipal public hospitals pool, during the first three years of the demonstration project, with reductions to these amounts in the fourth and fifth years. Except in those limited instances specifically authorized by the Special Terms and Conditions, the funding that is authorized for each respective pool shall only be available to participating PRIME entities within that pool.

(4) PRIME payments shall be incentive payments, and are not payments for services otherwise reimbursable under the Medi-Cal program, nor direct reimbursement for expenditures incurred by participating PRIME entities in implementing reforms. PRIME incentive payments shall not offset payment amounts otherwise payable by the Medi-Cal program, or to and by Medi-Cal managed care plans for services provided to Medi-Cal beneficiaries, or otherwise supplant provider payments payable to PRIME entities.

(b) For purposes of this article, the following definitions apply:

(1) “Alternative payment methodology” or “APM” means a payment made from a Medi-Cal managed care plan to a designated public hospital system for services covered for a beneficiary assigned to a designated public hospital system that meets the conditions set forth in the Special Terms and Conditions and approved by the department, as applicable.

(2) “Designated public hospital system” means a designated public hospital, as listed in the Special Terms and Conditions, and its affiliated governmental providers and contracted governmental and nongovernmental entities that constitute a system with an approved project plan under the PRIME program. A single designated public hospital system may include multiple designated public hospitals under common government ownership.

(3) “District and municipal public hospitals” means those nondesignated public hospitals, as listed in the Special Terms and Conditions, that have an approved project plan under the PRIME program.

(4) “Participating PRIME entity” means a designated public hospital system or district and municipal public hospital participating in the PRIME program.

(5) “PRIME program year” means the state fiscal year beginning on July 1 and ending on June 30 during which the PRIME program is authorized, except that the first PRIME program year shall commence on January 1, 2016, and, as applicable, means each state fiscal year thereafter through the 2019–20 state fiscal year, and any years or partial years during which the PRIME program is authorized under an extension or successor to the demonstration project.

(c) (1) Within 30 days following federal approval of the protocols setting forth the PRIME projects, metrics, and funding mechanics, each participating PRIME entity shall submit a five-year PRIME project plan containing the specific elements required in the Special Terms and Conditions. The department shall review all five-year PRIME project plans and take action within 60 days to approve or disapprove each five-year PRIME project plan.

(2) Participating PRIME entities may modify projects or metrics in their five-year PRIME project plan, to the extent authorized under the demonstration project and approved by the department.

(d) (1) Each participating PRIME entity shall submit reports to the department twice a year demonstrating progress toward required metric targets. A standardized report form shall be developed jointly by the department and participating PRIME entities for this purpose. The mid-year report shall be due March 31 of each PRIME program year, except that, for the 2015–16 project year only, the submission of an acceptable five-year PRIME project plan in accordance with the Special Terms and Conditions shall constitute the submission of the mid-year report. The yearend report shall be due September 30 following each PRIME program year.

(2) The submission of the project reports pursuant to paragraph (1) shall constitute a request for payment. Amounts payable to the participating PRIME entity shall be determined based on the achievement of the metric targets included in the mid-year report and yearend report, as applicable.

(3) Within 14 days following the submission of the mid-year and yearend reports, the department shall confirm the amounts payable to participating PRIME entities and shall issue requests to each participating PRIME entity for the intergovernmental transfer amounts necessary to draw down the federal funding for the applicable PRIME incentive payment to that entity.

(A) Any intergovernmental transfers provided for purposes of this section shall be deposited in the Public Hospital Investment, Improvement, and Incentive Fund established pursuant to Section 14182.4 and retained pursuant to paragraph (1) of subdivision (f).

(B) Participating PRIME entities or their affiliated governmental agencies or entities shall make the intergovernmental transfer to the department within seven days of receiving the department’s request. In the event federal approval for a payment is not obtained, the department shall return the intergovernmental transfer funds to the transferring entity within 14 days.

(C) PRIME payments to a participating PRIME entity shall be conditioned upon the department’s receipt of the intergovernmental transfer amount from the applicable entity. If the intergovernmental transfer is made within the appropriate timeframe, the incentive payment shall be disbursed in accordance with paragraph (4), otherwise the payment shall be disbursed within 14 days of when the intergovernmental transfer is provided.

(4) Subject to paragraph (3), and except with respect to the 2015–16 project year, amounts payable based on the mid-year reports shall be paid no later than April 30, and amounts payable based on the yearend report shall be paid no later than October 31. In the event of insufficient or misreported data, these payment deadlines may be extended up to 60 days to allow time for the reports to be adequately corrected for approval for payment. If corrected data is not submitted to enable payment to be made within the extended timeframe, the participating entity shall not receive PRIME payment for the period in question. For the 2015–16 project year only, 25 percent of the annual allocation for the participating PRIME entity shall be payable within 14

days following the approval of the five-year PRIME project plan. The remaining 75 percent of the participating PRIME entity's annual allocation shall be available following the 2015–16 yearend report, subject to the requirements in paragraph (2) of subdivision (e).

(5) The department shall draw down the federal funding and pay both the nonfederal and federal shares of the incentive payment to the participating PRIME entity, to the extent federal financial participation is available.

(e) The amount of PRIME incentive payments payable to a participating PRIME entity shall be determined as follows:

(1) The department shall allocate the full amount of annual funding authorized under the PRIME project pools across all domains, projects, and metrics undertaken in the manner set forth in the Special Terms and Conditions. Separate allocations shall be determined for the designated public hospital system pool and the district and municipal hospital pool. The allocations shall determine the aggregate annual amount of funding that may be earned for each domain, project, and metric for all participating PRIME entities within the appropriate pool.

(A) The department shall allocate the aggregate annual amounts determined for each project and metric under the designated public hospital system pool among participating designated public hospital systems through an allocation methodology that takes into account available system-specific data, primarily based on the unique number of Medi-Cal beneficiaries treated, consistent with the Special Terms and Conditions. For the 2015−16 project year only, the approval of the five-year PRIME project plans for designated public hospital systems will be considered an appropriate metric target and will equal up to 25 percent of a designated public hospital system's annual allocation for that year.

(B) The department shall allocate the aggregate annual amounts determined for each project and metric under the district and municipal public hospital system pool among participating district and municipal public hospital systems through an allocation methodology that takes into account available system-specific data that includes Medi-Cal and uninsured care, the number of projects being undertaken, and a baseline floor funding amount, consistent with the Special Terms and Conditions. For the 2015–16 project year only, the approval of the five-year PRIME project plans for district and municipal public hospital systems will be considered an appropriate metric target and will equal up to 25 percent of a district and municipal public hospital system's annual allocation for that year.

(2) Amounts payable to each participating PRIME entity shall be determined using the methodology described in the Special Terms and Conditions, based on the participating PRIME entity's progress toward and achievement of the established metrics and targets, as reflected in the mid-year and yearend reports submitted pursuant to paragraph (1) of subdivision (d).

(A) Each participating PRIME entity shall be individually responsible for progress toward and achievement of project specific metric targets during the reporting period.

(B) The amounts allocated pursuant to subparagraphs (A) and (B) of paragraph (1) shall represent the amounts the designated public hospital system or district and municipal public hospital, as applicable, may earn through achievement of a designated project metric target for the applicable year, before any redistribution.

(C) Participating PRIME entities shall earn reduced payment for partial achievement at both the mid-year and yearend reports, as described in the Special Terms and Conditions.

(3) If, at the end of a project year, a project metric target is not fully met by a participating PRIME entity and that entity is not able to fully claim funds that otherwise would have been earned for meeting the metric target, participating PRIME entities shall have the opportunity to earn unclaimed funds under the redistribution methodology established under the Special Terms and Conditions. Amounts earned by a participating PRIME entity through redistribution shall be payable in addition to the amounts earned pursuant to paragraph (2).

(f) The nonfederal share of payments under the PRIME program shall consist of voluntary intergovernmental transfers of funds provided by designated public hospitals or affiliated governmental agencies or entities, or district and municipal public hospitals or affiliated governmental agencies or entities, in accordance with this section.

(1) The Public Hospital Investment, Improvement, and Incentive Fund, established in the State Treasury pursuant to Section 14182.4, shall be retained during the demonstration term for purposes of making PRIME payments to participating PRIME entities. Notwithstanding Section 13340 of the Government Code, moneys deposited in the Public Hospital Investment, Improvement, and Incentive Fund shall be continuously appropriated, without regard to fiscal years, to the department for the purposes specified in this section. All funds derived pursuant to this section shall be deposited in the State Treasury to the credit of the Public Hospital Investment, Improvement, and Incentive Fund.

(2) The Public Hospital Investment, Improvement, and Incentive Fund shall consist of moneys that a designated public hospital or affiliated governmental agency or entity, or a district and municipal public hospital-affiliated governmental agency or entity,

elects to transfer to the department for deposit into the fund as a condition of participation in the PRIME program, to the extent permitted under Section 433.51 of Title 42 of the Code of Federal Regulations, the Special Terms and Conditions, and any other applicable federal Medicaid laws. Except as provided in paragraph (3), moneys derived from these intergovernmental transfers in the Public Hospital Investment, Improvement, and Incentive Fund shall be used as the nonfederal share of PRIME program payments authorized under the demonstration project. Any intergovernmental transfer of funds provided for purposes of the PRIME program shall be made as specified in this section. Upon providing any intergovernmental transfer of funds, each transferring entity shall certify that the transferred funds qualify for federal financial participation pursuant to applicable federal Medicaid laws and the Special Terms and Conditions, and in the form and manner as required by the department.

(3) The department shall claim federal financial participation for PRIME incentive payments using moneys derived from intergovernmental transfers made pursuant to this section and deposited in the Public Hospital Investment, Improvement, and Incentive Fund to the full extent permitted by law. The moneys disbursed from the fund, and all associated federal financial participation, shall be distributed only to participating PRIME entities and the governmental agencies or entities to which they are affiliated, as applicable. No moneys derived from intergovernmental transfers on behalf of district and municipal public hospitals, including any associated federal financial participation, shall be used to fund PRIME payments to designated public hospital systems, and likewise, no moneys derived from intergovernmental transfers provided by designated public hospitals or their affiliated governmental agencies or entities, including any associated federal financial participation, shall be used to fund PRIME payments to district and municipal public hospitals. In the event federal financial participation is not available with respect to a payment under this section that results in a recoupment of funds from one or more participating PRIME entities, the department shall return any intergovernmental transfer fund amounts associated with the payment for which federal financial participation is not available to the applicable transferring entities within 14 days from the date of the associated recoupment or other determination, as applicable.

(4) This section shall not be construed to require a designated public hospital, a district and municipal public hospital, or any affiliated governmental agency or entity to participate in the PRIME program. As a condition of participation in the PRIME program, each designated public hospital or affiliated governmental agency or entity, and each district and municipal public hospital-affiliated governmental agency or entity agrees to provide intergovernmental transfers of funds necessary to meet the nonfederal share obligation for any PRIME payments made pursuant to this section and the Special Terms and Conditions. Any intergovernmental transfers made pursuant to this section shall be considered voluntary for purposes of all federal laws.

(g) (1) PRIME incentive payments are intended to support designated public hospital systems in their efforts to change care delivery and strengthen those systems' ability to participate under an alternate payment methodology (APM). APMs shift some level of risk to participating designated public hospital systems through capitation and other risk-sharing agreements. Contracts entered into, issued, or renewed between managed care plans and participating designated public hospital systems shall include language requiring the designated public hospital system to report on metrics to meet quality benchmark goals and to ensure improved patient outcomes, consistent with the Special Terms and Conditions.

(2) In order to promote and increase the level of value-based payments made to designated public hospital systems during the course of the demonstration term, the department shall issue an all-plan letter to Medi-Cal managed care plans that shall promote and encourage positive system transformation. The department shall issue an activities plan supporting designated public hospital system efforts to meet those aggregate APM targets and requirements as provided in the Special Terms and Conditions.

(3) (A) Designated public hospital systems shall contract with at least one Medi-Cal managed care plan in the service area where they operate using an APM methodology by January 1, 2018. If a designated public hospital system is unable to meet this requirement and can demonstrate that it has made a good faith effort to contract with a Medi-Cal managed care plan in the service area that it operates in or a gap in contracting period occurs, the department has the discretion to waive this requirement.

(B) Each designated public hospital system shall report to the department, in a format determined by the department in consultation with the designated public hospital systems and Medi-Cal managed care plans, a summary of the contracting arrangement the designated public hospital system has with Medi-Cal managed care plans and the scope of services covered under the contract.

(C) It is the intent of the Legislature to encourage contracting between designated public hospital systems and multiple Medi-Cal managed care plans so that Medi-Cal members have access to medically necessary and appropriate covered services.

(4) Designated public hospital systems and Medi-Cal managed care plans shall seek to strengthen their data and information sharing for purposes of identifying and treating applicable beneficiaries, including the timely sharing and reporting of beneficiary data, assessment, and treatment information. Consistent with the Special Terms and Conditions and the goals of the

demonstration project, and notwithstanding any other state law, the department shall provide guidelines, state-level infrastructure, and other mechanisms to support this data and information sharing.

SEC. 286. Section 14184.60 of the Welfare and Institutions Code is amended to read:

14184.60. (a) (1) The department shall establish and operate the Whole Person Care pilot program as authorized under the demonstration project to allow for the development of WPC pilots focused on target populations of high-risk, high-utilizing Medi-Cal beneficiaries in local geographic areas. The overarching goal of the program is the coordination of health, behavioral health, and social services, as applicable, in a patient-centered manner to improve beneficiary health and well-being through a more efficient and effective use of resources.

(2) The Whole Person Care (WPC) pilots shall provide an option to a county, a city and county, a health or hospital authority, or a consortium of any of the above entities serving a county or region consisting of more than one county, to receive support to integrate care for particularly vulnerable Medi-Cal beneficiaries who have been identified as high users of multiple systems and who continue to have or are at-risk of poor health outcomes. Through collaborative leadership and systematic coordination among public and private entities, pilot entities will identify common beneficiaries, share data between systems, coordinate care in real time, and evaluate individual and population progress in order to meet the goal of providing comprehensive coordinated care for the beneficiary resulting in better health outcomes.

(3) Investments in the localized pilots will build and strengthen relationships and systems infrastructure and will improve collaboration among WPC lead entities and WPC participating entities. The results of the WPC pilots will provide learnings for potential future local efforts beyond the term of the demonstration.

(4) WPC pilots shall include specific strategies to increase integration among local governmental agencies, health plans, providers, and other entities that serve high-risk, high-utilizing beneficiaries; increase coordination and appropriate access to care for the most vulnerable Medi-Cal beneficiaries; reduce inappropriate inpatient and emergency room utilization; improve data collection and sharing among local entities; improve health outcomes for the WPC target population; and may include other strategies to increase access to housing and supportive services.

(5) WPC pilots shall be approved by the department through the process outlined in the Special Terms and Conditions.

(6) Receipt of Whole Person Care services is voluntary. Individuals receiving these services shall agree to participate in the WPC pilot, and may opt out at any time.

(b) For purposes of this article, the following definitions apply:

(1) “Medi-Cal managed care plan” means an organization or entity that enters into a contract with the department pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), Article 2.81 (commencing with Section 14087.96), Article 2.91 (commencing with Section 14089), or Chapter 8 (commencing with Section 14200).

(2) “WPC community partner” means an entity or organization identified as participating in the WPC pilot that has significant experience serving the target population within the pilot’s geographic area, including physician groups, community clinics, hospitals, and community-based organizations.

(3) “WPC lead entity” means the entity designated for a WPC pilot to coordinate the Whole Person Care pilot and to be the single point of contact for the department. WPC lead entities may be a county, a city and county, a health or hospital authority, a designated public hospital, a district and municipal public hospital, or an agency or department thereof, a federally recognized tribe, a tribal health program operated under a Public Law 93-638 contract with the federal Indian Health Service, or a consortium of any of these entities.

(4) “WPC participating entity” means those entities identified as participating in the WPC pilot, other than the WPC lead entity, including other local governmental entities, agencies within local governmental entities, Medi-Cal managed care plans, and WPC community partners.

(5) “WPC target population” means the population or populations identified by a WPC pilot through a collaborative data approach across partnering entities that identifies common Medi-Cal high-risk, high-utilizing beneficiaries who frequently access urgent and emergency services, including across multiple systems. At the discretion of the WPC lead entity, and in accordance with guidance as may be issued by the department during the application process and approved by the department, the WPC target population may include individuals who are not Medi-Cal patients, subject to the funding restrictions in the Special Terms and Conditions regarding the availability of federal financial participation for services provided to these individuals.

(c) (1) WPC pilots shall have flexibility to develop financial and administrative arrangements to encourage collaboration with regard to pilot activities subject to the Special Terms and Conditions, the provisions of any WPC pilot agreements with the

department, and the applicable provisions of state and federal law, and any other guidance issued by the department.

(2) The WPC lead entity shall be responsible for operating the WPC pilot, conducting ongoing monitoring of WPC participating entities, arranging for the required reporting, ensuring an appropriate financial structure is in place, and identifying and securing a permissible source of the nonfederal share for WPC pilot payments.

(3) Each WPC pilot shall include, at a minimum, all of the following entities as WPC participating entities in addition to the WPC lead entity. If a WPC lead entity cannot reach an agreement with a required participant, the WPC lead entity may request an exception to this requirement from the department.

(A) At least one Medi-Cal managed care plan operating in the geographic area of the WPC pilot to work in partnership with the WPC lead entity when implementing the pilot specific to Medi-Cal managed care beneficiaries.

(B) The health services agency or agencies or department or departments for the geographic region where the WPC pilot operates, or any other public entity operating in that capacity for the county or city and county.

(C) The local entities, agencies, or departments responsible for specialty mental health services for the geographic area where the WPC pilot operates.

(D) At least one other public agency or department, which may include, but is not limited to, county alcohol and substance use disorder programs, human services agencies, public health departments, criminal justice or probation entities, and housing authorities, regardless of how many of these fall under the same agency head within the geographic area where the WPC pilot operates.

(E) At least two other community partners serving the target population within the applicable geographic area.

(4) The department shall enter into a pilot agreement with each WPC lead entity approved for participation in the WPC pilot program. The information and terms of the approved WPC pilot application shall become the pilot agreement between the department and the WPC lead entity submitting the application and shall set forth, at a minimum, the amount of funding that will be available to the WPC pilot and the conditions under which payments will be made, how payments may vary or under which the pilot program may be terminated or restricted. The pilot agreement shall include a data sharing agreement that is sufficient in scope for purposes of the WPC pilot, and an agreement regarding the provision of the nonfederal share. The pilot agreement shall specify reporting of universal and variant metrics that shall be reported by the pilot on a timeline specified by the department and projected performance on them. The pilot agreement may include additional components and requirements as issued by the department during the application process. Modifications to the WPC pilot activities and deliverables may be made on an annual basis in furtherance of WPC pilot objectives, to incorporate learnings from the operation of the WPC pilot as approved by the department.

(5) Notwithstanding any other law, including, but not limited to, Section 5328 of this code, and Sections 11812 and 11845.5 of the Health and Safety Code, the sharing of health information, records, and other data with and among WPC lead entities and WPC participating entities shall be permitted to the extent necessary for the activities and purposes set forth in this section. This provision shall also apply to the sharing of health information, records, and other data with and among prospective WPC lead entities and WPC participating entities in the process of identifying a proposed target population and preparing an application for a WPC pilot.

(d) WPC pilots may target the focus of their pilot on individuals at risk of or experiencing homelessness who have a demonstrated medical need, including behavioral health needs, for housing or supportive services, subject to the restrictions on funding contained in the Special Terms and Conditions. In these instances, WPC participating entities may include local housing authorities, local continuum of care (CoCs) programs, community-based organizations, and others serving the homeless population as entities collaborating and participating in the WPC pilot. WPC pilot housing interventions may include the following:

(1) Tenancy-based care management services. For purposes of this section, “tenancy-based care management services” means supports to assist the target population in locating and maintaining medically necessary housing. These services may include the following:

(A) Individual housing transition services, such as individual outreach and assessments.

(B) Individual housing and tenancy-sustaining services, including tenant and landlord education and tenant coaching.

(C) Housing-related collaborative activities, such as services that support collaborative efforts across public agencies and the private sector that assist WPC participating entities in identifying and securing housing for the target population.

(2) Countywide housing pools.

(A) WPC pilots may establish a countywide housing pool (housing pool) that will directly provide needed support for medically necessary housing services, with the goal of improving access to housing and reducing churn in the Medi-Cal population.

(B) The housing pool may be funded through WPC pilot payments or direct contributions from community entities, or from state or local government. WPC pilot payments for the operation of a housing pool shall be subject to the restrictions in the Special Terms and Conditions and other applicable provisions of federal law. Housing pool funds that are not WPC pilot payments shall be maintained separately from WPC pilot payments and may be allocated to fund support for long-term housing, including rental housing subsidies. The housing pool may leverage local resources to increase access to subsidized housing units. The housing pool may also incorporate a financing component to reallocate or reinvest a portion of the savings from the reduced utilization of health care services into the housing pool. As applicable to an approved WPC pilot, WPC investments in housing units or housing subsidies, including any payment for room and board, shall not be eligible for federal financial participation, unless recognized as reimbursable under federal Centers for Medicare and Medicaid Services policy.

(e) (1) Payments to WPC pilots shall be disbursed twice a year to the WPC lead entity following the submission of the reports required pursuant to subdivision (f), to the extent all applicable requirements are met. The amount of funding for each WPC pilot and the timing of the payments shall be specified by the department upon the department approving a WPC application, consistent with the Special Terms and Conditions. During the 2016 calendar year only, payments shall be available for the planning, development, and submission of a successful WPC pilot application, including the submission of deliverables as set forth in the WPC pilot application and the WPC pilot annual report, to the extent authorized under the demonstration project and approved by the department.

(2) The department shall issue a WPC pilot application and selection criteria consistent with the Special Terms and Conditions, under which applicants shall demonstrate the ability to meet the goals of the WPC pilots as outlined in this section and the Special Terms and Conditions. The department shall approve applicants that meet the WPC pilot selection criteria established by the department, and shall allocate available funding to those approved WPC pilots up to the full amount of federal financial participation authorized under the demonstration project for WPC pilots during each calendar year from 2016 to 2020, inclusive, to the extent there are sufficient numbers of applications that meet the applicable criteria. In the event that otherwise unallocated federal financial participation is available after the initial award of WPC pilots, the department may solicit applications for the remaining available funds from WPC lead entities of approved WPC pilots or from additional applicants, including applicants not approved during the initial application process.

(3) In the event a WPC pilot does not receive its full annual payment amount, the WPC lead entity may request that the remaining funds be carried forward into the following calendar year, or may amend the scope of the WPC pilot, including, services, activities, or enrollment, for which this unallocated funding may be made available, subject to the Special Terms and Conditions and approval by the department. If the department denies a WPC lead entity request to carry forward unused funds and funds are not disbursed in this manner, the department may make the unexpended funds available for other WPC pilots or additional applicants not approved during the initial application process, to the extent authorized in the Special Terms and Conditions.

(4) Payments to the WPC pilot are intended to support infrastructure to integrate services among local entities that serve the WPC target population, to support the availability of services not otherwise covered or directly reimbursed by Medi-Cal to improve care for the WPC target population, and to foster other strategies to improve integration, reduce unnecessary utilization of health care services, and improve health outcomes. WPC pilot payments shall not be considered direct reimbursement for expenditures incurred by WPC lead entities or WPC participating entities in implementing these strategies or reforms. WPC pilot payments shall not be considered payments for services otherwise reimbursable under the Medi-Cal program, and shall not offset or otherwise supplant payment amounts otherwise payable by the Medi-Cal program, including payments to and by Medi-Cal managed care plans, for Medi-Cal covered services.

(5) WPC pilots are not intended as, and shall not be construed to constitute, health care coverage for individuals receiving services, and WPC pilots may determine the scope, type, and extent to which services are available, to the extent consistent with the Special Terms and Conditions. For purposes of the WPC pilots, WPC lead entities shall be exempt from Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code, and shall not be considered Medi-Cal managed care health plans subject to the requirements applicable to the two-plan model and geographic managed care plans, as contained in Article 2.7 (commencing with Section 14087.3), Article 2.81 (commencing with Section 14087.96), and Article 2.91 (commencing with Section 14089), and the corresponding regulations, and shall not be considered prepaid health plans, as defined in Section 14251.

(f) WPC lead entities shall submit mid-year and annual reports to the department, in accordance with the schedules and guidelines established by the department and consistent with the Special Terms and Conditions. No later than 60 days after

submission, the department shall determine the extent to which pilot requirements were met and the associated interim or annual payment due to the WPC pilot.

(g) The department, in collaboration with WPC lead entities, shall facilitate learning collaboratives to allow WPC pilots to share information and lessons learned from the operation of the WPC pilots, best practices with regard to specific beneficiary populations, and strategies for improving coordination and data sharing among WPC pilot entities.

(h) The nonfederal share of any payments under the WPC pilot program shall consist of voluntary intergovernmental transfers of funds provided by participating governmental agencies or entities, in accordance with this section and the terms of the pilot agreement.

(1) The Whole Person Care Pilot Special Fund is hereby established in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys deposited in the Whole Person Care Pilot Special Fund pursuant to this section shall be continuously appropriated, without regard to fiscal years, to the department for the purposes specified in this section. All funds derived pursuant to this section shall be deposited in the State Treasury to the credit of the Whole Person Care Pilot Special Fund.

(2) The Whole Person Care Pilot Special Fund shall consist of moneys that a participating governmental agency or entity elects to transfer to the department into the fund as a condition of participation in the WPC pilot program, to the extent permitted under Section 433.51 of Title 42 of the Code of Federal Regulations, the Special Terms and Conditions, and any other applicable federal Medicaid laws. Except as provided in paragraph (3), moneys derived from these intergovernmental transfers in the Whole Person Care Pilot Special Fund shall be used as the nonfederal share of Whole Person Care pilot payments authorized under the demonstration project. Any intergovernmental transfer of funds provided for purposes of the WPC pilot program shall be made as specified in this section. Upon providing any intergovernmental transfer of funds, each transferring entity shall certify that the transferred funds qualify for federal financial participation pursuant to applicable federal Medicaid laws and the Special Terms and Conditions, and in the form and manner as required by the department.

(3) The department shall claim federal financial participation for WPC pilot payments using moneys derived from intergovernmental transfers made pursuant to this section and deposited in the Whole Person Care Pilot Special Fund to the full extent permitted by law. The moneys disbursed from the fund, and all associated federal financial participation, shall be distributed to WPC lead entities in accordance with paragraph (1) of subdivision (e). In the event federal financial participation is not available with respect to a payment under this section and either is not obtained, or results in a recoupment of funds from one or more WPC lead entities, the department shall return any intergovernmental transfer fund amounts associated with the payment for which federal financial participation is not available to the applicable transferring entities within 14 days from the date of the associated recoupment or other determination, as applicable.

(4) This section shall not be construed to require any local governmental agency or entity, or any other provider, plan, or similar entity, to participate in the WPC pilot program. As a condition of participation in the WPC pilot program, participating governmental agencies or entities agree to provide intergovernmental transfers of funds necessary to meet the nonfederal share obligation for any Whole Person Care pilot program payment made pursuant to this section and the Special Terms and Conditions. Any intergovernmental transfer of funds made pursuant to this section shall be considered voluntary for purposes of all federal law. No state General Fund moneys shall be used to fund the nonfederal share of any WPC pilot program payment.

SEC. 287. Section 14184.70 of the Welfare and Institutions Code is amended to read:

14184.70. (a) (1) The department shall implement the Dental Transformation Initiative, or DTI, in accordance with the Special Terms and Conditions, with the goal of improving the oral health care for Medi-Cal children zero to 20 years of age, inclusive.

(2) The DTI is intended to improve the oral health care for Medi-Cal children with a particular focus on increasing the statewide proportion of qualifying children enrolled in the Medi-Cal Dental Program who receive a preventive dental service by 10 percentage points over a five-year period.

(3) The DTI includes the following four domains as outlined in the Special Terms and Conditions:

(A) Preventive Services.

(B) Caries Risk Assessment.

(C) Continuity of Care.

(D) Local Dental Pilot Projects.

(4) Under the DTI, incentive payments within each domain will be available to qualified providers who meet the requirements of the domain.

(b) For purposes of this article, the following definitions apply:

(1) “DTI incentive payment” means a payment made to an eligible contracted service office location pursuant to the DTI component of the Special Terms and Conditions.

(2) “DTI pool” means the funding available under the Special Terms and Conditions for the purposes of the DTI program, as described in paragraph (1) of subdivision (c).

(3) “DTI program year” means a calendar year beginning on January 1 and ending on December 31 during which the DTI component is authorized under the Special Terms and Conditions, beginning with the 2016 calendar year, and, as applicable, each calendar year thereafter through 2020, and any years or partial years during which the DTI is authorized under an extension or successor to the demonstration project.

(4) “Safety net clinics” means centers or clinics that provide services defined under subdivision (a) or (b) of Section 14132.100 that are eligible for DTI incentive payments in accordance with the Special Terms and Conditions. DTI incentive payments received by safety net clinics shall be considered separate and apart from either the Prospective Payment System reimbursement for federally qualified health centers or rural health centers, or Memorandum of Agreement reimbursement for Tribal Health Centers. Each safety net clinic office location shall be considered a dental service office location for purposes of the domains authorized by the Special Terms and Conditions.

(5) “Service office location” means the business, or pay-to address, in which the provider, which may be an individual, partnership, group, association, corporation, institution, or entity that provides dental services, renders dental services. This may include a provider that participates in either the dental fee-for-service or dental managed care Medi-Cal delivery systems.

(c) (1) The DTI shall be funded at a maximum of one hundred forty-eight million dollars ($148,000,000) annually, and for five years totaling a maximum of seven hundred forty million dollars ($740,000,000), except as provided in the Special Terms and Conditions. To the extent any of the funds associated with the DTI are not fully expended in a given DTI program year, those remaining prior DTI program year funds may be available for DTI payments in subsequent years, notwithstanding the annual limits stated in the Special Terms and Conditions. The department may earn additional demonstration authority, up to a maximum of ten million dollars ($10,000,000), to be added to the DTI pool for use in paying incentives to qualifying providers under DTI by achieving higher performance improvement, as indicated in the Special Terms and Conditions.

(2) Providers in either the dental fee-for-service or dental managed care Medi-Cal delivery systems are permitted to participate in the DTI. The department shall make DTI incentive payments directly to eligible contracted service office locations. Incentive payments shall be issued to the service office location based on the services rendered at the location and that service office location’s compliance with the criteria enumerated in the Special Terms and Conditions.

(3) Incentive payments from the DTI pool are intended to support and reward eligible service office locations for achievements within one or more of the project domains. The incentive payments shall not be considered as a direct reimbursement for dental services under the Medi-Cal State Plan.

(A) The department may provide DTI incentive payments to eligible service office locations on a semiannual or annual basis, or in a manner otherwise consistent with the Special Terms and Conditions.

(B) The department shall disburse DTI incentive payments to eligible service office locations that did not previously participate in Medi-Cal before the demonstration and that render preventive dental services during the demonstration to the extent the service office location meets or exceeds the goals specified by the department in accordance with the Special Terms and Conditions.

(C) Safety net clinics are eligible for DTI incentive payments specified in the Special Terms and Conditions. Participating safety net clinics shall be responsible for submitting data in a manner specified by the department for receipt of DTI incentive payments. Each safety net clinic office location shall be considered a dental service office location for purposes of specified domains outlined in the Special Terms and Conditions.

(D) Dental managed care provider service office locations are eligible for DTI incentive payments, as specified in the Special Terms and Conditions, and these payments shall be considered separate from payment received from a dental managed care plan.

(E) Service office locations shall submit all data in a manner acceptable to the department within one year from the date of service or by January 31 for the preceding year that the service was rendered, whichever occurs sooner, to be eligible for DTI incentive payments associated with that timeframe.

(d) The domains of the DTI are as follows:

(1) Increase Preventive Services Utilization for Children: This domain aims to increase the statewide proportion of qualifying children enrolled in Medi-Cal who receive a preventive dental service in a given year. The statewide goal is to increase the utilization among children enrolled in the dental fee-for-service and dental managed care delivery systems by at least 10 percentage points by the end of the demonstration.

(2) Caries Risk Assessment and Disease Management Pilot:

(A) This domain will initially only be available to participating service office locations in select pilot counties, designated by the department, as specified in the Special Terms and Conditions. Participating service office locations shall elect to be approved by the department to participate in this domain of the DTI program. To the extent the department determines the pilots to be successful, the department may seek to implement this domain on a statewide basis and subject to the availability of funding under the DTI pool available for this purpose.

(B) Medi-Cal dentists voluntarily participating in this pilot shall be eligible to receive DTI incentive payments for implementing preidentified treatment plans for children based upon that child beneficiary's risk level as determined by the service office location via a caries risk assessment, which shall include motivational interviewing and use of antimicrobials, as indicated. The department shall identify the criteria and preidentified treatment plans to correspond with the varying degrees of caries risk, low, moderate, and high, while the rendering provider shall develop and implement the appropriate treatment plan based on the needs of the beneficiary.

(C) The department shall identify and select pilot counties through an analysis of counties with a high percentage of restorative services, a low percentage of preventive services, and indication of likely participation by enrolled service office locations.

(3) Increase Continuity of Care: A DTI incentive payment shall be paid to eligible service office locations that have maintained continuity of care through providing examinations for their enrolled child beneficiaries under 21 years of age, as specified in the Special Terms and Conditions. The department shall begin this effort in select counties and shall seek to implement on a statewide basis if the pilot is determined to be successful and subject to the availability of funding under the DTI pool. If successful, the department shall consider an expansion no sooner than nine months following the end of the second DTI program year.

(4) Local Dental Pilot Projects (LDPPs): LDPPs shall address one or more of the three domains identified in paragraph (1), (2), or (3) through alternative local dental pilot projects, as authorized by the department pursuant to the Special Terms and Conditions.

(A) The department shall require local pilots to have broad-based provider and community support and collaboration, including engagement with tribes and Indian health programs, with DTI incentive payments available to the pilot based on goals and metrics that contribute to the overall goals of the domains described in paragraphs (1), (2), and (3).

(B) The department shall solicit proposals at the beginning of the demonstration and shall review, approve, and make DTI incentive payments to approved LDPPs in accordance with the Special Terms and Conditions.

(C) A maximum of 15 LDPPs shall be approved and no more than 25 percent of the total funding in the DTI pool shall be used for LDPPs.

SEC. 288. Section 14184.80 of the Welfare and Institutions Code is amended to read:

14184.80. (a) Within 90 days of the effective date of the act that added this section, the department shall amend its contract with the external quality review organization (EQRO) currently under contract with the department and approved by the federal Centers for Medicare and Medicaid Services to complete an access assessment. This one-time assessment is intended to do all of the following:

(1) Evaluate primary, core specialty, and facility access to care for managed care beneficiaries based on the current health plan network adequacy requirements set forth in the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and Medicaid managed care contracts, as applicable.

(2) Consider State Fair Hearing and Independent Medical Review (IMR) decisions, and grievances and appeals or complaints data.

(3) Report on the number of providers accepting new beneficiaries.

(b) The department shall submit to the federal Centers for Medicare and Medicaid Services for approval the access assessment design no later than 180 days after approval by the federal Centers for Medicare and Medicaid Services of the EQRO contract amendment.

(c) The department shall establish an advisory committee that will provide input into the structure of the access assessment. The EQRO shall work with the department to establish the advisory committee, which will provide input into the assessment structure, including network adequacy requirements and metrics, that should be considered.

(d) The advisory committee shall include one or more representatives of each of the following stakeholders to ensure diverse and robust input into the assessment structure and feedback on the initial draft access assessment report:

(1) Consumer advocacy organizations.

(2) Provider associations.

(3) Health plans and health plan associations.

(4) Legislative staff.

(e) The advisory committee shall do all of the following:

(1) Begin to convene within 60 days of approval by the federal Centers for Medicare and Medicaid Services of the EQRO contract amendment.

(2) Participate in a minimum of two meetings, including an entrance and exit event, with all events and meetings open to the public.

(3) Provide all of the following:

(A) Feedback on the access assessment structure.

(B) An initial draft access assessment report.

(C) Recommendations that shall be made available on the department's Internet Web site.

(f) The EQRO shall produce and publish an initial draft and a final access assessment report that includes a comparison of health plan network adequacy compliance across different lines of business. The report shall include recommendations in response to any systemic network adequacy issues, if identified. The initial draft and final report shall describe the state's current compliance with the access and network adequacy standards set forth in the Medicaid Managed Care proposed rule (80 FR 31097) or the finalized Part 438 of Title 42 of the Code of Federal Regulations, if published before submission of the assessment design to the federal Centers for Medicare and Medicaid Services.

(g) The access assessment shall do all of the following:

(1) Measure health plan compliance with network adequacy requirements as set forth in the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and Medicaid managed care contracts, as applicable. The assessment shall consider State Fair Hearing and IMR decisions, and grievances and appeals or complaints data, and any other factors as selected with input from the advisory committee.

(2) Review encounter data, including a review of data from subcapitated plans.

(3) Measure health plan compliance with timely access requirements, as set forth in the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and Medicaid managed care contracts using a sample of provider-level data on the soonest appointment availability.

(4) Review compliance with network adequacy requirements for managed care plans, and other lines of business for primary and core specialty care areas and facility access, as set forth in the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and Medicaid managed care contracts, as applicable, across the entire health plan network.

(5) Applicable network adequacy requirements of the proposed or final Notice of Proposed Rulemaking, as determined under the approved access assessment design, that are not already required under the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) shall be reviewed and reported on against a metric range as identified by the department and approved by the federal Centers for Medicare and Medicaid Services in the access assessment design.

(6) Determine health plan compliance with network adequacy through reviewing information or data from a one-year period using validated network data and utilize it for the time period following conclusion of the preassessment stakeholder process but no sooner than the second half of the 2016 calendar year in order to ensure use of the highest quality data source available.

(7) Measure managed care plan compliance with network adequacy requirements within the department and managed care plan contract service areas using the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and network adequacy standards within Medicaid managed care contracts, accounting for each of the following:

(A) Geographic differences, including provider shortages at the local, state, and national levels, as applicable.

(B) Previously approved alternate network access standards, as provided for under the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and Medicaid managed care contracts.

(C) Access to in-network providers and out-of-network providers separately, presented and evaluated separately, when determining overall access to care.

(D) The entire network of providers available to beneficiaries at the state contractor plan level.

(E) Other modalities used for accessing care, including telemedicine.

(h) The department shall post the initial draft report for a 30-day public comment period after it has incorporated the feedback from the advisory committee. The initial draft report shall be posted for public comment no later than 10 months after the federal Centers for Medicare and Medicaid Services approves the assessment design.

(i) The department shall also make publicly available the feedback from the advisory committee at the same time it posts the initial draft of the report.

(j) The department shall submit the final access assessment report to the federal Centers for Medicare and Medicaid Services no later than 90 days after the initial draft report is posted for public comment.

SEC. 289. Section 14717.1 of the Welfare and Institutions Code is amended to read:

14717.1. (a) (1) It is the intent of the Legislature to ensure that foster children who are placed outside of their county of original jurisdiction are able to access specialty mental health services in a timely manner, consistent with their individual strengths and needs and the requirements of federal Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services.

(2) It is the further intent of the Legislature to overcome any barriers to care that may result when responsibility for providing or arranging for specialty mental health services to foster children who are placed outside of their county of original jurisdiction is retained by the county of original jurisdiction.

(b) In order to facilitate the receipt of medically necessary specialty mental health services by a foster child who is placed outside of his or her county of original jurisdiction, the California Health and Human Services Agency shall coordinate with the department and the State Department of Social Services to take all of the following actions on or before July 1, 2017:

(1) The department shall issue policy guidance concerning the conditions for and exceptions to presumptive transfer, as described in subdivisions (c) and (d), in consultation with the State Department of Social Services and with the input of stakeholders that include the County Welfare Directors Association of California, the Chief Probation Officers of California, the County Behavioral Health Directors Association of California, provider representatives, and family and youth advocates.

(2) Policy guidance concerning the conditions for and exceptions to presumptive transfer shall ensure that:

(A) The transfer of responsibility improves access to specialty mental health care services consistent with the mental health needs of the foster youth.

(B) Presumptive transfer does not disrupt the continuity of care.

(C) Conditions and exceptions are applied consistently statewide, giving due consideration to the varying capabilities of small, medium, and large counties.

(D) Presumptive transfer can be waived only with an individualized determination that an exception applies.

(E) A party to the case who disagrees with the presumptive transfer individualized exception determination made by the county placing agency pursuant to subdivision (d) is afforded an opportunity to request judicial review before a transfer or exception being finalized.

(F) There is a procedure for expedited transfer within 48 hours of placement of the child outside of the county of original jurisdiction.

(c) “Presumptive transfer,” for the purposes of this section, means that absent any exceptions as established pursuant to this section, responsibility for providing or arranging for specialty mental health services shall promptly transfer from the county of original jurisdiction to the county in which the foster child resides, under either of the following conditions:

(1) A foster child is placed in a county other than the county of original jurisdiction on or after July 1, 2017.

(2) A foster youth who resides in a county other than the county of original jurisdiction after June 30, 2017, and is not receiving specialty mental health services consistent with his or her mental health needs, requests transfer of responsibility. A foster child who resided in a county other than the county of original jurisdiction after June 30, 2017, and who continues to reside outside the county of original jurisdiction after December 31, 2017, shall have jurisdiction transferred no later than the child’s first regularly scheduled status review hearing conducted pursuant to Section 366 in the 2018 calendar year unless an exception described under subdivision (d) applies.

(d) (1) On a case-by-case basis, and when consistent with the medical rights of children in foster care, presumptive transfer may be waived and the responsibility for the provision of specialty mental health services shall remain with the county of original jurisdiction if any of the exceptions described in paragraph (5) exist.

(2) A request for waiver in a manner established by the department may be made by the foster child, the person or agency that is responsible for making mental health care decisions on behalf of the foster child, the county probation agency or the child welfare services agency with responsibility for the care and placement of the child, or any other interested party who owes a legal duty to the child involving the child’s health or welfare, as defined by the department.

(3) The county probation agency or the child welfare services agency with responsibility for the care and placement of the child, in consultation with the child and his or her parent, the child and family team if one exists, and other professionals who serve the child as appropriate, is responsible for determining whether waiver of the presumptive transfer is appropriate pursuant to the conditions and exceptions established under this section. The person who requested the exception, along with any other parties to the case, shall receive notice of the county agency’s determination.

(4) The individual who requested the exception or any other party to the case who disagrees with the determination made by the county agency pursuant to paragraph (3) may request judicial review before the county’s determination becoming final. The court may set the matter for hearing and may confirm or deny the transfer of jurisdiction or application of an exception based on the best interest of the child.

(5) Presumptive transfer may be waived under any of the following exceptions:

(A) It is determined that the transfer would disrupt continuity of care or delay access to services provided to the foster child.

(B) It is determined that the transfer would interfere with family reunification efforts documented in the individual case plan.

(C) The foster child’s placement in a county other than the county of original jurisdiction is expected to last less than six months.

(D) The foster child’s residence is within 30 minutes of travel time to his or her established specialty mental health care provider in the county of original jurisdiction.

(6) A waiver processed based on an exception to presumptive transfer shall be contingent upon the mental health plan in the county of original jurisdiction demonstrating an existing contract with a specialty mental health care provider, or the ability to enter into a contract within 30 days of the waiver decision, and the ability to deliver timely specialty mental health services directly to the foster child. That information shall be documented in the child’s case plan.

(7) A request for waiver, the exceptions claimed as the basis for the request, a determination whether a waiver is determined to be appropriate under this section, and any objections to the determination shall be documented in the foster child’s case plan pursuant to Section 16501.1.

(e) If the mental health plan in the county of original jurisdiction has completed an assessment of needed services for the foster child, the mental health plan in the county in which the foster child resides shall accept that assessment. The mental health plan in the county in which the foster child resides may conduct additional assessments if the foster child’s needs change or an updated assessment is needed to determine the child’s needs and identify the needed treatment and services to address those needs.

(f) Upon presumptive transfer, the mental health plan in the county in which the foster child resides shall assume responsibility for the authorization and provision of specialty mental health services and payments for services. The foster child transferred to the mental health plan in the county in which the foster child resides shall be considered part of the county of residence caseload for

claiming purposes from the Behavioral Health Subaccount and the Behavioral Health Services Growth Special Account, both created pursuant to Section 30025 of the Government Code.

(g) The State Department of Social Services and the State Department of Health Care Services shall adopt regulations by July 1, 2019, to implement this section. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services and the State Department of Health Care Services may implement and administer the changes made by this legislation through all-county letters, information notices, or similar written instructions until regulations are adopted.

(h) If the department determines it is necessary, it shall seek approval from the United States Department of Health and Human Services, federal Centers for Medicare and Medicaid Services (CMS) before implementing this section.

(i) If the department makes the determination that it is necessary to seek CMS approval pursuant to subdivision (h), the department shall make an official request for approval from CMS no later than January 1, 2017.

(j) This section shall be implemented only if and to the extent that federal financial participation under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) is available and all necessary federal approvals have been obtained.

SEC. 290. Section 14717.5 of the Welfare and Institutions Code is amended to read:

14717.5. (a) A mental health plan review shall be conducted annually by an external quality review organization (EQRO) pursuant to federal regulations at 42 C.F.R. 438.350 et seq. Commencing July 1, 2018, the review shall include specific data for Medi-Cal eligible minor and nonminor dependents in foster care, including all of the following:

(1) The number of Medi-Cal eligible minor and nonminor dependents in foster care served each year.

(2) Details on the types of mental health services provided to children, including prevention and treatment services. These types of services may include, but are not limited to, screenings, assessments, home-based mental health services, outpatient services, day treatment services or inpatient services, psychiatric hospitalizations, crisis interventions, case management, and psychotropic medication support services.

(3) Access to, and timeliness of, mental health services, as described in Sections 1300.67.2, 1300.67.2.1, and 1300.67.2.2 of Title 28 of the California Code of Regulations and consistent with Section 438.206 of Title 42 of the Code of Federal Regulations, available to Medi-Cal eligible minor and nonminor dependents in foster care.

(4) Quality of mental health services available to Medi-Cal eligible minor and nonminor dependents in foster care.

(5) Translation and interpretation services, consistent with Section 438.10(c)(4) and (5) of Title 42 of the Code of Federal Regulations and Section 1810.410 of Title 9 of the California Code of Regulations, available to Medi-Cal eligible minor and nonminor dependents in foster care.

(6) Performance data for Medi-Cal eligible minor and nonminor dependents in foster care.

(7) Utilization data for Medi-Cal eligible minor and nonminor dependents in foster care.

(8) Medication monitoring consistent with the child welfare psychotropic medication measures developed by the State Department of Social Services and any Healthcare Effectiveness Data and Information Set (HEDIS) measures related to psychotropic medications, including, but not limited to, the following:

(A) Follow-Up Care for Children Prescribed Attention Deficit Hyperactivity Disorder Medication (HEDIS ADD).

(B) Use of Multiple Concurrent Antipsychotics in Children and Adolescents (HEDIS APC).

(C) Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics (HEDIS APP).

(D) Metabolic Monitoring for Children and Adolescents on Antipsychotics (HEDIS APM).

(b) (1) The department shall post the EQRO data disaggregated by Medi-Cal eligible minor and nonminor dependents in foster care on the department's Internet Web site in a manner that is publicly accessible.

(2) The department shall review the EQRO data for Medi-Cal eligible minor and nonminor dependents in foster care.

(3) If the EQRO identifies deficiencies in a mental health plan's ability to serve Medi-Cal eligible minor and nonminor dependents in foster care, the department shall notify the mental health plan in writing of identified deficiencies.

(4) The mental health plan shall provide a written corrective action plan to the department within 60 days of receiving the notice required pursuant to paragraph (3). The department shall notify the mental health plan of approval of the corrective action plan

or shall request changes, if necessary, within 30 days after receipt of the corrective action plan. Final corrective action plans shall be made publicly available by, at minimum, posting on the department's Internet Web site.

(c) To the extent possible, the department shall, in connection with its duty to implement Section 14707.5, share with county boards of supervisors data that will assist in the development of mental health service plans, such as data described in federal regulations at 42 C.F.R. 438.350 et seq., in subdivision (c) of Section 16501.4 of this code, and in paragraph (1) of subdivision (a) of Section 1538.8 of the Health and Safety Code.

(d) The department shall annually share performance outcome system data with county boards of supervisors for the purpose of informing mental health service plans. Performance outcome system data shared with county boards of supervisors shall include, but not be limited to, the following disaggregated data for Medi-Cal eligible minor and nonminor dependents in foster care:

(1) The number of youth receiving specialty mental health services.

(2) The racial distribution of youth receiving specialty mental health services.

(3) The gender distribution of youth receiving specialty mental health services.

(4) The number of youth, by race, with one or more specialty mental health service visits.

(5) The number of youth, by race, with five or more specialty mental health service visits.

(6) Utilization data for intensive home services, intensive care coordination, case management, therapeutic behavioral services, medication support services, crisis intervention, crisis stabilization, full-day intensive treatment, full-day treatment, full-day rehabilitation, and hospital inpatient days.

(7) A unique count of youth receiving specialty mental health services who are arriving, exiting, and continuing with services.

(e) The department shall ensure that the performance outcome system data metrics include disaggregated data for Medi-Cal eligible minor and nonminor dependents in foster care. These data shall be in a format that can be analyzed.

SEC. 291. Section 18250 of the Welfare and Institutions Code is amended to read:

18250. (a) It is the intent of the Legislature that all counties be authorized to provide children with service alternatives to out-of-home care through the development of expanded family based services programs. These programs shall include individualized or "wraparound" services, where services are wrapped around a child living with his or her birth parent, relative, nonrelative extended family member as defined in Section 362.7, adoptive parent, licensed or certified foster parent, or guardian. The wraparound services developed under this section shall build on the strengths of each eligible child and family and be tailored to address their unique and changing needs.

(b) It is further the intent of the Legislature that the county wraparound services program include the following elements:

(1) Enabling the county to access all possible sources of federal funds for the purpose of developing family based service alternatives.

(2) Encouraging collaboration among persons and entities including, but not limited to, parents, county welfare departments, county mental health departments, county probation departments, county health departments, special education local planning agencies, school districts, and private service providers for the purpose of planning and providing individualized services for children and their birth or substitute families.

(3) Ensuring local community participation in the development and implementation of wraparound services by county placing or referring agencies and service providers.

(4) Preserving and using the service resources and expertise of nonprofit providers to develop family based and community-based service alternatives.

(c) Beginning in the 2011–12 fiscal year, and for each fiscal year thereafter, funding and expenditures for programs and activities under this section shall be in accordance with the requirements of Sections 30025 and 30026.5 of the Government Code.

SEC. 292. The heading of Chapter 12.9 (commencing with Section 18986.40) of Part 6 of Division 9 of the Welfare and Institutions Code, as added by Section 4 of Chapter 1205 of the Statutes of 1991, is amended and renumbered to read:

CHAPTER 12.82. Integrated Children's Services Programs

SEC. 293. The heading of Chapter 12.95 (commencing with Section 18986.50) of Part 6 of Division 9 of the Welfare and Institutions Code, as added by Section 2 of Chapter 970 of the Statutes of 1993, is amended and renumbered to read:

CHAPTER 12.84. Interagency Day Care Program

SEC. 294. Section 18986.50 of the Welfare and Institutions Code is amended to read:

18986.50. (a) (1) It is the intent of the Legislature, in enacting this chapter, to encourage the development of programs and services, in keeping with Chapter 12.8 (commencing with Section 18986) and Chapter 12.82 (commencing with Section 18986.40), that enhance the successful development of children and reduce the incidence of juvenile crime and delinquency in the community.

(2) The San Bernardino County Youth Justice Center shall provide all available evaluative and operational studies related to its program to any county that requests that information in order to replicate the model or implement a similar program.

(b) This chapter is intended to augment existing interagency collaborative efforts by proposing an additional model.

(c) This chapter is not intended to supersede or duplicate existing programs, services, or interagency agreements.

SEC. 295. Section 18986.60 of the Welfare and Institutions Code is amended and renumbered to read:

18990. (a) Placer County, with the assistance of the appropriate state departments, within the existing resources of those departments, shall implement a program upon approval of that county, for the funding and delivery of services and benefits through an integrated and comprehensive county health and human services system.

(b) The Placer County program shall, in providing services through an integrated system to families and individuals, among other things, do all of the following:

(1) Implement and evaluate a system of universal intake for those seeking services.

(2) Implement and evaluate a system whereby a family or individual eligible for more than one service may be provided those services by as few as a single county employee, through an integrated, coordinated service plan.

(3) Implement and evaluate a system of administration that centralizes the management and support of client services.

(4) Implement and evaluate a system of reporting and accountability that provides for the combined provision of services as provided for in paragraph (2), without the loss of state or federal funds provided under current law.

(c) The integrated system may include, but need not be limited to, any or all of the following:

(1) Adoption services.

(2) Child abuse prevention services.

(3) Child welfare services.

(4) Delinquency prevention services.

(5) Drug and alcohol services.

(6) Mental health services.

(7) Eligibility determination.

(8) Employment and training services.

(9) Foster care services.

(10) Health services.

(11) Public health services.

(12) Housing services.

(13) Medically indigent program services.

(14) All other appropriately identified and targeted services, except for dental care.

(d) Programs or services shall be included in the program only to the extent that federal funding to either the state or the county will not be reduced as a result of the inclusion of the services in the program. This program shall not generate any increased expenditures from the General Fund.

(e) The county and the appropriate state departments shall jointly seek federal approval of the program, as may be needed to ensure its funding and allow for the integrated provision of services.

(f) This chapter does not authorize Placer County to discontinue meeting its obligations under current law to provide services or to reduce its accountability for the provision of these services.

(g) This chapter does not authorize Placer County to reduce its eligibility under current law for state funding for the services included in the program.

(h) Placer County shall utilize any and all state general and county funds that it is legally allocated or entitled to receive. Through the creation of integrated health and social services structures, the county shall maximize federal matching funds.

(i) The appropriate state departments that are assisting and cooperating in the implementation of the program authorized by this chapter shall have the authority to waive regulations regarding the method of providing services and the method of reporting and accountability, as may be required to meet the goals set forth in subdivision (b).

SEC. 296. Section 18986.86 of the Welfare and Institutions Code is amended and renumbered to read:

18991. (a) Humboldt County, Mendocino County, Alameda County, and any additional county or counties, as determined by the Secretary of California Health and Human Services, with the assistance and participation of the appropriate state departments, within the existing resources of those departments, may implement a program, upon approval of the county board of supervisors for the funding and delivery of services and benefits through an integrated and comprehensive county health and human services system.

(b) In providing services through an integrated system to families and individuals, the program may, among other things, do all of the following:

(1) Implement and evaluate a system of universal intake for those seeking services.

(2) Implement and evaluate a system whereby a family or individual eligible for more than one service may be provided those services through an integrated, coordinated service plan.

(3) Implement and evaluate a system of administration that integrates and coordinates the management and support of client services.

(4) Implement and evaluate a system of reporting and accountability that provides for the combined provision of services as provided for in paragraph (2), without the loss of state or federal funds provided under current law.

(5) In consultation with the appropriate state departments, as designated by the Secretary of Health and Human Services, any participating county may develop specific goals in addition to those specified in paragraphs (1) to (4), inclusive, to achieve an integrated and comprehensive county health and human services system.

(c) The integrated system may include any or all of the following:

(1) Adoption services.

(2) Child abuse prevention services.

(3) Child welfare services.

(4) Delinquency prevention services.

(5) Drug and alcohol services.

(6) Mental health services.

(7) Eligibility determination.

(8) Employment and training services.

(9) Foster care services.

(10) Health services.

(11) Public health services.

(12) Housing services.

(13) Medically indigent program services.

(d) (1) Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code applies to the programs or services providing integrated services.

(2) Before a program obtains an individual's medical information, including mental health and drug treatment records, his or her informed authorization shall be obtained, or the informed authorization of his or her custodial parent, or his or her guardian shall be obtained if the individual is a minor, unless the minor is authorized to give consent.

(3) Medical information shall not be disclosed to any individual who is not authorized to have that information pursuant to the authorization provided in paragraph (2).

(4) Medical information shall not be disclosed for any purpose that is not authorized by the authorization in paragraph (2).

(5) The sharing of information permitted under paragraphs (2), (3), and (4) shall be governed by memoranda of understanding among the agencies represented on the team. These memoranda shall specify the types of information that may be shared without a signed release form, and the process to be used to ensure that current confidentiality requirements, as described in subdivision (d), are met.

(6) A client shall have access to his or her medical information and shall have the right to correct any inaccurate information contained in the medical information.

(e) Programs or services shall be included in the program only to the extent that federal funding to either the state or the county will not be reduced as a result of the inclusion of the services in the project. This program shall not generate any increased expenditures from the General Fund.

(f) Each participating county and the appropriate state departments shall jointly seek federal approval of the program, as may be needed to ensure its funding and allow for the integrated provision of services.

(g) This chapter does not authorize each participating county to discontinue meeting its obligations under current law to provide services or to reduce its accountability for the provision of these services.

(h) This chapter does not authorize a participating county to reduce the county's eligibility under current law for state funding for the services included in the program.

(i) A participating county shall utilize any and all state general and county funds that it is legally allocated or entitled to receive. Through the creation of integrated health and social services structures, the county shall maximize federal matching funds.

(j) The Secretary of Health and Human Services shall designate a lead department to coordinate the state's participation in the county's program.

(k) The appropriate state departments, as designated by the Secretary of Health and Human Services, that are assisting, participating, and cooperating in the implementation of the program authorized by this chapter shall have the authority to waive regulations regarding the method of providing services and the method of reporting and accountability, as may be required to meet the goals set forth in subdivision (b). However, the departments shall not waive regulations pertaining to privacy and confidentiality of records, civil service merit systems, or collective bargaining. The departments shall not waive regulations if the waiver results in a diminished amount or level of services or benefits to eligible recipients as compared to the benefits and services that would have been provided to recipients absent the waiver.

SEC. 297. Section 18986.87 of the Welfare and Institutions Code is amended and renumbered to read:

18991.2. (a) A participating county shall, in consultation with the appropriate state departments, as designated by the Secretary of Health and Human Services, develop outcomes and performance measures specific to the project before the implementation of the pilot program. Implementation of a pilot program pursuant to this chapter shall occur no later than January 1, 2009.

(b) A participating county shall evaluate its program with the participation of the appropriate state departments, as designated by the Secretary of Health and Human Services, and prepare interim and final evaluations and submit them to the Governor or the Governor's designee and the appropriate policy committees of the Legislature. The interim report shall be submitted not later than six months following the third year of the implementation of the program. The final report shall be submitted not later than July 1, 2008.

(c) Each participating county shall provide for the evaluation of the program.

SEC. 298. Section 18986.89 of the Welfare and Institutions Code, as added by Section 2 of Chapter 469 of the Statutes of 2016, is amended and renumbered to read:

18991.4. (a) (1) Notwithstanding the dates provided in subdivisions (a) and (b) of Section 18986.87, the County of San Diego may, upon approval of the county board of supervisors, operate an integrated and comprehensive county health and human services system.

(2) A system described in paragraph (1) shall comply with the requirements of this section and is subject to the approval of the California Health and Human Services Agency. The California Health and Human Services Agency shall grant approval if the county furnishes a certified copy of a current ordinance or resolution authorizing an integrated and comprehensive health and human services system in that county.

(b) In providing services through an integrated system to families and individuals, the system may, among other things, do both of the following:

(1) Maintain and evaluate a system of administration that integrates and coordinates the management and support of client services.

(2) Maintain a system of reporting and accountability that provides for the combined provision of services without the loss of state or federal funds provided under current law.

(c) The integrated and comprehensive county health and human services system may include, but is not limited to, any of the following:

(1) Adoption services.

(2) Child abuse prevention services.

(3) Child welfare services.

(4) Delinquency prevention services.

(5) Drug and alcohol services.

(6) Mental health services.

(7) Eligibility determination.

(8) Employment and training services.

(9) Foster care services.

(10) Health services.

(11) Public health services.

(12) Housing services.

(13) Medically indigent program services.

(14) Veterans' services.

(15) Aging services.

(16) Any other related program as designated by the board of supervisors.

(d) The county shall comply with all applicable state and federal privacy laws that govern medical and social service information, including, but not limited to, the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code), the federal Health Insurance Portability and Accountability Act (HIPAA), and Sections 827, 5328, and 10850 of this code.

(e) Programs or services shall be included in the system only to the extent that federal funding to either the state or the county will not be reduced as a result of the inclusion of the services in the project.

(f) This section does not authorize the county to discontinue meeting its obligations under current law to provide services or to reduce its accountability for the provision of these services.

(g) The county shall utilize any and all state general funds and county funds that it is legally allocated or entitled to receive. Through the creation of integrated health and social services structures, the county shall maximize federal matching funds. This integration shall not result in increased expenditures from the State General Fund.

(h) The appropriate state departments, as designated by the Secretary of Health and Human Services, that are assisting, participating, and cooperating in the program authorized by this section shall have the authority to waive regulations, with the concurrence of the county, regarding the method of providing services and the method of reporting and accountability, as may be required to meet the goals set forth in subdivision (b). However, the departments shall not waive regulations pertaining to privacy and confidentiality of records, civil service merit systems, or collective bargaining. The departments shall not waive regulations if the waiver results in a diminished amount or level of services or benefits to eligible recipients as compared to the benefits and services that would have been provided to recipients absent the waiver.

SEC. 299. The heading of Chapter 12.86 (commencing with Section 18987.6) of Part 6 of Division 9 of the Welfare and Institutions Code is amended to read:

CHAPTER 12.86. Children's Services Program Development

SEC. 300. Section 5 of Chapter 10 of the Statutes of 2016 is amended to read:

Sec. 5. (a) (1) The Department of Toxic Substances Control shall post on its Internet Web site all of the following:

(A) The number of access agreements signed.

(B) The number of properties sampled.

(C) The number of properties remediated or cleaned up.

(2) The Department of Toxic Substances Control shall update the numbers posted pursuant to paragraph (1) at least twice a month.

(b) At the Department of Toxic Substances Control's presentation of its proposed budget, the department shall provide to the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget a report that addresses all of the following:

(1) An update on the cleanup activities near the Exide Technologies facility in the City of Vernon, California, including a summary of the environmental review of the cleanup activities.

(2) The number of properties sampled and a summary of the findings, which may be broken down in the approximate number of residences in priority 1, 2, and 3.

(3) The number of properties that have been remediated or cleaned up.

(4) The number of access agreements signed.

SEC. 301. Section 1 of Chapter 283 of the Statutes of 2016 is amended to read:

Section 1. The Legislature finds and declares the following:

(a) In 2014 Congress enacted the federal Protecting Access to Medicare Act of 2014.

(b) Under the Protecting Access to Medicare Act of 2014, eight states will be selected to have their federal share of costs increased to 65 percent for two years for outpatient behavioral health care for individuals with severe mental illnesses or serious emotional disturbances.

(c) This federal funding would free up substantial funds in participating counties that are currently being used to match federal funds. The money that is currently being used to match federal funds would be available to be used to meet the mental health service and housing needs of those individuals who are not currently receiving the behavioral health care that they need.

(d) In October 2015, the United States Secretary of Health and Human Services awarded California a planning grant pursuant to Section 223 of the federal Protecting Access to Medicare Act of 2014, which partially supported California in, among other things, developing its proposal to participate in the two-year demonstration program.

(e) California is among 24 states competing to be one of the eight states chosen to participate in the two-year demonstration program.

(f) The Mental Health Services Act was approved by voters in 2004 for the primary purpose of addressing unmet mental health needs.

(g) It is an appropriate use of Mental Health Services Act funds to support California's application to participate in this demonstration program, including by using these funds to prepare actuarial rates and provide technical assistance to counties seeking to become certified community behavioral health centers.

(h) This act is consistent with and furthers the intent of the Mental Health Services Act within the meaning of Section 18 of the Mental Health Services Act.

SEC. 302. Section 501 of the North Fork Kings Groundwater Sustainability Agency (Chapter 392 of the Statutes of 2016) is amended to read:

501. (a) The agency shall be governed by a board of directors that shall consist of seven members, as follows:

(1) One member shall be a resident or landowner within the territory of the agency chosen by the County of Fresno. The member shall have experience or expertise in land use, water management, or improving access to drinking water in economically disadvantaged communities.

(2) One member shall be a resident or landowner within the territory of the agency chosen by the members of the governing boards of the following entities:

(A) Clark's Fork Reclamation District.

(B) Laguna Irrigation District.

(C) San Jose Water Company.

(3) One member shall be a resident or landowner within the territory of the agency chosen by the members of the governing boards of special districts that are authorized to provide drinking water within the territory of the agency, who shall be chosen from the members of the governing boards of the special districts, including, but not limited to, the following special districts:

(A) Laton Community Services District.

(B) Riverdale Public Utility District.

(C) Lanare Community Service District.

(4) One member shall be a resident or landowner within the territory of the agency chosen by the members of the governing boards of the following entities:

(A) Crescent Canal Company.

(B) Stinson Canal and Irrigation Company.

(5) One member shall be a resident or landowner within the territory of the agency chosen by the members of the governing boards of the following entities:

(A) Riverdale Irrigation District.

(B) Reed Ditch Company.

(6) One member shall be a resident or landowner within the territory of the agency chosen by the members of the governing boards of the following entities:

(A) Liberty Mill Race Company.

(B) Burrel Ditch Company.

(7) One member shall be chosen by the members of the governing boards of the following special districts, who shall be chosen from the members of the governing boards of the special districts:

(A) Liberty Water District.

(B) Liberty Canal Company.

(b) There shall be an alternate for each board member, chosen in the same manner and by the same entities as the board member. The alternate member shall act in place of the board member he or she is an alternate for in case of that board member's absence or inability to act.

(c) Initial members and their alternates shall be chosen on or before January 31, 2017.

SEC. 303. Section 3 of Chapter 535 of the Statutes of 2016 is amended to read:

Sec. 3. (a) The Legislature finds and declares that the changes made by this act to Section 987.005 of the Military and Veterans Code are necessary in order to provide a safe environment to female veterans who have been subject to, among others, sexual abuse, harassment, or domestic violence. Providing a gender-specific treatment and housing community to address the needs of at-risk veterans who have been sexually abused or physically abused while in service or thereafter is necessary for purposes of treatment and recovery. It is, therefore, necessary that these facilities be focused on "women-only" treatment and services with a focus on treatment related to sexual abuse, harassment, or domestic violence, which may be distinct from other treatment or services that other veterans may be seeking under similar provisions, such as for nonmilitary sexual trauma related post-traumatic stress disorder (PTSD) or job placement.

(b) In that respect, the Legislature finds and declares that providing gender-specific treatment and housing pursuant to this act serves a compelling state interest, which interest is providing the best possible treatment to female veterans who have served our country and who now face additional hurdles that disproportionately affect female veterans over male veterans. The Legislature finds and declares that providing separate facilities distinct from the norm of multifamily housing is substantially related to the achievement of those objectives.

(c) The Legislature further finds and declares all of the following:

(1) There are over 200,000 active duty women in the United States Armed Forces making up approximately 15 percent of active duty personnel. With most military occupations now open to women, it is expected their ranks will continue to grow.

(2) With approximately two million female veterans nationwide, women veterans make up only about 10 percent of the over 21 million veterans nationwide.

(3) California has the second highest female veteran population in the country, with over 164,000 female veterans calling California home.

(4) The United States Department of Veterans' Affairs (VA) national screening program has reported that about one in four women respond they have experienced Military Sexual Trauma (MST) when screened by their VA provider, and the National Center on Family Homelessness has found that female veterans experience sexual assault after their military service at 12 times the rate of the general civilian female population.

(5) Women who are assaulted, raped, or sexually harassed during their military service suffer mental effects of their MST for years after leaving the military, are at a higher risk of developing PTSD than those who are not assaulted, and are disproportionately at risk of becoming homeless after separating from military service.

(6) Ensuring that there is adequate housing for MST victims should be a primary goal of the Department of Veterans Affairs, the Department of Housing and Community Development, and the California Housing Finance Agency as they administer the Veterans Housing and Homelessness Prevention Program enacted by Proposition 41. Effectively housing and treating this population will require acknowledging that victims of MST have unique needs that cannot be adequately treated through the traditionally male-centric housing and services that are available.

(7) Female veterans with PTSD have reported that women-centered treatment is the most important factor contributing to their comfort with VA services. Due to the great majority of veterans being male, most veteran-only housing is occupied by male veterans and most services are utilized by male veterans. This situation deters many MST victims from seeking veteran-only housing because the male dominated living environment triggers the experience of being in the male dominated military where the rape, assault, or harassment occurred. As such, female veterans who are victims of MST do not, as a practical matter, have equal access to veteran-only housing and services that treat MST.

(8) PTSD is a serious condition and classified as a disability under the federal Americans with Disabilities Act (ADA). According to the United States Department of Justice Civil Rights Division, PTSD can also be recognized as a disability under the federal Fair Housing Act. As California's Fair Employment and Housing Act is intended to conform to federal law, victims of MST-related PTSD have a disability and should be afforded a reasonable accommodation that allows them to enjoy veteran-only housing under this act. Access to women's only housing and supportive services for victims of MST shall be considered a reasonable accommodation under this act and is critical in this narrow circumstance to address the needs of this small and vulnerable population.

SEC. 304. Sections 26, 85, and 281 to 287, inclusive, of this act shall not become operative if any of Sections 281, 282, and 284 to 287, inclusive, of this act do not become operative pursuant to Section 294 of this act or Section 9605 of the Government Code.

SEC. 305. Any section of any act enacted by the Legislature during the 2017 calendar year that takes effect on or before January 1, 2018, and that amends, amends and renumbers, adds, repeals and adds, or repeals a section that is amended, amended and renumbered, added, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to, or subsequent to, the enactment of this act.