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SB-82 State Government. (2019-2020)

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Senate Bill No. 82

CHAPTER 29

An act to amend Sections 23083.5, 23106, 23320.5, 23321.7, 23327, 23355.2, 23357.2, 23357.3, 23357.4, 23358.3, 23366.3, 23375, 23390, 23393.5, 23396.1, 23396.2, 23396.3, 23396.6, 23399, 23399.4, 23399.45, 23399.6, 23399.65, 23433, 23502, 23661.3, 23786, 23788.5, 23803, 23817.5, 23817.9, 23818, 23824, 23826.8, 23826.13, 23954.6, 23958.4, 23959, 23961, 24042, 24042.5, 24044.5, 24045, 24045.1, 24045.7, 24045.76, 24045.85, 24045.11, 24045.12, 24045.14, 24047, 24048, 24070, 24071, 24071.1, 24071.2, 24072.2, 25512, 25600.5, 25659.5, 25685, and 25761 of, to repeal Sections 23320.1, 23954.5, and 23954.7 of, and to repeal and add Sections 9873, 23320, and 24072 of, the Business and Professions Code, to amend Sections 1002 and 5019.5 of the Education Code, to amend Sections 9084, 9086, 19400, 19402, 21550, and 21552 of the Elections Code, to amend Sections 927.2, 927.6, 927.7, 927.13, 9112, 9125, 13073, 13073.5, 13300.5, 14678.7, 14692, 14932, 14934, 14936, 15805, 16351.5, 19825.5, 19849.7, 25501, 26203, 28084, 30061, 40200, 40231, 40236, 65057, and 65059 of, to amend, repeal, and add Section 11553 of, to add Sections 9113.5, 12815, 13073.6, 14670.10.5, and 14937 to, and to repeal Sections 16408 and 16409 of, the Government Code, to amend Sections 40220.5, 50801, 101180, and 124300 of, and to add Section 16010.5 to, the Health and Safety Code, to amend Sections 1012.2, 1023, and 1034 of, and to repeal Section 1031 of, the Military and Veterans Code, to amend Section 320.6 of the Penal Code, to amend Sections 20120 and 20123 of the Public Contract Code, to amend Section 48653 of the Public Resources Code, to amend Sections 792.5, 30207, 30222, and 99501 of the Public Utilities Code, to amend Sections 95.5, 11001.5, 11005.6, and 30462.1 of the Revenue and Taxation Code, to amend Sections 188.8 and 2107.2 of the Streets and Highways Code, and to amend Sections 4333, 5902, 11011 of, and to add Section 11011.1 to, the Welfare and Institutions Code, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 27, 2019. Filed with Secretary of State June 27, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

SB 82, Committee on Budget and Fiscal Review. State Government.

(1) Existing law establishes in state government the Department of Finance under the control of the Director of Finance who is appointed by the Governor. The law places within the department, among other things, the Population Research Unit, which acts as primary state government liaison with the United States Census Bureau in the acquisition and distribution of census data and related documentation to state agencies.

The California Public Records Act requires a public agency to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business.

This bill would rename the Population Research Unit as the Demographic Research Unit. The bill would make various conforming changes in this regard. The bill would exempt data collected, received, or prepared by the Demographic Research Unit that contains personal information, as defined, from disclosure under the California Public Records Act.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(2) The Electronic and Appliance Repair Dealer Registration Law provides for the registration and regulation of service dealers, as defined, and, until January 1, 2023, service contracts and service contractors, as defined. That law requires each service dealer and each service contractor, including those who do not operate a place of business in this state, but who engage in certain activities in this state, to register with the Bureau of Household Goods and Services and requires a service dealer to pay specified registration fees, including an initial registration fee and annual renewal fee.

This bill would, until January 1, 2023, revise and recast the registration fee provisions to, among other things, also require a service contractor to pay certain registration fees, including an initial registration fee and annual renewal fee. The bill, until January 1, 2023, would specify the initial registration fee and annual renewal fee for a service dealer or service contractor who does not operate a place of business in this state.

(3) The Alcoholic Beverage Control Act, administered by the Department of Alcoholic Beverage Control, regulates the granting of licenses for the manufacture, distribution, and sale of alcoholic beverages within the state. Existing law establishes the Responsible Beverage Service (RBS) Training Program Act of 2017, and requires the department, on or before January 1, 2020, to develop, implement, and administer a curriculum for an RBS training program that will make RBS training courses that include information on, among other things, state laws and regulations relating to alcoholic beverage control and the impact of alcohol on the body, available to all persons required to obtain an alcohol server certification, as provided. The act, beginning July 1, 2021, requires an alcohol server, as defined, to successfully complete an RBS training course offered or authorized by the department and to obtain a certification of successful completion of that course, as demonstrated by the successful completion of an exam. Existing law authorizes the department to charge a fee, not to exceed \$15, for any RBS training course provided by the department and requires the fee to be deposited in the Alcohol Beverage Control Fund.

This bill would generally authorize the department to charge fees as necessary to cover its reasonable costs for administering the RBS training program and would specifically authorize the department to charge a fee, not to exceed \$5 per person, for administering the exam required for an alcohol server certification.

The Alcoholic Beverage Control Act requires the Department of Alcoholic Beverage Control to collect a surcharge of 3% of the annual license fees for the Alcoholic Beverage Control Appeals Board's administrative costs and rounds up the surcharge to the nearest whole dollar.

This bill would round the surcharge up to the nearest \$5.

The act provides for the issuance of licenses for which various fees, including annual fees, are charged depending upon the type of license issued. That law authorizes an adjustment of the renewal fees, as provided.

This bill would revise various fees, including application fees and annual fees. The bill would authorize an annual adjustment of specified fees, as provided, commencing with the 2021 calendar year.

(4) The California Constitution requires the ballot pamphlets printed by the Secretary of State to include the complete text of proposed measures that create debts or liabilities of the state. Existing law requires the Secretary of State's internet website to contain the complete text of the proposed measure, and requires the state voter information guide to include before each measure a conspicuous notice that identifies the location on the secretary's internet website of the complete text of the state measure and a notice that identifies the location on the website of the specific constitutional or statutory provision that the measure would repeal or revise.

This bill would require that the text of a measure relating to debts and liabilities of the state, including a bond measure, be printed in the state voter information guide consistent with the constitutional provisions described above.

(5) Existing law requires the Secretary of State to use funds appropriated to the Secretary of State in the Budget Act of 2018 for voting system replacement for counties to award reimbursement contracts to counties that match funds spent by the counties on specified voting system replacement activities, such as the purchase or lease of vote by mail ballot sorting and processing equipment. Existing law requires counties to provide matching funds that are at least equivalent to the state funds received.

This bill would require the Secretary of State to use funds appropriated to the Secretary of State in the Budget Act of 2019 for these same purposes. The bill would instead require a county to provide matching funds that are at least equivalent to one-quarter of the state funds received in order to receive reimbursement, and would exempt counties that operated fewer than 50 precincts in the November 8, 2016, statewide general election from the requirement to provide matching funds. The bill would add the purchase or lease of an election management system, as defined, to the list of reimbursable voting system replacement activities.

(6) Existing law creates the County of San Diego Independent Redistricting Commission and specifies qualifications and procedures for selecting members of the commission. Existing law imposes specified duties related to those member selection processes on the San Diego County Registrar of Voters and the Clerk of the County of San Diego.

This bill would instead require the Clerk of the Board of Supervisors of the County of San Diego to carry out those duties. The bill would make conforming changes.

(7) The Financial Information System for California Act establishes the FISCAL system, a single integrated financial management system for the state. The act establishes the Department of FISCAL and the FISCAL project office to exist concurrently during the phased implementation of the system and requires the department, upon full implementation and final acceptance of the system, to supersede the office and perform all administration, maintenance, and operation of the system. Existing law requires the office to submit an annual report to the Legislature, on or before February 15 of each year, until the completion of the system, that contains specified information regarding the status of the project.

This bill would, instead, require the department to submit the annual report described above and would require the department to submit the report on October 31 of each year beginning in 2020. The bill would also require the report to include specified additional information regarding the project, including information related to the scope of services provided by the system integrator contractor hired by the department to complete project deliverables.

The California Prompt Payment Act requires a state agency that acquires property or services pursuant to a contract with a business, including any approved change order or contract amendment, to make payment to the person or business on the date required by contract and within 45 days of receipt of an undisputed invoice or be subject to a late payment penalty, as provided. The act applies to all state agencies.

This bill would make the Department of FISCAL responsible for applicable penalties if the Financial Information System for California delays the delivery of a correct claim from the state agency to the Controller, resulting in the Controller being unable to comply with the terms of the act.

(8) Existing law establishes the Golden State Financial Marketplace Program or GS \$Mart Program (program), which is the state's centralized financing program available for state agencies to finance certain goods and services. The program makes state agencies, as defined, eligible to apply to the program in order to enter into agreements for financing those specified assets, including, but not limited to, services, without further competitive bidding. Existing law authorizes the Department of General Services, to structure, administer, and maintain the program. Existing law requires the department to develop a financing process for the program that requires, among other things, submission of an opinion of counsel from an independent law firm of recognized standing in the field of law relating to the exemption from federal income taxation on state or local bonds confirming that the assets subject to the financing qualify for tax-exempt financing consistent with the Internal Revenue Code and prior approval by the Department of Finance of the terms and conditions of the financing by the Treasurer for each financing over \$10,000,000.

This bill would revise the authorization described above to instead authorize the Department of General Services to administer and maintain the GS \$Mart Program and would remove the application of the program to agreements for services generally. The bill would, among other things, revise the financing process to require an opinion of counsel from a law firm, under specified circumstances, confirming that the assets subject to the financing qualify for tax-exempt financing; require the use of standard financing terms and conditions, form certificates, and other form agreements, subject to approval by the Department of Finance and the Treasurer's office before use; and require notice to the Department of Finance and the Treasurer's Office of each financing before seeking a request for a rate quote for that financing. The bill would authorize specified local agencies and school districts to use the preapproved lenders participating in the GS \$Mart Program, subject to specified requirements, including that further competitive bidding is not required and that the local agency or school district is responsible for compliance with laws related to tax-exempt financing.

(9) Existing law abolishes the Capital Outlay and Savings Fund in the State Treasury and transferred the funds in the Capital Outlay and Savings Fund to the General Fund. Existing law authorizes the Director of Finance, with the approval of the State Public Works Board, to transfer the unexpended balance in the Capital Outlay and Savings Fund, or any later appropriation from the General Fund made for capital outlay purposes, that is no longer required for expenditure pursuant to that appropriation, and continuously appropriates from the General Fund, those amounts transferred, to be used for specified purposes.

This bill would repeal these provisions authorizing the Director of Finance to transfer the unexpended balance in the Capital Outlay and Savings Fund, or any later appropriation from the General Fund made for capital outlay purposes, as described above.

Existing law authorizes the Director of Finance, with the approval of the State Public Works Board, to transfer the unexpended balance in any appropriation for capital outlay that was payable from a special fund to the unappropriated surplus of the special fund from which the appropriation was originally made if that balance is no longer required for expenditure pursuant to the original appropriation.

This bill would instead authorize the Director of Finance, with the approval of the State Public Works Board, to transfer the unexpended balance in any appropriation for capital outlay that was payable from any fund to the unappropriated surplus of that fund from which the appropriation was originally made if that balance is no longer required for expenditure pursuant to the original appropriation.

(10) Existing law, known as the State Capitol Building Annex Act of 2016 (the act), authorizes the Joint Rules Committee to pursue the construction of a state capitol building annex or the restoration, rehabilitation, renovation, or reconstruction of the existing State Capitol Building Annex, and any other ancillary improvements, as provided. Existing law establishes the State Project Infrastructure Fund and continuously appropriates the moneys in that fund for, among other things, transfer to the Operating Funds of the Assembly and Senate, in an amount determined as provided, to be used for the projects authorized by the act.

This bill would authorize the investment or deposit of moneys transferred from the State Project Infrastructure Fund to the Operating Funds of the Assembly and Senate for purposes of the projects authorized by the State Capitol Building Annex Act of 2016 in accordance with specified law. The bill would require that the interest earned on, or other increment derived from, the moneys invested or deposited pursuant to these provisions be credited to the Operating Funds of the Assembly and Senate and continuously appropriate those moneys to the Joint Rules Committee for the sole purpose of the projects authorized by the act, subject to specified limitations.

Existing law, known as the State Office Building Act of 2018, authorizes the Department of General Services to pursue the design and construction of a state office building to provide for the housing and administrative requirements of the Legislature and the executive branch during the construction of a state capitol building annex, or the restoration, rehabilitation, renovation, or reconstruction of the existing State Capitol Building Annex, pursuant to the State Capitol Building Annex Act of 2016, and to later provide for additional state-owned facilities in close proximity to the State Capitol. Under existing law, work performed under the State Capitol Building Annex Act of 2016 and the State Office Building Act of 2018 is exempt from various specified laws, including the State Contract Act.

The Essential Services Buildings Seismic Safety Act of 1986 requires the appropriate enforcement agency, which in the case of state-owned facilities is the Division of the State Architect, to review the design and inspect the construction of essential services buildings or the reconstruction, alteration, or addition to any essential services building, as provided. The act defines "essential services building" for these purposes as any building used, including any building a portion of which is used, as a fire station, police station, emergency operations center, California Highway Patrol office, sheriff's office, or emergency communication dispatch center.

This bill would provide that the inclusion of office space for or an emergency dispatch center of the Department of the California Highway Patrol in the newly constructed State Capitol Building Annex, the restored, rehabilitated, renovated, or reconstructed State Capitol Building Annex, or the state office building constructed pursuant to the State Capitol Building Annex Act of 2016 or the State Office Building Act of 2018, as applicable, does not subject any part of those projects to the Essential Buildings Seismic Safety Act of 1986, any other law that would not otherwise apply to those projects but for the inclusion of the office space or emergency dispatch center, and any rule, regulation, standard, or requirement promulgated or enforced by the Division of the State Architect or the Office of the State Fire Marshal pursuant to those laws. The bill would make conforming changes to the Essential Services Buildings Seismic Safety Act of 1986.

(11) Existing law creates the Office of Technology Services in the Government Operations Agency as a general purpose technology services provider to serve the common technology needs of executive branch entities, as specified.

This bill would establish the Office of Digital Innovation on July 1, 2019, within the Government Operations Agency, to be headed by the Director of the Office of Digital Innovation, who would be appointed by, and serve at the pleasure of, the Governor. The bill would authorize the Governor to appoint up to 20 people to the office who would be exempt from civil service. The director would be responsible for managing the office and would be required to perform all duties, exercise all powers, and assume and discharge all necessary responsibilities to this end. The mission of the office would be to deliver better government services to the people of California through technology and design, as specified. The bill would require the director to establish a program to improve the state's service delivery functions, guided by best practices for service delivery, and to engage with state entities for

this purpose. The director would be authorized to create, update, and publish, in consultation with the appropriate agency, policies, standards, and procedures for state entities in the State Administrative Manual or Statewide Information Management Manual, as specified. The bill would authorize the director to train supervisors and staff in leadership positions regarding best practices for service delivery and to require staff to attend as the director deems necessary. The bill would generally grant staff of the office, when engaged with a state entity and in the performance of their duties, access to the information and systems of the entity related to service delivery. The bill would proscribe requirements for the confidentiality of the accessed information. The bill would exempt the adoption, amendment, and repeal of policies, procedures, and guidelines of the office from the Administrative Procedure Act.

The bill would create the Digital Innovation Services Revolving Fund, effective July 1, 2020, within the State Treasury, to be administered by the Director of the Office of Digital Innovation. The fund would receive all revenues from the sale of services rendered by the office and all other moneys properly credited to the office from any other source. Until July 1, 2024, moneys in the fund would be continuously appropriated to the office without regard to fiscal year to pay for rendering of services and the costs of the office. By creating a continuously appropriated fund the bill would make an appropriation. On and after July 1, 2024, moneys in the fund would be available upon appropriation of the Legislature. The bill would authorize the office to collect payments from state entities for providing services and would prescribe certain duties and authorizations in this regard.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(12) Existing law, the State Building Construction Act of 1955, requires all new construction of public buildings owned by a state agency and all renovations of bathrooms of public buildings for which a permit has been obtained in which the estimated cost of the new construction or renovation is \$10,000 or more to provide at least one baby diaper changing station that complies with specified requirements. Existing law exempts a renovation from those provisions if a local building permitting entity or building inspector determines that the installation is not feasible or would result in failure to comply with applicable building standards, and would authorize the permitting entity or building inspector to grant an exemption under those circumstances.

This bill would delete the condition that makes the requirement to install a baby diaper changing station applicable only to renovations for which a permit has been obtained, would require the State Public Works Board, rather than a local building permitting entity or building inspector, to make the determination that the installation is not feasible, and would authorize the board, rather than the permitting entity or building inspector, to grant an exemption.

(13) Existing law provides that the Director of General Services may acquire and dispose of surplus state real property where that property is not needed by another state agency and the Legislature has authorized disposal of the property. Existing law also specifies the manner in which the department is to dispose of surplus state real property. Existing law requires that certain surplus state property located at the Sonoma Developmental Center be leased only for an agricultural or open-space purpose consistent with certain requirements. Existing law prohibits the Director of General Services from selling or transferring that specified property unless the transaction would result in a transfer of the property to an entity that would hold the property in perpetuity as open space or that would result in the property becoming part of the Jack London State Historic Park.

This bill would authorize the department to enter into an agreement with the County of Sonoma for the county to develop a specific plan for the property and to manage the land use planning process integrated with a disposition process for the property to include, among other things, the sale, lease, exchange, or other transfer of all or part of the property or property interest the director deems to be in the best interests of the state, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for County of Sonoma.

(14) Existing law authorizes the Department of General Services to enter into a lease and other related agreements with the Capitol Area Development Authority (CADA) for CADA to develop a parking structure located on the R Street property, as defined, and the 8th and 9th Street property, as defined, in accordance with specified requirements. Existing law requires CADA to demolish any improvements currently located on the R Street property.

This bill would also require CADA to remove any improvements currently located on the R Street property and the 8th and 9th Street property, and would authorize the department to also enter into leases and agreements with CADA for the construction of the parking structure.

Existing law requires that the total cost for the R Street parking structure project does not exceed \$30,000,000.

This bill would instead require that the total cost for the R Street parking structure project does not exceed \$40,700,000, subject to certain requirements.

Existing law requires the revenue generated from the R Street parking structure to be deposited into the Motor Vehicle Parking Facilities Money Account and makes the money available, upon appropriation by the Legislature, to be used to make lease payments to CADA until any financing arrangement entered into pursuant to specified provisions is repaid in full.

This bill would instead make those funds available to be used to make lease payments to CADA until the department's lease payment obligations under the lease are repaid in full.

(15) Existing law requires a state agency to furnish an employee, at the time salary or wages are paid, with an itemized statement showing all deductions made from the salary or wages. Existing law authorizes this statement to be provided electronically, contingent upon the funding and implementation of the Controller's "21st Century Project," and provided that the project provides for this. The authorizations associated with this project have generally been repealed.

This bill would repeal the obsolete reference to the 21st Century Project described above and instead make the provision of an electronic statement of itemized deductions contingent on the funding of the necessary technology to provide this information and its implementation by the Controller.

(16) Existing law establishes the Safety Net Reserve Fund in the State Treasury, and creates within the Safety Net Reserve Fund a Medi-Cal Subaccount and a CalWORKs Subaccount. Existing law requires that fund and those subaccounts to be utilized, upon appropriation, for the purpose of maintaining existing program benefits and services for the Medi-Cal and CalWORKs programs during economic downturns, as specified. Existing law imposes upon the Department of Finance specified duties related to these subaccounts.

This bill would abolish the Medi-Cal Subaccount and the CalWORKs Subaccount, transfer the balances remaining in those subaccounts to the Safety Net Reserve Fund, and eliminate the related duties imposed upon the Department of Finance. The bill would require, for the 2018–19 fiscal year, upon order of the Director of Finance, the Controller to transfer \$700,000,000 from the General Fund to the Safety Net Reserve Fund. The bill would also make conforming changes.

(17) Existing law provides for the establishment and operation of veterans' homes at various sites, and provides for an administrator of each home. Existing law establishes the duties of the Department of Veterans Affairs with regard to the establishment and regulation of veterans' homes. Existing law generally requires the administrator of each home to forward to the State Treasurer, all moneys in the administrator's possession. Existing law requires specified funds, including, among other things, moneys received in connection with the lease of real property by the department for a home, to be placed to the credit of the home. Existing law, when the Director of General Services leases any real property held by the department for a home, requires the director to give primary consideration to the use of real property for agricultural purposes.

This bill would repeal the requirement that these funds be placed to the credit of the home. The bill would remove the requirement that the director give primary consideration to the use of real property for agricultural purposes. The bill would also repeal obsolete provisions and fix an obsolete reference.

(18) The California Constitution authorizes the Legislature to permit private, nonprofit organizations to conduct raffles as a funding mechanism to support beneficial and charitable works, if, among other conditions, at least 90% of the gross receipts from the raffle go directly to beneficial or charitable purposes in California. The California Constitution further authorizes the Legislature to amend the percentage of gross receipts required to be dedicated to beneficial or charitable purposes by a statute passed by a 2/3 vote of each house of the Legislature. Existing statutory law implements those provisions and requires the Department of Justice to administer and enforce those provisions.

Existing statutory law, until January 1, 2024, authorizes a major league sports raffle at a home game conducted by an eligible organization, for the purpose of directly supporting specified beneficial or charitable purposes in California, or financially supporting another private, nonprofit, eligible organization that performs those purposes if, among other requirements, 50% of the gross receipts generated from the sale of raffle tickets are used to benefit or provide support for beneficial or charitable purposes, the other 50% is paid to the winner, and the winners of the prizes are determined by a manual draw, as specified. Existing law prohibits an eligible organization from conducting a raffle unless it registers annually with the Department of Justice. Existing law authorizes the department, to the extent the Legislature appropriates funds for this purpose, to audit the records and other documents of a registrant to ensure compliance with the raffle requirements. Existing law authorizes the department to be reimbursed by the registrant for all actual, reasonable, and direct costs incurred in auditing, reviewing, and evaluating the raffle reports being audited.

This bill would eliminate the authority of the department to be reimbursed by the registrant.

(19) The California Constitution creates the Public Utilities Commission and prescribes its membership, which is appointed by the Governor and confirmed by the Senate. The Public Utilities Act requires the commissioners to be civil executive officers and that their salaries be fixed and paid in the same manner as those of other state officers. Existing law prescribes the salaries of the

officers of agencies, departments, boards, and commissions. Existing law authorizes the Department of Human Resources to adjust, as needed, the salaries of specified state officers pursuant to certain requirements.

This bill, on and after July 1, 2019, would require the Department of Human Resources to set and adjust, as needed, the annual compensation of the president of the Public Utilities Commission based on specified factors. The bill would prohibit compensation for the president of the Public Utilities Commission from exceeding 125% of the compensation recommended to be paid to the Governor by the California Citizens Compensation Commission. The bill would require the department to notify the Legislature of the compensation level implemented within 30 days of its effective date.

(20) Existing law grants the Public Utilities Commission regulatory authority over public utilities, including electrical corporations, gas corporations, heat corporations, telegraph corporations, telephone corporations, and water corporations. Existing law requires the commission to require a public utility to establish and maintain a balancing account reflecting the balance between related costs and revenues whenever the commission authorizes any change in rates reflecting and passing through to the public utility's customers specific changes in costs, except as specified. Existing law requires the commission to develop a risk-based approach for reviewing all balancing accounts periodically and to adopt balancing account review procedures, as specified.

This bill would instead require the commission to develop a risk-based approach for reviewing or auditing all balancing accounts periodically and to adopt balancing account review or audit procedures, and would make related conforming changes.

(21) Existing law establishes, until January 1, 2020, the California Initiative to Advance Precision Medicine within the Office of Planning and Research in the Governor's office for the purpose of developing, implementing, awarding funding to, and evaluating demonstration projects on precision medicine in collaboration with public, nonprofit, and private entities. Existing law requires the office to annually report to the Legislature about the initiative and authorizes the office to receive nonstate funds in furtherance of the initiative. Existing law requires the office to return unexpended nonstate funds to the source before January 1, 2020.

This bill would extend the repeal date of the California Initiative to Advance Precision Medicine to January 1, 2026, and extend the requirements and authorizations relating to the initiative.

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

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

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Prior to the 2008–09 fiscal year, the veterans' homes budget included General Fund, reimbursements, and federal trust fund authority.

(b) The reimbursements included member fees paid by residents of the veterans' homes, Medicare, and Medi-Cal, among other sources.

(c) The federal trust fund included per diem payments from the United States Department of Veterans Affairs.

(d) Because the reimbursements and federal fund cashflow was variable and subject to delays, the prior budget structure required loans from the General Fund to cover the gap between cash receipts and payments owed to staff and vendors.

(e) Beginning with the 2008–09 fiscal year, the veterans' homes have instead been fully funded by the General Fund, and reimbursement and federal fund revenue collected is returned to the General Fund to offset the Department of Veterans Affairs' costs.

(f) The changes included in this bill update outdated statutory language that refer to the department's previous budgetary structure and are not intended to reduce the amount of expenditure authority the department is provided by the current budget methodology.

SEC. 2. Section 9873 of the Business and Professions Code is repealed.

SEC. 3. Section 9873 is added to the Business and Professions Code, to read:

9873. The fees prescribed by this chapter shall be set by the director by regulation, according to the following schedule:

(a) (1) The initial registration fee for an electronic repair industry service dealer or for an appliance repair industry service dealer is not more than two hundred five dollars (\$205) for each place of business in this state. The initial registration fee for a service contractor is not more than ninety-five dollars (\$95) for each place of business in this state.

(2) The initial registration fee for a person who engages in business as both an electronic repair industry service dealer and an appliance repair industry service dealer is not more than four hundred five dollars (\$405) for each place of business in this state. The initial registration fee for a person who is a service contractor and engages in business as either an electronic repair industry service dealer or an appliance repair industry service dealer is not more than three hundred dollars (\$300) for each place of business in this state.

(3) The initial registration fee for a person who engages in both the electronic repair industry and the appliance repair industry as a service dealer and is a service contractor is not more than five hundred dollars (\$500) for each place of business in this state.

(4) A service dealer or service contractor who does not operate a place of business in this state, but engages in the electronic repair industry or the appliance repair industry, or sells, issues, or administers service contracts in this state, shall pay the registration fee specified herein as if that service dealer or service contractor had a place of business in this state.

(b) (1) The annual registration renewal fee for an electronic repair industry service dealer or for an appliance repair industry service dealer is not more than two hundred five dollars (\$205) for each place of business in this state, if renewed prior to its expiration date. The annual registration renewal fee for a service contractor is ninety-five dollars (\$95) for each place of business in this state, if renewed prior to its expiration date.

(2) The annual renewal fee for a service dealer who engages in the business as both an electronic repair industry service dealer and an appliance repair industry service dealer is not more than four hundred dollars (\$400) for each place of business in this state.

(3) The annual renewal fee for a service dealer who engages in the electronic repair industry and the appliance repair industry and is a service contractor is not more than four hundred seventy-five dollars (\$475) for each place of business in this state.

(4) A service dealer or service contractor who does not operate a place of business in this state, but who engages in the electronic repair industry or the appliance repair industry, or sells or issues service contracts in this state, shall pay the renewal fee specified herein as if that service dealer or service contractor had a place of business in this state.

(c) The delinquency fee is an amount equal to 50 percent of the renewal fee for a license in effect on the date of renewal of the license, except as otherwise provided in Section 163.5.

(d) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 4. Section 9873 is added to the Business and Professions Code, to read:

9873. The fees prescribed by this chapter shall be set by the director by regulation, according to the following schedule:

(a) The initial registration fee for an electronic repair industry service dealer or for an appliance repair industry service dealer is not more than two hundred five dollars (\$205) for each place of business in this state. The initial registration fee for a person who engages in business as both an electronic repair industry service dealer and an appliance repair industry service dealer is not more than four hundred five dollars (\$405).

(b) The annual registration renewal fee for an electronic repair industry service dealer or for an appliance repair industry service dealer is not more than two hundred five dollars (\$205) for each place of business in this state, if renewed prior to its expiration date. The annual renewal fee for a service dealer who engages in the business as both an electronic repair industry service dealer and an appliance repair industry service dealer is not more than four hundred dollars (\$400).

(c) The delinquency fee is an amount equal to 50 percent of the renewal fee for a license in effect on the date of renewal of the license, except as otherwise provided in Section 163.5.

(d) This section shall become operative on January 1, 2023.

SEC. 5. Section 23083.5 of the Business and Professions Code is amended to read:

23083.5. (a) The department shall collect a 3-percent surcharge on the annual fees provided for in Section 23320 on behalf of the appeals board at the same time the department makes its regular collections of annual fees pursuant to Section 23320. The surcharge shall be rounded to the nearest five dollars (\$5) and pay the costs of the appeals board in carrying out its duties.

(b) All surcharges collected by the department on behalf of the appeals board pursuant to this section shall be deposited in the Alcoholic Beverage Control Appeals Fund, which is hereby created. All moneys in the Alcoholic Beverage Control Appeals Fund shall be available to the appeals board, upon appropriation by the Legislature, to pay the actual costs of the appeals board in carrying out its duties under this chapter.

SEC. 6. Section 23106 of the Business and Professions Code is amended to read:

23106. (a) Wine stored in a winery or wine cellar bonded under the internal revenue laws of the United States and brandy in bulk stored in an internal revenue bonded warehouse may be stored by or for any licensee without the necessity of any license by the person furnishing or providing the storage space.

(b) Beer and wine upon which excise taxes have been paid to the state at the rate fixed under Part 14 of Division 2 of the Revenue and Taxation Code may be stored by or for any licensee in any private or public warehouse or elsewhere in this state without the necessity of any license by the person furnishing or providing the storage space or any special additional license by the licensee.

(c) Any other alcoholic beverage may, without the necessity of any additional license, be stored by or for a licensee in private warehouses approved by the department, if within the limits of the county in which the licensee's licensed premises are located, or in a public warehouse within that county, or may be stored in bond in a public warehouse outside that county if the public warehouse is also a United States customs bonded warehouse, a United States internal revenue bonded warehouse, or a United States bonded wine cellar. An application for the approval of a private warehouse shall be accompanied by a fee of one hundred seventy dollars (\$170). This fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

SEC. 7. Section 23320 of the Business and Professions Code is repealed.

SEC. 8. Section 23320 is added to the Business and Professions Code, to read:

23320. (a) An applicant for a new permanent license, which shall not include duplicate licenses, shall accompany the application with the application fee as specified in this division:

(1) The license application fee for a new permanent license shall be nine hundred five dollars (\$905), except as otherwise specified.

(2) Applicants for a new permanent license of the following types shall accompany the application with a fee of fifteen thousand eight hundred thirty-five dollars (\$15,835):

(A) Off-sale general (Type 21).

(B) On-sale general - eating place (Type 47), on-sale general public premises (Type 48), special on-sale general (Type 57), special on-sale general for-profit theater (Type 71 and Type 72), brewpub-restaurant (Type 75), caterer's (Type 83), neighborhood restricted special on-sale (Type 87), and special on-sale general license for historic cemetery (Type 88).

(3) Applicants for a new permanent license of the following types shall accompany the application with a fee as indicated:

(A) Twelve thousand dollars (\$12,000) for a wine, food and art cultural museum (Type 78).

(B) Six thousand dollars (\$6,000) for an on-sale general - eating place on public property (Type 47) and for an on-sale general restrictive service (Type 70).

(C) Two thousand dollars (\$2,000) for an on-sale general dockside (Type 62).

(D) One thousand dollars (\$1,000) for a special on-sale general theater (Type 64).

(E) One hundred dollars (\$100) for an out-of-state beer manufacturer certificate (Type 26), for a distilled spirits shipper certificate (Type 28), and for a direct shipper permit (Type 82).

(F) One hundred dollars (\$100) for a still (Type 6).

(b) The following are the types of licenses and the annual fees to be charged therefor:

(1) (A) For a Type 01 - Beer manufacturer that produces more than 60,000 barrels per year: the fee through September 30, 2019, is one thousand five hundred thirty-one dollars (\$1,531) and the fee on and after October 1, 2019, is one thousand eight hundred ninety dollars (\$1,890).

(B) For a Duplicate Type 01: the fee through September 30, 2019, is ninety-eight dollars (\$98) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(2) (A) For a Type 02 - Winegrower (to be computed only on the gallons produced); 5,000 gallons or less: the fee through September 30, 2019, is seventy-one dollars (\$71) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(B) For a Type 02 - Winegrower (to be computed only on the gallons produced); 5,000 - 20,000 gallons: the fee through September 30, 2019, is one hundred thirty-two dollars (\$132) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(C) For a Type 02 - Winegrower (to be computed only on the gallons produced); 20,000 - 100,000 gallons: the fee through September 30, 2019, is two hundred thirty-nine dollars (\$239) and the fee on and after October 1, 2019, is three hundred twenty-five dollars (\$325).

(D) For a Type 02 - Winegrower (to be computed only on the gallons produced); 100,000 - 200,000 gallons: the fee through September 30, 2019, is three hundred fourteen dollars (\$314) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(E) For a Type 02 - Winegrower (to be computed only on the gallons produced); 200,000 - 1,000,000 gallons: the fee through September 30, 2019, is four hundred sixty-six dollars (\$466) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Type 02 - Winegrower (to be computed only on the gallons produced); for each additional 1,000,000 gallons over 1,000,000 gallons: the fee through September 30, 2019, is three hundred thirteen dollars (\$313) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(G) For a Duplicate Type 02: the fee through September 30, 2019, is ninety-eight dollars (\$98) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(3) (A) For a Type 03 - Brandy manufacturer: the fee through September 30, 2019, is three hundred eleven dollars (\$311) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(B) For a Duplicate Type 03: the fee through September 30, 2019, is two hundred eighty-four dollars (\$284) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(4) For a Type 04 - Distilled spirits manufacturer: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(5) For a Type 05 - Distilled spirits manufacturer's agent: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(6) For a Type 06 - Still: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(7) For a Type 07 - Rectifier: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(8) For a Type 08 - Wine rectifier: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(9) For a Type 09 - Beer and wine importer: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(10) For a Type 10 - Beer and wine importer's general license: the fee through September 30, 2019, is three hundred forty dollars (\$340) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(11) For a Type 11 - Brandy importer: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(12) For a Type 12 - Distilled spirits importer: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(13) For a Type 13 - Distilled spirits importer's general license: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(14) (A) For a Type 14 - Public warehouse: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(B) For a Duplicate Type 14: the fee through September 30, 2019, is one dollar (\$1) and the fee on and after October 1, 2019, is twenty-five dollars (\$25).

(15) For a Type 15 - Customs broker: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(16) For a Type 16 - Wine broker: the fee through September 30, 2019, is one hundred three dollars (\$103) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(17) For a Type 17 - Beer and wine wholesaler: the fee through September 30, 2019, is three hundred forty dollars (\$340) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(18) For a Type 18 - Distilled spirits wholesaler: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(19) For a Type 19 - Industrial alcohol dealer: the fee through September 30, 2019, is one hundred three dollars (\$103) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(20) For a Type 20 - Off-sale beer and wine: the fee through September 30, 2019, is two hundred seventy-eight dollars (\$278) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(21) For a Type 21 - Off-sale general: the fee through September 30, 2019, is six hundred seventeen dollars (\$617) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(22) (A) For a Type 22 - Wine blender (to be computed only on the gallons produced); 5,000 gallons or less: the fee through September 30, 2019, is seventy-one dollars (\$71) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(B) For a Type 22 - Wine blender (to be computed only on the gallons produced); 5,000 - 20,000 gallons: the fee through September 30, 2019, is one hundred thirty-two dollars (\$132) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(C) For a Type 22 - Wine blender (to be computed only on the gallons produced); 20,000 gallons - 100,000 gallons: the fee through September 30, 2019, is two hundred thirty-nine dollars (\$239) and the fee on and after October 1, 2019, is three hundred twenty-five dollars (\$325).

(D) For a Type 22 - Wine blender (to be computed only on the gallons produced); 100,000 - 200,000 gallons: the fee through September 30, 2019, is three hundred fourteen dollars (\$314) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(E) For a Type 22 - Wine blender (to be computed only on the gallons produced); 200,000 - 1,000,000 gallons: the fee through September 30, 2019, is four hundred sixty-six dollars (\$466) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Type 22 - Wine blender (to be computed only on the gallons produced); for each additional 1,000,000 gallons over 1,000,000 gallons: the fee through September 30, 2019, is three hundred thirteen dollars (\$313) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(23) (A) For a Type 23 - Small beer manufacturer that produces 60,000 barrels or less a year: the fee through September 30, 2019, is one hundred eighty-four dollars (\$184) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(B) For a Duplicate Type 23: the fee through September 30, 2019, is ninety-eight dollars (\$98) and the fee on and after October 1, 2019, is two hundred fifteen dollars (\$215).

(24) For a Type 24 - Distilled spirits rectifier's general license: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(25) For a Type 25 - California brandy wholesaler: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(26) For a Type 26 - Out-of-state beer manufacturer certificate: the fee through September 30, 2019, is seventy-nine dollars (\$79) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(27) For a Type 27 - California winegrower's agent: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is five hundred ninety-five dollars (\$595).

(28) For a Type 28 - Out-of-state distilled spirits shipper certificate: the fee through September 30, 2019, is seventy-nine dollars (\$79) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(29) For a Type 29 - Winegrape grower storage: the fee through September 30, 2019, is ninety dollars (\$90) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(30) For a Type 40 - On-sale beer: the fee through September 30, 2019, is two hundred eighty-four dollars (\$284) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(31) For a Type 41 - On-sale beer and wine eating place: the fee through September 30, 2019, is three hundred eighty-four dollars (\$384) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(32) For a Type 42 - On-sale beer and wine pub premises: the fee through September 30, 2019, is two hundred eighty-four dollars (\$284) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(33) For a Type 43 - On-sale beer and wine train: the fee through September 30, 2019, is one hundred fourteen dollars (\$114) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(34) For a Type 44 - On-sale beer and wine fishing party boat: the fee through September 30, 2019, is one hundred fourteen dollars (\$114) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(35) For a Type 45 - On-sale beer and wine boat: the fee through September 30, 2019, is one hundred fourteen dollars (\$114) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(36) For a Type 46 - On-sale beer and wine airplane: the fee through September 30, 2019, is one hundred fourteen dollars (\$114) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(37) (A) For a Type 47 - On-sale general eating place in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 47 - On-sale general eating place in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 47 - On-sale general eating place in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 47 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 47 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 47 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(38) (A) For a Type 48 - On-sale general public premises in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 48 - On-sale general public premises in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 48 - On-sale general public premises in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 48 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 48 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 48 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(39) (A) For a Type 49 - On-sale general - seasonal business in cities of 40,000 population or over per 3 months: the fee through September 30, 2019, is two hundred forty-seven dollars (\$247) and the fee on and after October 1, 2019, is three

hundred twenty-five dollars (\$325).

(B) For a Type 49 - On-sale general - seasonal business in cities of 40,000 population or over per 6 months: the fee through September 30, 2019, is four hundred ninety-four dollars (\$494) and the fee on and after October 1, 2019, is six hundred fifty dollars (\$650).

(C) For a Type 49 - On-sale general - seasonal business in cities of 40,000 population or over per 9 months: the fee through September 30, 2019, is seven hundred forty-one dollars (\$741) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(D) For a Type 49 - On-sale general - seasonal business in cities of less than 40,000, but more than 20,000 population per 3 months: the fee through September 30, 2019, is one hundred seventy-six dollars (\$176) and the fee on and after October 1, 2019, is two hundred fifteen dollars (\$215).

(E) For a Type 49 - On-sale general - seasonal business in cities of less than 40,000, but more than 20,000 population per 6 months: the fee through September 30, 2019, is three hundred fifty dollars (\$350) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(F) For a Type 49 - On-sale general - seasonal business in cities of less than 40,000, but more than 20,000 population per 9 months: the fee through September 30, 2019, is five hundred twenty-six dollars (\$526) and the fee on and after October 1, 2019, is six hundred fifty dollars (\$650).

(G) For a Type 49 - On-sale general - seasonal business in all other localities per 3 months: the fee through September 30, 2019, is one hundred fifty-three dollars (\$153) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(H) For a Type 49 - On-sale general - seasonal business in all other localities per 6 months: the fee through September 30, 2019, is three hundred six dollars (\$306) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(I) For a Type 49 - On-sale general - seasonal business in all other localities per 9 months: the fee through September 30, 2019, is four hundred fifty-eight dollars (\$458) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(J) For a Duplicate Type 49 in cities of 40,000 population or over per 3 months: the fee through September 30, 2019, is one hundred seventy-six dollars (\$176) and the fee on and after October 1, 2019, is two hundred fifteen dollars (\$215).

(K) For a Duplicate Type 49 in cities of 40,000 population or over per 6 months: the fee through September 30, 2019, is three hundred fifty dollars (\$350) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(L) For a Duplicate Type 49 in cities of 40,000 population or over per 9 months: the fee through September 30, 2019, is five hundred twenty-six dollars (\$526) and the fee on and after October 1, 2019, is two hundred fifteen dollars (\$650).

(M) For a Duplicate Type 49 in cities of less than 40,000, but more than 20,000 population or over per 3 months: the fee through September 30, 2019, is one hundred three dollars (\$103) and the fee on and after October 1, 2019, is one hundred twenty-five dollars (\$125).

(N) For a Duplicate Type 49 in cities of less than 40,000, but more than 20,000 per 6 months: the fee through September 30, 2019, is two hundred seven dollars (\$207) and the fee on and after October 1, 2019, is two hundred fifty dollars (\$250).

(O) For a Duplicate Type 49 in cities of less than 40,000, but more than 20,000 population or over per 9 months: the fee through September 30, 2019, is three hundred eleven dollars (\$311) and the fee on and after October 1, 2019, is three hundred seventy-five dollars (\$375).

(P) For a Duplicate Type 49 in all other localities per 3 months: the fee through September 30, 2019, is eighty-one dollars (\$81) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(Q) For a Duplicate Type 49 in all other localities per 6 months: the fee through September 30, 2019, is one hundred sixty-six dollars (\$166) and the fee on and after October 1, 2019, is two hundred fifteen dollars (\$215).

(R) For a Duplicate Type 49 in all other localities per 9 months: the fee through September 30, 2019, is two hundred forty-seven dollars (\$247) and the fee on and after October 1, 2019, is three hundred twenty-five dollars (\$325).

(40) (A) For a Type 50 - On-sale general license for bona fide clubs in cities of 40,000 population or over: the fee through September 30, 2019, is five hundred sixty dollars (\$560) and the fee on and after October 1, 2019, is six hundred fifty dollars (\$650).

(B) For a Type 50 - On-sale general license for bona fide clubs in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred twenty dollars (\$420) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(C) For a Type 50 - On-sale general license for bona fide clubs in all other localities: the fee through September 30, 2019, is three hundred seventy-three dollars (\$373) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(41) (A) For a Type 51 - Club license (issued under Article 4 of this chapter) in cities of 40,000 population or over: the fee through September 30, 2019, is five hundred sixty dollars (\$560) and the fee on and after October 1, 2019, is six hundred fifty dollars (\$650).

(B) For a Type 51 - Club license (issued under Article 4 of this chapter) in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred twenty dollars (\$420) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(C) For a Type 51 - Club license (issued under Article 4 of this chapter) in all other localities: the fee through September 30, 2019, is three hundred seventy-three dollars (\$373) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(42) (A) For a Type 52 - Veterans' club license (issued under Article 5 of this chapter) in cities of 40,000 population or over: the fee through September 30, 2019, is five hundred sixty dollars (\$560) and the fee on and after October 1, 2019, is six hundred fifty dollars (\$650).

(B) For a Type 52 - Veterans' club license (issued under Article 5 of this chapter) in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred twenty dollars (\$420) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(C) For a Type 52 - Veterans' club license (issued under Article 5 of this chapter) in all other localities: the fee through September 30, 2019, is three hundred seventy-three dollars (\$373) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(43) (A) For a Type 53 - On-sale general train: the fee through September 30, 2019, is two hundred seventeen dollars (\$217) and the fee on and after October 1, 2019, is three hundred twenty-five dollars (\$325).

(B) For a Duplicate Type 53: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(44) For a Type 54 - On-sale general boat: the fee through September 30, 2019, is five hundred sixty-three dollars (\$563) and the fee on and after October 1, 2019, is six hundred fifty dollars (\$650).

(45) (A) For a Type 55 - On-sale general license for airplanes: the fee through September 30, 2019, is five hundred sixty-three dollars (\$563) and the fee on and after October 1, 2019, is six hundred fifty dollars (\$650).

(B) For a Duplicate Type 55 for air common carriers: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(46) (A) For a Type 56 - On-sale general license for vessels of more than 1,000 tons burden: the fee through September 30, 2019, is two hundred seventeen dollars (\$217) and the fee on and after October 1, 2019, is three hundred twenty-five dollars (\$325).

(B) For a Duplicate Type 56: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(47) (A) For a Type 57 - Special on-sale general in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 57 - Special on-sale general in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 57 - Special on-sale general in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 57 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 57 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 57 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(48) (A) For a Type 58 - Caterer's permit; on-sale general or on-sale beer and wine: the fee through September 30, 2019, is one hundred forty-six dollars (\$146) and the fee on and after October 1, 2019, is two hundred fifteen dollars (\$215).

(B) For a Type 58 - Caterer's permit; club in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(C) For a Type 58 - Caterer's permit; club in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(D) For a Type 58 - Caterer's permit; club in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(49) (A) For a Type 59 - On-sale beer and wine seasonal; operating period 3-9 months: the fee through September 30, 2019, is two hundred thirty-nine dollars (\$239) and the fee on and after October 1, 2019, is two hundred fifty dollars (\$250).

(B) For a Type 59 - On-sale beer and wine seasonal; operating period 3-6 months: the fee through September 30, 2019, is one hundred sixty-two dollars (\$162) and the fee on and after October 1, 2019, is one hundred seventy-five dollars (\$175).

(50) (A) For a Type 60 - On-sale beer seasonal; operating period 3-9 months: the fee through September 30, 2019, is two hundred thirty-nine dollars (\$239) and the fee on and after October 1, 2019, is two hundred fifty dollars (\$250).

(B) For a Type 60 - On-sale beer seasonal; operating period 3-6 months: the fee through September 30, 2019, is one hundred sixty-two dollars (\$162) and the fee on and after October 1, 2019, is one hundred seventy-five dollars (\$175).

(51) For a Type 61 - On-sale beer public premises: the fee through September 30, 2019, is two hundred eighty-four dollars (\$284) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(52) For a Type 62 - On-sale general license dockside: the fee through September 30, 2019, is six hundred nine dollars (\$609) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(53) For a Type 63 - On-sale special beer and wine hospital: the fee through September 30, 2019, is ninety-six dollars (\$96) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(54) (A) For a Type 64 - Special on-sale general theater in cities of 40,000 population or over: the fee through September 30, 2019, is five hundred sixty dollars (\$560) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(B) For a Type 64 - Special on-sale general theater in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred twenty dollars (\$420) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(C) For a Type 64 - Special on-sale general theater in all other localities: the fee through September 30, 2019, is three hundred seventy-three dollars (\$373) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(55) For a Type 65 - Special on-sale beer and wine symphony: the fee through September 30, 2019, is two hundred eighty-four dollars (\$284) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(56) For a Type 66 - Controlled access cabinet: the fee through September 30, 2019, is six hundred seventeen dollars (\$617) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(57) For a Type 67 - Bed and breakfast inn; per room: the fee through September 30, 2019, is eight dollars (\$8) and the fee on and after October 1, 2019, is ten dollars (\$10).

(58) (A) For a Type 68 - Portable bar in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(B) For a Type 68 - Portable bar in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(C) For a Type 68 - Portable bar in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(59) For a Type 69 - Special on-sale beer and wine theater: the fee through September 30, 2019, is two hundred eighty-four dollars (\$284) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(60) (A) For a Type 70 - On-sale general restrictive service in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 70 - On-sale general restrictive service in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 70 - On-sale general restrictive service in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(61) (A) For a Type 71 - Special on-sale general for-profit theater in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 71 - Special on-sale general for-profit theater in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 71 - Special on-sale general for-profit theater in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 71 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 71 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 71 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(62) (A) For a Type 72 - Special on-sale general for-profit theater, Napa County in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 72 - Special on-sale general for-profit theater, Napa County in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 72 - Special on-sale general for-profit theater, Napa County in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 72 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 72 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 72 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(63) For a Type 73 - Special nonprofit sales: the fee through September 30, 2019, is one hundred fourteen dollars (\$114) and the fee on and after October 1, 2019, is one hundred sixty dollars (\$160).

(64) For a Type 74 - Craft distilled spirits manufacturer: the fee through September 30, 2019, is five hundred ten dollars (\$510) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(65) (A) For a Type 75 - Brewpub-restaurant in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 75 - Brewpub-restaurant in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 75 - Brewpub-restaurant in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 75 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 75 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 75 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(66) (A) For a Type 76 - On-sale general maritime museum: the fee through September 30, 2019, is two hundred seventeen dollars (\$217) and the fee on and after October 1, 2019, is three hundred twenty-five dollars (\$325).

(B) For a Duplicate Type 76: the fee through September 30, 2019, is seventy-seven dollars (\$77) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(67) For a Type 77 - Event permit: the fee through September 30, 2019, is one hundred forty-six dollars (\$146) and the fee on and after October 1, 2019, is two hundred fifteen dollars (\$215).

(68) (A) For a Type 78 - On-sale general wine, food and art cultural museum in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 78 - On-sale general wine, food and art cultural museum in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 78 - On-sale general wine, food and art cultural museum in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 78 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 78 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 78 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(69) For a Type 79 - Certified farmers' market: the fee through September 30, 2019, is fifty-eight dollars (\$58) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(70) For a Type 80 - Special on-sale general; per room: the fee through September 30, 2019, is seventeen dollars (\$17) and the fee on and after October 1, 2019, is twenty dollars (\$20).

(71) For a Type 81 - Wine sales event permit: the fee through September 30, 2019, is fifty dollars (\$50) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(72) For a Type 82 - Direct shipper permit: the fee through September 30, 2019, is ten dollars (\$10) and the fee on and after October 1, 2019, is twenty-five dollars (\$25).

(73) (A) For a Type 83 - On-sale general caterer's permit in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 83 - On-sale general caterer's permit in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 83 - On-sale general caterer's permit in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(74) For a Type 84 - Certified farmers' market beer: the fee through September 30, 2019, is fifty-eight dollars (\$58) and the fee on and after October 1, 2019, is one hundred ten dollars (\$110).

(75) For a Type 85 - Limited off-sale wine license: the fee through September 30, 2019, is two hundred seventy-eight dollars (\$278) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(76) For a Type 86 - Instructional tasting license: the fee through September 30, 2019, is three hundred dollars (\$300) and the fee on and after October 1, 2019, is three hundred eighty dollars (\$380).

(77) (A) For a Type 87 - Neighborhood restricted special on-sale in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 87 - Neighborhood restricted special on-sale in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 87 - Neighborhood restricted special on-sale in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 87 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 87 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 87 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(78) (A) For a Type 88 - Special on-sale general license for historic cemetery in cities of 40,000 population or over: the fee through September 30, 2019, is nine hundred seventy-one dollars (\$971) and the fee on and after October 1, 2019, is one thousand one hundred ninety dollars (\$1,190).

(B) For a Type 88 - Special on-sale general license for historic cemetery in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is seven hundred eleven dollars (\$711) and the fee on and after October 1, 2019, is nine hundred seventy dollars (\$970).

(C) For a Type 88 - Special on-sale general license for historic cemetery in all other localities: the fee through September 30, 2019, is six hundred thirty-two dollars (\$632) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(D) For a Duplicate Type 88 in cities of 40,000 population or over: the fee through September 30, 2019, is six hundred ninety-nine dollars (\$699) and the fee on and after October 1, 2019, is seven hundred fifty-five dollars (\$755).

(E) For a Duplicate Type 88 in cities of less than 40,000, but more than 20,000 population: the fee through September 30, 2019, is four hundred thirteen dollars (\$413) and the fee on and after October 1, 2019, is five hundred forty dollars (\$540).

(F) For a Duplicate Type 88 in all other localities: the fee through September 30, 2019, is three hundred twenty-six dollars (\$326) and the fee on and after October 1, 2019, is four hundred thirty dollars (\$430).

(c) (1) In addition to the application fee for a new permanent license as specified in subdivision (a), an annual renewal fee, as set forth in subdivision (b), shall accompany the application. The application fee shall be nonrefundable up to the amount of the application fee in paragraph (1) of subdivision (a), as adjusted by subdivisions (d) and (e). The annual fee provided at the time of

application shall allow the license to be active for one year from the date of issuance and shall be refundable only in the event that the license application is withdrawn or denied.

(2) If an application includes multiple new permanent licenses to be issued at the same premises, the application fee shall be required for only one of the applied-for licenses and an application fee shall not be charged for the remainder of the licenses. In situations involving different license types, the application fee to be paid shall be the highest such fee as specified in subdivision (a). Notwithstanding this provision, the annual renewal fee required pursuant to this subdivision shall be payable for each license.

(d) Beginning January 1, 2021, and each January 1 thereafter, the department may adjust each of the fees specified in this section by increasing each fee by an amount not to exceed the percentage that the California Consumer Price Index (California Department of Industrial Relations, Division of Labor Statistics and Research, All Items, Base Period 1982-84=100) for the preceding August 2019, and each August annually thereafter, has increased under the same index over the month of August 2018, which shall be the base period. The department shall not adjust fees pursuant to this section if the balance of the Alcohol Beverage Control Fund at the end of the prior fiscal year is greater than one-fourth of the department's appropriation from the Alcohol Beverage Control Fund for the current fiscal year. No fee shall be decreased pursuant to this adjustment below the fee currently in effect on each December 31. If the accumulation of percentage increases is greater than 8 percent, the department shall not adjust fees without the Legislature's approval through the budget process. In the event that this index is discontinued, the department shall consult with the Department of Finance to convert the increase calculations to an index then available. When approved by the Department of Finance, the new index shall replace the discontinued index.

(e) When fees are adjusted pursuant to subdivision (d), the department shall calculate the percentage increase as specified in that subdivision and shall apply this increase to each fee. The increase to each fee shall be rounded to the nearest whole five dollars (\$5). The adjusted fee list, to be effective on January 1 of the upcoming year, shall be published by the department on its internet website and transmitted in writing to the Chairperson of the Joint Legislative Budget Committee no later than January 10 of the year before it becomes effective. This adjustment of fees and publication of the adjusted fee list is not subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 9. Section 23320.1 of the Business and Professions Code is repealed.

SEC. 10. Section 23320.5 of the Business and Professions Code is amended to read:

23320.5. (a) (1) In addition to the annual fees provided for in subdivision (b) of Section 23320, the department shall collect a surcharge of ten dollars (\$10).

(2) This section shall not apply to the following licenses: out-of-state beer manufacturer certificate (Type 26), out-of-state distilled spirits shipper certificate (Type 28), winegrape grower storage (Type 29), special on-sale beer and wine symphony (Type 65), bed and breakfast inn (Type 67), wine sales event permit (Type 81), direct shipper permit (Type 82), event permit (Type 77), special on-sale general; per room (Type 80), on-sale general caterer's (Type 83), certified farmers' market beer (Type 84), limited off-sale wine license (Type 85), and instructional tasting license (Type 86).

(b) (1) All money collected from the surcharge described in subdivision (a) shall be deposited in the Motor Vehicle Account in the State Transportation Fund, and shall be used for the Department of the California Highway Patrol's Designated Driver Program, when appropriated to the Department of the California Highway Patrol for that purpose.

(2) The Department of California Highway Patrol shall prioritize the expenditure of funds received pursuant to this subdivision for the Designated Driver Program's outreach and education activities in, and adjacent to, individual events or venues, including, but not limited to, stadiums, parks, entertainment complexes, and arenas.

SEC. 11. Section 23321.7 of the Business and Professions Code is amended to read:

23321.7. (a) The on-sale general bona fide public eating place intermittent dockside license for vessels of more than 7,000 tons displacement may be issued for any vessel of more than 7,000 tons displacement with cabin berth capacity for at least 75 passengers. Each license issuable under this section shall be used only in the county where issued, but a vessel qualified under this section may be issued such a license in more than one county. Notwithstanding the provisions of Section 23397, the licensee under each such license shall be authorized to sell alcoholic beverages to the general public aboard the vessel respecting which the license is issued when the vessel is securely lashed on berth in the county for which the license is issued, provided that such sales are incidental to the passenger operations of such vessel and beverages are purchased from persons licensed to sell alcoholic beverages for resale in this state. In no event shall the rights under any such license be exercised in any county during more than 100 calendar days in any calendar year.

(b) Notwithstanding the provisions of Article 2 (commencing with Section 23815) of Chapter 5 of this division, there shall not be a limitation, other than provided in this section, on the number of licenses that may be issued under this section to applicants who

meet its requirements. Except as otherwise specifically provided in this section, all provisions of this division shall apply to any license issued under this section in the same manner as such provisions apply to an on-sale general license issued for a bona fide public eating place, provided that a caterer's permit shall not be issued pursuant to Section 23399 with respect to any license issued hereunder, and provided further that any duplicate license issued pursuant to Section 24042 respecting such vessel shall bear the same fee as an on-sale general dockside license (Type 62) specified by subdivision (b) of Section 23320.

SEC. 12. Section 23327 of the Business and Professions Code is amended to read:

23327. (a) Persons holding wine growers' licenses shall report annually at the end of each fiscal year, at the time and in the manner as the department may prescribe, the amount of wine produced by them during the fiscal year.

(b) If the total amount of wine produced during the year exceeds the amount permitted annually by the annual license fee already paid the department, the licensee shall pay such additional license fee as may be unpaid in accordance with the schedule provided in subdivision (b) of Section 23320.

SEC. 13. Section 23355.2 of the Business and Professions Code is amended to read:

23355.2. (a) For purposes of this section, "controlled access alcoholic beverage cabinet" means a closed container, either refrigerated, in whole or in part, or nonrefrigerated, and access to the interior of which is (1) restricted by means of a locking device which requires the use of a key, magnetic card, or similar device, or (2) controlled at all times by the licensee.

(b) Notwithstanding any other provision of this division, a hotel or motel having an on-sale license may sell alcoholic beverages to its registered guests by means of a controlled access alcoholic beverage cabinet located in the guestrooms of those registered guests, provided that each of the following conditions is met:

(1) Access to a controlled access alcoholic beverage cabinet in a particular guestroom is provided, whether by furnishing a key, magnetic card, or similar device, or otherwise, only to the adult registered guest, if any, registered to stay in the guestroom.

(2) Prior to providing a key, magnetic card, or other similar device required to attain access to the controlled access alcoholic beverage cabinet in a particular guestroom to the registered guest thereof, or prior to otherwise providing access thereto to the registered guest, the licensee shall verify, in accordance with Article 3 (commencing with Section 25657), of Chapter 16 of this division, that each registered guest to whom a key, magnetic card, or similar device is provided, or to whom access is otherwise provided, is not a minor.

(3) All employees handling the alcoholic beverages to be placed in the controlled access alcoholic beverage cabinet in any guestroom, including, but not limited to, any employee who inventories or restocks and replenishes the alcoholic beverages in the controlled access alcoholic beverage cabinet, shall be at least 21 years of age.

(4) There is no replenishing or restocking of the alcoholic beverages in any controlled access alcoholic beverage cabinet between the hours of 2 a.m. and 6 a.m. of the same day.

(c) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license or an on-sale general license for restricted service lodging establishments may, upon issuance of a permit from the department, sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size.

(d) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license or an on-sale general license for restricted service lodging establishments and an off-sale general license may sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size, without having to obtain the permit specified in subdivision (c).

(e) A controlled access alcoholic beverage cabinet may be part of another cabinet or similar device, whether refrigerated, in whole or in part, or nonrefrigerated, from which nonalcoholic beverages or food may be purchased by the guests in hotel or motel guestrooms. However, in that event, the portion of the cabinet or similar device in which alcoholic beverages are stored shall be a controlled access alcoholic beverage cabinet, as defined in this section.

(f) For purposes of this section, "hotel" or "motel" shall mean an establishment which is licensed to sell alcoholic beverages and which contains guestroom accommodations with respect to which the predominant relationship existing between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest. For purposes of this subdivision, the existence of other legal relationships as between some occupants and the owner or operator thereof shall be immaterial.

SEC. 14. Section 23357.2 of the Business and Professions Code is amended to read:

23357.2. (a) An out-of-state beer manufacturer's certificate may be issued by the department upon the written undertaking and agreement by the applicant:

(1) That it and its agents and all agencies within this state controlled by it shall comply with all laws of this state and all rules of the department with respect to the sale of alcoholic beverages, including, but not limited to, Chapter 12 (commencing with Section 25000) of Division 9, and Section 25509, to the same extent as licensees.

(2) That it shall make available, both in California and outside the state, for inspection and copying by the department, all books, documents, and records, located both within and without this state, which are pertinent to the activities of the applicant, its agents and agencies within this state controlled by it, in connection with the sale and distribution of its products within this state.

(b) The department may suspend or revoke an out-of-state beer manufacturer's certificate for cause in the manner provided for the suspension or revocation of licenses, and after a hearing which shall be held in the City of Sacramento or in any other county seat in this state as the department determines to be convenient to the holder of an out-of-state certificate.

SEC. 15. Section 23357.3 of the Business and Professions Code is amended to read:

23357.3. (a) A beer manufacturer's license or out-of-state beer manufacturer's certificate issued to a manufacturer located within the United States authorizes the licensee to conduct tastings of beer produced or bottled by, or produced or bottled for, the licensee, on or off the licensee's premises. Beer tastings may be conducted by the licensee off the licensee's premises only for an event sponsored by a nonprofit organization and only if persons attending the event are affiliated with the sponsor. No beer shall be sold or solicited for sale in that portion of the premises where the beer tasting is being conducted. Notwithstanding Section 25600, the manufacturer may provide beer without charge for any tastings conducted pursuant to this section.

(b) (1) For purposes of this section, "nonprofit organization" does not include any community college or other institution of higher learning, as defined in the Education Code, nor does it include any officially recognized club, fraternity, or sorority whether or not that entity is located on or off the institution's campus.

(2) For purposes of this section, "affiliated with the sponsor" means directors, officers, members, employees, and volunteers of bona fide charitable, fraternal, political, religious, trade, service, or similar nonprofit organizations and their invited guests.

(3) For purposes of this section, persons "affiliated with the sponsor" also includes up to three guests invited by persons described in paragraph (2).

(c) The sponsoring organization shall first obtain a permit from the department at a fee equal to the fee for a special temporary license for beer and wine, as specified in Section 24045.

(d) The department may adopt rules and regulations as it determines to be necessary for the administration of this section.

SEC. 16. Section 23357.4 of the Business and Professions Code is amended to read:

23357.4. (a) (1) Notwithstanding any other provision of this division, an incorporated beer manufacturer's trade association may conduct beer tastings on behalf of one or more licensed beer manufacturers for public educational purposes. Beer tastings conducted by an incorporated beer manufacturer's trade association may be conducted for groups of individuals unaffiliated with a sponsoring nonprofit organization, provided that the participants do not exceed 100 in number at any beer tasting event.

(2) Beer shall not be sold or solicited for sale in that portion of the premises where the beer tasting is being conducted. Notwithstanding Section 25600, a licensed beer manufacturer may provide beer without charge to an incorporated beer manufacturer's trade association for any tastings conducted pursuant to this section.

(b) For purposes of this section:

(1) "Affiliated with the sponsor" means directors, officers, members, employees, and volunteers of bona fide charitable, fraternal, political, religious, trade, service, or similar nonprofit organizations and their invited guests.

(2) "Nonprofit organization" does not include any community college or other institution of higher learning, as defined in the Education Code, nor does it include any officially recognized club, fraternity, or sorority, whether or not that entity is located on or off the institution's campus.

(c) The incorporated beer manufacturer's trade association shall first obtain a permit from the department for each tasting event at a fee equal to the fee for a special temporary license for beer and wine, as specified in Section 24045.

(d) The department may adopt rules and regulations as it determines to be necessary for the administration of this section.

SEC. 17. Section 23358.3 of the Business and Professions Code, as amended by Section 3 of Chapter 296 of the Statutes of 2010, is amended to read:

23358.3. A wine grape grower's storage license authorizes the holder to store bulk wine, made from grapes produced by the holder, on the premises of a licensed winegrower and to sell that wine, within this state, to winegrowers, distilled spirits manufacturers, brandy manufacturers, wine blenders, and vinegar producers.

SEC. 18. Section 23366.3 of the Business and Professions Code is amended to read:

23366.3. (a) An out-of-state distilled spirits shipper's certificate may be issued by the department upon the written undertaking and agreement by the applicant:

(1) That it and its agents and all agencies within this state controlled by it shall comply with all laws of this state and all rules of the department with respect to the sale of alcoholic beverages.

(2) That it shall make available, both in California and outside the state, for inspection and copying by the department, all books, documents, and records, located both within and without the state, which are pertinent to the activities of the applicant, its agents and agencies within this state controlled by it, in connection with the sale and distribution of its products within this state.

(b) The department may suspend or revoke an out-of-state distilled spirits shipper's certificate for cause in the manner provided for the suspension and revocation of licenses, and after a hearing which shall be held in the City of Sacramento or in such other county seat in the state as the department determines to be convenient to the holder of an out-of-state distilled spirits shipper's certificate.

SEC. 19. Section 23375 of the Business and Professions Code is amended to read:

23375. (a) A public warehouse license authorizes the storage of alcoholic beverages for the account of another licensee, including storage in a United States customs bonded warehouse, a United States internal revenue bonded warehouse, and a United States bonded wine cellar.

(b) The department may issue to the holder of a public warehouse license a duplicate of the original public warehouse license for each additional warehouse operated by the licensee, which authorizes the exercise of all privileges of the original public warehouse license at the additional warehouse or warehouses.

(c) The term "duplicate public warehouse license," as used in this section, only applies herein.

SEC. 20. Section 23390 of the Business and Professions Code is amended to read:

23390. (a) A licensed winegrower or brandy manufacturer, in addition to exercising all the privileges of their license at their licensed premises, may exercise all the license privileges at or from branch offices or warehouses, or United States bonded wine cellars located away from the place of production or manufacture, other than the following privileges:

(1) Production or manufacture.

(2) The sale of wine or brandy to consumers for consumption on the premises in a bona fide eating place.

(3) The sale or delivery of wine to consumers in containers supplied, furnished, or sold by the consumer.

(b) The department may issue to a winegrower or brandy manufacturer a duplicate of the original license for a location or locations other than the wine production or brandy manufacture premises. The duplicate license authorizes the maintenance and operation of each branch or warehouse or United States bonded wine cellar declared and designated by the winegrower or brandy manufacturer at the location for which the duplicate license is issued.

(c) Notwithstanding any other provision of law, the department may allow any person that held more than one original winegrower's license, on or before January 1, 1981, to transfer any duplicate license which has been issued, on or before January 1, 1981, on any of the original winegrower's licenses to any other original winegrower's license held by that person, on or before January 1, 1981, provided that the licensee cancels the original winegrower's license from which any duplicate license is transferred. This subdivision shall not authorize any person to acquire any additional duplicate licenses other than those held by that licensee on or before January 1, 1981.

SEC. 21. Section 23393.5 of the Business and Professions Code is amended to read:

23393.5. (a) The department may issue a limited off-sale retail wine license which authorizes the sale of wine by the licensee if all of the following conditions are met:

(1) Sales are restricted to those solicited and accepted via direct mail, telephone, or the internet.

(2) Sales are not conducted from a retail premises open to the public.

(3) The licensee takes possession of and title to all wine sold by the licensee.

(4) All wine sold by the licensee is delivered to the purchaser from the licensee's licensed premises or from a licensed public warehouse.

(b) The sale of wine shall only be to consumers and not for resale, in packages or quantities of 52 gallons or less per sale, for consumption off the premises where sold.

(c) The licensee shall comply with Section 23985, but is exempted from Sections 23985.5 and 23986.

(d) The department may impose reasonable conditions upon the licensee as may be needed in the interest of public health, safety, and welfare.

SEC. 22. Section 23396.1 of the Business and Professions Code is amended to read:

23396.1. (a) An on-sale general license for restricted service lodging establishments authorizes those hotels and motels described in subdivision (b) to sell alcoholic beverages for consumption on the premises only as follows:

(1) By means of controlled access alcoholic beverage cabinets located in guestrooms, subject to the conditions specified in Section 23355.2.

(2) Under circumstances where the uniform cost of the alcoholic beverages is included in the price of the overnight transient occupancy accommodation, whether or not separately stated.

(3) Beer and wine in sealed containers to the licensee's transient guests and their invitees from a food sale area, as defined in subdivision (c), located within the lodging establishment itself.

(b) For purposes of this division, a "restricted service lodging establishment" is a hotel or motel, within the meaning of subdivision (f) of Section 23355.2, which meets all of the following conditions:

(1) It does not operate a bona fide eating place or other public premise.

(2) It has at least 10 guestroom accommodations.

(3) It does not derive more than 5 percent of its total gross annual revenues from sales of alcoholic beverages.

(c) "Food sale area" means a food facility, within the meaning of Section 113789 of the Health and Safety Code, that routinely offers for sale, throughout the area's normal hours of operation each day to all of the lodging establishment's transient guests and their invitees, primarily items like prepackaged sandwiches, salads, snacks, candy, dairy products, water, soft drinks, and other nonalcoholic beverages in bottles or cans, and similar food items. The "food sale area" may also offer for sale various items such as health and beauty aids, cosmetics, nonprescription drugs, film, batteries, and similar sundries.

(d) A premises licensed pursuant to this section shall not be authorized to sell or furnish alcoholic beverages to the general public, shall not be entitled to a caterer's permit pursuant to Section 23399, and shall not be entitled to exercise any off-sale privileges pursuant to Section 23401. The provisions of Article 2 (commencing with Section 23815) of Chapter 5 do not apply to the issuance of on-sale general licenses for restricted service lodging establishments. An on-sale general restricted service lodging establishment license may be transferred to another person but not to another location. A licensee specified in this section shall purchase no alcoholic beverages for sale in this state other than from a wholesaler or winegrower licensee.

SEC. 23. Section 23396.2 of the Business and Professions Code is amended to read:

23396.2. (a) An on-sale general license for a wine, food and art cultural museum, and educational center and an on-sale general license for a wine and food cultural museum and educational center authorizes those persons described in subdivision (b) to sell, furnish, or give alcoholic beverages for consumption on the premises and off-sale privileges, as further qualified herein.

(b) (1) For purposes of this division, "a wine, food and art cultural museum, and educational center" is a person that meets all the following conditions:

(A) The retail premises shall include an auditorium, concert terrace, exhibition gallery, teaching kitchen, and library and may be adjacent to a bona fide eating place as defined in Section 23038.

(B) The premises is located in the County of Napa, operated by a nonprofit entity that is exempt from payment of income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code, and includes real estate improvements of a value of at least forty-five million dollars (\$45,000,000).

(2) For purposes of this division, "a wine and food cultural museum and educational center" is a person that meets all the following conditions:

(A) The retail premises shall include an auditorium, exhibition gallery, teaching kitchen, and library and may be adjacent to a bona fide eating place as defined in Section 23038.

(B) The premises is located in the County of Sonoma, operated by a nonprofit entity that is exempt from payment of income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code, and includes real estate improvements of a value of at least ten million dollars (\$10,000,000).

(c) (1) The department shall upon request and qualification issue a licensee located in the County of Napa a duplicate of the original license for a premises located on commonly owned property contiguous to, or in close proximity to the original licensed premises. As used in this section, "close proximity" shall mean the original licensed premises is no further than 900 feet from the premises issued the duplicate license regardless of whether the two premises are separated by a public or private street, alley, or sidewalk.

(2) The department shall upon request and qualification issue a licensee located in the County of Sonoma a duplicate of the original license for a premises located on commonly owned, leased, or managed property contiguous to, or in close proximity to the original licensed premises. As used in this section, "close proximity" shall mean the original licensed premises is no further than 900 feet from the premises issued the duplicate license regardless of whether the two premises are separated by a public or private street, alley, or sidewalk.

(d) There shall be no limit as to the number of events held on a licensed premises or duplicate premises at which a person or persons issued caterer's permits under Section 23399 may sell alcoholic beverages so long as the on-sale general licensee surrenders its license privileges for any portion of the premises at which a catered event is held for the duration of the event.

(e) A licensee licensed under this section shall not be included in the definition of "public premises" under Section 23039.

(f) The provisions of Article 2 (commencing with Section 23815) of Chapter 5 do not apply to the issuance of a license issued pursuant to this section. A license issued pursuant to this section may be transferred to another person, qualified pursuant to subdivision (b), but not to another location. A licensee specified in this section shall purchase no alcoholic beverages for sale in this state other than from a wholesaler or winegrower licensee. Notwithstanding any other provision of this division, licensees may donate wine to a person licensed under this section.

(g) Notwithstanding any other provision of this division, a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, or the holder of an importer's general license may hold the ownership of any interest, directly or indirectly, in the premises and in the license issued pursuant to this section, may serve as an officer, director, employee, or agent of that licensee, and may sponsor or fund educational programs, special fundraising and promotional events, improvements in capital projects, and the development of exhibits or facilities of and for that licensee provided the number of items of beer, wine, or distilled spirits by brand, exclusive of wine labeled for the licensee authorized in subdivision (a) of this section, offered for sale by the licensee, which are produced, bottled, rectified, distilled, processed, imported, or sold by an individual licensee holding an interest in, serving as an officer, director, employee or agent of, or sponsoring or funding the programs and projects of the retail licensee, does not exceed 15 percent of the total items of beer, wine, or distilled spirits by brand listed and offered for sale in the retail licensed premises.

SEC. 24. Section 23396.3 of the Business and Professions Code is amended to read:

23396.3. (a) (1) A brewpub-restaurant license is a retail license which may be issued to a bona fide public eating place, as defined in Section 23038. The licensed premises shall have a minimum seven-barrel commercial brewing system located permanently onsite that is capable of producing at least seven barrels of beer per brewing cycle, and the licensee shall produce not less than 200 barrels nor more than 5,000 barrels of beer annually on the licensed premises. The license authorizes the sale of beer, wine, and distilled spirits for consumption on the premises, and the sale of beer produced by the brewpub-restaurant licensee for consumption on the premises. The license also authorizes the sale of beer produced by the licensed brewpub-restaurant licensee to a licensed beer and wine wholesaler, subject to the requirements of Chapter 12 (commencing with Section 25000). A brewpub-restaurant license does not authorize any of the following:

(A) The sale, furnishing, or exchange of any alcoholic beverages with any other brewpub-restaurant licensee, any licensed beer manufacturer regardless of any other licenses held by the licensed beer manufacturer, or any retail licensee in California.

(B) The sale, furnishing, or exchange of any beer produced on the licensed premises bearing the same trademark as any beer produced by a licensed beer manufacturer.

(C) A brewpub-restaurant licensee to engage a licensed beer manufacturer to produce beer for sale by the brewpub-restaurant licensee.

(2) Beer produced on the premises shall be offered for sale to consumers for consumption on the premises or off-premises in a bona fide manner. In determining whether the licensee is offering beer produced on the premises for sale in a bona fide manner, the department may consider, without limitation, whether, and the extent to which, the licensee actually sells beer manufactured on the licensed premises to consumers.

(b) A brewpub-restaurant licensee shall purchase all beer, wine, or distilled spirits for sale on the licensed premises from a licensed wholesaler or winegrower, except for the beer produced by the brewpub-restaurant licensee on the licensed premises.

(c) Notwithstanding any other law, a brewpub-restaurant licensee may label, bottle, package, or refill any container with beer produced on the licensed premises and may, at the licensed premises, sell beer produced and packaged by the licensee to consumers for consumption off the premises.

(d) A brewpub-restaurant licensee may donate or sell beer produced by the licensee to a nonprofit charitable corporation or association or a nonprofit incorporated trade association pursuant to subdivisions (a) and (b) of Section 25503.9, provided that beer donated pursuant to this section shall not count in the calculation of minimum amounts of beer required to be manufactured and sold pursuant to subdivision (a).

(e) A brewpub-restaurant licensee shall offer for sale on the licensed premises canned, bottled, or draft beer commercially available from licensed wholesalers.

(f) The fee to transfer a brewpub-restaurant license shall be the same as for an on-sale general license.

(g) An existing brewpub-restaurant license or a brewpub license issued pursuant to an application filed with the department prior to December 31, 2019, shall not be sold or transferred for a price greater than the original license fee paid by the seller or transferor.

(h) (1) The limitations provided in Section 23816 on the number of licensed premises shall not apply to a brewpub-restaurant license application submitted to the department prior to December 31, 2019.

(2) The limitations provided in Section 23816 on the number of licensed premises shall apply to a brewpub-restaurant license application submitted to the department on or after December 31, 2019.

(i) The licensee shall maintain records on a monthly or quarterly basis that are adequate to establish compliance with this section and to enable the department to identify which beer sold by a licensee was produced on the premises in order to establish the licensee's compliance with subdivisions (a) and (b). These records shall be maintained for a period of at least three years and shall be provided to the department within 30 days of receipt of the department's written request.

SEC. 25. Section 23396.6 of the Business and Professions Code is amended to read:

23396.6. (a) The department may issue to the holder of an off-sale retail license an instructional tasting license at the premises of the off-sale retail license. An instructional tasting license shall not be issued to any of the following:

(1) Off-sale licensees at locations where motor vehicle fuel is sold, unless the licensee operates a fully enclosed off-sale retail area encompassing at least 10,000 square feet.

(2) Off-sale licensees at locations with a total of less than 5,000 square feet of interior retail space, unless the calendar quarterly gross sales of alcoholic beverages at the licensed location comprise at least 75 percent of the total gross sales of all products sold at the licensed premises. A licenseholder that is issued an instructional tasting license pursuant to this paragraph shall maintain records that separately reflect the gross sales of alcoholic beverages and the gross sales of all other products sold on the licensed premises.

(b) The provisions of Article 2 (commencing with Section 23815) of Chapter 5 and Section 23958.4 shall not apply to the issuance of an instructional tasting license, except that the department may expressly deny the issuance of an instructional tasting license for any premises located in an area of undue concentration of licenses as defined in paragraph (1) of subdivision (a) of Section

23958.4. Notwithstanding paragraph (3) of subdivision (c), the provisions of Article 2 (commencing with Section 23985) and Article 3 (commencing with Section 24011) of Chapter 6 shall apply to the issuance of an instructional tasting license.

(c) Notwithstanding subdivision (a) of Section 23386 and paragraph (3) of subdivision (c) of Section 25612.5, an instructional tasting license authorizes the licenseholder to allow an authorized licensee or the designated representative of an authorized licensee, to conduct an instructional tasting event at which tastes of alcoholic beverages may be served to consumers subject to the following limitations, and the limitations set forth in Section 25503.56:

(1) (A) At all times during an instructional tasting event, the instructional tasting event area shall be separated from the remainder of the off-sale licensed premises by a wall, rope, cable, cord, chain, fence, or other permanent or temporary barrier. The licenseholder shall prominently display signage prohibiting persons under 21 years of age from entering the instructional tasting event area.

(B) A licenseholder that permits a person under 21 years of age to enter and remain in the instructional tasting event area during an instructional tasting event is guilty of a misdemeanor. Any person under 21 years of age who enters and remains in the instructional tasting event area during an instructional tasting event is guilty of a misdemeanor and shall be punished by a fine of not less than two hundred dollars (\$200), no part of which shall be suspended.

(C) The licenseholder shall not permit any consumer to leave the instructional tasting area with an open container of alcohol.

(2) The instructional tasting license shall not authorize the licenseholder to conduct any on-sale retail sales to consumers attending the instructional tasting event.

(3) Unless otherwise restricted, an instructional tasting event may take place between the hours of 10 a.m. and 9 p.m.

(d) Unless the context otherwise requires, the definitions set forth in Section 25503.56 govern the construction of this section.

SEC. 26. Section 23399 of the Business and Professions Code is amended to read:

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

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

(c) (1) This section shall in no way limit the power of the department to issue special licenses under the provisions of Section 24045 or to issue daily on-sale general licenses under the provisions of Section 24045.1. Consent for sales at each event shall be first obtained from the department in the form of a catering or event authorization issued pursuant to rules prescribed by it. Any event authorization shall be subject to approval by the appropriate local law enforcement agency. The daily fee for each catering or event authorization shall be based on the estimated attendance at each day of the event, as follows:

(A) One hundred dollars (\$100) when anticipated attendance is less than 1,000 people.

(B) Three hundred twenty-five dollars (\$325) when anticipated attendance is at least 1,000 people and less than 5,000 people.

(C) One thousand dollars (\$1,000) when anticipated attendance is 5,000 people or more.

(2) All fees collected pursuant to this section shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

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

(e) The fee for a caterer's permit for a licensee under an on-sale general license, a caterer's permit for a licensee under an on-sale beer and wine license, or an event permit for a licensee under an on-sale general license or an on-sale beer and wine license shall be the annual fee as specified in subdivision (b) of Section 23320, and the fee for a caterer's permit for a licensee under a club license or a veterans' club license shall be as specified in Section 23320, and the permit may be renewable annually at the same time as the licensee's license. A caterer's or event permit shall be transferable as a part of the license.

SEC. 27. Section 23399.4 of the Business and Professions Code is amended to read:

23399.4. (a) A licensed winegrower may apply to the department for a certified farmers' market sales permit. A certified farmers' market sales permit shall authorize the licensee, a member of the licensee's family, or an employee of the licensee to sell wine at a certified farmers' market at any place in the state approved by the department. The licensee may only sell wine that is produced entirely from grapes or other agricultural products grown by the winegrower and that is bottled by the winegrower. In addition, the permit will allow an instructional tasting event by the licensee on the subject of wine at a certified farmers' market. The permit may be issued for up to 12 months but shall not be valid for more than one day a week at any single specified certified farmers' market location. A winegrower may hold more than one certified farmers' market sales permit. The department shall notify the city, county, or city and county and applicable law enforcement agency where the certified farmers' market is to be held of the issuance of the permit. A "certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code, and the regulations adopted pursuant thereto.

(b) (1) An instructional tasting event is subject to the authorization and managerial control of the operator of the certified farmers' market. The licensee, a member of the licensee's family, or an employee of the licensee may conduct an instructional tasting event for consumers on the subject of wine at a certified farmers' market.

(2) (A) At all times during an instructional tasting event, the instructional tasting event area shall be separated from the remainder of the market by a wall, rope, cable, cord, chain, fence, or other permanent or temporary barrier. Only one licensee may conduct an instructional tasting event during the operational hours of any one certified farmers' market.

(B) The licensee shall not permit any consumer to leave the instructional tasting area with an open container of wine.

(c) The licensee shall not pour more than three ounces of wine per person per day.

(d) The licensed winegrower eligible for the certified farmers' market sales permit shall not sell more than 5,000 gallons of wine annually pursuant to all certified farmers' market sales permits held by any single winegrower. The licensed winegrower shall report total certified farmers' market wine sales to the department on an annual basis. The report may be included within the annual report of production submitted to the department, or pursuant to any regulation as may be prescribed by the department.

(e) Except as otherwise provided in this division or by the rules of the department, no premium, gift, free goods, or other thing of value shall be given away by the licensee, a member of the licensee's family, or an employee of the licensee in connection with an instructional tasting event conducted pursuant to this section that includes tastings of wine.

(f) The fee for any permit issued pursuant to this section shall be the annual fee as specified in subdivision (b) of Section 23320.

SEC. 28. Section 23399.45 of the Business and Professions Code is amended to read:

23399.45. (a) For the purposes of this section:

(1) "Certified farmers' market" means a location operated in accordance with Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code.

(2) "Community event" means an event as defined by Section 113755 of the Health and Safety Code.

(b) (1) A licensed beer manufacturer may apply to the department for a certified farmers' market beer sales permit. Subject to the requirements of Chapter 10.5 (commencing with Section 47000) of Division 17 of the Food and Agricultural Code, and to the discretion and managerial control of a certified farmers' market or community event operator, respectively, a certified farmers' market beer sales permit shall authorize the licensee, a member of the licensee's family who is 21 years of age or older, or an employee of the licensee to sell packaged beer that has been manufactured by a beer manufacturer applying for the permit at a certified farmers' market, including any permitted community event area adjacent to, and operated in conjunction with, a certified farmers' market, located within the county or an adjacent county of the physical location of the licensed beer manufacturer.

(2) (A) A certified farmers' market beer sales permit shall also authorize an instructional tasting event on the subject of beer at a certified farmers' market, including any permitted community event area adjacent to, and operated in conjunction with, a certified farmers' market, located within the county or an adjacent county of the physical location of the licensed beer manufacturer.

(B) An instructional tasting event is subject to the authorization and managerial control of the applicable operator of the certified farmers' market or community event. The licensee, a member of the licensee's family who is 21 years of age or older, or an employee of the licensee may conduct the instructional tasting event.

(C) At all times during an instructional tasting event, the instructional tasting event area shall be separated from the remainder of the market or community event by a wall, rope, cable, cord, chain, fence, or other permanent or temporary barrier.

(D) Only one licensed beer manufacturer may conduct an instructional tasting event during the operational hours of any one certified farmers' market or community event. The licensee shall not pour more than eight ounces of beer per person per day.

(E) The licensee shall not permit any consumer to leave the instructional tasting area with an open container of beer.

(c) Sales under the certified farmers' market beer sales permit shall only occur at a certified farmers' market or within a permitted community event area adjacent to, and operated in conjunction with, the certified farmers' market that is located within the same county or adjacent county of the location of the licensed beer manufacturer's manufacturing facility. The permit may be issued for up to 12 months but shall not be valid for more than one day a week at any single specified certified farmers' market or community event location. A beer manufacturer may hold more than one permit. The department shall notify the city, county, or city and county and the applicable law enforcement agency where the certified farmers' market or permitted community event is to be held of the issuance of the permit.

(d) The licensed beer manufacturer eligible for the certified farmers' market beer sales permit shall not sell more than 5,000 gallons of beer annually pursuant to all certified farmers' market beer sales permits held by any single beer manufacturer. The licensed beer manufacturer shall maintain records of annual beer sales made pursuant to all certified farmers' market beer sales permits issued.

SEC. 29. Section 23399.6 of the Business and Professions Code is amended to read:

23399.6. (a) Any licensee under a winegrower's license may apply to the department for a wine sales event permit. The wine sales event permit shall authorize the sale of bottled wine produced by the winegrower at festivals, state, county, district, or citrus fruit fairs, civic or cultural celebrations, or similar events approved by the department. The sale of the wine shall not be the primary purpose of the event, and the sale shall be for consumption off the premises where sold. The permit shall be valid for the entire duration of the event. The event shall be sponsored by an organization that is exempt from taxation under Section 23701a of the Revenue and Taxation Code, including state designated fairs as specified in Section 19418 of the Revenue and Taxation Code, or exempt from taxation under Section 23701b, 23701d, 23701e, 23701f, 23701g, 23701i, 23701k, 23701l, 23701r, or 23701w of the Revenue and Taxation Code.

(b) A wine sales event permit may not be used more than two times a month at a particular location.

(c) Consent for sales at each event shall be first obtained by an annual authorization issued by the department. The applicant for the wine sales permit is required to notify the city, county, or city and county where the event is being held at least five days prior to the event. At all events, a copy of the wine sales permit shall be maintained. The licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the act pertaining to that license, and any violation of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises.

(d) (1) A licensee may not sell more than 5,000 gallons of wine annually pursuant to wine sales event permits issued under this section to that licensee.

(2) A licensee holding a wine sales event permit may not sell more than 1,250 gallons of wine per event.

(3) A licensee that is eligible to receive a certified farmers' market sales permit under Section 23399.4 and a wine sales event permit may not, under both permits collectively, sell more than a total of 5,000 gallons of wine annually.

(4) The licensee shall annually report to the department the total gallons of wine sold by that licensee under permits issued under this section to that licensee. The report may be included within the annual report of production submitted by the licensee to the department, or may be made in another manner as prescribed by the department in regulation.

(e) The sponsoring tax-exempt organization may charge a fee of the licensee for the licensee's use of display booth space. The fee, if paid, shall be comparable with, or less than, fees, or goods or services of equivalent value, paid by other vendors at the event for a similar booth size and location.

(f) The sponsoring tax-exempt organization shall allow the participation of more than one winegrower under a wine sales event permit at an event if public attendance at the event is expected to reach or exceed 1,000 attendees. The prior year's stated attendance for the event shall be used to determine the expected attendance.

(g) The authorization may be renewable annually at the time of the licensee's license. The wine sales permit authorization shall be transferable as part of the license.

(h) The department may adopt any regulations as it determines to be necessary for the administration of this section.

SEC. 30. Section 23399.65 of the Business and Professions Code is amended to read:

23399.65. (a) A licensed beer manufacturer may apply to the department for a brewery event permit. A brewery event permit shall authorize the sale of beer produced by the licensee pursuant to Section 23357 for consumption on property contiguous and adjacent to the licensed premises owned or under the control of the licensee. The property shall be secured and controlled by the licensee.

(b) (1) The annual fee for a brewery event permit for a licensed beer manufacturer shall be the same as the event permit fee specified in subdivision (b) of Section 23320. The permit may be renewed annually at the same time as the licensee's license. A brewery event permit shall be transferable as a part of the license.

(2) For each brewery event, consent for the sale of beer pursuant to subdivision (a) at the brewery event shall be first obtained by the licensee from the department in the form of an event authorization issued by the department. An event authorization shall be subject to approval by the appropriate local law enforcement agency. The fee for each event authorization shall be the same as the event authorization fee specified in Section 23399. The number of events authorized by a brewery event permit shall not exceed four in any calendar year.

(3) All moneys collected as fees pursuant to this subdivision shall be deposited in the Alcohol Beverage Control Fund, as described in Section 25761, for allocation, upon appropriation by the Legislature, as provided in subdivision (d) of that section.

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

(d) The department may adopt any regulations it determines to be necessary for the administration of this section.

SEC. 31. Section 23433 of the Business and Professions Code is amended to read:

23433. The department may issue an off-sale license to any golf club which has more than 400 bona fide members, which owns, maintains, or operates a regular golf links together with a clubhouse thereon, and which has operated the establishment for not less than 60 years, which license authorizes the sale, to consumers only and not for resale, of alcoholic beverages which an off-sale general licensee may sell, but only to bona fide members of the club and their bona fide guests. A license issued to a golf club pursuant to this section is not transferable. The provisions of Article 2 of Chapter 5 of this division do not apply to the issuance of a license pursuant to this section. The application fee for a license issued pursuant to this section shall be the same as the fee for a retail package off-sale general license as provided in subparagraph (A) of paragraph (2) of subdivision (a) Section 23320.

SEC. 32. Section 23502 of the Business and Professions Code is amended to read:

23502. (a) The department may issue a craft distiller's license to a person that has facilities and equipment for the purposes of, and is engaged in, the commercial manufacture of distilled spirits. The craft distiller's license authorizes the licensee to do all of the following:

(1) Manufacture distilled spirits. For purposes of this article, "manufacture" means the actual distillation of distilled spirits from naturally fermented materials or the redistillation of distilled spirits obtained from another manufacturer of distilled spirits.

(2) Produce distilled spirits. For purposes of this article, "produce" means to mix, color, flavor, or blend distilled spirits, whether manufactured by the licensee or by another manufacturer of distilled spirits.

(3) Only sell distilled spirits that are manufactured or produced by the licensee solely to a wholesaler, manufacturer, winegrower, manufacturer's agent, or rectifier that holds a license authorizing the sale of distilled spirits or to persons that take delivery of those distilled spirits within this state for delivery or use without the state.

(4) Deal in warehouse receipts.

(5) Manufacture or produce up to 150,000 gallons of distilled spirits per fiscal year (July 1 through June 30), excluding brandy the craft distiller manufactures or has manufactured for it pursuant to a brandy manufacturer license, as reported to the department in the manner prescribed by the department for the fiscal year prior to the date of submitting an application for the license. At least 65 percent of the total volume of distilled spirits manufactured or produced shall be actually manufactured by the licensee. The volume of distilled spirits authorized by this paragraph shall be calculated by adding the volume of distilled spirits, less waste, drawn off the still with the volume of distilled spirits obtained by the licensee from any other source that is not redistilled by the licensee. For purposes of this paragraph, "volume" means the liquid volume and shall not be based on proof gallons or packaged goods.

(b) A craft distiller's license shall not be issued to any person, any officer, director, employee, or agent of such person, or any person who is affiliated with, directly or indirectly, a person that manufactures or has manufactured for them more than 150,000 gallons of distilled spirits per year within or without the state, excluding brandy it manufactures or has manufactured for them pursuant to a brandy manufacturer license, or to any person that is affiliated with, directly or indirectly, a wholesaler.

(c) A licensed craft distiller shall report to the department, at the time of renewal in the manner prescribed by the department, the amount of distilled spirits manufactured or produced by the licensee specifying, as applicable, the respective amounts of distilled spirits the licensed craft distiller has manufactured itself, obtained from another manufacturer of distilled spirits, and imported, excluding brandy manufactured by or for the licensee pursuant to a brandy manufacturer license, during the previous fiscal year. If the report to the department establishes that the licensee no longer qualifies to hold a craft distiller's license because the licensee has either exceeded the 150,000 gallon manufacture or production limitation as specified in paragraph (5) of subdivision (a) or actually manufactured less than 65 percent of the total volume of distilled spirits as specified in paragraph (5) of subdivision (a), the department shall renew the license as a distilled spirits manufacturer's license.

SEC. 33. Section 23661.3 of the Business and Professions Code is amended to read:

23661.3. (a) Notwithstanding any law, rule, or regulation to the contrary, any person currently licensed in this state or any other state as a winegrower who obtains a wine direct shipper permit pursuant to this section may sell and ship wine directly to a resident of California, who is at least 21 years of age, for the resident's personal use and not for resale.

Before sending any shipment to a resident of California, the wine direct shipper permitholder must:

(1) File an application with the department.

(2) Pay the application fee as specified in subdivision (a) of Section 23320 if the winegrower is not currently licensed by the department.

(3) Provide the department its California alcoholic beverage license number or a true copy of its current alcoholic beverage license issued by another state.

(4) Obtain from the department a wine direct shipper permit.

(5) Obtain a seller's permit or register with the State Board of Equalization pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.

(b) A wine direct shipper permit authorizes the permitholder to do all of the following:

(1) Sell and ship wine to any person 21 years of age or older for their personal use and not for resale.

(2) Ship wine directly to a resident in this state only in containers that are conspicuously labeled with the words: "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY."

(3) Ship wine only if the permitholder requires the carrier to obtain the signature of any individual 21 years of age or older before delivering any wine shipped to an individual in this state.

(4) If the permitholder is located outside of this state, report to the department no later than January 31 of each year, the total amount of wine shipped into the state during the preceding calendar year under the wine direct shipper permit.

(5) If the permitholder is located outside of this state, pay to the State Board of Equalization all sales and use taxes, and excise taxes on sales to residents of California under the wine direct shipper permit. For excise tax purposes, all wine sold pursuant to a direct shipper permit shall be deemed to be wine sold in this state.

(6) If located within this state, provide the department any necessary additional information not currently provided to ensure compliance with this section.

(7) Permit the department or the State Board of Equalization to perform an audit of the wine direct shipper permitholder's records upon request.

(8) Be deemed to have consented to the jurisdiction of the department or any other state agency and the California courts concerning enforcement of this section any related laws, rules, or regulations.

(c) A wine direct shipper permitholder located outside of the state may annually renew its permit with the department by paying an annual fee as specified in subdivision (b), and adjusted pursuant to subdivisions (d) and (e) of Section 23320 and providing the department with a true copy of its current alcoholic beverage license issued by another state. A wine direct shipper permitholder located in California shall renew its wine direct shipper permit in conjunction with its master license. For purposes of this section, "master license" means a winegrower's license issued by the department.

(d) The department and the State Board of Equalization may promulgate rules and regulations to effectuate the purposes of this law.

(e) The department may enforce the requirements of this section by administrative proceedings to suspend or revoke the wine direct shipper permit, and the department may accept payment of an offer in compromise in lieu of suspension as provided by this division. Any hearing held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code against a permitholder outside of California shall be held in Sacramento.

(f) Sales and shipments of wine direct to consumers in California from winegrowers who do not possess a current wine direct shipper permit from the department are prohibited. Any person who knowingly makes, participates in, transports, imports, or receives such a shipment is guilty of a misdemeanor pursuant to Section 25617.

SEC. 34. Section 23786 of the Business and Professions Code is amended to read:

23786. (a) The department may issue a special nonprofit sales license to a nonprofit mutual benefit corporation, as described in Section 23701a of the Revenue and Taxation Code, that has a board membership composed of the Dean of the College of Agricultural and Environmental Sciences, or their designee, the Chair of the Department of Viticulture and Enology, or their designee, and the Chair of the Department of Food Science and Technology, or their designee, of the public university located within the county of the 28th class that includes courses in viticulture and enology in its curriculum.

(b) A special nonprofit sales license authorizes the licensee to do all of the following:

(1) Accept the transfer of, and take title to, up to 20,000 gallons of wine per year produced by the public university described in subdivision (a), notwithstanding that the public university does not hold any license issued pursuant to this division. For purposes of this section, "produced" includes wine donated to, or purchased by, the public university for educational or experimental purposes and that are thereafter treated or processed by the public university.

(2) Sell wine received pursuant to paragraph (1) to consumers for consumption off the licensed premises or to other licensees authorized to sell wine.

(3) Give licensees samples of the wine it sells, subject to the limitations in subdivision (a) of Section 23386 and any department regulations.

(c) The special nonprofit sales license does not authorize the licensee to purchase or otherwise obtain wine from a licensee or other manufacturer or seller of wine, except as specified in this section.

(d) A public university, as described in subdivision (a), may transfer wine produced by the public university to a special nonprofit sales licensee.

SEC. 35. Section 23788.5 of the Business and Professions Code is amended to read:

23788.5. An on-sale licensee shall not knowingly employ any person to manage, direct, or conduct the business who does not have the qualifications required of a holder of the license. Any on-sale licensee requesting the department to make a determination of qualifications of a proposed manager shall submit with an application for such services a fee of one hundred forty dollars (\$140), which shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761. This fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

SEC. 36. Section 23803 of the Business and Professions Code is amended to read:

23803. (a) The department, upon its own motion or upon the petition of a licensee or a transferee who has filed an application for the transfer of the license, if it is satisfied that the grounds that caused the imposition of the conditions no longer exist, shall order their removal or modification, provided written notice is given to the local governing body of the area in which the premises are

located. The local governing body has 30 days to file written objections to the removal or modification of any condition. The department may not remove or modify any condition to which an objection has been filed without holding a hearing as provided in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) For purposes of this section, a situation in which the "grounds that caused the imposition of the conditions no longer exist" includes, but is not limited to, the situation in which there have been substantial changes in the totality of circumstances such that the department determines that the current circumstances reasonably justify the modification or removal of the conditions.

(c) Any petition for the removal or modification of a condition pursuant to this section shall be accompanied by a fee of four hundred seventy-five dollars (\$475). This fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

SEC. 37. Section 23817.5 of the Business and Professions Code is amended to read:

23817.5. (a) (1) The number of premises for which an off-sale beer and wine license is issued shall be limited to one for each 2,500, or fraction thereof, inhabitants of the city or county in which the premises are situated. No additional off-sale beer and wine license, other than a renewal or transfer or as permitted by Section 23821, shall be issued in any city or county where the number of premises for which all off-sale beer and wine licenses are issued is more than one for each 2,500, or fraction thereof, inhabitants of the city or county.

(2) The number of premises for which an off-sale beer and wine license is issued in a city and county, in combination with the number of premises for which an off-sale general license is issued in a city and county, shall be limited to one for each 1,250, or fraction thereof, inhabitants of the city and county in which the premises are situated. No additional off-sale beer and wine license, other than a renewal or transfer or as permitted by Section 23821, shall be issued in any city and county where the number of premises for which all off-sale beer and wine licenses in combination with off-sale general licenses are issued is more than one for each 1,250, or fraction thereof, inhabitants of the city and county.

(b) (1) Notwithstanding subdivision (a), a retail off-sale beer and wine replacement license may be issued at a premises that was operated under an existing off-sale beer and wine license no less than 90 days prior to the date of application for the replacement license, provided that the existing licensee is subject to a bankruptcy proceeding and the existing licensee has no right to operate at the premises, or has abandoned the premises of that license.

(2) A replacement license shall not be issued if the existing license has been, or is in the process of being, transferred, or if the existing license has been canceled by the licensee or surrendered by the licensee pursuant to department rule.

(3) An application for a replacement license shall be accompanied by a fee equivalent to the application fee for a retail package off-sale beer and wine license and all conditions imposed upon the existing off-sale beer and wine license at the premises shall be imposed upon the replacement license.

(4) Upon issuance of the replacement license, the off-sale beer and wine license existing at the premises shall be canceled by operation of law. A replacement license shall not be transferred to another premises.

SEC. 38. Section 23817.9 of the Business and Professions Code is amended to read:

23817.9. For the purposes of Section 23817.5, beginning with the year 2000, population shall be determined by the most recent United States decennial census or a single subsequent census between United States decennial censuses validated by the Demographic Research Unit of the Department of Finance five years after a United States decennial census.

SEC. 39. Section 23818 of the Business and Professions Code is amended to read:

23818. Population, for the purpose of Sections 23816 and 23817, shall be determined by the most recent United States decennial or special census or a subsequent census validated by the Demographic Research Unit of the Department of Finance.

SEC. 40. Section 23824 of the Business and Professions Code is amended to read:

23824. (a) Limitations provided by Section 23816 on the number of licensed premises shall not apply to premises located on land owned by and leased from the State of California, or to premises owned by the State of California, any incorporated city, county, city and county, airport district, or other district or public corporation of the State of California or to premises leased to the State of California or to any city or county, so long as the premises are operated as a bona fide public eating place, provided, however, that civic auditoriums owned by any incorporated city, county, city and county, or other district or any premises leased to the State of California or to any county or city for use as a civic auditorium and directly operated by a public entity shall be subject to the

limitations provided by Section 23816, but shall not be required to be operated as a bona fide public eating place. The civic auditorium shall further not be subject to the provisions of Section 23793.

(b) Licenses issued on premises owned by the state, incorporated city, county, city and county, airport district, or other district or public corporation of the State of California, or issued on premises leased to the State of California or to any county or city, shall be renewable as set forth in Section 24048. These licenses shall be excluded from the number of premises used in determining application of the limitations provided by this article. These licenses shall only be transferable from person to person at the same premises. Prior to the issuance of these licenses, the governmental agency owning or leasing the premises shall file with the department a written request that the license be issued and a written statement setting forth the reasons why issuance of the license would be in the public interest.

(c) A written request filed with the department by the governmental agency owning or the city or county leasing premises used as a civic auditorium and directly operated as a public entity that the license be issued need not contain a written statement setting forth the reasons why issuance of the license would be in the public interest.

SEC. 41. Section 23826.8 of the Business and Professions Code is amended to read:

23826.8. (a) Notwithstanding any other provision of law, the director may authorize the conversion of any on-sale general license for seasonal business to an on-sale general license if the on-sale general license for seasonal business was originally issued before May 1, 1982, or if an application for original issuance of that license was filed before May 1, 1982, or, in the case of any county of the 34th class, if the on-sale general license for seasonal business was originally issued before October 1, 1982, or if an application for original issuance of that license was filed before October 1, 1982. An application for conversion shall be accompanied by the fee for the on-sale general licenses specified in subparagraph (B) of paragraph (2) of subdivision (a) of Section 23320. The department shall not accept any applications for original issuance of an on-sale general license for seasonal business on or after January 1, 1983.

(b) An on-sale general license for seasonal business which is converted to an on-sale general license under this section may not be transferred for a period of two years from the date of issuance, except as provided in Section 24071, and except when the department determines that the transfer is necessary to prevent undue hardship. The purchase price or consideration that may be paid by a transferee or received by a transferor of an on-sale general license created by conversion under this section shall not exceed six thousand dollars (\$6,000), except that after a period of five years from the date of issuance of the license there shall be no restriction as to the purchase price or consideration that may be paid by a transferee or received by a transferor.

SEC. 42. Section 23826.13 of the Business and Professions Code is amended to read:

23826.13. (a) Notwithstanding any other provision of this chapter, in any county of the sixth class, the department may issue no more than a total of five new original neighborhood-restricted special on-sale general licenses to premises located in any of the census tracts listed in subdivision (b) per year beginning on January 1, 2017, until a total of 30 new licenses authorized by this section are issued.

(b) To qualify for a license issued pursuant to this section, the premises for which the license would apply shall be located within one of the following United States Bureau of Census census tracts located within the City and County of San Francisco, subject to the following limitations:

(1) United States Bureau of the Census census tract 612000, 232000, 234000, 233000, or 230030. No more than a total of five neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(2) United States Bureau of the Census census tract 258000 or 257020. No more than a total of four neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(3) United States Bureau of the Census census tract 264030. No more than a total of two neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within this tract.

(4) United States Bureau of the Census census tract 255000, 256000, 260020, 260010, 260040, 261000, or 263010. No more than a total of five neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(5) United States Bureau of the Census census tract 309000, 310000, or 312010. No more than a total of four neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(6) United States Bureau of the Census census tract 330000, 329010, 328010, 353000, or 354000. No more than a total of five neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these

tracts.

(7) United States Bureau of the Census census tract 328020, 329020, 351000, or 352010. No more than a total of five neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(c) In issuing the licenses pursuant to this section, the department shall follow the procedure set forth in Section 23961. A license shall not be issued pursuant to this section to an applicant until any existing on-sale licenses issued to the applicant for the same premises are canceled.

(d) (1) A person who currently holds an on-sale general license for a premises, who currently holds any interest in an on-sale general license for a premises, who has held an on-sale general license for a premises within the 12 months prior to the date of the drawing required by Section 23961, or who has held any interest in an on-sale general license for a premises within the 12 months prior to the date of the drawing required by Section 23961, shall not apply for a license issued pursuant to this section for that licensed premises.

(2) In addition to the other requirements of this section, an application for a neighborhood-restricted on-sale general license shall be subject to all the requirements that apply to an on-sale general license for a bona fide eating place.

(3) Prior to submitting an application for a license issued pursuant to this section, the applicant shall conduct a minimum of one preapplication meeting to discuss the application with neighbors and members of the community within the census tract in which the premises are located.

(A) The applicant shall hold the meeting either on the premises or at an alternate location within a one-mile radius of the premises.

(B) The applicant shall mail notification of the preapplication meeting to all of the following individuals and organizations at least 14 calendar days before the meeting:

(i) Each resident within a 500-foot radius of the premises for which the license is to be issued.

(ii) Any relevant neighborhood associations for the neighborhood in which the premises is located, as identified on a list maintained by the Planning Department of the City and County of San Francisco.

(iii) The Chief of Police for the San Francisco Police Department.

(C) Applicants for a neighborhood-restricted special on-sale general license shall submit, on a form provided by the department, signed verification by the local governing body of the area in which the applicant premises are located, or its designated subordinated officer or body, that states the applicant has completed the preapplication meeting pursuant to this section.

(e) (1) A license issued pursuant to this section shall not be transferred between counties.

(2) A license issued pursuant to this section shall not be transferred to any other premises. This provision shall not apply to any licensee whose premises have been destroyed as a result of fire or any act of God or other force beyond the control of the licensee, for whom the provisions of Section 24081 shall apply.

(3) A license issued pursuant to this section shall not be transferred to any person, partnership, limited partnership, limited liability company, or corporation. This provision shall not apply to licenses transferred under Section 24071, 24071.1, or 24071.2.

(f) Following the cancellation or revocation of a license issued pursuant to this section, the department may issue one additional new original neighborhood-restricted special on-sale general license following the procedure set forth in Section 23961 and the provisions of this section.

(g) A person that holds a neighborhood-restricted special on-sale general license issued pursuant to this section shall not exchange their license for an on-sale license for public premises.

(h) Except as specified herein, a neighborhood-restricted special on-sale general license may exercise all of the privileges, and is subject to all the restrictions, of an on-sale general license for a bona fide eating place.

(i) A neighborhood-restricted special on-sale general license issued pursuant to this section shall not, with respect to beer and wine, authorize the exercise of the rights and privileges granted by an off-sale beer and wine license.

(j) The department shall adopt rules and regulations to enforce the provisions of this section.

SEC. 43. Section 23954.5 of the Business and Professions Code is repealed.

SEC. 44. Section 23954.6 of the Business and Professions Code is amended to read:

23954.6. As used in subparagraph (B) of paragraph (2) of subdivision (a) of Section 23320, "original on-sale general license" includes an original special on-sale general license; provided, that the fee prescribed in that subparagraph shall not be required in connection with the exchange of an on-sale general license for a special on-sale general license, or for the exchange of a special on-sale general license for an on-sale general license.

SEC. 45. Section 23954.7 of the Business and Professions Code is repealed.

SEC. 46. Section 23958.4 of the Business and Professions Code is amended to read:

23958.4. (a) For purposes of Section 23958, "undue concentration" means the case in which the applicant premises for an original or premises-to-premises transfer of any retail license are located in an area where any of the following conditions exist:

(1) The applicant premises are located in a crime reporting district that has a 20 percent greater number of reported crimes, as defined in subdivision (c), than the average number of reported crimes as determined from all crime reporting districts within the jurisdiction of the local law enforcement agency.

(2) As to on-sale retail license applications, the ratio of on-sale retail licenses to population in the census tract or census division in which the applicant premises are located exceeds the ratio of on-sale retail licenses to population in the county in which the applicant premises are located.

(3) As to off-sale retail license applications, the ratio of off-sale retail licenses to population in the census tract or census division in which the applicant premises are located exceeds the ratio of off-sale retail licenses to population in the county in which the applicant premises are located.

(b) Notwithstanding Section 23958, the department may issue a license as follows:

(1) With respect to a nonretail license, a retail on-sale bona fide eating place license, a retail license issued for a hotel, motel, or other lodging establishment, as defined in subdivision (b) of Section 25503.16, a retail license issued in conjunction with a beer manufacturer's license, or a winegrower's license, if the applicant shows that public convenience or necessity would be served by the issuance.

(2) With respect to any other license, if the local governing body of the area in which the applicant premises are located, or its designated subordinate officer or body, determines within 90 days of notification of a completed application that public convenience or necessity would be served by the issuance. The 90-day period shall commence upon receipt by the local governing body of (A) notification by the department of an application for licensure, or (B) a completed application according to local requirements, if any, whichever is later.

If the local governing body, or its designated subordinate officer or body, does not make a determination within the 90-day period, then the department may issue a license if the applicant shows the department that public convenience or necessity would be served by the issuance. In making its determination, the department shall not attribute any weight to the failure of the local governing body, or its designated subordinate officer or body, to make a determination regarding public convenience or necessity within the 90-day period.

(c) For purposes of this section, the following definitions shall apply:

(1) "Reporting districts" means geographical areas within the boundaries of a single governmental entity (city or the unincorporated area of a county) that are identified by the local law enforcement agency in the compilation and maintenance of statistical information on reported crimes and arrests.

(2) "Reported crimes" means the most recent yearly compilation by the local law enforcement agency of reported offenses of criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny, theft, and motor vehicle theft, combined with all arrests for other crimes, both felonies and misdemeanors, except traffic citations.

(3) "Population within the census tract or census division" means the population as determined by the most recent United States decennial or special census. The population determination shall not operate to prevent an applicant from establishing that an increase of resident population has occurred within the census tract or census division.

(4) "Population in the county" shall be determined by the annual population estimate for California counties published by the Demographic Research Unit of the Department of Finance.

(5) "Retail licenses" shall include the following:

(A) Off-sale retail licenses: Type 20 (off-sale beer and wine) and Type 21 (off-sale general).

(B) On-sale retail licenses: All retail on-sale licenses, except Type 43 (on-sale beer and wine for train), Type 44 (on-sale beer and wine for fishing party boat), Type 45 (on-sale beer and wine for boat), Type 46 (on-sale beer and wine for airplane), Type 53 (on-sale general for train and sleeping car), Type 54 (on-sale general for boat), Type 55 (on-sale general for airplane), Type 56 (on-sale general for vessels of more than 1,000 tons burden), and Type 62 (on-sale general bona fide public eating place intermittent dockside license for vessels of more than 15,000 tons displacement).

(6) A "premises-to-premises transfer" refers to each license being separate and distinct, and transferable upon approval of the department.

(d) For purposes of this section, the number of retail licenses in the county shall be established by the department on an annual basis.

(e) The enactment of this section shall not affect any existing rights of any holder of a retail license issued before April 29, 1992, whose premises were destroyed or rendered unusable as a result of the civil disturbances occurring in Los Angeles from April 29 to May 2, 1992, to reopen and operate those licensed premises.

(f) This section shall not apply if the premises have been licensed and operated with the same type license within 90 days of the application.

SEC. 47. Section 23959 of the Business and Professions Code is amended to read:

23959. If an application is denied or withdrawn, the nonrefundable portion of the license application fee shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761. The balance of this amount, if any, shall be credited on any taxes then due from the applicant under Part 14 (commencing with Section 32001) of Division 2 of the Revenue and Taxation Code or the Sales and Use Tax Law, and the remaining portion, if any, shall be returned to the applicant.

SEC. 48. Section 23961 of the Business and Professions Code is amended to read:

23961. (a) (1) If, at the conclusion of the period prescribed by the department for the filing of applications for issuance or transfer of on-sale general licenses or off-sale general licenses in any county in its notice of intention to receive applications therefor published pursuant to Sections 23821 and 24070, the department finds that there are more applicants for the particular type of license than there are licenses available for issuance or transfer under Sections 23821 and 24070 the department shall, within 60 days following the conclusion of said period, conduct a drawing to determine the priority in which all of such applications filed with it shall be considered. No more than one such drawing shall be made in any county in any one year, and no person will be entitled to more than one opportunity to participate in such a drawing in any county with respect to an application for issuance or transfer of any one type of license. The number drawn by any applicant shall indicate the priority to be given to the consideration of the application but shall not insure the issuance of a license by the department.

(2) In order to participate in the drawing, an applicant shall pay a fee in an amount equal to the fee for licenses identified in paragraph (2) of subdivision (a) of Section 23320. Any participant that does not file a formal application shall receive a refund of the fee less a service charge of one hundred dollars (\$100). Any participant that files a formal application and whose application is thereafter denied or withdrawn is entitled to the refund specified in Section 23320.

(b) If a drawing is not conducted as provided in subdivision (a) of this section, applications for issuance of original on-sale general licenses and off-sale general licenses in a county or transfer of the licenses into the county shall be made and considered as otherwise provided in this article.

(c) No person shall be qualified to participate in such a drawing unless such applicant is a resident of California for at least 90 days prior to the drawing. Prior to the issuance of any license, pursuant to such a drawing, the applicant shall present proof of such residency status. A corporation incorporated in a state other than California, but registered with the Secretary of State to do business in California for 90 days, shall be deemed to have satisfied the residency requirement for the purpose of this section.

(d) The department shall advertise, in connection with a drawing conducted pursuant to this section, that participation in such a drawing is available only to California residents.

SEC. 49. Section 24042 of the Business and Professions Code is amended to read:

24042. (a) Any licensee under an on-sale general license or an on-sale general license for seasonal business who maintains upon or within the premises for which the license is issued more than one room in which there is regularly maintained a fixed

counter or service bar at which distilled spirits are served to members of the public for consumption within the licensed premises shall obtain from the department, and the department may upon request issue, a duplicate of the original license for each room, in excess of one, containing a fixed counter or service bar and shall post a duplicate of the original license in each room. Failure to obtain the duplicate licenses and to pay the fees, as specified in Section 23320, shall subject the licensee to the penalties imposed by this division for failure to obtain an original license or to pay the annual fees therefor.

(b) The duplicate license may be issued to a room reserved for the exclusive use of designated patrons, provided that the department shall, in the event the license is issued, endorse upon the license the terms and conditions under which the privileges conferred by the said license may be exercised, and provided further that upon the receipt by the department of the request for the duplicate license written notice thereof which shall consist of a copy of the request shall immediately be mailed by the department to the sheriff or chief of police within whose jurisdiction the premises are situated and no duplicate license shall be issued by the department until at least 30 days after such mailing. Upon receipt by the department within 30 days of a protest by the sheriff or chief of police within whose jurisdiction the premises are situated, the department shall not issue the duplicate license until after a hearing is held by the department within the county or city affected and said hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2 of the Government Code and the department shall have all the powers granted therein.

(c) A licensee under an on-sale general license, or an on-sale general license for seasonal business, issued for a bona fide public eating place may obtain a duplicate license or licenses under this section for rooms which constitute public premises, as defined in Section 23039, and a licensee under the license issued for public premises may obtain a duplicate license or licenses under this section for rooms which constitute bona fide public eating places, except that a duplicate license or licenses for rooms which constitute bona fide public eating places shall only be issued after the department has made the investigation and determination required by Section 23787. Rooms which constitute bona fide public eating places shall not be considered public premises, as defined in Section 23039, and the provisions of this division applicable solely to these public premises shall not be applicable to these rooms.

SEC. 50. Section 24042.5 of the Business and Professions Code is amended to read:

24042.5. Notwithstanding any other provision of this division, any licensee under an on-sale general or on-sale general license for seasonal business who has a premises with a fixed counter or service bar in one room of the premises for the service of distilled spirits to members of the public for consumption on the premises and who has other rooms on the premises which can be utilized for the same purposes by means of a portable bar counter may elect to request the department to license the portable bar counter itself rather than the additional rooms as provided in Section 24042. However, if two or more portable bar counters are utilized at the same time, in the same room, only one portable bar shall be required to be licensed. The licensee shall pay to the department at the time of the application for each portable bar counter an amount equal to the license fee payable for a like period for the distilled spirits privileges of the original on-sale general license or on-sale general license for seasonal business. Failure to obtain the portable bar counter license and to pay the fees, as specified in Section 23320, shall subject the licensee to the penalties imposed by this division for failure to obtain an original license or pay the annual fees therefor.

SEC. 51. Section 24044.5 of the Business and Professions Code is amended to read:

24044.5. (a) The department, in its discretion, may issue an interim operating permit to an applicant for any license to operate the premises during the period an application for a license at the premises is pending and when all of the following conditions exist:

- (1) The application has been protested pursuant to Article 3 (commencing with Section 24011).
- (2) The department has made a determination based upon its investigation that the license should be issued.
- (3) The applicant for the interim operating permit has filed with the department an application for issuance of a license at the premises to themselves.
- (4) The application for the interim operating permit is accompanied by a nonrefundable fee of one hundred forty-five dollars (\$145). This fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

(b) An interim operating permit issued by the department pursuant to this section shall be for a period not to exceed 120 days. An interim operating permit may be extended at the discretion of the department for additional 120-day periods as necessary upon payment of an additional fee of one hundred dollars (\$100) and upon compliance with all conditions required by this section. Any interim operating permit issued by the department shall be automatically canceled when a final determination made by the department regarding the protests becomes effective or when the application for the license is withdrawn, whichever occurs first. An interim operating permit is a conditional permit and authorizes the holder to whom issued to exercise the rights and privileges of the license for which the application has been filed with the department. Any conditions for which the applicant has petitioned

pursuant to Article 1.5 (commencing with Section 23800) of Chapter 5 shall apply to any interim operating permit issued by the department.

(c) Purchase of beer and wine by the holder of an interim operating permit issued to an applicant for a retail license shall be made only upon payment before or at the time of delivery in currency or by check. Purchase of distilled spirits by the holder of an interim operating permit issued to an applicant for a retail license shall be made only upon payment before or at the time of delivery in currency or by certified check. However, the holder of an interim operating permit issued to an applicant for a retail license, who also holds one or more retail licenses and is operating under the retail license or licenses in addition to the interim operating permit, and who is not delinquent under the provisions of Section 25509 as to any retail license under which they operate, may purchase alcoholic beverages on credit under the interim operating permit.

(d) All checks received by a seller for beer or wine purchased by the holder of an interim operating permit issued to an applicant for a retail license shall be deposited not later than the second business day following the date the beer or wine is delivered.

A check dishonored on presentation shall not be deemed payment. The receipt by the seller or their agent in good faith from a holder of an interim operating permit of a check dishonored on presentation shall not be cause for disciplinary action against the seller.

(e) Issuance of the license for which the holder of an interim operating permit issued to an applicant for a retail license has filed an application shall not be approved by the department until the holder of the interim operating permit has filed with the department a statement executed under penalty of perjury that all current obligations have been discharged, and that all outstanding checks issued by them in payment for alcoholic beverages will be honored on presentation.

(f) It shall not be a violation of this section or grounds for disciplinary action for any licensee to extend credit to the holder of an interim operating permit issued to an applicant for a retail license or to receive payment from the holder of an interim operating permit in a manner other than authorized herein unless the seller has knowledge of the fact that the purchaser was operating under an interim operating permit. Knowledge of the fact may be established by evidence, including, but not limited to, evidence that, at the time of receipt of payment or the extension of credit, the premises operated under an interim operating permit were posted with the notice required by Section 23985, or the holder of the interim operating permit has recorded notice as required by Section 24073, or the holder of the interim operating permit has published notice as required by Section 23986, or the holder of the interim operating permit has recorded and published notice pursuant to Division 6 (commencing with Section 6101) of the Commercial Code.

(g) Refusal by the department to issue or extend an interim operating permit shall not entitle the applicant to petition for the permit pursuant to Section 24011, or to a hearing pursuant to Section 24012. Articles 2 (commencing with Section 23985) and 3 (commencing with Section 24011) shall not apply to interim operating permits.

(h) Notwithstanding any other provision of law, the department may, in its discretion, cancel or suspend summarily at any time an interim operating permit if the department determines that good cause for the cancellation or suspension exists. Chapter 8 (commencing with Section 24300) shall not apply to interim operating permits.

(i) Application for an interim operating permit shall be on any form the department shall prescribe. Fees received by the department for issuance of interim operating permits shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

SEC. 52. Section 24045 of the Business and Professions Code is amended to read:

24045. (a) All licenses, except on-sale general licenses for seasonal businesses and daily on-sale general licenses issued pursuant to Section 24045.1, shall be issued on an annual basis. However, the department may issue special licenses for the sale of beer and wine on a temporary basis for premises temporarily occupied by the licensee for a picnic, social gathering, or similar occasion at a fee equal to the actual cost of issuing the license, but not to exceed fifty dollars (\$50) per day.

(b) Notwithstanding subdivision (a), a license transferred pursuant to Section 24071 or 24071.1 shall be issued for the unexpired term remaining on the license of the transferor.

(c) The director may assign or reassign dates for the expiration of licenses issued pursuant to this section. The director may establish a registration year for any license issued pursuant to subdivision (a) consisting of any period from six months to 18 months, inclusive, and shall prorate related annual fees to the extent the registration year is greater or less than 12 months, with subsequent renewals being required at yearly intervals.

SEC. 53. Section 24045.1 of the Business and Professions Code is amended to read:

24045.1. (a) The department, in its discretion, may issue on a temporary basis a daily on-sale general license and the fee for such license shall be seventy-five dollars (\$75) per day. The license authorizes the sale of distilled spirits, wine, and beer for consumption on the premises where sold, and no off-sale privileges shall be exercised under the license. A daily on-sale general license may only be issued to a political party or affiliate supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership, or a religious organization. Distilled spirits sold under a daily on-sale general license shall have been purchased at retail from the holder of an off-sale general license.

(b) The department may adopt such rules as it determines to be necessary to implement and administer the provisions of this section, including, but not limited to, limitations on the number of times during any calendar year a qualified organization may be issued a license provided for by this section.

(c) The provisions of Article 2 (commencing with Section 23815) of Chapter 5 and Article 2 (commencing with Section 23985) of Chapter 6 of this division shall not be applicable to the licenses provided for by this section.

SEC. 54. Section 24045.7 of the Business and Professions Code is amended to read:

24045.7. (a) (1) The department may issue a special on-sale general license to any nonprofit theater company that is exempt from the payment of income taxes under Section 23701d of the Revenue and Taxation Code and Section 501(c)(3) of the Internal Revenue Code of the United States. Any special on-sale general license issued to a nonprofit theater company pursuant to this subdivision shall be for a single specified premises only.

(2) Theater companies holding a license under this subdivision may, subject to Section 25631, sell and serve alcoholic beverages to ticketholders only during, and two hours prior to and one hour after, a bona fide theater performance of the company.

(3) Notwithstanding any other provision in this division, a licensed manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler, or any officer, director, employee, or agent of that person, may serve on the board of trustees or as an officer, director, or employee of a nonprofit theater company operating a theater in Napa County or the City of Livermore licensed pursuant to this subdivision.

(4) The Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques. The Legislature further finds that the exceptions established by this subdivision to the general prohibition against tied interests must be limited to their express terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

(b) (1) The department may issue a special on-sale beer and wine license to any nonprofit theater company which has been in existence for at least eight years, which for at least six years has performed in facilities leased or rented from a local county fair association, and which is exempt from the payment of income taxes under Section 23701d of the Revenue and Taxation Code and Section 501(c)(3) of the Internal Revenue Code of the United States.

(2) Theater companies holding a license under this subdivision may, subject to Section 25631, sell and serve beer and wine to ticketholders only during, and two hours prior to, a bona fide theater performance of the company. Beer and wine may be sold from an open-air concession stand which is not attached to the theater building itself, if the concession stand is located on fair association property within 30 feet of the theater building and the alcoholic beverages sold are consumed only in the theater building itself, or within a designated outdoor area in front of and between the concession stand and the main public entrance to the theater building. Nothing in this section permits a theater company to sell beer or wine during the run of a county fair.

SEC. 55. Section 24045.76 of the Business and Professions Code is amended to read:

24045.76. (a) The department may issue a special on-sale general license to the operator of any for-profit cemetery that is more than 100 years old, on the National Register of Historic Places, is located in, and designated an Historic-Cultural Monument by, the City of Los Angeles, and holds both an endowment care fund and a memorial care fund that are exempt from the payment of income taxes under Section 501(c)(13) of the Internal Revenue Code.

(b) The special on-sale general license shall permit sales, service, and consumption of beer, wine, and distilled spirits on the licensed premises. Any special on-sale general license issued pursuant to this section shall not be subject to the limitations provided by Section 23816 and shall not be required to be operated as a bona fide public eating place.

(c) A special on-sale general license described by this section shall not be issued until any existing licenses issued by the department to the operator for the premises of the for-profit cemetery are canceled.

SEC. 56. Section 24045.85 of the Business and Professions Code is amended to read:

24045.85. (a) The department may issue a special on-sale beer, wine, or distilled spirits license to any symphony association organized as a nonprofit corporation more than 30 years before the date of application and which is exempt from the payment of income taxes under Section 23701d of the Revenue and Taxation Code and Section 501(c)(3) of the Internal Revenue Code of 1954 of the United States.

(b) A symphony association holding a license under this section may sell and serve alcoholic beverages only to persons attending concerts on the licensed premises. Sales of alcoholic beverages shall only be permitted, subject to Section 25631, during the period commencing two hours before the performance and ending one hour after the performance.

(c) Original licenses may be issued pursuant to this section until January 1, 1987; thereafter no new licenses shall be issued. Licenses originally issued pursuant to this section prior to January 1, 1987, may continue to be renewed annually by the holder thereof.

SEC. 57. Section 24045.11 of the Business and Professions Code is amended to read:

24045.11. (a) The department may issue a special on-sale wine license to an establishment licensed to do business as a bed and breakfast inn.

(b) For purposes of this section, "bed and breakfast inn" means an establishment of 20 guestrooms or less, which provides overnight transient occupancy accommodations, which serves food only to its registered guests, which serves only a breakfast or similar early morning meal, and with respect to which the price of the food is included in the price of the overnight transient occupancy accommodation. "Bed and breakfast inn" refers to an establishment as to which the predominant relationship between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest, and the existence of some other legal relationships as between some occupants and the owner or operator is immaterial.

(c) An establishment holding a license under this section is authorized to serve wine purchased from a licensed winegrower or wine wholesaler only to registered guests of the establishment. Wine shall not be given away to guests but the price of the wine shall be included in the price of the overnight transient occupancy accommodation. Guests shall not be permitted to remove wine served in the establishment from the grounds.

SEC. 58. Section 24045.12 of the Business and Professions Code is amended to read:

24045.12. (a) The department may issue a special on-sale general license to an establishment licensed to do business as a bed and breakfast inn.

(b) For purposes of this section, "bed and breakfast inn" means an establishment of 20 guestrooms or fewer, that provides overnight transient occupancy accommodations, that serves food only to its registered guests, that serves only a breakfast or similar early morning meal, and with respect to which the price of the food is included in the price of the overnight transient occupancy accommodation. "Bed and breakfast inn" refers to an establishment as to which the predominant relationship between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest, and the existence of some other legal relationship as between some occupants and the owner or operator is immaterial.

(c) An establishment holding a license under this section is authorized to serve any alcoholic beverage, as defined in Section 23004, only to registered guests of the establishment. The alcoholic beverage may not be given away to guests, but the price of the beverage shall be included in the price of the overnight transient occupancy accommodation. Guests may not be permitted to remove any alcoholic beverage served in the establishment from the grounds.

(d) An establishment holding a license under this section shall purchase all beer, wine, or distilled spirits for sale on the licensed premises from a licensed wholesaler or winegrower.

(e) A special on-sale general bed and breakfast inn license may be transferred to another person but not to another location.

SEC. 59. Section 24045.14 of the Business and Professions Code is amended to read:

24045.14. (a) Notwithstanding any other provision of this division, the department may issue an on-sale general license to any maritime museum association that has been organized as a nonprofit corporation more than 40 years before the date of application, that owns in its museum inventory not less than three vessels, each of which is 100 feet or more in length, and that is exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986.

(b) A maritime museum association holding a license under this section may sell and serve alcoholic beverages only to persons attending prearranged events held onboard its vessels while those vessels are underway or while moored at their home port dock.

(c) A duplicate license shall be required for each vessel in excess of one if alcoholic beverages are sold on the vessel more than 24 times each year.

(d) Original licenses may be issued pursuant to this section until January 1, 1998.

SEC. 60. Section 24047 of the Business and Professions Code is amended to read:

24047. Whenever a license certificate is in effect and is lost or destroyed, the department shall issue a duplicate license upon the payment of a fee of twenty-five dollars (\$25).

SEC. 61. Section 24048 of the Business and Professions Code is amended to read:

24048. Every license, other than a temporary license or a daily on-sale general license issued pursuant to Section 24045.1, is renewable unless the license has been revoked if the renewal application is made and the fee therefor is paid. All licenses expire at 12 midnight on the last day of the month posted on the license. All licenses issued shall be renewed as follows:

(a) On or before the first of the month preceding the month posted on the license, the department shall mail to each licensee at their licensed premises, or at any other mailing address that the licensee has designated, an application to renew the license.

(b) The application to renew the license may be filed before the license expires upon payment of the annual fee as set forth in subdivision (b) of Section 23320.

(c) For 60 days after the license expires, the license may be renewed upon payment of the annual renewal fee as set forth in subdivision (b) of Section 23320, plus a penalty fee that shall be equal to 50 percent of the annual fee.

(d) Unless otherwise terminated, or unless renewed pursuant to subdivision (b) or (c) of this section, a license that is in effect on the month posted on the license continues in effect through 2 a.m. of the 60th day following the month posted on the license, at which time it is automatically canceled.

(e) On or before the 10th day preceding the cancellation of a license, the department shall mail a notice of cancellation to each licensee who has not either filed an application to renew their license or notified the department of their intent not to do so. Failure to mail the renewal application in accordance with subdivision (a) or to mail the notice provided in this subdivision shall not continue the right to a license.

(f) A license that has been canceled pursuant to subdivision (d) of this section may be reinstated during the 30 days immediately following cancellation upon payment by cashier's check or money order of the annual renewal fee as set forth in subdivision (b) of Section 23320, plus a penalty fee that shall be equal to 100 percent of the annual fee. A license that has been canceled pursuant to subdivision (d) of this section and that has not been reinstated within 30 days pursuant to this subdivision is automatically revoked on the 31st day after the license has been canceled.

(g) No renewal application shall be deemed filed within the meaning of this section unless the document itself has been actually delivered to, and the required renewal fee has been paid at, any office of the department during office hours, or unless both the document and fee have been filed and remitted pursuant to Section 11003 of the Government Code.

SEC. 62. Section 24070 of the Business and Professions Code is amended to read:

24070. Each license is separate and distinct and is transferable upon approval by the department from the licensee to another person and from one premises to another premises.

(a) All off-sale general licenses may be transferred from one county to another county, subject to the following provisions:

(1) The number of off-sale general licenses in existence in any county on June 1 of any year shall not be increased by more than 25 new original off-sale general licenses during the following 12-month period, provided further that the number of new original off-sale general licenses that may be issued in any county during any 12-month period shall not increase by more than 10 percent the number of off-sale general licenses in existence in that county on the June 1 with which that 12-month period began.

(2) After the department computes the number of new original off-sale licenses that may be issued in any county during any 12-month period as provided by the foregoing paragraph, if the department determines that the ratio established by Section 23817 will permit, during that 12-month period, additional off-sale general licenses in any county, off-sale general licenses may be

transferred into that county in a number not to exceed by more than 10 percent the number of off-sale general licenses in existence in that county on the June 1 with which that 12-month period began, but in no event to exceed 25 such transfers during that 12-month period.

(3) Under no circumstances shall the combined total number of new original off-sale general licenses that may be issued in any county during any 12-month period and the number of off-sale general licenses that may be transferred into such county during that 12-month period, exceed the limitation set forth in Section 23817.

(b) All on-sale general licenses may be transferred from one county to another county, subject to the following provisions:

(1) The number of on-sale general licenses in existence in any county on June 1 of any year shall not be increased by more than 10 percent by the issuance of new original on-sale general licenses, but in no event to exceed 25 such licenses, during any 12-month period. The number of on-sale general licenses shall be limited by the provisions of Section 23816.

(2) After the department computes the number of new original on-sale licenses that may be issued in any county during any 12-month period as provided by the foregoing paragraph, if the department determines that the ratio established by Section 23816 will permit, during that 12-month period, additional on-sale general licenses in any county, on-sale general licenses may be transferred into that county in a number not to exceed by more than 10 percent the number of on-sale general licenses in existence in that county on June 1 with which that 12-month period began, but in no event to exceed 25 such transfers during that 12-month period.

(3) Under no circumstances shall the combined total number of new original on-sale general licenses that may be issued in any county during any 12-month period and the number of on-sale general licenses that may be transferred into that county during that 12-month period, exceed the limitation set forth in Section 23816.

(c) No retail license subject to the provisions of Section 23816 or 23817 issued as a new original license on or after June 1, 1961, and no off-sale general license or on-sale general license transferred from one county to another county on or after August 17, 1967, shall be transferable from the licensee to another person, or if the licensee is a corporation a controlling interest in the stock ownership of the licensee shall not be, directly or indirectly, sold, transferred, or hypothecated unless the licensee be a corporation the stock of which is listed on a stock exchange in this state or in the City of New York, State of New York, or which is required by law to file periodic reports with the United States Securities and Exchange Commission, for a period of two years from date of issuance of the license, except as provided in Section 24071, and except when the department determines that the transfer is necessary to prevent undue hardship.

(d) (1) An on-sale general license or off-sale general license that has been transferred from one county to another county shall not be transferred for a purchase price or consideration in excess of the original fee paid for that license pursuant to paragraph (2) of subdivision(a) of Section 23320 for a period of five years following the previous transfer of that license.

(2) An on-sale general license or off-sale general license that has been transferred from one county to another county may be transferred with no restrictions as to the purchase price or consideration to the transferor or from the transferee after a period of five years from the date of the previous intercounty transfer of the license.

SEC. 63. Section 24071 of the Business and Professions Code is amended to read:

24071. (a) The license of one spouse may be transferred to the other spouse when the application for transfer is made prior to the entry of a final decree of divorce, and the license of a decedent, minor ward, incompetent person, conservatee, debtor in a bankruptcy case, person for whose estate a receiver is appointed, or assignor for the benefit of creditors may be transferred by or to the surviving partners of a deceased licensee, the executor, administrator, conservator or guardian of an estate of a licensee, the surviving spouse of a deceased licensee in the event that the deceased licensee leaves no estate to be administered, the trustee of a bankrupt estate of a licensee, a receiver of the estate of a licensee, or an assignee for the benefit of creditors of a licensee with the consent of the assignor, or a license may be transferred by or to a receiver appointed for a judgment debtor as provided by Section 708.630 of the Code of Civil Procedure, or a license may be transferred to a revocable living trust when the licensee is also the trustee, and the fee for the transfer of each license shall be one hundred dollars (\$100). A license may be transferred between partners where no new partner is being licensed, or a license may be transferred between corporations whose outstanding shares of stock are owned by the same natural persons, or a licensee may transfer upon compliance with Section 24073 any license to a corporation whose entire stock is owned by the licensee, or their spouse, or a licensee may transfer upon compliance with Section 24073 any license to a limited liability company whose entire membership consists of the licensee, or their spouse, or a license may be transferred from a corporation to a person who owns, or whose spouse owns, the entire stock of the corporation, and the fee for transfer of each license is one hundred fifteen dollars (\$115). The regular transfer fee provided in Section 24072 shall be due and payable upon the subsequent transfer of 25 percent of the stock in a corporation to which a license has been transferred by a licensee or their spouse pursuant to this section, except if the transfer of stock is from a parent to their child or grandchild, in which case the fee shall be one-half of the regular transfer fee. In no case shall a fee

be charged for the transfer of an importer's license. All money collected from the fees provided for in this section shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

(b) The fees may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

(c) Nothing in this section shall be deemed to authorize the formation of a limited liability company composed of only one member in violation of subdivision (b) of Section 17050 of the Corporations Code.

SEC. 64. Section 24071.1 of the Business and Professions Code is amended to read:

24071.1. (a) (1) When the ownership of 50 percent or more of the shares of stock of a corporation, which is required to report the issuance or transfer of those shares of stock under Section 23405, is acquired by or transferred to a person or persons who did not hold the ownership of 50 percent of those shares of stock on the date the license was issued to the corporation, the license of the corporation shall be transferred to the corporation as newly constituted. When there is a new general partner or when the ownership of 50 percent or more of the capital or profits of a limited partnership, which is required to maintain a register under Section 23405.1, is acquired by or transferred to a person or persons as general or limited partners and who did not hold ownership of 50 percent or more of the capital or profits of the limited partnership on the date the license was issued to the limited partnership, the license of the limited partnership shall be transferred to the limited partnership as newly constituted. The application fee for the transfer of an on-sale general license or an off-sale general license shall be eight hundred dollars (\$800). For all other licenses, the fee shall be three hundred thirty-five dollars (\$335). In situations involving the multiple and simultaneous transfer of licenses under this section, the regular transfer fee shall only be required for one of the licenses being transferred and the remainder of the licenses shall be transferred for a fee of one hundred dollars (\$100) each. All of the transfer fees collected pursuant to this section shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761. Before the license is transferred, the department shall conduct an investigation pursuant to the provisions of Section 23958. Any person or persons who own 50 percent or more of the shares of stock of the corporation or who own as limited partners 50 percent or more of the capital or profits of the limited partnership, as the case may be, shall have all the qualifications required of a person holding the same type of license.

(2) The fees may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

(b) A retail license shall not be transferred by a corporation or a limited partnership under this section unless, before the filing of the transfer application with the department, the corporation or limited partnership initiating the transfer records in the office of the county recorder of the county or counties in which the premises to which the license has been issued are situated a notice of the intended transfer, stating all of the following:

(1) The name and address of the corporation or limited partnership.

(2) The name and address of the person or persons acquiring ownership of 50 percent or more of the stock of the corporation or capital or profits of the limited partnership.

(3) The amount of the consideration paid for the stock or limited partnership interests.

(4) The kind of license or licenses intended to be transferred.

(5) The address or addresses of the premises to which the license or licenses have been issued.

(c) A copy of the notice of the intended transfer, certified by the county recorder, shall be filed with the department together with the transfer application.

(d) Notwithstanding any other provision of this division, a corporation or limited partnership as newly constituted by transfer under this section, is not eligible for any new credit from any person named in Section 25509 until all delinquent payments owed by the entity as formerly constituted, are made, nor shall any entity retail licensee, by transferring its license under this section, avoid the provisions of Section 25509 with regard to 42-day or 30-day periods, percentage charges for unpaid balances, or cash-on-delivery basis.

SEC. 65. Section 24071.2 of the Business and Professions Code is amended to read:

24071.2. (a) (1) When the ownership of 50 percent or more of the membership interests in a limited liability company required to report the issuance or transfer of memberships under Section 23405.2 is acquired by or transferred to a person or persons who did not hold the ownership of 50 percent of the membership interests on the date the license was issued to the limited liability company, the license of the limited liability company shall be transferred to the limited liability company as newly constituted. The application fee for the transfer of an on-sale general license or an off-sale general license shall be eight hundred dollars (\$800). For all other licenses, the fee shall be three hundred thirty-five dollars (\$335). In situations involving the multiple and simultaneous transfer of licenses under this section, the regular transfer fee shall be required for only one of the licenses being

transferred and the remainder of the licenses shall be transferred for a fee of one hundred dollars (\$100) each. All of the transfer fees collected pursuant to this section shall be deposited in the Alcohol Beverage Control Fund, as provided in Section 25761. Before the license is transferred, the department shall conduct an investigation pursuant to Section 23958. Any person or persons who own 50 percent or more of the membership interests of the limited liability company shall have all the qualifications required of a person holding the same type of license.

(2) The fees may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

(b) A retail license shall not be transferred by a limited liability company under this section unless, before the filing of the transfer application with the department, the company initiating the transfer records, in the office of the county recorder of the county or counties in which the premises to which the license has been issued are situated, a notice of the intended transfer, stating all of the following:

(1) The name and address of the limited liability company.

(2) The name and address of the person or persons acquiring ownership of 50 percent or more of the membership interests of the limited liability company.

(3) The amount of the consideration paid for the membership interests.

(4) The kind of license or licenses intended to be transferred.

(5) The address or addresses of the premises to which the license or licenses have been issued.

(c) A copy of the notice of the intended transfer, certified by the county recorder, shall be filed with the department together with the transfer application.

(d) Notwithstanding any other provision of this division, a limited liability company as newly constituted by transfer under this section shall not be eligible for any new credit from any person named in Section 25509 until all delinquent payments owed by the limited liability company as formerly constituted are made, nor shall any retail licensee, by transferring its license under this section, avoid the provisions of Section 25509 with regard to 42-day or 30-day periods, percentage charges for unpaid balances, or cash-on-delivery basis.

(e) Nothing in this section shall be deemed to authorize the formation of a limited liability company composed of only one member in violation of subdivision (b) of Section 17050 of the Corporations Code.

SEC. 66. Section 24072 of the Business and Professions Code is repealed.

SEC. 67. Section 24072 is added to the Business and Professions Code, to read:

24072. (a) Except as provided in Section 24071, the following transfer fees shall be charged by the department:

(1) The application fee for a transfer of an on-sale general license or an off-sale general license from a licensee to another person or from a licensee to another person and premises is one thousand two hundred fifty dollars (\$1,250).

(2) The application fee for a transfer of all other licenses from a licensee to another person is three hundred thirty-five dollars (\$335). The application fee for a transfer from a licensee to another person and premises is equal to the application fee specified in paragraph (1) of subdivision (a) of Section 23320.

(3) Except as provided in Section 24082, the application fee for a transfer of a license, and any additional license held at specific premises, from one premises to another premises is seven hundred eighty dollars (\$780).

(4) Notwithstanding the other fee provisions of this section, the application fee for a transfer of an on-sale or an off-sale general license from one county to another county shall be six thousand dollars (\$6,000).

(5) The application fee for a transfer of an on-sale or off-sale retail license to include the parent or child of a licensee, when no consideration is given for the transfer, shall be one-half the regular fee for a transfer of a license from a licensee to another person, as provided by this section.

(b) If the application for a transfer made pursuant to subdivision (a) includes multiple licenses issued at the same premises, the application fee shall be required for only one of the licenses being transferred and the remainder of the licenses shall be transferred at no cost. In situations involving different license types, the application fee to be paid shall be the highest fee as specified in subdivision (a). Notwithstanding this provision, the annual fee shall be payable for each license transferred pursuant to subdivision (c).

(c) In addition to the application fee, an applicant shall pay an annual fee for each of the licenses included in a transfer application made pursuant to this section.

(d) The department may charge a fee for the reactivation of any license following its surrender or abandonment for cases pursuant to regulations of the department.

(e) (1) The fee for the application to make material or substantial physical changes to the licensed premises or to the character of the licensed premises shall be three hundred forty-five dollars (\$345), except when the application involves an expansion of the licensed premises, in which case the fee shall be three hundred eighty dollars (\$380).

(2) If the department approves the application, with or without conditions, notwithstanding that a written objection to the change to the premises has been submitted to the department in the course of its investigation, the department shall treat that written objection in the same manner as a verified protest pursuant to Section 24015, and the person objecting to the change to the premises shall have the same right to request a hearing as specified for verified protests in that section.

(3) In its discretion, the department may require that the licensee proceed by way of a transfer of the license from one premises to another premises. In such circumstances, if the licensee has paid the application fee pursuant to this subdivision, the payment shall be credited to the fee required to be paid pursuant to subdivision (a).

(f) The fee for the submission of the report required by Section 23405, 23405.1, 23405.2, or 23405.3 is three hundred dollars (\$300). If the department determines that a transfer of the license pursuant to Section 24071.1 or 24071.2 is necessary based upon the submitted report, the fee paid pursuant to this subdivision shall be credited toward the license transfer fee.

(g) Any applicant whose application under this section is denied or withdrawn is entitled to a refund, if any, in the same manner as may be applicable to a license application denial or withdrawal as specified in Section 23320.

(h) The fees may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320. All money collected from the fees provided for this section shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

SEC. 68. Section 24072.2 of the Business and Professions Code is amended to read:

24072.2. Any person who has an on-sale license issued for a bona fide public eating place may exchange their license for a similar license for public premises, as defined in Section 23039, and any person who has such a license issued for public premises may exchange their license for a similar license for a bona fide public eating place. The exchange may be made at the time of renewal of the license sought to be exchanged, and not more than once between renewal periods, upon the approval of the department, the payment of an exchange fee of one hundred dollars (\$100), and compliance with the provisions of this division relating to the issuance of an original license. The fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320. All money collected from the fee provided for in this section shall be deposited directly in the Alcohol Beverage Control Fund as provided in Section 25761.

SEC. 69. Section 25512 of the Business and Professions Code is amended to read:

25512. (a) Notwithstanding any other provision of this division, any licensee or officer, director, employee, or agent of a licensee that holds no more than eight on-sale licenses may also hold not more than 16.67 percent of the stock of a corporation that holds a Type 01 or Type 23 beer manufacturer license as specified in subdivision (b) of Section 23320 that are located in Sacramento, Placer, Contra Costa, San Joaquin, or Napa County, and may serve on the board of directors and as an officer or employee of that corporate licensed beer manufacturer.

(b) An on-sale licensee specified in subdivision (a) shall purchase no alcoholic beverages for sale in this state other than from a licensed wholesaler or winegrower.

(c) In enacting this section, the Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques. The Legislature further finds that the exception established by this section to the general prohibition against tied-house interests must be limited to its expressed terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

SEC. 70. Section 25600.5 of the Business and Professions Code is amended to read:

25600.5. Notwithstanding any other provision of this division, a manufacturer of distilled spirits, distilled spirits manufacturer's agent, out-of-state distilled spirits shipper's certificate holder, winegrower, rectifier, or distiller, or its authorized unlicensed agent,

may provide, free of charge, entertainment, food, and distilled spirits, wine, or nonalcoholic beverages to consumers at an invitation-only event in connection with the sale or distribution of wine or distilled spirits, subject to the following conditions:

(a) No licensee, other than those specified in this section, may conduct or participate in any portion of an event authorized by this section. A licensee authorized to conduct an event pursuant to this section shall not be precluded from doing so on the basis of holding any other type of alcoholic beverage license.

(b) An event authorized by this section shall be conducted on either the:

(1) Premises for which a caterer's authorization has been issued, except that any event held on the premises of a licensed winegrower shall not be authorized to provide any distilled spirits other than brandy.

(2) Premises of a hotel holding an on-sale beer and wine or on-sale general license, except an event shall not be conducted in the lobby area of a hotel or in any portion of a hotel that is identified, promoted, or otherwise designated by the hotel as a club, nightclub, or other similar entertainment venue. For purposes of this paragraph, "hotel" means any hotel, motel, resort, bed and breakfast inn, or other similar transient lodging establishment, but it does not include any residential hotel as defined in Section 50519 of the Health and Safety Code.

(c) A hotel where the event authorized by this section is being conducted shall maintain, during all times while exercising its license privileges, other areas within the licensed premises that shall be made readily available to the public not attending the authorized event.

(d) Except as provided in paragraph (2) of subdivision (b), an event authorized by this section shall not be conducted on premises for which a permanent retail license has been issued.

(e) Except for fair market value payments authorized pursuant to this section, a retail licensee, including the licensed caterer or the licensed hotel, shall not receive, nor shall the licensee conducting the event give, any other item of value or benefit in connection with events authorized by this section.

(f) The person authorized by this section to provide, free of charge, entertainment, food, and beverages shall be present during the event.

(g) The person authorized by this section to provide, free of charge, entertainment, food, and beverages shall have sole responsibility for providing payment for the entertainment, food, beverages, and rental fees at the event. Payments for entertainment, food, beverages, and rental fees shall not exceed fair market value. No other licensed person shall be authorized, under this section, to provide any portion of these payments.

(h) Requests for attendance at the event shall be by invitation sent to consumers over 21 years of age at a specific address via mail or email, by telephone, or presented in person. Invitations or other advertisements of the event shall not be disseminated by any other means. Invitations shall not be sent by the authorized person or their authorized unlicensed agent inviting all of the employees of a retail licensee or a chain of retail licensees under common ownership to an authorized event.

(i) Attendance at the event shall be limited to consumers who receive and accept an invitation to the event. Invited consumers may each invite one guest. All attendees shall be over 21 years of age. The total number of consumers and their guests allowed at any event authorized by this section shall not exceed 600 people. Admittance to the event shall be controlled by a list containing the names of consumers who accepted the invitation and their guests. The persons identified in this section shall be responsible for compliance.

(j) No premium, gift, free goods, or other thing of value may be given away in connection with the event, except as authorized by this division.

(k) The duration of any event authorized by this section shall not exceed four hours.

(l) (1) Subject to paragraph (3), a person authorized to conduct events pursuant to this section shall not conduct more than 12 events in a calendar year where the consumers and guests in attendance exceed 100 people, and not more than 24 events in a calendar year where the consumers and guests in attendance is 100 people or fewer.

(2) The limitation on events authorized by this section shall be by person, whether that person holds a single license or multiple licenses. If a person holds multiple licenses, the limitation shall be applied to the person holding the license, not by type of license.

(3) A licensee authorized to conduct events pursuant to this section shall not conduct more than two events in a calendar year on the premises of any single licensed hotel or other licensed hotel under the same or common ownership.

(4) The licensee conducting the event shall not advertise any retail licensee. If the event is held on the premises of a retail licensee as permitted by this section, the licensee conducting the event may list the retailer's name and address in the invitation and any related advertising for the sole purpose of identifying the location of the event. The listing of the retailer's name and address shall be the only reference to the retail licensee and shall be relatively inconspicuous in relation to the invitation or advertisement as a whole. Pictures or illustrations of the retailer's premises, or laudatory references to the retailer, shall not be permitted.

(5) (A) Other than as specifically authorized by this section, alcoholic beverage promotions of any sort shall not be conducted by any licensee in conjunction with an event held on the premises of a retail licensee pursuant to this section. This restriction includes any discounted drink specials offered by the retail licensee to consumers.

(B) For purposes of this paragraph, "in conjunction with" means during an event and any period within 24 hours before and 24 hours following an event.

(6) A retail licensee shall conspicuously offer for sale alcoholic beverages other than the products produced, distributed, bottled, or otherwise offered for sale by the licensee conducting the event.

(m) At least 30 days prior to an event, the licensee, or its authorized unlicensed agent, authorized to conduct the event shall apply to the department for a permit authorizing the event. In addition to any other information required by the department, the licensee shall provide the department all of the following information:

- (1) The name of the company authorized to conduct the event.
- (2) The number of people planned to be in attendance.
- (3) The start and end times for the event.
- (4) The location of the event.
- (5) The name of the caterer, if required, obtaining the caterer's authorization for the event.

(n) All alcoholic beverages provided pursuant to this section shall be purchased from the holder of the caterer's permit or the licensed hotel, as applicable.

(o) All alcoholic beverages served at an event authorized by this section shall be served in accordance with Sections 25631 and 25632.

(p) No person authorized to conduct an event pursuant to this section shall hold such an event at the same location more than eight times in a calendar year.

(q) The person authorized to conduct an event under this section may provide attendees at the event with a free ride home. The free rides shall only constitute free ground transportation to attendees' homes or to hotels or motels where attendees are staying.

(r) In addition to the prescribed fee imposed upon a licensed caterer to conduct an event authorized by this section, a fee of two hundred dollars (\$200) shall be collected by the department from the licensee, or its authorized unlicensed agent, authorized by this section to provide, free of charge, entertainment, and beverages at an authorized event. This fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320.

(s) All licensees involved in events held pursuant to this section shall be responsible for compliance with this section, and with all other provisions of this division in connection with these events, and each may be subject to discipline for violation of this division.

(t) The Legislature finds and declares both of the following:

(1) That it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques.

(2) Any exception established by the Legislature to the general prohibition against tied interests must be limited to the express terms of the exception so as to not undermine the general prohibitions.

(u) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 71. Section 25659.5 of the Business and Professions Code is amended to read:

25659.5. (a) Retail licensees selling keg beer for consumption off licensed premises shall place an identification tag on all kegs of beer at the time of sale and shall require the signing of a receipt for the keg of beer by the purchaser in order to allow kegs to be traced if the contents are used in violation of this article. The keg identification shall be in the form of a numbered label prescribed and supplied by the department that identifies the seller. The receipt shall be on a form prescribed and supplied by the department and shall include the name and address of the purchaser and the purchaser's driver's license number or equivalent form of identification number. A retailer shall not return any deposit upon the return of any keg that does not have the identification label required pursuant to subdivision (a).

(b) Any licensee selling keg beer for off premise consumption who fails to require the signing of a receipt at the time of sale and fails to place a numbered identification label on the keg shall be subject to disciplinary action pursuant to this division. The licensee shall retain a copy of the receipt, which shall be retained on the licensed premise for a period of six months. The receipt records shall be available for inspection and copying by the department or other authorized law enforcement agency.

(c) Possession of a keg containing beer with knowledge that the keg is not identified as required by subdivision (a) is a misdemeanor.

(d) Any purchaser of keg beer who knowingly provides false information as required by subdivision (a) is guilty of a misdemeanor.

(e) The identification label required pursuant to subdivision (a) shall be constructed of material and made attachable in such a manner as to make the label easily removable for the purpose of cleaning and reusing the keg by a beer manufacturer.

(f) The department is authorized to charge fees for supplying receipt forms and identification labels pursuant to subdivision (a). The fees for receipt forms and identification labels shall be ten dollars (\$10) and twenty-five dollars (\$25), respectively, and may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320. Fees collected pursuant to this subdivision shall be deposited in the Alcohol Beverage Control Fund.

(g) As used in this section, "keg" means any brewery-sealed, individual container of beer having a liquid capacity of six gallons or more.

SEC. 72. Section 25685 of the Business and Professions Code is amended to read:

25685. (a) The department may adopt rules that it determines necessary for the administration of the provisions of this article.

(b) The department may charge fees as necessary to cover its reasonable costs for administering the program authorized by this article.

(c) The department may charge a fee, not to exceed five dollars (\$5) per person, for administering the exam required for an alcohol server certification.

(d) If the department offers an RBS training course, the fee charged by the department for that course shall not exceed fifteen dollars (\$15) per person.

(e) Any moneys collected under this article shall be deposited in the Alcohol Beverage Control Fund.

SEC. 73. Section 25761 of the Business and Professions Code is amended to read:

25761. All money collected as fees pursuant to this division, as payments under Section 23096, and under the excise tax provisions of this division or Part 14 (commencing with Section 32001) of Division 2 of the Revenue and Taxation Code shall be deposited in the State Treasury to the credit of the Alcohol Beverage Control Fund, which fund is continued in existence.

The money in the Alcohol Beverage Control Fund shall be expended as follows:

(a) The amount necessary for the allowance of the refunds provided for in this division or Part 14 (commencing with Section 32001) of Division 2 of the Revenue and Taxation Code is hereby appropriated, without regard to fiscal years, to the Controller for payment of these refunds.

(b) All money derived as payment under Section 23096 and from excise taxes under Part 14 (commencing with Section 32001) of Division 2 of the Revenue and Taxation Code remaining after compliance with subdivision (a) shall be transferred to the General Fund on the order of the Controller.

(c) All original license fees paid on or after July 1, 1998, shall remain in the Alcohol Beverage Control Fund.

(d) All other money collected as fees and deposited in the Alcohol Beverage Control Fund shall be allocated, upon appropriation by the Legislature, to the Department of Alcoholic Beverage Control for the enforcement and administration of the Alcoholic Beverage Control Act.

(e) Money transferred to the General Fund pursuant to subdivision (b) shall be in lieu of any assessment that would be made on the Department of Alcoholic Beverage Control pursuant to Section 11270 and following of the Government Code.

(f) Upon appropriation by the Legislature, the amount necessary for the support of the Department of Alcoholic Beverage Control's grant assistance program. This amount shall be sufficient to cover the salaries and benefits of the alcohol beverage control peace officer positions dedicated to this program. However, based on the available revenue in the Alcohol Beverage Control Fund, the amount shall not be less than one million five hundred thousand dollars (\$1,500,000) and not more than three million dollars (\$3,000,000).

SEC. 74. Section 1002 of the Education Code is amended to read:

1002. (a) Upon being so requested by the county board of education, the county committee on school district organization, by a two-thirds vote of the members, may either change the boundaries of any or all of the trustee areas of the county, or propose to increase or decrease the number of members of the county board of education, or both. The trustee areas shall be as nearly equal in population as may be, except that in establishing or changing the boundaries of the trustee areas the county committee may give consideration to the following factors:

- (1) Topography.
- (2) Geography.
- (3) Cohesiveness, contiguity, integrity, and compactness of territory.
- (4) Community of interests of the trustee areas.

In any event, the county committee shall ensure that trustee areas are as nearly equal in population as practicable.

(b) Following each decennial federal census, and using population figures validated by the Demographic Research Unit of the Department of Finance as a basis, the county committee shall adjust the boundaries of any or all of the trustee areas of the county board of education as necessary to meet the population criteria set forth in subdivision (a).

(c) Changes in trustee area boundaries or a proposed reduction in the number of county board of education members shall be made in writing and filed with the county board of supervisors not later than the first day of March of any school year.

(d) In those counties in which the election of members of county boards of education are required to be held on the same date as prescribed for the election of members of governing boards of school districts, as provided in Section 1007, the county committees on school district organization shall fix the boundaries of trustee areas, insofar as possible, to coincide with the boundaries of school districts.

(e) Whenever the boundaries of trustee areas are changed so as to be coterminous with those of supervisorial districts of the county, the election for members of the county board of education shall be consolidated with the countywide election.

SEC. 75. Section 5019.5 of the Education Code is amended to read:

5019.5. (a) Following each decennial federal census, and using population figures as validated by the Demographic Research Unit of the Department of Finance as a basis, the governing board of each school district or community college district in which trustee areas have been established, and in which each trustee is elected by the residents of the area the trustee represents, shall adjust the boundaries of any or all of the trustee areas of the district so that one or both of the following conditions is satisfied:

- (1) The population of each area is, as nearly as may be, the same proportion of the total population of the district as the ratio that the number of governing board members elected from the area bears to the total number of members of the governing board.
- (2) The population of each area is, as nearly as may be, the same proportion of the total population of the district as each of the other areas.

(b) The boundaries of the trustee areas shall be adjusted by the governing board of each school district or community college district, in accordance with subdivision (a), before the first day of March of the year following the year in which the results of each decennial census are released. If the governing board fails to adjust the boundaries before the first day of March of the year following the year in which the results of each decennial census are released, the county committee on school district organization shall do so before the 30th day of April of the same year.

The governing board of the school district or community college district shall reimburse all reasonable costs incurred by a county committee in adjusting the boundaries pursuant to this subdivision.

(c) Except to the extent that the adjustment of trustee area boundaries is necessary for the purposes set forth in this section, the authority to establish or abolish trustee areas, rearrange the boundaries of trustee areas, increase or decrease the number of members of the governing board, or adopt any method of electing governing board members may be exercised only as otherwise provided under this article.

SEC. 76. Section 9084 of the Elections Code is amended to read:

9084. The state voter information guide shall contain all of the following:

(a) A complete copy of each state measure.

(b) (1) Except as provided in paragraph (2), before each state measure, a conspicuous notice that identifies the location on the Secretary of State's internet website of the specific constitutional or statutory provision that the state measure would repeal or revise.

(2) The text of a measure relating to debts and liabilities, including a bond measure, shall be printed in the state voter information guide as required by Section 1 of Article XVI of the California Constitution.

(c) A copy of the arguments and rebuttals for and against each state measure.

(d) A copy of the analysis of each state measure.

(e) Tables of contents, indexes, art work, graphics, and other materials that the Secretary of State determines will make the state voter information guide easier to understand or more useful for the average voter.

(f) A notice, conspicuously printed on the cover of the state voter information guide, indicating that additional copies of the state voter information guide will be mailed by the county elections official upon request.

(g) A written explanation of the judicial retention procedure as required by Section 9083.

(h) The Voter Bill of Rights pursuant to Section 2300.

(i) If the ballot contains an election for the office of United States Senator, information on candidates for United States Senator. A candidate for United States Senator may purchase the space to place a statement in the state voter information guide that does not exceed 250 words. The statement shall not make any reference to any opponent of the candidate. The statement shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state voter information guide.

(j) If the ballot contains a question on the confirmation or retention of a justice of the Supreme Court, information on justices of the Supreme Court who are subject to confirmation or retention.

(k) If the ballot contains an election for the offices of President and Vice President of the United States, a notice that refers voters to the Secretary of State's internet website for information about candidates for the offices of President and Vice President of the United States.

(l) A written explanation of the appropriate election procedures for party-nominated, voter-nominated, and nonpartisan offices as required by Section 9083.5.

(m) A written explanation of the top 10 contributor lists required by Section 84223 of the Government Code, including a description of the internet websites where those lists are available to the public.

SEC. 77. Section 9086 of the Elections Code is amended to read:

9086. The state voter information guide shall contain as to each state measure to be voted upon, the following, in the order set forth in this section:

(a) (1) Upon the top portion of the first page, and not exceeding one-third of the page, shall appear:

(A) Identification of the measure by number and title.

(B) The official summary prepared by the Attorney General.

(C) The total number of votes cast for and against the measure in both the State Senate and Assembly, if the measure was passed by the Legislature.

(2) The space in the title and summary that is used for an explanatory table prepared pursuant to paragraph (2) of subdivision (e) of Section 9087 and Section 88003 of the Government Code shall not be included when measuring the amount of space the information described in paragraph (1) has taken for purposes of determining compliance with the restriction prohibiting the information described in paragraph (1) from exceeding one-third of the page.

(b) Beginning at the top of the right page shall appear the analysis prepared by the Legislative Analyst if the analysis fits on a single page. If it does not fit on a single page, the analysis shall begin on the lower portion of the first left page and shall continue on subsequent pages until it is completed.

(c) Immediately below the analysis prepared by the Legislative Analyst shall appear a printed statement that refers voters to the Secretary of State's internet website for a list of committees primarily formed to support or oppose a ballot measure, and information on how to access the committee's top 10 contributors.

(d) Arguments for and against the measure shall be placed on the next left and right pages, respectively, following the final page of the analysis of the Legislative Analyst. The rebuttals shall be placed immediately below the arguments.

(e) If an argument against the measure has not been submitted, the argument for the measure shall appear on the right page facing the analysis.

(f) Before each state measure, a conspicuous notice identifying the location on the Secretary of State's internet website of the complete text of the state measure. The Secretary of State's internet website shall contain the provisions of the proposed measure and the existing laws repealed or revised by the measure. The provisions of the proposed measure differing from the existing laws affected shall be distinguished in print, so as to facilitate comparison. There shall be printed immediately below each state measure, except for a measure relating to debts and liabilities under Section 1 of Article XVI of the California Constitution, including a bond measure, in no less than 10-point bold type, a legend substantially as follows: "If you desire a copy of the full text of the state measure, please call the Secretary of State at (insert toll-free telephone number) and a copy will be mailed at no cost to you."

(g) The following statement shall be printed at the bottom of each page where arguments appear: "Arguments printed on this page are the opinions of the authors, and have not been checked for accuracy by any official agency."

SEC. 78. Section 19400 of the Elections Code is amended to read:

19400. For purposes of this chapter, the following definitions apply:

(a) "Ballot on demand system" means a ballot manufacturing system, as defined in Section 303.4, that is subject to Sections 13004 and 13004.5.

(b) "Election management system" means a system that is used by a county in the state to track voter registration or voter preferences, including, for example, a voter's vote by mail status.

(c) "Electronic poll book" means an electronic list of registered voters that may be transported to the polling location or vote center pursuant to Section 2550.

(d) "Remote accessible vote by mail system" means a system, as defined in Section 303.3, that is certified pursuant to Chapter 3.5 (commencing with Section 19280) of Division 19.

(e) "Vote by mail ballot drop box" means a secure receptacle established by a county or city and county elections official whereby a voted vote by mail ballot may be returned to the elections official from whom it was obtained pursuant to Section 3025.

(f) "Voting system" means any voting machine, voting device, or vote tabulating device that does not use prescored punch card ballots.

SEC. 79. Section 19402 of the Elections Code is amended to read:

19402. (a) (1) The Secretary of State shall use the funds appropriated to the Secretary of State in the Budget Act of 2018 and the Budget Act of 2019 for voting system replacement for counties by awarding reimbursement contracts to counties for voting system replacement using the funding allocation described in subdivision (b). To receive reimbursement, a county shall provide matching funds that are at least equivalent to one-quarter of the state funds received for the eligible expenditures described in subdivision (d).

(2) Notwithstanding paragraph (1), counties that operated 50 or fewer precincts in the November 8, 2016, statewide general election are not required to provide matching funds to receive an allocation from the state.

(b) The Secretary of State shall allocate funding for a contract described in subdivision (a) based on the size of the county, the number of voters registered in the county, and the Secretary of State's estimate of need for county voting equipment.

(c) A contract described in subdivision (a) shall permit a county to apply to the Secretary of State for reimbursement costs incurred in connection with the activities described in subdivision (d) in a manner consistent with all of the following:

(1) The county may seek reimbursement for payments made pursuant to a purchase agreement, lease agreement, or other contract made after April 29, 2015.

(2) The funded activities described in subparagraph (A) of paragraph (1) of subdivision (d) shall be for new voting systems that have been certified pursuant to the California Voting System Standards.

(3) The county shall provide the Secretary of State with documentation of the payment for which reimbursement is sought, and of the purchase agreement, lease agreement, or other contract pursuant to which the reimbursed payment was made.

(4) The Secretary of State shall verify that payment for which reimbursement is sought meets the criteria set forth in the contract described in subdivision (a) before reimbursing the county.

(5) (A) The Secretary of State shall reimburse the county by matching county funds spent on voting system replacement activities described in subdivision (d) on a three-to-one basis, up to the maximum amount of funds allocated for the contract pursuant to subdivision (b).

(B) Notwithstanding subparagraph (A), the Secretary of State shall reimburse counties that operated 50 or fewer precincts in the November 8, 2016, statewide general election without requiring those counties to provide matching funds.

(d) For purposes of this chapter, reimbursable voting system replacement activities include all of the following:

(1) The purchase or lease of any of the following:

(A) A voting system certified or conditionally approved by the Secretary of State that does not use prescored punch card ballots.

(B) Electronic poll books certified by the Secretary of State.

(C) Ballot on demand systems certified by the Secretary of State.

(D) Vote by mail ballot drop boxes that comply with any applicable regulations adopted by the Secretary of State pursuant to subdivision (b) of Section 3025.

(E) Remote accessible vote by mail systems certified or conditionally approved by the Secretary of State.

(F) Telecommunication technologies to facilitate electronic connection, for the purpose of voter registration, between polling places, vote centers, and the office of the county elections official or the Secretary of State's office.

(G) Vote by mail ballot sorting and processing equipment.

(H) An election management system.

(2) Research and development of a new voting system that has not been certified or conditionally approved by the Secretary of State, but that would result in a voting system certified by the Secretary of State to comply with the California Voting System Standards. A voting system developed pursuant to this paragraph shall use only nonproprietary software and firmware with disclosed source code, except that it may use unmodified commercial off-the-shelf software and firmware, as defined in paragraph (1) of subdivision (a) of Section 19209.

(3) (A) Manufacture of the minimum number of voting system units reasonably necessary for either of the following purposes:

(i) Testing and seeking certification or conditional approval for the voting system pursuant to Sections 19210 to 19214, inclusive.

(ii) Testing and demonstrating the capabilities of the voting system in a pilot program pursuant to paragraph (2) of subdivision (b) and subdivision (c) of Section 19209.

(B) For purposes of this paragraph, "voting system" includes a part of a voting system.

(4) If a county uses funding provided to it for the activities described in paragraph (2) or (3), and those activities do not result in a voting system certified by the Secretary of State to comply with the California Voting System Standards by July 1, 2023, the county shall return the state funding provided for those activities to the State. If the county does not return the funding by June

30, 2024, the State Controller shall withhold any payment to the county in an equivalent amount, as directed by the Department of Finance.

(e) A voting system purchased or leased by a county for which the county seeks reimbursement from the Secretary of State pursuant to this section and that does not require a voter to directly mark on the ballot must produce, at the time the voter votes the voter's ballot or at the time the polls are closed, a paper version or representation of the voted ballot or of all of the ballots cast on a unit of the voting system. The paper version shall not be provided to the voter but shall be retained by elections officials for use during the 1 percent manual tally described in Section 15360, or any recount, audit, or contest.

SEC. 80. Section 21550 of the Elections Code is amended to read:

21550. (a) As used in this chapter, the following terms have the following meanings:

- (1) "Board" means the Board of Supervisors of the County of San Diego.
- (2) "Clerk of the Board of Supervisors" means the Clerk of the Board of Supervisors of the County of San Diego.
- (3) "Commission" means the Independent Redistricting Commission established by subdivision (b).
- (4) "Immediate family member" means a spouse, child, in-law, parent, or sibling.

(b) (1) There is, in the County of San Diego, an Independent Redistricting Commission. The commission shall be created no later than December 31, 2020, and in each year ending in the number zero thereafter. The selection process is designed to produce a commission that is independent from the influence of the board and reasonably representative of the county's diversity.

(2) In the year following the year in which the decennial federal census is taken, the commission shall adjust the boundary lines of the supervisorial districts of the board in accordance with this chapter.

(c) The commission shall be comprised of 14 members. The political party preferences of the commission members, as shown on the members' most recent affidavits of registration, shall be as proportional as possible to the total number of voters who are registered with each political party in the County of San Diego or who decline to state or do not indicate a party preference, as determined by registration at the most recent statewide election. However, the political party preferences of the commission members are not required to be exactly the same as the proportion of political party preferences among the registered voters of the county. At least one commission member shall reside in each of the five existing supervisorial districts of the board. Commissioners shall each meet the following qualifications:

- (1) Be a resident of the County of San Diego.
- (2) Be a voter who has been continuously registered in the County of San Diego with the same political party preference or with no political party preference and who has not changed the voter's political party preference for five or more years immediately preceding the date of the voter's appointment to the commission.
- (3) Have voted in at least one of the last three statewide elections immediately preceding the voter's application to be a member of the commission.
- (4) Within the 10 years immediately preceding the date of application to the commission, neither the applicant, nor an immediate family member of the applicant, has done any of the following:
 - (A) Been appointed to, elected to, or have been a candidate for office at the local, state, or federal level representing the County of San Diego, including as a member of the board.
 - (B) Served as an employee of, or paid consultant for, an elected representative at the local, state, or federal level representing the County of San Diego.
 - (C) Served as an employee of, or paid consultant for, a candidate for office at the local, state, or federal level representing the County of San Diego.
 - (D) Served as an officer, employee, or paid consultant of a political party or as an appointed member of a political party central committee.
 - (E) Been a registered federal, state, or local lobbyist.
- (5) Possess experience that demonstrates analytical skills relevant to the redistricting process and voting rights, and possess an ability to comprehend and apply the applicable state and federal legal requirements.
- (6) Possess experience that demonstrates an ability to be impartial.

(7) Possess experience that demonstrates an appreciation for the diverse demographics and geography of the County of San Diego.

(d) An interested person meeting the qualifications specified in subdivision (c) may submit an application to the Clerk of the Board of Supervisors to be considered for membership on the commission. The Clerk of the Board of Supervisors shall review the applications and eliminate applicants who do not meet the specified qualifications.

(e) (1) From the pool of qualified applicants, the Clerk of the Board of Supervisors shall select 60 of the most qualified applicants, taking into account the requirements described in subdivision (c). The Clerk of the Board of Supervisors shall make public the names of the 60 most qualified applicants for at least 30 days. The Clerk of the Board of Supervisors shall not communicate with a member of the board, or an agent for a member of the board, about any matter related to the nomination process or applicants before the publication of the list of the 60 most qualified applicants.

(2) During the period described in paragraph (1), the Clerk of the Board of Supervisors may eliminate any of the previously selected applicants if the clerk becomes aware that the applicant does not meet the qualifications specified in subdivision (c).

(f) (1) After complying with the requirements of subdivision (e), the Clerk of the Board of Supervisors shall create a subpool for each of the five existing supervisorial districts of the board.

(2) (A) At a regularly scheduled meeting of the board, the Clerk of the Board of Supervisors shall conduct a random drawing to select one commissioner from each of the five subpools established by the clerk.

(B) After completing the random drawing pursuant to subparagraph (A), at the same meeting of the board, the clerk shall conduct a random drawing from all of the remaining applicants, without respect to subpools, to select three additional commissioners.

(g) (1) The eight selected commissioners shall review the remaining names in the subpools of applicants and shall appoint six additional applicants to the commission.

(2) The six appointees shall be chosen based on relevant experience, analytical skills, and ability to be impartial, and to ensure that the commission reflects the county's diversity, including racial, ethnic, geographic, and gender diversity. However, formulas or specific ratios shall not be applied for this purpose. The eight commissioners shall also consider political party preference, selecting applicants so that the political party preference of the members of the commission complies with subdivision (c).

SEC. 81. Section 21552 of the Elections Code is amended to read:

21552. (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 is 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 it 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 website of the County of San Diego.

(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 San Diego 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 website of the County of San Diego 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 for 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 Clerk of the Board of Supervisors 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 Clerk of the Board of Supervisors.

(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. 82. Section 927.2 of the Government Code is amended to read:

927.2. The following definitions apply to this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) "Small business" means a business certified as a "small business" in accordance with subdivision (d) of Section 14837, including certified small businesses engaged in the development, design, and construction of California's high-speed rail system pursuant to the California High-Speed Rail Act (Division 19.5 (commencing with Section 185000) of the Public Utilities Code).

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

(1) The principal office is located in California.

(2) The officers, if any, are domiciled in California.

(3) If a small business, it is independently owned and operated.

(4) The business or organization is not dominant in its field of operation.

(5) Together with any affiliates, the business or organization has gross receipts from business operations that do not exceed three million dollars (\$3,000,000) per year, except that the Director of Health Services may increase this amount if the director deems that this action would be in furtherance of the intent of this chapter.

(o) "Department of FISCal" means the organization responsible for operating and maintaining the Financial Information System for California integrating statewide accounting, budgeting, cash management, and procurement pursuant to subdivision (b) of Section 11890.

SEC. 83. Section 927.6 of the Government Code is amended to read:

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

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

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

SEC. 84. Section 927.7 of the Government Code is amended to read:

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

(b) The Department of FISCal shall be responsible for applicable penalties if the Financial Information System for California delays the delivery of a correct claim from the state agency to the Controller, preventing the Controller from making payment within 15 calendar days and payment is not issued within 45 calendar days from state agency receipt of an undisputed invoice.

SEC. 85. Section 927.13 of the Government Code is amended to read:

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

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

(c) The Department of FISCal shall be responsible for applicable penalties if the Financial Information System for California delays the delivery of a correct claim from the state agency to the Controller, preventing the Controller from making payment within 15 calendar days and payment is not issued within 45 calendar days from the agency's receipt of a notice of refund or an undisputed payment due.

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

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

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

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

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

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

(4) Payments made on claims by the Department of General Services.

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

(6) Payments made by the Department of Human Resources pursuant to Section 19823.

SEC. 86. Section 9112 of the Government Code is amended to read:

9112. (a) (1) Notwithstanding any other law, including Section 9108, the Joint Rules Committee may pursue the construction of a state capitol building annex or the restoration, rehabilitation, renovation, or reconstruction of the State Capitol Building Annex described in Section 9105 and any other ancillary improvements to effectuate the purposes of this article.

(2) Projects authorized pursuant to this section may be pursued in phases and may include a visitor center, a relocated and expanded underground parking facility, and any related or necessary deconstruction and infrastructure work.

(b) (1) All work performed pursuant to this article shall be administered and supervised by the Department of General Services. The work shall be undertaken pursuant to an agreement between the Joint Rules Committee, the Department of Finance or its designated representative, and the Department of General Services or its designated representative.

(2) The agreement entered into pursuant to paragraph (1), prior to any recognition by the State Public Works Board of a project authorized by this section, shall establish the scope, budget, delivery method, and schedule for any work undertaken pursuant to this article.

(3) (A) The scope, cost, and delivery method of each project pursuant to this section shall be recognized by, and subject to the oversight of, the State Public Works Board pursuant to Section 13332.11 or 13332.19, as applicable and subject to the provisions of this paragraph.

(B) Notwithstanding Sections 13332.11 and 13332.19, or any other law, the Joint Rules Committee, the Department of Finance or its designated representative, and the Department of General Services or its designated representative, pursuant to the agreement entered into pursuant to paragraph (1), may agree to utilize any delivery method deemed appropriate and advantageous for the work performed pursuant to this article.

(C) Notwithstanding any provision of Section 13332.11 or 13332.19 to the contrary, or any other law, any changes to the scope of the projects authorized by this section shall be agreed upon by the Joint Rules Committee, the Department of Finance or its designated representative, and the Department of General Services or its designated representative, pursuant to the agreement entered into pursuant to paragraph (1).

(c) Notwithstanding any other law, any action or proceeding alleging that a public agency has approved or is undertaking work pursuant to this article in violation of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall be subject to Chapter 6.7 (commencing with Section 21189.50) of Division 13 of the Public Resources Code.

(d) (1) Notwithstanding any other law, all work performed pursuant to this article by the Department of General Services shall be exempt from all of the following:

(A) The State Contract Act (Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code).

(B) Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3.

(C) Chapter 2.1 (commencing with Section 15813) of Part 10b of Division 3.

(D) Section 2807 of the Penal Code.

(2) Notwithstanding any other law, the inclusion of office space for or an emergency dispatch center of the Department of the California Highway Patrol, including any associated telecommunications or radio equipment, in the state capitol building annex constructed or the existing State Capitol Building Annex described in Section 9105 restored, rehabilitated, renovated, or reconstructed pursuant to this article shall not subject any part of the projects authorized by this article, including that office space or emergency dispatch center, to any of the following:

(A) The Essential Services Buildings Seismic Safety Act of 1986 (Chapter 2 (commencing with Section 16000) of Division 12.5 of the Health and Safety Code).

(B) Any other law that would not otherwise apply to the projects authorized by this article but for the inclusion of the office space for or emergency dispatch center of the Department of the California Highway Patrol

(C) Any rule, regulation, standard, or requirement promulgated or enforced by the Division of the State Architect or the Office of the State Fire Marshal pursuant to the laws described in subparagraphs (A) and (B).

(3) Notwithstanding any other law, to the extent that the work performed pursuant to this article is administered and supervised by the Department of General Services, the department may enter into negotiations directly with any firm for the provision of services described in Section 4525.

(e) Prevailing wages shall be paid to all workers employed on a project that is subject to this article, in accordance with Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

SEC. 87. Section 9113.5 is added to the Government Code, to read:

9113.5. (a) Notwithstanding any other law, moneys transferred from the State Project Infrastructure Fund to the Operating Funds of the Assembly and Senate for purposes of the projects authorized by Section 9112 may be invested in eligible securities, in accordance with Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4, or deposited in eligible banks, in accordance with Chapter 4 (commencing with 16500) of Part 2 of Division 4. Upon request of the Joint Rules Committee regarding any portion of these funds, the Pooled Money Investment Board shall designate that portion of those funds as "surplus money" pursuant to Section 16470.

(b) Notwithstanding Sections 16305.7 and 16475, any interest earned on, or other increment derived from, the moneys invested or deposited pursuant to this section shall be credited to the Operating Funds of the Assembly and Senate.

(c) (1) Notwithstanding Section 13340, moneys derived from the interest earned on, or other increment derived from, investments or deposits pursuant to this section are continuously appropriated to the Joint Rules Committee. Subject to paragraph (2), the Joint Rules Committee shall use those moneys solely for purposes of the projects authorized by Section 9112.

(2) Expenditures of the proceeds from investment or deposit of the funds described in subdivision (a) for the design and construction of the projects authorized by Section 9112 shall not result in project costs exceeding the amount recognized by the State Public Works Board or approved pursuant to the agreement required by subdivision (b) of Section 9112.

SEC. 88. Section 9125 of the Government Code is amended to read:

9125. (a) (1) In order to adequately provide for the housing and administrative requirements of the Legislature and the executive branch during the construction of a state capitol building annex or the restoration, rehabilitation, renovation, or reconstruction of the existing State Capitol Building Annex pursuant to Article 5.2 (commencing with Section 9112), and to later provide for additional state-owned facilities in close proximity to the State Capitol, the Department of General Services may pursue the design and construction of a state office building located on O Street, between 10th Street and 11th Street, in the City of Sacramento.

(2) A project authorized pursuant to this section may proceed on a schedule different from that for the projects authorized by Section 9112, subject to good faith consultation between the Department of General Services and the Joint Rules Committee to determine the scope, budget, scheduling, organization, management, delivery method, and other approaches deemed most appropriate and advantageous to advance the office building authorized by this section and other related projects. This consultation shall be conducted pursuant to the agreement entered into pursuant to paragraph (1) of subdivision (b) of Section 9112.

(b) (1) The Department of General Services, or its designated representative, shall collaborate with the Joint Rules Committee and the Department of Finance, or its designated representative, to determine the scope, budget, delivery method, and schedule for any space to be constructed, restored, rehabilitated, renovated, or reconstructed pursuant to this article.

(2) (A) The scope, cost, and delivery method of each project pursuant to this section shall be recognized by, and subject to the oversight of, the State Public Works Board pursuant to Section 13332.11 or 13332.19, as applicable and subject to the

provisions of this paragraph.

(B) Notwithstanding Sections 13332.11 and 13332.19, or any other law, the Joint Rules Committee, the Department of Finance or its designated representative, and the Department of General Services or its designated representative, may agree, pursuant to paragraph (1) of subdivision (b) of Section 9112, to utilize any delivery method deemed appropriate and advantageous for the work performed pursuant to this article.

(C) Notwithstanding any provision of Section 13332.11 or 13332.19 to the contrary, or any other law, any changes to the scope of the projects authorized by this section shall be agreed upon by the Joint Rules Committee, the Department of Finance or its designated representative, and the Department of General Services or its designated representative, pursuant to the agreement entered into pursuant to paragraph (1) of subdivision (b) of Section 9112.

(3) The height limitation specified in subdivision (c) of Section 8162.7 shall apply to any structure constructed, restored, rehabilitated, renovated, or reconstructed pursuant to this article.

(c) Notwithstanding any other law, any action or proceeding alleging that a public agency has approved or is undertaking work pursuant to this article in violation of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall be subject to Chapter 6.7 (commencing with Section 21189.50) of Division 13 of the Public Resources Code.

(d) (1) Notwithstanding any other law, all work performed pursuant to this article by the Department of General Services shall be exempt from all of the following:

(A) The State Contract Act (Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code).

(B) Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3.

(C) Chapter 2.1 (commencing with Section 15813) of Part 10b of Division 3.

(D) Section 2807 of the Penal Code.

(2) Notwithstanding any other law, the inclusion of office space for or an emergency dispatch center of the Department of the California Highway Patrol, including any associated telecommunications or radio equipment, in the state office building constructed pursuant to this article shall not subject any part of the project authorized by this article, including that office space or emergency dispatch center, to any of the following:

(A) The Essential Services Buildings Seismic Safety Act of 1986 (Chapter 2 (commencing with Section 16000) of Division 12.5 of the Health and Safety Code).

(B) Any other law that would not otherwise apply to the project authorized by this article but for the inclusion of the office space for or emergency dispatch center of the Department of the California Highway Patrol.

(C) Any rule, regulation, standard, or requirement promulgated or enforced by the Division of the State Architect or the Office of the State Fire Marshal pursuant to the laws described in subparagraphs (A) and (B).

(3) Notwithstanding any other law, the Department of General Services may enter into negotiations directly with any firm for the provision of services described in Section 4525.

(e) Prevailing wages shall be paid to all workers employed on a project that is subject to this article, in accordance with Article 2 (commencing with Section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code.

(f) The Department of General Services shall provide maintenance and operation services in connection with that portion of the state office building subject to this article that is utilized by the Legislature, as requested by the Joint Rules Committee.

(g) It is the intent of the Legislature to collaborate in good faith with the executive branch to consider any necessary statutory changes or actions pursuant to Section 9123 or any other law in order to facilitate the financing and continuing operation of the project authorized by this section. Furthermore, the executive branch and the Joint Rules Committee agree to collaborate, consistent with the terms of the agreement required by paragraph (1) of subdivision (b) of Section 9112, in the design, scheduling, organization, management, choice of delivery method, and other approaches needed to ensure that the project authorized by this section serves the needs of the Legislature, as well as the needs of the executive branch, during the period of the work authorized by Section 9112. Over the long term, joint occupancy by legislative and executive branch entities is contemplated, with the building's management provided by the Department of General Services, unless explicitly agreed to otherwise.

(h) Nothing in this article shall be construed to limit the jurisdiction of the Legislature over the buildings and property bounded by 10th, 11th, N, and O Streets in the City of Sacramento that are described in Article 5.5 (commencing with Section 9115).

SEC. 89. Section 11553 of the Government Code is amended to read:

11553. (a) Effective January 1, 1988, an annual salary of eighty-one thousand six hundred thirty-five dollars (\$81,635) shall be paid to each of the following:

- (1) Chairperson of the Unemployment Insurance Appeals Board.
- (2) Chairperson of the Agricultural Labor Relations Board.
- (3) President of the Public Utilities Commission.
- (4) Chairperson of the Fair Political Practices Commission.
- (5) Chairperson of the Energy Resources Conservation and Development Commission.
- (6) Chairperson of the Public Employment Relations Board.
- (7) Chairperson of the Workers' Compensation Appeals Board.
- (8) Administrative Director of the Division of Industrial Accidents.
- (9) Chairperson of the State Water Resources Control Board.
- (10) Chairperson of the Cannabis Control Appeals Panel.

(b) The annual compensation provided by this section shall be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase provided by this section shall be comparable to, but shall not exceed, the percentage of the general salary increases provided for state employees during that fiscal year.

(c) Notwithstanding subdivision (b), any salary increase is subject to Section 11565.5.

(d) This section shall remain in effect only until July 1, 2019, and as of that date is repealed.

SEC. 90. Section 11553 is added to the Government Code, to read:

11553. (a) Effective January 1, 1988, an annual salary of eighty-one thousand six hundred thirty-five dollars (\$81,635) shall be paid to each of the following:

- (1) Chairperson of the Unemployment Insurance Appeals Board.
- (2) Chairperson of the Agricultural Labor Relations Board.
- (3) Chairperson of the Fair Political Practices Commission.
- (4) Chairperson of the Energy Resources Conservation and Development Commission.
- (5) Chairperson of the Public Employment Relations Board.
- (6) Chairperson of the Workers' Compensation Appeals Board.
- (7) Administrative Director of the Division of Industrial Accidents.
- (8) Chairperson of the State Water Resources Control Board.
- (9) Chairperson of the Cannabis Control Appeals Panel.

(b) The annual compensation provided by this section shall be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase provided by this section shall be comparable to, but shall not exceed, the percentage of the general salary increases provided for state employees during that fiscal year.

(c) Notwithstanding subdivision (b), any salary increase is subject to Section 11565.5.

(d) This section shall be operative on July 1, 2019.

SEC. 91. Section 12815 is added to the Government Code, to read:

12815. (a) The Office of Digital Innovation is hereby established on July 1, 2019, within the Government Operations Agency.

(b) There shall be a Director of the Office of Digital Innovation.

(1) The director shall be appointed by, and serve at the pleasure of, the Governor. The director shall report to the Secretary of Government Operations. The director shall be responsible for managing the affairs of the office and shall perform all duties, exercise all powers and jurisdiction, and assume and discharge all responsibilities necessary to carry out the purposes of this section. The Governor may appoint people to the office who are exempt from civil service. The total number of exempt positions in the office shall not exceed 20.

(c) For the purposes of this section:

(1) "Director" means the Director of the Office of Digital Innovation.

(2) "Fund" means the Digital Innovation Services Revolving Fund.

(3) "Office" means the Office of Digital Innovation.

(4) "Service delivery" means the provision of a service or services, product or products, by a state entity or state entities to persons, other state entities, constitutional state entities, independent state entities, local government entities, federal entities, private entities, or nonprofit entities.

(5) "State entity" means an entity within the executive branch that is under the direct authority of the Governor, including, but not limited to, all departments, boards, bureaus, commissions, councils, and agencies.

(d) The office's mission shall be to deliver better government services to the people of California through technology and design. The office will fulfill this mission by:

(1) Collaborating with state entities to transform government services. The office will focus on measurably improving services using a deliberate, user-focused approach.

(2) Investing in state capabilities to put users first, build iteratively, and let data drive decisions.

(3) Rethinking and improving how the state buys digital services.

(4) Expanding the use of common platforms, services, and tools.

(e) The director shall hire staff to assist in the fulfillment of the duties and responsibilities of the office.

(f) The director shall establish a program to improve the state's service delivery functions, guided by service delivery best practices.

(1) The director is hereby authorized to engage with state entities for the purpose of improving the service delivery functions of those state entities.

(2) Engagements shall be formalized in writing and shall identify, at minimum, the roles and responsibilities of both the office and the state entity being engaged by the office.

(g) The director may create, update, or publish, in consultation with the appropriate control agency, policies, standards, and procedures for state entities in the State Administrative Manual or Statewide Information Management Manual regarding:

(1) Service delivery design, implementation, maintenance, and operations.

(2) Service delivery assessments.

(3) Service delivery improvement and problem mitigation.

(h) The director shall train state supervisors, managers, executives, and other staff in leadership positions regarding service delivery best practices. The director is authorized to require state entity staff to attend training deemed necessary by the director. The director may consult or contract with the Department of Human Resources or the Department of Technology for assistance or delivery of training as needed to fulfill the purposes of this section.

(i) Any funds appropriated to the office for the purpose of funding various statewide innovation activities are to be administered by the director for the implementation, support, or assessment of state entities' existing or proposed service delivery functions.

(j) While engaged with a state entity, office staff shall, in the performance of their duties related to the improvement of service delivery functions, have access to, and the authority to examine or reproduce, any and all records, data, information technology

systems or other functionality, or any other document or component related to the service delivery function being improved by the office.

(1) The office shall maintain the confidentiality of, and protect from unauthorized access or disclosure, all records, data, information technology systems or other functionality, or any other document or component received from, or otherwise accessed from, any state entity engaged with the office in accordance with applicable laws, policies, and regulations, including, but not limited to, the Information Practices Act of 1977.

(2) The director, any employee or former employee of the office, any person or business entity that is contracting with or has contracted with the office and the employees and former employees of that person or business entity shall not divulge or make known to any person not employed by the office in any manner not expressly permitted by law any particulars of any record, data, information technology systems or other functionality, or any other document or component, the disclosure of which is restricted by law from release to the public. This subdivision shall also apply to the officers and employees of, and any person or business entity that is contracting with, or has contracted with, any state or local governmental agency or publicly created entity, that has assisted the office in the course of any engagement.

(3) Any officer, employee, or person who discloses the particulars of any record, data, information technology systems or other functionality, or any other document or component in violation of this section shall be subject to a civil penalty not to exceed five thousand dollars (\$5,000), including the release of any information received pursuant to Section 10850 of the Welfare and Institutions Code, or that is otherwise prohibited by law to be disclosed.

(4) The office shall ensure that all records, data, and other documentation are disposed of in accordance with applicable state laws, policies, and regulations upon completion of each engagement.

(5) Upon the completion of each engagement, the office shall dispose of all records, data, and other documentation received, copied, or otherwise in the possession of the office as a result of the engagement that contains personally identifiable information.

(k) The adoption, amendment, or repeal of the policies, procedures, guidelines, or other directives consistent with this chapter are exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

(l) (1) Effective July 1, 2020, the Digital Innovation Services Revolving Fund is hereby created within the State Treasury. The fund shall be administered by the director to receive all revenues from the sale of services rendered by the office and all other moneys properly credited to the office from any other source. Notwithstanding Section 13340, until July 1, 2024, moneys in the fund are continuously appropriated to the office without regard to fiscal year to pay all costs arising from this section and rendering of services to state entities, including, but not limited to, employment and compensation of necessary personnel and expenses, such as operating and other expenses of the office, and costs associated with approved information technology projects, and to establish reserves. On and after July 1, 2024, moneys in the fund shall be available upon appropriation of the Legislature. At the discretion of the director, segregated, dedicated accounts within the fund may be established.

(2) On or before February 1, 2021, and each February 1 thereafter, the director shall submit a report to the Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, that includes a listing and descriptions of all expenditures made from the fund, as well as all revenues received by the fund, for the prior fiscal year.

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

(A) Moneys appropriated and made available by the Legislature for the purposes of this section.

(B) Donations, endowments, or grants of funds from private or public sources for any purposes of this section. The office and the Controller may establish separate accounts in the fund for the purpose of separating deposits according to their origin or intended purpose.

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

(m) The office may collect payments from state entities for providing services to client entities. The office may require monthly payments by client entities for the services provided. Pursuant to Section 11255, the Controller shall transfer any amounts so authorized by the office, consistent with the annual budget of each department, to the fund. The office shall notify each affected state entity upon requesting the Controller to make the transfer.

(n) Notwithstanding any other law, the Controller may use the moneys in the fund for cashflow loans to the General Fund, as provided in Sections 16310 and 16381.

SEC. 92. Section 13073 of the Government Code is amended to read:

13073. Within the Department of Finance, there is the Demographic Research Unit. The purposes of the unit include, but are not limited to, the following:

- (a) Providing adequate demographic data to aid effective state and local planning and policymaking.
- (b) Serving all levels of government and the private sector as the centralized state source of demographic data.
- (c) Assuring equitable classification of cities and counties according to population to provide equitable distribution of funds and tax rate limits.
- (d) Rendering advisory, investigational, or other similar service of relevance to the establishment of population and its composition to any city, county, district, association of cities, counties, districts or any other political subdivision or the federal government upon such terms and conditions as may be satisfactory to the director, provided that the state shall be reimbursed for all costs incurred in performing services authorized by this subdivision.

SEC. 93. Section 13073.5 of the Government Code is amended to read:

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

The Demographic Research Unit shall:

- (a) Develop basic demographic data and statistical compilations, which may include a current population survey and a mid-decade census.
- (b) Design and test methods of research and data collection.
- (c) Conduct local population estimates as required by law.
- (d) Validate all official census data and population statistics.
- (e) Analyze and prepare projections of enrollments in public schools, colleges, and universities.
- (f) Analyze governmental records to establish characteristics of migration and distribution.
- (g) Publish annual estimates of the population of the state and its composition.
- (h) Prepare short- and long-range projections of population and its composition.
- (i) Provide advisory services to state agencies and other levels of government.
- (j) Evaluate and recommend data requirements for determining population and population growth.
- (k) Analyze the demographic features of the causes and consequences of patterns of natural increase or decrease, migration, and population concentration within the state.
- (l) Assess the need for population data required for determining the allocation of federal, state, and other subvention revenues.
- (m) Request and obtain from any department, division, commission, or other agency of the state all assistance and information to enable the unit to effectively carry out the provisions of this section.
- (n) Cooperate with the Office of Planning and Research with respect to functions involving mutual areas of concern relating to demography and state planning.
- (o) Enter into agreements to carry out the purposes of this section, including the application for and acceptance of federal funds or private foundation grants for demographic studies.
- (p) Act as primary state government liaison with the Census Bureau, United States Department of Commerce, in the acquisition and distribution of census data and related documentation to state agencies.
- (q) Administer, with other agencies, a State Census Data Center which will be responsible for acquiring decennial and other census data from the Bureau of the Census, and for providing necessary information to the Legislature and to the executive branch and for seeking to ensure the availability of census information to local governments. The unit and the Office of Planning and Research shall be responsible for designating subcenters of the State Census Data Center as needed. The unit will provide

materials to subcenters of the State Census Data Center, will coordinate the efforts of the subcenters to avoid duplication and may consult in the design of standard reports to be offered by the center and its subcenters.

(r) Coordinate with the Office of Planning and Research Environmental Data Center for the purposes of ensuring consistency and compatibility of data products, improving public access to data, ensuring the consistent interpretation of data, and avoiding duplication of functions.

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

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

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

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

(i) The first quartile shall represent the lowest fourth of the census tracts (the lowest 25 percent, inclusive).

(ii) The second quartile shall represent the second fourth (tracts greater than 25 percent up to 50 percent, inclusive).

(iii) The third quartile shall represent the third fourth (tracts greater than 50 percent up to 75 percent, inclusive).

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

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

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

(A) Consistent with poverty statistics in the ACS, which adhere to the standards specified by the federal Office of Management and Budget in Statistical Policy Directive 14, the poverty thresholds as specified by the United States Census Bureau shall be used to determine those individuals below poverty.

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

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

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

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

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

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

(i) The first quartile shall represent the lowest fourth of the census tracts (the lowest 25 percent, inclusive).

(ii) The second quartile shall represent the second fourth (tracts greater than 25 percent up to 50 percent, inclusive).

(iii) The third quartile shall represent the third fourth (tracts greater than 50 percent up to 75 percent, inclusive).

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

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

(t) (1) Determine those census tracts that are within the lowest quartile of census tracts with the lowest civilian unemployment and poverty based on data from the five-year ACS. The census tracts that are within the lowest quartile for both civilian unemployment and poverty statistics, as determined in paragraphs (2) and (3) of subdivision (s), shall be determined to be census tracts within the lowest quartile of census tracts with the lowest civilian unemployment and poverty, as applied in subparagraph (A) of paragraph (8) of subdivision (b) of Section 17053.73 and Section 23626 of the Revenue and Taxation Code.

(2) Based on the quartiles developed pursuant to paragraph (2) of subdivision (s), the first or lowest quartile shall represent the bottom 25 percent of the census tracts with the lowest civilian unemployment rates.

(3) Based on the quartiles developed pursuant to paragraph (3) of subdivision (s), the first or lowest quartile shall represent the bottom 25 percent of the census tracts with the lowest percentage of population below poverty.

SEC. 94. Section 13073.6 is added to the Government Code, to read:

13073.6. Notwithstanding subdivision (g) of Section 1798.24 of the Civil Code, data collected, received, or prepared by the Demographic Research Unit for purposes specified in Section 13073.5 that contains personal information, as defined by subdivision (a) of Section 1798.3 of the Civil Code, shall be exempt from disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

SEC. 95. Section 13300.5 of the Government Code is amended to read:

13300.5. (a) The Legislature finds and declares that the system to modernize the state's internal financial systems is a critical project that must be subject to the highest level of oversight. According to the Department of Technology, the size and scope of this modernization and automation effort make this project one of the highest risk projects undertaken by the state. Therefore, the Legislature must take steps to ensure it is fully informed as the project is implemented. It is the intent of the Legislature to adopt additional reporting requirements for the department to adequately manage risk and ensure the successful implementation of this effort.

(b) The department shall report to the Legislature, on or before October 31 of each year beginning in 2020, on all of the following:

(1) An executive summary and overview of the system's status.

(2) An overview of the system's history.

(3) Significant events of the system within the current reporting period and a projection of events during the next reporting period.

(4) A discussion of mitigation actions being taken by the department for any missed major milestones.

(5) A comparison of actual to budgeted expenditures, and an explanation of variances and any planned corrective actions, including a summary of the system and staffing levels and an estimate of staff participation from partner agencies.

(6) An articulation of expected functionality and qualitative benefits from the system that were achieved during the reporting period and that are expected to be achieved in the subsequent year.

(7) An overview of change management activities and stakeholder engagement during the system implementation process, including a summary of departmental participation in the system.

(8) A discussion of lessons learned and best practices that will be incorporated into future changes in management activities.

(9) A description of any significant software customization, including a justification for why, if any, customization was granted.

(10) Updates on the progress of meeting the system's objectives.

(11) The scope of services provided by the system integrator contractor hired by the department to complete project deliverables, the cost of these services, and the number of staff used by the contractor.

(12) The date on which state departments and agencies submit month-end and year-end reports to the Controller.

(13) The number of trainings held at the department and a list of state departments and agencies participating in these trainings.

(14) The status of the implementation activities for the remaining State Controller's Office Milestones identified in the most recently approved Special Project Report.

(c) Reports shall describe deviations to the project scope, cost, or schedule from the most recently approved Special Project Report.

(d) This section shall remain operative until the completion of the system, as specified in paragraph (2) of subdivision (a) of Section 11890, and thereafter shall be inoperative.

(e) The definitions in Section 11852 shall apply to the applicable terms in this section.

SEC. 96. Section 14670.10.5 is added to the Government Code, to read:

14670.10.5. (a) The Legislature finds and declares all of the following:

(1) The Sonoma Developmental Center is located in Eldridge, in the County of Sonoma, near the community of Glen Ellen and is composed of a developed campus covering approximately 180 acres and approximately 700 acres of open space adjacent to the Sonoma Valley Regional Park and the Jack London State Historic Park.

(2) The Sonoma Developmental Center opened in 1891 and is a state-run residential care facility dedicated to serving individuals with developmental disabilities.

(3) In the October 2015 Plan for the Closure of the Sonoma Developmental Center, the State Department of Developmental Services recognized the unique natural and historic resources of the property and acknowledged that it was not the intent of the state to follow the traditional state surplus property process.

(4) The State Department of Developmental Services concluded residential operations at the Sonoma Developmental Center in December 2018 after successfully relocating all residents to homes in the community.

(5) With the campus closed for developmental services, the property will be maintained and managed by the Department of General Services and a process to determine the future of the site is needed.

(6) California is experiencing an acute affordable housing crisis. The cost of land significantly limits the development of affordable housing. It is the intent of the Legislature that priority be given to affordable housing in the disposition of the Sonoma Developmental Center state real property.

(7) The Department of General Services recognizes the exceptional open-space, natural resources, and wildlife habitat characteristics of the Sonoma Developmental Center.

(8) It is the intent of the Legislature to establish a partnership between the Department of General Services and the County of Sonoma that provides for a priority land use planning process. During this process, the Department of General Services will maintain the Sonoma Developmental Center and the County of Sonoma will manage the planning process. The planning and disposition process is expected to be of a three-year duration.

(9) It is the intent of the Legislature that the lands outside the core developed campus and its related infrastructure be preserved as public parkland and open space.

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

(1) "Agreement" means the formal agreement between the Department of General Services and the County of Sonoma to implement a disposition and land use planning process.

(2) "County" means the County of Sonoma.

(3) "Property" means all state-owned real property comprising the Sonoma Developmental Center.

(4) "Specific plan" means a comprehensive planning and zoning document for a defined geographic region of County of Sonoma.

(c) (1) The director may, upon those terms and conditions that the director deems to be in the best interests of the state, enter into an agreement with the county for the county to develop a specific plan for the property and to manage the land use planning process integrated with a disposition process for the property, to be carried out by the department. The disposition may include the sale, lease, exchange, or other transfer of all or part of the property or property interest the director deems to be in the best interests of the state. The planning process shall facilitate the disposition of the property by amending the general plan of the county and any appropriate zoning ordinances, completing any environmental review, and addressing the economic feasibility of future development.

(2) In carrying out the land use planning and disposition process pursuant to the agreement, the director and county shall provide for the expeditious planning of future land uses for the site and an opportunity for community input, with the intent to reduce uncertainty, increase land values, expedite marketing, and maximize interested third-party potential purchasers.

(3) The disposition of the property or property interests shall provide for the permanent protection of the open space and natural resources as a public resource to the greatest extent feasible and shall be upon terms and conditions the director deems to be in the best interests of the state.

(4) The agreement shall require that housing be a priority in the planning process and that any housing proposal determined to be appropriate for the property shall include affordable housing. It is further the intent of the state that priority be given to projects that include housing that is deed restricted to provide housing for individuals with developmental disabilities.

(5) The department may petition the State Water Resources Control Board for a change of purpose of use of the property that recognizes the need for conservation of water resources to preserve or enhance habitat, fish and wildlife resources, groundwater resources, and recreation.

(6) The agreement shall consider options for the appropriate protection of the Eldridge Cemetery located on the property.

(d) The director may enter into any additional agreements, upon terms and conditions that the director determines to be in the best interests of the state, to provide for the management, operations, and maintenance of the property.

(e) (1) This section shall not apply to the transfer of the property to a state agency in accordance with Section 11011.

(2) A transfer, sale, or final disposition of any portion of the property or property interest authorized pursuant to this section shall not occur until the director has determined that the county has granted necessary approvals to rezone the property, approved a specific plan or plans for the property, and approved any necessary development agreements needed for disposition of all or any portion of the property, or the director has determined that the transfer, sale, or final disposition is in the best interests of the state.

(f) All riparian water rights shall remain with the property. The state owns riparian water rights and pre-1914 and post-1914 appropriative water rights and owns and operates a municipal water supply, treatment, and distribution system on the property. These rights may be held by the state for existing and future domestic uses on the property.

(g) The county shall provide quarterly reports to the department that shall include expenditures, contracts, and an update describing the progress of the expedited planning process.

SEC. 97. Section 14678.7 of the Government Code is amended to read:

14678.7. (a) For purposes of this section:

(1) "8th and 9th Street property" means property that the department is authorized to acquire, in partnership with CADA, pursuant to Item 7760-301-0666 of Section 2.0 of the Budget Act of 2017.

(2) "CADA" means the Capitol Area Development Authority.

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

(4) "R Street property" means state-owned property located at 805 R Street (APN 006-0266-014) in the City of Sacramento.

(5) "R Street parking structure project" means the project authorized by this section for the design and construction of a parking structure and retail space located at the R Street property and the 8th and 9th Street property for the purpose of developing and constructing a parking structure for state employees and the general public as well as to complement local efforts to increase evening and weekend visitation in downtown Sacramento.

(b) Notwithstanding Section 14670, the department may enter into one or more leases, as lessor or lessee, and other related agreements with CADA under which CADA will be responsible for developing and constructing a parking structure with approximately 800 parking spaces and retail space that is located on the R Street property and the 8th and 9th Street property, subject to the following requirements:

(1) CADA shall demolish and remove any improvements currently located on the R Street property and the 8th and 9th Street property.

(2) The total state costs for the R street parking structure project, excluding any financing costs, shall not exceed forty million seven hundred thousand dollars (\$40,700,000). Of this amount, ten million seven hundred thousand dollars (\$10,700,000) is derived from moneys appropriated from the General Fund pursuant to Item 7760-001-0001 of Section 2.0 of the Budget Act of

2019. The remaining thirty million dollars (\$30,000,000) is the maximum amount of state costs, excluding financing costs, associated with the financing authorized in subdivision (c).

(3) The Department of Finance shall approve the terms of any lease and related agreements entered into pursuant to this section related to the R Street parking structure project.

(4) Subject to paragraph (2), the amount of any lease payments that the department makes to CADA pursuant to this section shall be commensurate with CADA's costs of financing the R Street parking structure project authorized in subdivision (c).

(5) The director shall notify the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or their designee, in writing of the director's intention to enter into the leases or agreements authorized by this section no later than 30 days before entering into the leases or agreements, or not sooner than any lesser time as the Chairperson of the Joint Legislative Budget Committee, or their designee, may determine.

(c) After having secured the necessary leasing and contractual arrangements with the department for development, construction, financing, and operations, CADA may enter into a financing arrangement for the development, design, and construction of the R Street parking structure project through the IBank utilizing the IBank's Infrastructure State Revolving Fund Program, subject to the following requirements:

(1) The R Street parking structure project shall be subject to all requirements of the Bergeson-Peace Infrastructure and Economic Development Bank Act (Division 1 (commencing with Section 63000) of Title 6.7) and the Criteria, Priorities and Guidelines established by IBank.

(2) The repayment terms of the financing arrangement shall not exceed 30 years. Upon full repayment of any financial arrangement entered into pursuant to this subdivision, any lease entered into between the department and CADA shall cease and title to the R Street parking structure shall vest in the state.

(d) Upon completion of the R Street parking structure project, the department may charge state employees and the general public for use of the R Street parking structure. The department shall deposit all revenues generated from the R Street parking structure into the Motor Vehicle Parking Facilities Money Account. Notwithstanding Section 14678, all funds deposited into the Motor Vehicle Parking Facilities Money Account are available, upon appropriation by the Legislature, to the department to be used to make lease payments to CADA pursuant to any lease entered into pursuant to subdivision (b) until the department's lease payment obligations under the lease are repaid in full, and, after that event, to the department to be used consistent with the Motor Vehicle Parking Facilities Money Account and Section 14678.

SEC. 98. Section 14692 of the Government Code is amended to read:

14692. (a) (1) The State Project Infrastructure Fund is hereby established in the State Treasury.

(2) Except as otherwise provided in clause (iii) of subparagraph (C), notwithstanding Section 13340, the fund is continuously appropriated to the department, without regard to fiscal years, for the following purposes:

(A) Subject to authorization as provided in this article, for state projects pursuant to this article.

(B) To cover the costs of any report required by Section 9112 or any report as may be prepared under Section 9125.

(C) (i) For transfer to the Operating Funds of the Assembly and Senate, to be used for the capital outlay projects specified in Article 5.2 (commencing with Section 9112) of Chapter 1.5 of Part 1 of Division 2.

(ii) Upon direction of the Director of Finance, the Controller shall transfer from the fund to the Operating Funds of the Assembly and Senate an amount that is consistent with the budget amount specified in the agreement entered into pursuant to paragraph (1) of subdivision (b) of Section 9112.

(iii) Moneys transferred to the Operating Funds of the Assembly and Senate pursuant to clause (ii) shall not be used to alter or modify the color, detail, design, structure or fixtures of the historically restored areas of the first, second, and third floors and the exterior of the west wing of the State Capitol unless the Legislature expressly appropriates those moneys for that purpose in accordance with subdivision (b) of Section 28 of Article IV of the California Constitution.

(iv) Moneys transferred to the Operating Funds of the Assembly and Senate pursuant to clause (ii) may be invested or deposited in the manner specified in Section 9113.5.

(D) For transfer to the Architecture Revolving Fund, to be used for the capital outlay projects specified in Article 5.6 (commencing with Section 9125) of Chapter 1.5 of Part 1 of Division 2. The Department of Finance shall provide 20 days' notice to the Joint Rules Committee prior to any transfer pursuant to this subparagraph.

(b) Notwithstanding any other law, the Controller may use the funds in the State Project Infrastructure Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381.

(c) The moneys in this fund shall be exempt from statewide general administrative cost recovery pursuant to Article 2 (commencing with Section 11270) of Chapter 3 of Part 1.

(d) Any lease entered into pursuant to this article is subject to the approval of the Department of Finance and any applicable notification required by subdivision (d) of Section 14694.

SEC. 99. Section 14932 of the Government Code is amended to read:

14932. The department is authorized to administer and maintain the GS \$Mart Program. The GS \$Mart Program is a financing program that is available for use only by state agencies, pursuant to Sections 14934 and 14936, to finance certain goods and services as set forth in those sections. The department may provide consultative services to facilitate a financing for a local agency or school district pursuant to Section 14937.

SEC. 100. Section 14934 of the Government Code is amended to read:

14934. (a) Notwithstanding any other law, state agencies that are statutorily authorized to acquire assets listed in subdivision (b) are hereby eligible to apply to the GS \$Mart Program to enter into agreements for financing those assets without further competitive bidding.

(b) Assets eligible for financing pursuant to the GS \$Mart Program include all of the following:

(1) Energy conservation measures as described in Section 4217.11 or energy savings contracts as described in Section 388 of the Public Utilities Code.

(2) Goods as defined in Section 10290 of the Public Contract Code.

(3) (A) Technology goods or services as described in Section 11532 or information technology as defined in subparagraph (B) that are capital assets eligible for tax exempt financing consistent with the Internal Revenue Code as confirmed by an opinion of bond counsel, as described in paragraph (3) of subdivision (a) of Section 14936.

(B) Information technology includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, including voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

(c) State agencies may refinance any eligible asset through the GS \$Mart Program for the purpose of lowering financing costs or consolidating payments, or when refinancing will achieve an overall benefit and cost savings to the state.

(d) The department shall annually provide a report by September 1 of each year to the Joint Legislative Budget Committee, the Treasurer's Office, and the Department of Finance that shall include, but not be limited to, the following information for each financing entered into during the preceding fiscal year:

(1) Each state agency that entered into a GS \$Mart financing.

(2) The physical address at which the asset being financed is installed or located.

(3) The amount financed by each financing.

(4) The term of each financing.

(5) A description of the item, good, or service financed by each financing.

(6) The total amount of outstanding GS \$Mart financings.

SEC. 101. Section 14936 of the Government Code is amended to read:

14936. (a) The department shall develop a financing process that requires, but shall not be limited to, all of the following:

(1) Confirmation that the term of financing shall be limited to the average expected economic life of the asset or assets.

(2) Certification that the asset or assets to be financed are eligible under Section 14934.

(3) For tax-exempt financings, an opinion of counsel from a law firm admitted to the Treasurer's office most current approved bond counsel pool confirming that the assets subject to the financing qualify for tax exempt financing consistent with the Internal Revenue Code.

(4) The preparation and submission of payment schedules to the Controller for use by the Controller in transferring funds appropriated in the annual Budget Act to the state agency for payments due under the financing program.

(5) The use of standard financing terms and conditions, form certificates, and other form agreements. The standard financing terms and conditions, form certificates, and other form agreements, and any amendment of those standard terms and conditions, form certificates, and form agreements, shall be approved by the Department of Finance and the Treasurer's office before they are used.

(6) Prior approval by the Treasurer's office of the specific financial terms, including, but not limited to, the quotes received, the interest rate, and the payment term, for each financing over ten million dollars (\$10,000,000).

(7) Prior approval by the issuer of lease-revenue bonds on behalf of the state for any financing that affects a facility encumbered by issuer's lease-revenue bonds.

(8) (A) Notice to the Department of Finance and the Treasurer's office of each financing before seeking a request for a rate quote for that financing.

(B) The notice shall identify the following:

(i) The state agency seeking to enter into a GS \$Mart financing.

(ii) The assets to be financed.

(iii) The physical address at which the asset is located.

(iv) The estimated amount to be financed.

(v) The estimated closing date of the financing.

(b) The Controller may direct the transfer of funds according to the schedule or schedules submitted by the department pursuant to the GS \$Mart Program.

(c) The department, in consultation with the Department of Finance, shall be responsible for the continued development and administration of, at a minimum, financing applications, instructions, and application approval pursuant to the GS \$Mart Program.

SEC. 102. Section 14937 is added to the Government Code, to read:

14937. (a) Notwithstanding any other law, local agencies and school districts that are statutorily authorized to acquire goods, information technology, and related services pursuant to subdivision (b) of Section 10298 of the Public Contract Code and subdivision (b) of Section 10299 of the Public Contract Code, respectively, are eligible to use the preapproved lenders participating in the GS \$Mart Program.

(b) A local agency or school district using the preapproved lenders participating in the GS \$Mart Program may arrange for consulting services to be provided by the department, at current state price book rates, in order to facilitate the local agency or school district's financing of the assets authorized herein without further competitive bidding.

(c) For tax-exempt financings, a local agency or school district shall engage independent counsel in order to obtain an opinion confirming that the assets qualify for tax-exempt financing. The local agency or school district shall be solely responsible for compliance with any rules or laws necessary to maintain the tax-exempt status of those financings. The State of California and the GS \$Mart Program shall not have any responsibilities related to the tax exemption of financings authorized in this section.

(d) Neither the State of California nor the GS \$Mart Program shall be liable for or incur any financial responsibility in connection with any financing by a local agency or school district described in this section. Any such financing by a local agency or school district shall meet the following requirements:

(1) Not be a financial obligation or debt of the State of California.

(2) Be made on the basis of the credit worthiness and rating of the local agency or school district with repayment obligations being the sole responsibility of the local agency or school district.

(3) Not be characterized or use terms directly or indirectly indicating it is a financing pursuant to the GS \$Mart Program.

(e) Any financing authorized in this section by a local agency or school district shall be done on terms and conditions that set forth the provisions of this section. Those provisions shall be set forth in any request to lenders for quotes and in any contractual arrangements related to the financings authorized in this section.

(f) The department shall include in the report required by subdivision (d) of Section 14934 a summary of financings made pursuant to this section that includes the following information for each financing facilitated by the department during the preceding fiscal year:

(1) The name of the local agency or school district that entered into the financing.

(2) The amount of the financing.

(3) The term of each financing.

(4) A description of the goods, information technology, and related services financed.

SEC. 103. Section 15805 of the Government Code is amended to read:

15805. (a) A public building that is owned by a state agency, or a portion of a building that is owned by the state and includes at least one restroom that is open to the public, shall provide at least one safe, sanitary, convenient, and publicly accessible baby diaper changing station that is accessible to women entering a restroom provided for use by women and at least one safe, sanitary, convenient, and publicly accessible baby diaper changing station that is accessible to men entering a restroom provided for use by men, or at least one safe, sanitary, convenient, and publicly accessible baby diaper changing station that is accessible to both men and women. Each station shall include signage at or near the entrance to the station indicating the location of the baby diaper changing station. If there is a central directory identifying, for the benefit of the public, the location of offices, restrooms, and other facilities in the building, that central directory shall indicate the location of the baby diaper changing stations. Each baby diaper changing station shall be maintained, repaired, and replaced as necessary to ensure safety and ease of use, and shall be cleaned with the same frequency as the restroom in which it is located.

(b) (1) Subdivision (a) applies to all new construction, and, except as otherwise provided in paragraph (2), to all renovations of bathrooms for which the estimated cost of the new construction or renovation is ten thousand dollars (\$10,000) or more.

(2) Subdivision (a) does not apply to a renovation if it is determined by the board that the installation of a baby diaper changing station is not feasible or would result in a failure to comply with applicable building standards governing the right of access for persons with disabilities. The board may grant an exemption from the requirements of this section under those circumstances.

SEC. 104. Section 16351.5 of the Government Code is amended to read:

16351.5. The unexpended balance in any appropriation for capital outlay which the Director of Finance, with the approval of the State Public Works Board, determines not to be required for expenditure pursuant to the appropriation, may be transferred on order of the Director of Finance to the unappropriated surplus of the fund from which the appropriation was originally made.

SEC. 105. Section 16408 of the Government Code is repealed.

SEC. 106. Section 16409 of the Government Code is repealed.

SEC. 107. Section 19825.5 of the Government Code is amended to read:

19825.5. (a) (1) Notwithstanding Sections 11550, 11552, 11554, 11555, and 11556, the department shall set and adjust, as needed, the annual compensation of the officers and employees listed in Sections 11550, 11552, 11554, 11555, and 11556.

(2) On and after July 1, 2019, the department shall set and adjust, as needed, the annual compensation of the president of the Public Utilities Commission.

(b) When setting or adjusting the annual compensation of the president of the Public Utilities Commission or the employees described in paragraph (1) of subdivision (a), the department shall consider the size and scope of the organization, compensation paid to other similar positions in other public jurisdictions, the scope of responsibility of the position, the need to avoid salary compaction, and other factors appropriate to the determination of compensation necessary to recruit and retain qualified employees in leadership positions for the state. The compensation shall not exceed 125 percent (125%) of the compensation recommended to be paid to the Governor of the State of California by the California Citizens Compensation Commission.

(c) The department shall notify the Legislature of the compensation level implemented for the president of the Public Utilities Commission or any of the employees described in paragraph (1) of subdivision (a) within 30 days of the effective date of the proposed compensation adjustment.

SEC. 108. Section 19849.7 of the Government Code is amended to read:

19849.7. (a) Each state agency shall at the time of each payment of salary or wages, whether by direct deposit by electronic fund transfer pursuant to Sections 12480 and 12481 or otherwise, furnish each employee an itemized statement showing all deductions made from the employee's salary or wages as required by Section 226 of the Labor Code.

(b) The itemized statement described in subdivision (a) shall be provided electronically to each employee who has authorized the direct deposit by electronic fund transfer of salary or wages pursuant to Section 12480, unless the employee has requested, in writing, to receive a paper version of the statement.

(c) The provision of an electronic statement of itemized deductions pursuant to this section shall be contingent upon the funding of the necessary technology to provide this information and its implementation by the Controller.

SEC. 109. Section 25501 of the Government Code is amended to read:

25501. The purchasing agent may:

(a) Purchase for the county and its offices all materials, supplies, furnishings, equipment, livestock, and other personal property.

(b) Rent for the county and its offices furnishings, equipment, and livestock.

(c) Contract for services pursuant to this article and contract for public works projects pursuant to Article 3.5 (commencing with Section 20120) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code.

The purchasing agent shall make purchases, rentals and contracts only upon proper written requisition.

For purposes of this article, the population of a county shall be the most recent estimate determined by the Demographic Research Unit of the Department of Finance.

SEC. 110. Section 26203 of the Government Code is amended to read:

26203. In years other than those in which a census is taken by the United States, the board of supervisors by ordinance may cause a census of the county or any district therein to be taken which shall be validated by the Demographic Research Unit of the Department of Finance. The board of supervisors shall cause a census of a judicial district to be taken upon presentation to it of a petition signed by not less than 40 percent of the qualified electors residing in the district whose names appear upon the great register of the county at the last general election. The persons taking the census shall enumerate all the inhabitants of the county or district. The census shall be validated by the Demographic Research Unit. The expenses of taking that census is a county charge.

SEC. 111. Section 28084 of the Government Code is amended to read:

28084. The board of supervisors of a newly created county shall fix the numerical population of the county which figure shall be validated by the Demographic Research Unit of the Department of Finance.

SEC. 112. Section 30061 of the Government Code is amended to read:

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

(b) In any fiscal year for which a county receives moneys to be expended for the implementation of this chapter, the county auditor shall allocate the moneys in the county's SLESA within 30 days of the deposit of those moneys into the fund. The moneys shall be allocated as follows:

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

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

(3) Thirty-nine and seven-tenths percent to the county and the cities within the county, and, in the case of San Mateo, Kern, Siskiyou, and Contra Costa Counties, also to the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District, in accordance with the relative population of the cities within the county and the unincorporated area of the county, and the Broadmoor Police Protection District in the County of San Mateo, the Bear

Valley Community Services District and the Stallion Springs Community Services District in Kern County, the Lake Shastina Community Services District in Siskiyou County, and the Kensington Police Protection and Community Services District in Contra Costa County, as specified in the most recent January estimate by the Demographic Research Unit of the Department of Finance, and as adjusted to provide, except as provided in subdivision (i), a grant of at least one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction. For a newly incorporated city whose population estimate is not published by the Department of Finance, but that was incorporated prior to July 1 of the fiscal year in which an allocation from the SLESA is to be made, the city manager, or an appointee of the legislative body, if a city manager is not available, and the county administrative or executive officer shall prepare a joint notification to the Department of Finance and the county auditor with a population estimate reduction of the unincorporated area of the county equal to the population of the newly incorporated city by July 15, or within 15 days after the Budget Act is enacted, of the fiscal year in which an allocation from the SLESA is to be made. No person residing within the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, or the Kensington Police Protection and Community Services District shall also be counted as residing within the unincorporated area of the County of San Mateo, Kern, Siskiyou, or Contra Costa, or within any city located within those counties. Except as provided in subdivision (i), the county auditor shall allocate a grant of at least one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction. Moneys allocated to the county pursuant to this subdivision shall be retained in the county SLESA, and moneys allocated to a city pursuant to this subdivision shall be deposited in a SLESA established in the city treasury.

(4) Fifty percent to the county or city and county to implement a comprehensive multiagency juvenile justice plan as provided in this paragraph. The juvenile justice plan shall be developed by the local juvenile justice coordinating council in each county and city and county with the membership described in Section 749.22 of the Welfare and Institutions Code. The plan shall be reviewed and updated annually by the council. The plan or updated plan may, at the discretion of the county or city and county, be approved by the county board of supervisors. The plan or updated plan shall be submitted to the Board of State and Community Corrections by May 1 of each year in a format specified by the board that consolidates the form of submission of the annual comprehensive juvenile justice multiagency plan to be developed under this chapter with the form for submission of the annual Youthful Offender Block Grant plan that is required to be developed and submitted pursuant to Section 1961 of the Welfare and Institutions Code.

(A) The multiagency juvenile justice plan shall include, but not be limited to, all of the following components:

- (i) An assessment of existing law enforcement, probation, education, mental health, health, social services, drug and alcohol, and youth services resources that specifically target at-risk juveniles, juvenile offenders, and their families.
- (ii) An identification and prioritization of the neighborhoods, schools, and other areas in the community that face a significant public safety risk from juvenile crime, such as gang activity, daylight burglary, late-night robbery, vandalism, truancy, controlled substances sales, firearm-related violence, and juvenile substance abuse and alcohol use.
- (iii) A local juvenile justice action strategy that provides for a continuum of responses to juvenile crime and delinquency and demonstrates a collaborative and integrated approach for implementing a system of swift, certain, and graduated responses for at-risk youth and juvenile offenders.
- (iv) A description of the programs, strategies, or system enhancements that are proposed to be funded pursuant to this subparagraph.

(B) Programs, strategies, and system enhancements proposed to be funded under this chapter shall satisfy all of the following requirements:

- (i) Be based on programs and approaches that have been demonstrated to be effective in reducing delinquency and addressing juvenile crime for any elements of response to juvenile crime and delinquency, including prevention, intervention, suppression, and incapacitation.
- (ii) Collaborate and integrate services of all the resources set forth in clause (i) of subparagraph (A), to the extent appropriate.
- (iii) Employ information sharing systems to ensure that county actions are fully coordinated, and designed to provide data for measuring the success of juvenile justice programs and strategies.

(C) To assess the effectiveness of programs, strategies, and system enhancements funded pursuant to this paragraph, each county or city and county shall submit by October 1 of each year a report to the county board of supervisors and to the Board of State and Community Corrections on the programs, strategies, and system enhancements funded pursuant to this chapter. The report shall be in a format specified by the board that consolidates the report to be submitted pursuant to this chapter with the annual report to be submitted to the board for the Youthful Offender Block Grant program, as required by subdivision (c) of Section 1961 of the Welfare and Institutions Code. The report shall include all of the following:

(i) An updated description of the programs, strategies, and system enhancements that have been funded pursuant to this chapter in the immediately preceding fiscal year.

(ii) An accounting of expenditures during the immediately preceding fiscal year for each program, strategy, or system enhancement funded pursuant to this chapter.

(iii) A description and expenditure report for programs, strategies, or system enhancements that have been cofunded during the preceding fiscal year using funds provided under this chapter and Youthful Offender Block Grant funds provided under Chapter 1.5 (commencing with Section 1950) of Division 2.5 of the Welfare and Institutions Code.

(iv) Countywide juvenile justice trend data available from existing statewide juvenile justice data systems or networks, as specified by the Board of State and Community Corrections, including, but not limited to, arrests, diversions, petitions filed, petitions sustained, placements, incarcerations, subsequent petitions, and probation violations, and including, in a format to be specified by the board, a summary description or analysis, based on available information, of how the programs, strategies, or system enhancements funded pursuant to this chapter have or may have contributed to, or influenced, the juvenile justice data trends identified in the report.

(D) The board shall, within 45 days of having received the county's report, post on its internet website a description or summary of the programs, strategies, or system enhancements that have been supported by funds made available to the county under this chapter.

(E) The Board of State and Community Corrections shall compile the local reports and, by March 1 of each year following their submission, make a report to the Governor and the Legislature summarizing the programs, strategies, and system enhancements and related expenditures made by each county and city and county from the appropriation made for the purposes of this paragraph. The annual report to the Governor and the Legislature shall also summarize the countywide trend data and any other pertinent information submitted by counties indicating how the programs, strategies, or system enhancements supported by funds appropriated under this chapter have or may have contributed to, or influenced, the trends identified. The board may consolidate the annual report to the Legislature required under this paragraph with the annual report required by subdivision (d) of Section 1961 of the Welfare and Institutions Code for the Youthful Offender Block Grant program. The annual report shall be submitted pursuant to Section 9795, and shall be posted for access by the public on the internet website of the board.

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

(1) In the case of the county, the county board of supervisors shall appropriate existing and anticipated moneys exclusively to provide frontline law enforcement services, other than those services specified in paragraphs (1) and (2) of subdivision (b), in the unincorporated areas of the county, in response to written requests submitted to the board by the county sheriff and the district attorney. Any request submitted pursuant to this paragraph shall specify the frontline law enforcement needs of the requesting entity, and those personnel, equipment, and programs that are necessary to meet those needs.

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

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

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

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

(f) Commencing with the 2012–13 fiscal year, subsequent to the allocation described in subdivision (c) of Section 29552, the Controller shall allocate 23.54363596 percent of the remaining amount deposited in the Enhancing Law Enforcement Activities Subaccount in the Local Revenue Fund 2011 for the purposes of paragraphs (1) to (3), inclusive, of subdivision (b), and, subsequent to the allocation described in subdivision (c) of Section 29552, shall allocate 23.54363596 percent of the remaining amount for purposes of paragraph (4) of subdivision (b).

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

(h) Funds received pursuant to subdivision (b) shall be expended or encumbered in accordance with this chapter no later than June 30 of the following fiscal year. A local agency that has not met the requirement of this subdivision shall remit unspent SLESA moneys received after April 1, 2009, to the Controller for deposit in the Local Safety and Protection Account, after April 1, 2012, to the Local Law Enforcement Services Account, and after July 1, 2012, to the County Enhancing Law Enforcement Activities Subaccount. This subdivision shall become inoperative on July 1, 2015.

(i) In the 2010–11 fiscal year, if the fourth quarter revenue derived from fees imposed by subdivision (a) of Section 10752.2 of the Revenue and Taxation Code that are deposited in the General Fund and transferred to the Local Safety and Protection Account, and continuously appropriated to the Controller for allocation pursuant to this section, are insufficient to provide a minimum grant of one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction, the county auditor shall allocate the revenue proportionately, based on the allocation schedule in paragraph (3) of subdivision (b). The county auditor shall proportionately allocate, based on the allocation schedule in paragraph (3) of subdivision (b), all revenues received after the distribution of the fourth quarter allocation attributable to these fees for which payment was due prior to July 1, 2011, until all minimum allocations are fulfilled, at which point all remaining revenue shall be distributed proportionately among the other jurisdictions.

(j) The county auditor shall redirect unspent funds that were remitted after July 1, 2012, by a local agency to the County Enhancing Law Enforcement Activities Subaccount pursuant to subdivision (h), to the local agency that remitted the unspent funds in an amount equal to the amount remitted.

SEC. 113. Section 40200 of the Government Code is amended to read:

40200. Pursuant to this article, the legislative body may take a census of the city between the years of taking the federal census. That census shall be validated by the Demographic Research Unit of the Department of Finance.

SEC. 114. Section 40231 of the Government Code is amended to read:

40231. The Legislative body may adopt a resolution providing that a census be taken in the city to establish the population in years other than those in which a federal census is taken. That census shall be validated by the Demographic Research Unit of the Department of Finance.

SEC. 115. Section 40236 of the Government Code is amended to read:

40236. For the purposes of this article, any enumeration of population made by the United States Bureau of Census in any year other than that in which a decennial census is taken establishes the population of any city. A copy of that determination of population shall be filed in the Demographic Research Unit of the Department of Finance and thereafter is the official census of the city for the purposes of this article.

SEC. 116. 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) The office shall annually 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 website 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, 2026.

(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 website 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. 117. Section 65059 of the Government Code is amended to read:

65059. This article 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. 118. Section 16010.5 is added to the Health and Safety Code, to read:

16010.5. Notwithstanding any other law, the inclusion of office space for or an emergency dispatch center of the Department of the California Highway Patrol in any building constructed, restored, rehabilitated, renovated, or reconstructed pursuant to Article 5.2 (commencing with Section 9112) or Article 5.6 (commencing with Section 9125) of Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code shall not subject any part of those projects to this chapter or any rule, regulation, standard, or requirement promulgated or enforced by the Division of the State Architect pursuant to this chapter.

SEC. 119. Section 40220.5 of the Health and Safety Code is amended to read:

40220.5. The bay district board shall be a board of directors consisting of members appointed pursuant to Section 40221.5 from each county included, in whole or in part, within the district on the basis of the population of that portion of the county, as determined by the latest estimate prepared by the Demographic Research Unit of the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code, included within the district.

SEC. 120. Section 50801 of the Health and Safety Code is amended to read:

50801. As used in this chapter:

- (a) "Department" means the Department of Housing and Community Development.
- (b) "Designated local board" means a group, including social service providers and a representative of local government, that has met department requirements for distribution of grants allocated by the department pursuant to this chapter.
- (c) "Director" means the Director of Housing and Community Development.
- (d) "Eligible organization" means an agency of local government or a nonprofit corporation that provides, or contracts with community organizations to provide, emergency shelter or transitional housing, or both.
- (e) "Emergency shelter" means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.
- (f) "Nonurban county" means any county with a population of less than 200,000, as published in the most recent edition of Population Estimates of California Cities and Counties, E-1, prepared by the Department of Finance, Demographic Research Unit.
- (g) "Region" means a county or a consortium of counties voluntarily banding together by action of a designated local board.
- (h) "Safe Haven" means supportive housing for seriously mentally ill homeless persons, many of whom have cooccurring substance abuse problems, that have been unable or unwilling to participate in high demand housing programs.
- (i) "Transitional housing" means housing with supportive services for up to 24 months that is exclusively designated and targeted for recently homeless persons. Transitional housing includes self-sufficiency development services, with the ultimate goal of moving recently homeless persons to permanent housing as quickly as possible, and limits rents and service fees to an ability-to-pay formula reasonably consistent with the United States Department of Housing and Urban Development's requirements for subsidized housing for low-income persons. Rents and service fees paid for transitional housing may be reserved, in whole or in part, to assist residents in moving to permanent housing.
- (j) "Urban county" means any county that is not a nonurban county.

SEC. 121. Section 101180 of the Health and Safety Code is amended to read:

101180. "Population," for the purpose of this chapter, shall be determined by the most recent United States decennial census; provided, however, whenever it appears to the department that the population of any city or county, changed sufficiently to warrant adjustment, the department for purposes of this chapter may request the Demographic Research Unit of the Department of Finance to determine the population for cities or counties.

SEC. 122. Section 124300 of the Health and Safety Code is amended to read:

124300. Within any county where 10 percent or more of the population, as determined by the Demographic Research Unit of the Department of Finance, speaks any one language other than English as its native language, every local health department shall make copies of circulars and pamphlets relating to family planning that are made available to the public also available in the other language.

The State Department of Health Care Services, upon request, shall make a translation available in other than English those family planning informational materials normally distributed to the general public.

SEC. 123. Section 1012.2 of the Military and Veterans Code is amended to read:

1012.2. (a) Notwithstanding any other law, any member of the home who is receiving an aid and attendance allowance from the United States Department of Veterans Affairs for the member's own care shall pay to the home an amount equal to that allowance in all levels of care excluding domiciliary.

(b) Subdivision (a) shall not apply to a member of a home who is in intermediate care or skilled nursing care and has a disability that has been rated by the United States Department of Veterans Affairs as being 70 percent or more service-connected, as determined under Part 4 of Title 38 of the Code of Federal Regulations.

SEC. 124. Section 1023 of the Military and Veterans Code is amended to read:

1023. (a) The department may sue and be sued in any of the courts of this state. All property held by the department for a home shall be held in trust for the state and for the use and benefit of the home. The department shall manage the homes and administer their affairs, and, subject to the direction of the secretary, adopt rules and regulations for the government of the homes in conformity, as nearly as possible, to the rules and regulations of the United States Department of Veterans Affairs for their facilities.

(b) The Director of General Services may lease or let any real property held by the department for a home, and not needed for any direct or immediate purpose of the home, to any entity or person upon terms and conditions determined to be in the best interests of the home. In any leasing or letting, except as provided in Section 1049, all moneys received in connection therewith shall be deposited in the General Fund.

SEC. 125. Section 1031 of the Military and Veterans Code is repealed.

SEC. 126. Section 1034 of the Military and Veterans Code is amended to read:

1034. Except money received from this state for disbursement, all moneys received by a home, or by an officer of a home, including pension and other moneys belonging to members and other trust moneys, shall be immediately paid to the administrator of the home. The administrator of each home shall forward to the State Treasurer all moneys in the administrator's possession, except pension and other moneys belonging to members, trust moneys, and donations made to each home, together with a statement of the sources from which the moneys have been received. The moneys shall be deposited by the State Treasurer to the credit of the General Fund; provided, however, that abatements of support expenditures shall be credited to the support appropriation current at the time of collection.

SEC. 127. Section 320.6 of the Penal Code is amended to read:

320.6. (a) Notwithstanding Section 320.5, this section applies to an eligible organization.

(b) A raffle that is conducted by an eligible organization for the purpose of directly supporting beneficial or charitable purposes or financially supporting another private, nonprofit eligible organization, as defined in subdivision (c) of Section 320.5, that performs beneficial or charitable purposes may be conducted in accordance with this section.

(c) For purposes of this section, "eligible organization" means a private, nonprofit organization established by, or affiliated with, a team from the Major League Baseball, National Hockey League, National Basketball Association, National Football League, Women's National Basketball Association, or Major League Soccer, or a private, nonprofit organization established by the Professional Golfers' Association of America, Ladies Professional Golf Association, or National Association for Stock Car Auto Racing that has been qualified to conduct business in California for at least one year before conducting a raffle, is qualified for an exemption under Section 501(c)(3) of the Internal Revenue Code, and is exempt from taxation pursuant to Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, 23701t, or 23701w of the Revenue and Taxation Code.

(d) For purposes of this section, "raffle" means a scheme for the distribution of prizes by chance among persons who have paid money for paper tickets that provide the opportunity to win these prizes, in which all of the following are true:

(1) Each ticket sold contains a unique and matching identifier.

(2) (A) Winners of the prizes are determined by a manual draw from tickets described in paragraph (1) that have been sold for entry in the manual draw.

(B) An electronic device may be used to sell tickets. The ticket receipt issued by the electronic device to the purchaser may include more than one unique and matching identifier, representative of and matched to the number of tickets purchased in a single transaction.

(C) A random number generator is not used for the manual draw or to sell tickets.

(D) The prize paid to the winner is comprised of one-half or 50 percent of the gross receipts generated from the sale of raffle tickets for a raffle.

(3) The manual draw is conducted in California under the supervision of a natural person who meets all of the following requirements:

(A) The person is 18 years of age or older.

(B) The person is affiliated with the eligible organization conducting the raffle.

(C) The person is registered with the Department of Justice pursuant to paragraph (4) of subdivision (o).

(4) (A) Fifty percent of the gross receipts generated from the sale of raffle tickets for any given manual draw are used by the eligible organization conducting the raffle solely for charitable purposes, or used to benefit another private, nonprofit organization, provided that an organization receiving these funds is itself an eligible organization as defined in subdivision (c) of Section 320.5. As used in this section, "charitable purposes" excludes purposes that are intended to benefit officers, directors, or members, as defined by Section 5056 of the Corporations Code, of the eligible organization. Funds raised by raffles conducted pursuant to this section shall not be used to fund any beneficial, charitable, or other purpose outside of California. This section does not preclude an eligible organization from using funds from sources other than the sale of raffle tickets to pay for the administration or other costs of conducting a raffle if these expenses comply with legal standard of care requirements described in Sections 5231, 7231, and 9241 of the Corporations Code.

(B) An employee of an eligible organization who is a direct seller of raffle tickets shall not be treated as an employee for purposes of workers' compensation under Section 3351 of the Labor Code if both of the following conditions are satisfied:

(i) Substantially all of the remuneration, whether or not paid in cash, for the performance of the service of selling raffle tickets is directly related to sales rather than to the number of hours worked.

(ii) The services performed by the person are performed pursuant to a written contract between the seller and the eligible organization and the contract provides that the person will not be treated as an employee with respect to the selling of raffle tickets for workers' compensation purposes.

(C) For purposes of this section, an employee selling raffle tickets shall be deemed to be a direct seller, as described in Section 650 of the Unemployment Insurance Code, as long as the employee meets the requirements of that section.

(e) A person who receives compensation in connection with the operation of the raffle shall be an employee of the eligible organization that is conducting the raffle, and in no event may compensation be paid from revenues required to be dedicated to beneficial or charitable purposes.

(f) A raffle ticket shall not be sold in exchange for Bitcoin or any other cryptocurrency.

(g) A raffle that is otherwise permitted under this section shall not be conducted by means of, or otherwise utilize, any gaming machine that meets the definition of slot machine contained in Section 330a, 330b, or 330.1.

(h) (1) A raffle otherwise permitted under this section shall not be conducted, nor may tickets for a raffle be sold, within an operating satellite wagering facility or racetrack inclosure licensed pursuant to the Horse Racing Law (Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code) or within a gambling establishment licensed pursuant to the Gambling Control Act (Chapter 5 (commencing with Section 19800) of Division 8 of the Business and Professions Code).

(2) A raffle shall not be operated or conducted in any manner over the internet, nor may raffle tickets be sold, traded, or redeemed over the Internet. For purposes of this paragraph, an eligible organization shall not be deemed to operate or conduct a raffle over the internet, or sell raffle tickets over the internet, if the eligible organization advertises its raffle on the internet or permits others to do so. Information that may be conveyed on an internet website pursuant to this paragraph includes, but is not limited to, all of the following:

(A) Lists, descriptions, photographs, or videos of the raffle prizes.

(B) Lists of the prize winners.

(C) The rules of the raffle.

(D) Frequently asked questions and their answers.

(E) Raffle entry forms, which may be downloaded from the internet website for manual completion by raffle ticket purchasers, but shall not be submitted to the eligible organization through the Internet.

(F) Raffle contact information, including the eligible organization's name, address, telephone number, facsimile number, or email address.

(i) An individual, corporation, partnership, or other legal entity shall not hold a financial interest in the conduct of a raffle, except the eligible organization that is itself authorized to conduct that raffle, and any private, nonprofit, eligible organizations receiving financial support from that charitable organization pursuant to subdivisions (b) and (d).

(j) (1) An eligible organization may conduct a major league sports raffle only at a home game.

(2) An eligible organization shall not conduct more than one major league sports raffle per home game.

(k) An employee shall not sell raffle tickets in any seating area designated as a family section.

(l) An eligible organization shall disclose to all ticket purchasers the designated private, nonprofit, eligible organization for which the raffle is being conducted.

(m) An eligible organization that conducts a raffle to financially support another private, nonprofit eligible organization, as defined in subdivision (c) of Section 320.5, shall distribute all proceeds not paid out to the winners of the prizes to the private, nonprofit organization within 15 days of conducting the raffle, in accordance with this section.

(n) Any raffle prize remaining unclaimed by a winner at the end of the season for a team with an affiliated eligible organization that conducted a raffle to financially support another private, nonprofit eligible organization, as defined in subdivision (c) of Section 320.5, shall be donated within 30 days from the end of the season by the eligible organization to the designated private, nonprofit organization for which the raffle was conducted.

(o) (1) (A) An eligible organization shall not conduct a raffle authorized under this section, unless it has a valid registration issued by the Department of Justice. The department shall furnish a registration form via the Internet or upon request to eligible nonprofit organizations. The department shall, by regulation, collect only the information necessary to carry out the provisions of this section on this form. This information shall include, but is not limited to, all of the following:

(i) The name and address of the eligible organization.

(ii) The federal tax identification number, the corporate number issued by the Secretary of State, the organization number issued by the Franchise Tax Board, or the California charitable trust identification number of the eligible organization.

(iii) The name and title of a responsible fiduciary of the organization.

(B) (i) The department may require an eligible organization to pay a minimum annual registration fee of ten thousand dollars (\$10,000) to cover the reasonable costs of the department to administer and enforce this section.

(ii) An eligible organization shall pay, in addition to the annual registration application fee, two hundred dollars (\$200) for every individual raffle conducted at an eligible location to cover the reasonable costs of the department to administer and enforce this section. This fee shall be submitted in conjunction with the annual registration form.

(2) (A) A manufacturer or distributor of raffle-related products or services shall not conduct business with an eligible organization for purposes of conducting a raffle pursuant to this section unless the manufacturer or distributor has a valid annual registration issued by the department.

(B) The department may require a manufacturer or distributor of raffle-related products or services to pay a minimum annual registration fee of ten thousand dollars (\$10,000) to cover the reasonable costs of the department to administer and enforce this section.

(3) An eligible organization shall register the equipment used in the sale and distribution of raffle tickets, and shall have the equipment tested by an independent gaming testing lab.

(4) (A) A person affiliated with an eligible organization who conducts the manual draw shall annually register with the department.

(B) The department may require a person affiliated with an eligible organization who conducts the manual draw to pay a minimum annual registration fee of twenty dollars (\$20) to cover the reasonable costs of the department to administer and enforce this section.

(5) (A) The department may, by regulation, adjust the annual registration fees described in this section as needed to ensure that revenues will fully offset, but not exceed, the reasonable costs incurred by the department pursuant to this section. The

fees shall be deposited by the department into the Major League Sporting Event Raffle Fund, which is hereby created in the State Treasury.

(B) A loan is hereby authorized from the General Fund to the Major League Sporting Event Raffle Fund on or after July 1, 2016, in an amount of up to one million five thousand dollars (\$1,005,000) to address department workload related to the initial implementation activities relating to this section by the department's Indian and Gaming Law Section. The terms and conditions of the loan shall first be approved by the Department of Finance pursuant to appropriate fiscal standards. The loan shall be subject to all of the following conditions:

- (i) Of the total amount loaned, no more than three hundred thirty-five thousand dollars (\$335,000) shall be provided annually to the department.
- (ii) The loan shall be repaid to the General Fund as soon as there is sufficient money in the Major League Sporting Event Raffle Fund to repay the loan, but no later than December 31, 2023.
- (iii) Interest on the loan shall be paid from the Major League Sporting Event Raffle Fund at the rate accruing to moneys in the Pooled Money Investment Account.

(6) The department shall receive moneys for the costs incurred pursuant to this section subject to an appropriation by the Legislature.

(7) The department shall adopt regulations necessary to effectuate this section, including emergency regulations, pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(8) The department shall maintain an automated database of all registrants.

(9) A local law enforcement agency shall notify the department of any arrests or investigation that may result in an administrative or criminal action against a registrant.

(10) The department may, to the extent the Legislature appropriates funds for this purpose, investigate all suspected violations of this section or any regulation adopted pursuant to this section, or any activity that the registrant has engaged in that is not in the best interests of the public's health, safety, or general welfare as it pertains to charitable raffles.

(11) The department may, to the extent the Legislature appropriates funds for this purpose, audit the records and other documents of a registrant to ensure compliance with this section.

(12) Once registered, an eligible organization shall post all of the following information on either its internet website or the affiliated sport team's internet website for each raffle:

- (A) The gross receipts generated from the sale of raffle tickets.
- (B) Each eligible recipient organization and the amount each eligible recipient organization received.
- (C) The prize total.
- (D) The winning ticket number and whether the prize was claimed.

(13) (A) Once registered, an eligible organization shall file with the department, each season or year thereafter, a report that includes all of the following information:

- (i) For each raffle, all of the following information:
 - (I) The gross receipts generated from the sale of raffle tickets.
 - (II) Each eligible recipient organization and the amount each eligible recipient organization received.
 - (III) The prize total.
 - (IV) The winning ticket number and whether the prize was claimed.
- (ii) The total number of raffles conducted for the season or year.
- (iii) The gross receipts generated from the sale of raffle tickets for the season or year.
- (iv) The average per raffle gross receipts generated from the sale of raffle tickets for the season or year.

(v) The prize total for the season or year, including any prize that was not claimed.

(vi) The average per raffle prize total for the season or year, including any prize that was not claimed.

(vii) The prize total that was not claimed, if any, during the season or year. For each raffle in which the prize was not claimed, the name of the eligible recipient organization who received the prize.

(viii) A schedule of all vendors used to operate the raffles and total payments made to each vendor.

(ix) An itemization of the direct costs of conducting the raffles, including labor, raffle equipment, software, marketing, and consulting costs.

(B) Failure to timely submit the seasonal or annual report to the department, as required in this paragraph, shall be grounds for denial of an annual registration and for the imposition of penalties under Section 12591.1 of the Government Code.

(C) Failure to submit a complete financial report shall be grounds for the denial of an annual registration and for the imposition of penalties under Section 12591.1 of the Government Code if the filer does not resubmit a complete form within 30 days of receiving a notice of incomplete filing.

(D) (i) An eligible organization shall file with the department and post on either its internet website or the affiliated sport team's internet website the report required by this paragraph no later than 60 days after the end of the league season or year.

(ii) The department shall post the reports required by this paragraph on its internet website, but shall not post the report on the online search portal of the Attorney General's Registry of Charitable Trusts maintained pursuant to Section 12584 of the Government Code.

(14) The department shall annually furnish to registrants a form to collect this information.

(p) The department may take legal action against a registrant if it determines that the registrant has violated this section or a regulation adopted pursuant to this section, or that the registrant has engaged in any conduct that is not in the best interests of the public's health, safety, or general welfare. An action taken pursuant to this subdivision does not prohibit the commencement of an administrative or criminal action by the Attorney General, a district attorney, city attorney, or county counsel.

(q) An action and hearing conducted to deny, revoke, or suspend a registry, or other administrative action taken against a registrant, shall be conducted pursuant to the Administrative Procedure Act (Chapters 4.5 (commencing with Section 11400) and 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code). The department may seek civil remedies, including imposing fines, for violations of this section, and may seek recovery of the costs incurred in investigating or prosecuting an action against a registrant or applicant in accordance with those procedures specified in Section 125.3 of the Business and Professions Code. A proceeding conducted under this subdivision is subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure. A violation of this section shall not constitute a crime.

(r) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 128. Section 20120 of the Public Contract Code is amended to read:

20120. This article applies to public works contracts awarded by counties subject to Title 3 (commencing with Section 23000) of the Government Code. For purposes of this article, the population of a county shall be the most recent estimate determined by the Demographic Research Unit of the Department of Finance.

SEC. 129. Section 20123 of the Public Contract Code is amended to read:

20123. In counties containing a population of 2,000,000 or over, as determined by the last federal or special census or subsequent estimate validated by the Demographic Research Unit of the Department of Finance, Sections 20121 and 20122 do not apply to alteration or repair work upon county-owned buildings, if the cost of the work is under fifty thousand dollars (\$50,000).

SEC. 130. Section 48653 of the Public Resources Code is amended to read:

48653. The board shall deposit all amounts paid pursuant to Section 48650 by manufacturers, civil penalties, and fines paid pursuant to this chapter, and all other revenues received pursuant to this chapter into the California Used Oil Recycling Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the money in the fund is to be appropriated solely as follows:

(a) Continuously appropriated to the board for expenditure for the following purposes:

(1) To pay recycling incentives pursuant to Section 48651.

(2) To provide a reserve for contingencies, as may be available after making other payments required by this section, in an amount not to exceed one million dollars (\$1,000,000).

(3) (A) To make payments for the implementation of local used oil collection programs adopted pursuant to Article 10 (commencing with Section 48690) to cities, based on the city's population, and counties, based on the population of the unincorporated area of the county. Payment shall be determined by multiplying the total annual amount by the fraction equal to the population of cities and counties that are eligible for payments pursuant to Section 48690, divided by the population of the state. The board shall use the latest population estimates of the state generated by the Demographic Research Unit of the Department of Finance in making the calculations required by this paragraph. Notwithstanding subdivision (b) of Section 48656, the total annual amount shall equal eleven million dollars (\$11,000,000), subject to subparagraph (B).

(B) If sufficient funds are not available to initially issue full funding pursuant to subparagraph (A), the board shall provide funding as follows:

(i) For the purposes set forth in this paragraph, one-half of the amount that remains in the fund after the expenditures are made pursuant to paragraphs (1) and (2) and subdivision (b). The board may utilize additional amounts from the fund, up to, but not exceeding, eleven million dollars (\$11,000,000).

(ii) As the board finds is fiscally appropriate, for the purposes set forth in Section 48656. The board shall give priority to the distribution of funding in clause (i) for the purposes of this paragraph.

(C) Pursuant to paragraph (2) of subdivision (d) of Section 48691, it is the intent of this paragraph that at least one million dollars (\$1,000,000) be made available specifically for used oil filter collection and recycling programs.

(4) To implement Section 48660.5, in an amount not to exceed two hundred thousand dollars (\$200,000) annually.

(5) For expenditures pursuant to Section 48656.

(b) The money in the fund may be expended by the board for the administration of this chapter and by the department for inspections and reports pursuant to Section 48661, only upon appropriation by the Legislature in the annual Budget Act.

(c) (1) Except as provided in paragraph (2), the money in the fund may be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account in the General Fund, upon appropriation by the Legislature in the annual Budget Act, to pay the costs associated with implementing and operating the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program established pursuant to Chapter 2.5 (commencing with Section 48100).

(2) The money in the fund attributable to a charge increase or adjustment made or authorized in an amendment to subdivision (a) of Section 48650 by the act adding this paragraph shall not be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account.

(d) The money in the fund may be expended by the Department of Resources Recycling and Recovery, upon appropriation by the Legislature, pursuant to paragraph (4) of subdivision (a) of, and paragraph (4) of subdivision (b) of, Section 17001.

(e) Appropriations to the board to pay the costs necessary to administer this chapter shall not exceed three million dollars (\$3,000,000) annually.

(f) The Legislature hereby finds and declares its intent that three hundred fifty thousand dollars (\$350,000) should be annually appropriated from the California Used Oil Recycling Fund in the annual Budget Act to the board, commencing with fiscal year 2010–11, for the purposes of Section 48655 and to conduct those investigations and enforcement actions necessary to ensure a used oil storage facility or used oil transfer facility causes the used lubricating oil to be transported, as required by subdivision (a) of Section 48651.

SEC. 131. Section 792.5 of the Public Utilities Code is amended to read:

792.5. (a) Whenever the commission authorizes any change in rates reflecting and passing through to customers specific changes in costs, except rates set for common carriers, the commission shall require as a condition of the order that the public utility establish and maintain a balancing account reflecting the balance, whether positive or negative, between the related costs and revenues, and the commission shall take into account by appropriate adjustment or other action any positive or negative balance remaining in the balancing account at the time of any subsequent rate adjustment.

(b) The commission shall develop a risk-based approach for reviewing or auditing all balancing accounts periodically to ensure that the transactions recorded in the balancing accounts are for allowable purposes and are supported by appropriate documentation.

(c) The commission shall maintain an inventory of the balancing accounts established pursuant to this section.

(d) The commission shall require the public utility to record all related costs and revenues in the balancing account, unless those costs or revenues are specifically exempted by the commission.

(e) The commission shall adopt balancing account review or audit procedures that prioritize the review of the following balancing accounts:

(1) Balancing accounts with a quarter-end balance with more than a 10-percent differential from the balancing account's authorized revenue amount.

(2) Balancing accounts with an authorized revenue amount that is in the top 25th percentile of all balancing accounts.

(3) Balancing accounts that have experienced volatile fluctuations in their quarterly balances over time.

(4) Balancing accounts that have not been reviewed or audited in the previous three years.

(f) The commission may forgo the review or audit of a balancing account pursuant to this section if the Public Advocate's Office of the Public Utilities Commission or an independent auditor plans to review or audit the balancing account. The balancing account review or audit procedures adopted pursuant to subdivision (e) do not apply to the Public Advocate's Office of the Public Utilities Commission, and the commission shall retain sole responsibility for the results of those reviews or audits conducted by the Public Advocate's Office of the Public Utilities Commission or by independent auditors.

SEC. 132. Section 30207 of the Public Utilities Code is amended to read:

30207. A city selection committee shall be established which shall consist of one member representing each city within the district as described in Section 30100, except the City of Los Angeles. Each member of the city selection committee shall serve without compensation from the district and shall be designated and appointed by and be a member of the governing body of the city they represent. As a member of the city selection committee, each member shall be entitled to vote on all motions coming before the committee or subcommittee thereof of which that member is a member, and shall be entitled to cast one vote for each 10,000, or major fractional part thereof, of population in the city represented by the member as shown by the latest population estimate prepared by the Demographic Research Unit of the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code; provided, that each member shall have at least one vote and no city shall have votes exceeding in number the total number of votes of all the other cities represented on the committee. For the purposes of this section, the term "major fractional part" means a fractional part larger than one-half.

SEC. 133. Section 30222 of the Public Utilities Code is amended to read:

30222. The city selection committee shall meet within 45 days after receiving the latest population estimate prepared by the Demographic Research Unit of the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code (1) to determine the number of votes each member is entitled to cast and (2) to enable each subcommittee of the committee to appoint a member to the board on the basis of the newly determined number of votes each member is entitled to cast; provided, however, that nothing herein shall prevent the reappointment of directors who are currently serving or who have served previously. The board shall determine the time and place of the meeting of the city selection committee and shall give the members at least 10 days' notice thereof. Whenever there shall not be a quorum present at the meeting of the city selection committee, the meeting shall be adjourned to a subsequent time and place as determined by a majority of the total number of votes present.

SEC. 134. Section 99501 of the Public Utilities Code is amended to read:

99501. For purposes of this chapter:

(a) "Taxing entity" means a county other than a county with a transit development board or a county under the jurisdiction of a county transportation commission created pursuant to Division 12 (commencing with Section 130000), a city and county, a county transportation commission, a transit development board, a transit district, or a city with a population in excess of 500,000 located within a transit district. The population of a city shall be as determined by the last preceding federal census or by a subsequent census validated by the Demographic Research Unit of the Department of Finance.

(b) "Transit vehicle" means a vehicle, including, but not limited to, one operated on rails or tracks, which is used for public transportation service and which carries more than 10 persons, including the driver.

SEC. 135. Section 95.5 of the Revenue and Taxation Code is amended to read:

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

(1) In recognition of the fact that over 50 percent of annual property tax revenues accrue to K–14 schools and county offices of education, and thereby help to offset the state's General Fund obligation to those entities, the state has a vested financial interest in ensuring that county assessors have the resources necessary to fairly and efficiently administer the county property tax rolls. Fair and efficient administration includes, but is not limited to, the expeditious enrollment of properties that are newly constructed or that change ownership, the timely levying of supplemental assessments when ownership changes occur, the timely reassessment of property to reflect market values, and the defense of assessed valuations that county assessors believe have been improperly appealed.

(2) It is the intent of the Legislature to establish a three-year pilot program limited to nine competitively selected county assessors' offices to quantify the benefit of providing county assessors with state grants to improve their ability to discharge these, and related essential duties.

(3) The success of the pilot program shall be determined based on whether the assessment activities funded with pilot program funds in each county have enhanced countywide equalization by properly valuing property, and have thereby generated property tax revenues for K–14 schools and county offices of education in an amount that is not less than the total amount of General Fund revenues expended to fund the pilot program in each participating county.

(b) For the 2014–15 fiscal year to the 2016–17 fiscal year, inclusive, there is hereby created the State-County Assessors' Partnership Agreement Program, to be administered by the Department of Finance.

(1) Program funding shall be subject to appropriation in the annual Budget Act. The program shall be inoperative in any fiscal year in which an appropriation is not provided.

(2) Each participating county shall annually match, on a dollar-for-dollar basis, the program funds apportioned to their county assessor's office.

(3) Program funds provided to participating county assessors shall be used to supplement, and not supplant, existing funding. For purposes of this paragraph, base staffing and funding levels shall be calculated as of June 30, 2014, unless otherwise authorized by the Department of Finance.

(4) (A) The costs paid under the program shall be both of the following:

(i) Actual administrative costs for purposes of Section 75.60.

(ii) Property tax administrative costs for purposes of Section 95.3.

(B) For purposes of this paragraph, "costs paid under the program" includes both of the following:

(i) Program funds provided to participating county assessor's offices by the state.

(ii) Matching funds provided by the county.

(c) All counties shall be eligible to apply to participate in the program. However, the Department of Finance shall limit program participation as follows:

(1) (A) No more than two program participants shall be selected from counties of the first or second class, inclusive, as defined in Sections 28022 and 28023 of the Government Code.

(B) Each county selected from within the classes specified in subparagraph (A) shall be eligible to receive at least 25 percent of the amount annually appropriated for the program, not to exceed one million eight hundred seventy-five thousand dollars (\$1,875,000).

(C) If the number of approved program participants is not sufficient to meet the number of participants allowed under subparagraph (A), the number of program participants under subparagraph (A) of paragraph (2) may be increased by the remaining number of participants from this paragraph. The remaining funds will be added to the funds available within subparagraph (B) of paragraph (2) so that the total program funds will be available for distribution equally among the participants in paragraph (2).

(2) (A) No more than four program participants shall be selected from counties of the 3rd to 12th classes, inclusive, as defined in Sections 28024 to 28033, inclusive, of the Government Code.

(B) Each county selected from within the classes specified in subparagraph (A) shall be eligible to receive at least 11 percent of the amount annually appropriated for the program, not to exceed eight hundred twenty-five thousand dollars (\$825,000).

(C) If the number of approved program participants is not sufficient to meet the number of participants allowed under subparagraph (A), the number of program participants under subparagraph (A) of paragraph (3) may be increased by the remaining number of participants from this paragraph. The remaining funds will be added to the funds available within subparagraph (B) of paragraph (3) so that the total program funds set aside will be available for distribution equally among the participants in paragraph (3).

(3) (A) No more than three program participants shall be selected from counties of the 13th to 58th classes, inclusive, as defined in Sections 28034 to 28079, inclusive, of the Government Code.

(B) Each county selected from within the classes specified in subparagraph (A) shall be eligible to receive at least 2 percent of the amount annually appropriated for the program, not to exceed one hundred fifty thousand dollars (\$150,000).

(4) County populations for purposes of this subdivision shall be determined based on the most recent January estimate by the Demographic Research Unit of the Department of Finance.

(d) County assessors' offices that elect to apply to participate in the program shall do all the following on or before September 15, 2014:

(1) Transmit to the Department of Finance a resolution of the county board of supervisors that states the county agrees to provide the assessor's office with matching funds, on a dollar-for-dollar basis, in each year that the assessor's office participates in the program.

(2) Submit to the Department of Finance an application, in the form and manner specified by Department of Finance. The Department of Finance may reject applications not received by the specified date. At a minimum, the application shall include the following:

(A) The staff the county assessor proposes to fund using program funds and matching county funds.

(B) The estimated value that the staff identified in subparagraph (A) will result in a change to the county property tax roll pursuant to work performed in accordance with subparagraph (A) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value changed on the county property tax roll by county assessor's office staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (A) of paragraph (1) of subdivision (f).

(ii) The estimated countywide backlog of newly constructed real property that has not yet been enrolled and the estimated rate at which the staff identified in subparagraph (A) will enroll that property.

(C) The estimated value that the staff identified in subparagraph (A) will result in a change to the county property tax roll pursuant to work performed in accordance with subparagraph (B) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value changed on the county property tax roll by county assessor's office staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (B) of paragraph (1) of subdivision (f).

(ii) The estimated countywide backlog of real property that has changed ownership and not yet been reassessed and the estimated dollar value of that real property.

(D) The estimated value that the staff identified in subparagraph (A) will result in a change to the county property tax roll pursuant to work performed in accordance with subparagraph (C) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value changed on the county property tax roll by county assessor's office staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (C) of paragraph (1) of subdivision (f).

(ii) The estimated countywide backlog of supplemental assessments that have not been issued and the estimated dollar value of those assessments.

(E) The estimated value that the staff identified in subparagraph (A) will result in a change to the county property tax roll pursuant to work performed in accordance with subparagraph (D) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value changed on the county property tax roll by county assessor's office staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (D) of paragraph (1) of subdivision (f).

(ii) The estimated countywide backlog of real properties that have not been reassessed upon modification and the estimated dollar value that those modifications will add to the county property tax roll.

(F) The estimated value that the staff identified in subparagraph (A) will result in a change to the county property tax roll pursuant to work performed in accordance with subparagraph (E) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value changed on the county property tax roll by county assessor's office staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (E) of paragraph (1) of subdivision (f).

(ii) The estimated countywide backlog of escaped assessments and the estimated dollar value of those assessments.

(G) The estimated value that the staff identified in subparagraph (A) will add to the county property tax roll pursuant to work performed in accordance with subparagraph (F) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value changed on the county property tax roll by county assessor's office staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (F) of paragraph (1) of subdivision (f).

(ii) The estimated countywide backlog of properties that have not been reassessed to market value subsequent to having their assessed values reduced and the estimated dollar value of those reassessments.

(H) The estimated number of assessment appeals to which the staff identified in subparagraph (A) will respond in accordance with subparagraph (G) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value retained on the county property tax roll by county assessor's office staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (G) of paragraph (1) of subdivision (f).

(ii) The number of assessment appeals to which the county assessor was unable to respond due to staffing shortages in the 2013–14 fiscal year, and the dollar amount by which the county property tax roll was consequently reduced.

(I) The estimated value that the staff identified in subparagraph (A) will result in a change to the county property tax roll pursuant to work performed in accordance with subparagraph (H) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value changed on the county property tax roll by county assessor's office staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (H) of paragraph (1) of subdivision (f).

(ii) The estimated amount resulting in change to the county property tax roll due to additional audits completed pursuant to Sections 469 and 470 and the estimated dollar value of those assessments.

(J) The estimated value that the staff identified in subparagraph (A) will result in a change to the county property tax roll pursuant to work performed in accordance with subparagraph (I) of paragraph (1) of subdivision (f). This information shall be provided for each of the three fiscal years that the program is authorized to operate. The application shall separately state each of the following:

(i) The dollar value changed on the county property tax roll by county assessor's staff in the 2013–14 fiscal year through performance of the tasks described in subparagraph (I) of paragraph (1) of subdivision (f).

(ii) The estimated amount resulting in a change to the county property tax roll due to discovering taxable property pursuant to Sections 405 and 531, the estimated dollar value of those assessments, and the estimated rate at which the staff identified in subparagraph (A) will issue those assessments.

(K) State the amount of program funds and county matching funds that the county assessor proposes to expend for each of paragraphs (2) and (3) of subdivision (f).

(e) (1) The Department of Finance shall review the applications, select the program participants on the strength of those applications, and notify the participants of their selection no later than October 15, 2014. No later than October 22, 2014, and

each October 22 thereafter while the program is operative, the Department of Finance shall instruct the office of the State Controller to remit to each participating county the appropriate sum in accordance with subdivision (c).

(2) It is the intent of the Legislature that the Department of Finance seek to ensure that the applicants selected to participate in the program consist of a representative cross section of the state's county assessor's offices. Therefore, it is the intent of the Legislature that the Department of Finance consider factors other than revenue generating potential when reviewing applications.

(f) County assessors' offices shall use program funds only for the following purposes, provided that the funds may be used for additional, related purposes upon the receipt of specific authorization from the Department of Finance:

(1) The payment of salaries and benefits to assessor's office staff hired or otherwise funded subsequent to the Department of Finance's approval of the assessor's program participation application pursuant to subdivision (d), to assist with the following activities:

(A) Assessing and enrolling newly constructed real property.

(B) Reassessing real property that has changed ownership.

(C) Processing supplemental assessments for real property that has changed ownership.

(D) Reassessing existing real property that has been modified in a way that changes its current assessed value.

(E) Reassessing real and personal property that has escaped assessment, as defined in Section 531.

(F) Reassessing to current market value those real properties for which the county assessor previously reduced the assessed valuation pursuant to subdivision (b) of Section 2 of Article XIII A of the Constitution.

(G) Responding to real property assessment appeals pursuant to Part 3 (commencing with Section 1601) of Division 1.

(H) Conducting property tax audits pursuant to Sections 469 and 470.

(I) Discovering real and personal property not previously assessed.

(2) Procuring office space for staff hired pursuant to paragraph (1).

(3) Procuring office supplies and related items for staff hired pursuant to paragraph (1).

(4) Procuring information technology systems and software to assist with the activities specified in subparagraphs (A) to (G), inclusive, of paragraph (1) by increasing efficiencies and effectiveness of property tax administration, and allowing for appropriate utilization of program receipts. For purposes of this paragraph, "information technology systems and software" shall exclude desktop computers, portable computers, tablet computers, and mobile phones, unless specifically authorized by the Department of Finance.

(g) No later than April 15, 2015, and each subsequent April 15 that the program is operative, each participating county assessor's office shall report the following information to the Department of Finance in the form and manner specified by the Department of Finance:

(1) The matching funds provided by the county in the fiscal year.

(2) A status report for completing the assessment activities using program funds and county matching funds to meet the benchmarks specified in paragraph (2) of subdivision (a) in the next fiscal year.

(h) No later than September 15, 2015, and each subsequent September 15 that the program is operative, each participating county assessor's office shall report the following information to the Department of Finance in the form and manner specified by the Department of Finance:

(1) (A) The matching funds provided by the county in the fiscal year.

(B) If the matching funds provided by the county are less than the amount determined for that year by the Department of Finance pursuant to paragraph (2) of subdivision (b), the Director of Finance shall immediately terminate the county's participation in the program.

(2) The number of staff whose salaries and benefits were paid in full with program grant funds and with county matching funds in the fiscal year.

(3) The number of properties assessed and enrolled in the fiscal year pursuant to subparagraph (A) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f), and the total assessed value of those properties. If applicable, the county assessor shall separately report the number of properties assessed and enrolled in the fiscal year using the information technology systems and software identified in paragraph (4) of subdivision (f) and the total assessed value of those properties.

(4) The number of properties reassessed in the fiscal year pursuant to subparagraph (B) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f), and the total roll value of those reassessments. If applicable, the county assessor shall separately report the number of properties reassessed in the fiscal year using the information technology systems and software identified in paragraph (4) of subdivision (f) and the total roll value of those reassessments.

(5) The number of supplemental assessments enrolled in the fiscal year pursuant to subparagraph (C) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f), and the total roll value of those supplemental assessments. If applicable, the county assessor shall separately report the number of supplemental assessments enrolled in the fiscal year using the information technology systems and software identified in paragraph (4) of subdivision (f) and the total roll value of those supplemental assessments.

(6) The number of properties reassessed in the fiscal year pursuant to subparagraph (D) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f) and the total roll value of those reassessments. If applicable, the county assessor shall separately report the number of properties reassessed in the fiscal year using the information technology systems and software identified in paragraph (4) of subdivision (f) and the total roll value of those reassessments.

(7) The number of escaped assessments enrolled in the fiscal year pursuant to subparagraph (E) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f), and the total roll value of those assessments. If applicable, the county assessor shall separately report the number of escaped assessments enrolled in the fiscal year using the information technology systems and software identified in paragraph (4) of subdivision (f) and the total roll value of those assessments.

(8) The number of properties reassessed in the fiscal year pursuant to subparagraph (F) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f), and the total roll value of those reassessments. If applicable, the county assessor shall separately report the number of properties reassessed in the fiscal year using the information technology systems and software identified in paragraph (4) of subdivision (f) and the total roll value of those reassessments.

(9) The number of assessment appeals successfully responded to in the fiscal year pursuant to subparagraph (G) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f) and the total value retained on the roll as a result. For purposes of this paragraph, "successfully responded to" means the assessment appeals board did not reduce the assessed value to that claimed by the appellant.

(10) The additional number of property tax audits completed in the fiscal year pursuant to subparagraph (H) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f) and the total value retained on the roll as a result. For purposes of this paragraph, additional audits refers to the number greater than the required volume of pool audits pursuant to Section 469.

(11) The number of properties discovered pursuant subparagraph (I) of paragraph (1) of subdivision (f) by the staff identified in paragraph (1) of subdivision (f) and the total value retained on the roll as a result.

(i) The Department of Finance shall annually review the information submitted pursuant to subdivision (g), and shall determine for each county whether the work performed using program funds and county matching funds has met the benchmarks specified in paragraph (2) of subdivision (a). Subsequent to the provision of 30 days' notice to the Joint Legislative Budget Committee, the Director of Finance may terminate the participation of a county assessor's office in the program under the following circumstances:

(1) If the program activities of the assessor's office have not met the benchmarks specified in paragraph (2) of subdivision (a), and if the Director of Finance believes the assessor's office does not have a viable plan for performing additional assessment activities that will meet those benchmarks in the next fiscal year.

(2) If the program funds were expended for purposes not authorized in subdivision (f), or as otherwise approved by the Department of Finance pursuant to that subdivision.

(3) If the Director of Finance believes that the county's participation is no longer in the best fiscal or policy interest of the state or of the affected taxing entities.

(j) Upon the request of the Department of Finance, participating county assessors' offices shall provide the Department of Finance with any supplemental information necessary to substantiate the information contained in the report submitted pursuant to subdivision (g).

(k) No later than May 8, 2017, the Department of Finance shall provide the Joint Legislative Budget Committee with a report that, at a minimum, includes the following information for each county and for each fiscal year that the program was in operation:

(1) The assessed value of properties enrolled pursuant to subparagraph (A) of paragraph (1) of subdivision (f), using program funds and county matching funds. If applicable, the Department of Finance shall separately report the assessed value of properties enrolled using the information technology systems and software identified in paragraph (4) of subdivision (f).

(2) The increase in assessed value of properties reassessed pursuant to subparagraph (B) of paragraph (1) of subdivision (f), using program funds and county matching funds. If applicable, the Department of Finance shall separately report the increase in assessed value of properties reassessed using the information technology systems and software identified in paragraph (4) of subdivision (f).

(3) The total value of the supplemental assessments levied pursuant to subparagraph (C) of paragraph (1) of subdivision (f), using program funds and county matching funds. If applicable, the Department of Finance shall separately report the value of the supplemental assessments levied using the information technology systems and software identified in paragraph (4) of subdivision (f).

(4) The increase in assessed value of properties reassessed pursuant to subparagraph (D) of paragraph (1) of subdivision (f), using program funds and county matching funds. If applicable, the Department of Finance shall separately report the increase in assessed value of properties reassessed using the information technology systems and software identified in paragraph (4) of subdivision (f).

(5) The increase in assessed value associated with escaped assessments enrolled pursuant to subparagraph (E) of paragraph (1) of subdivision (f), using program funds and county matching funds. If applicable, the Department of Finance shall separately report the increase in assessed value associated with escaped assessments enrolled using the information technology systems and software identified in paragraph (4) of subdivision (f).

(6) The increase in assessed value associated with properties reassessed pursuant to subparagraph (F) of paragraph (1) of subdivision (f), using program funds and county matching funds. If applicable, the Department of Finance shall separately report the increase in assessed value associated with properties reassessed using the information technology systems and software identified in paragraph (4) of subdivision (f).

(7) The number of assessment appeals successfully responded to pursuant to subparagraph (G) of paragraph (1) of subdivision (f), using program funds and county matching funds, and the amount of assessed value retained on the roll as a result. For purposes of this paragraph, "successfully responded to" means the assessment appeals board did not reduce the assessed value to that claimed by the appellant.

(8) The increase in assessed value associated with property tax audits pursuant to subparagraph (H) of paragraph (1) of subdivision (f), using program funds and county matching funds. If applicable, the Department of Finance shall separately report the increase in assessed value associated with escaped assessments enrolled using the information technology systems and software identified in paragraph (4) of subdivision (f).

(9) The increase in assessed value associated with the discovery of previously unassessed property pursuant to subparagraph (I) of paragraph (1) of subdivision (f), using program funds and county matching funds. If applicable, the Department of Finance shall separately report the increase in assessed value associated with escaped assessments enrolled using the information technology systems and software identified in paragraph (4) of subdivision (f).

(10) An estimate of the countywide property tax revenue resulting from the assessed valuation increases identified pursuant to paragraphs (1) to (9), inclusive, and paragraphs (8) and (9).

(11) An estimate of the countywide property tax revenue that was retained as a result of the appeals workload identified in paragraph (7).

(12) An estimate of the amount of revenue identified in paragraphs (10) and (11) that accrued to the following entities:

(A) K–12 school districts.

(B) California Community College districts.

(C) County Offices of Education.

(13) A determination as to whether the program succeeded according to the criteria specified in paragraph (3) of subdivision (a), and a recommendation as to whether the program should be continued in its current form, expanded to include additional county assessors' offices, or terminated in the 2017–18 fiscal year.

(l) The Legislature finds and declares there is a compelling public interest in allowing the Department of Finance to implement and administer the provisions of this section as expeditiously as possible, and to thereby accelerate countywide equalization efforts. The Department of Finance is therefore exempt from the 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) for the express purpose of carrying out the duties in this section.

SEC. 136. Section 11001.5 of the Revenue and Taxation Code is amended to read:

11001.5. (a) (1) Notwithstanding Section 11001, and except as provided in paragraph (2) and in subdivisions (b) and (d), 24.33 percent, and on and after July 1, 2004, 74.9 percent, of the moneys collected by the department under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and in accordance with the following:

(A) Before July 1, 2011, first allocated to the County of Orange as provided in subdivision (b) of Section 11005 and as necessary for the service of indebtedness as pledged by Sections 25350.6 and 53585.1 of the Government Code and in accordance with written instructions provided by the Controller under Sections 25350.7, 25350.9, and 53585.1 of the Government Code, and the balance shall be allocated to each city and city and county as otherwise provided by law.

(B) On and after July 1, 2011, allocated pursuant to subdivision (a) of Section 11005.

(2) For the period beginning on and after July 1, 2003, and ending on February 29, 2004, the Controller shall deposit an amount equal to 28.07 percent of the moneys collected by the department under this part in the State Treasury to the credit of the Local Revenue Fund. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(b) (1) Notwithstanding Section 11001, net funds collected as a result of procedures developed for greater compliance with vehicle license fee laws in order to increase the amount of vehicle license fee collections shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Vehicle License Collection Account of the Local Revenue Fund as established pursuant to Section 17600 of the Welfare and Institutions Code. All revenues in excess of fourteen million dollars (\$14,000,000) in the 2004–05 fiscal year and in any fiscal year thereafter shall be allocated to cities, counties, and cities and counties as follows:

(A) (i) Fifty percent shall be paid to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the Demographic Research Unit of the Department of Finance. For purposes of this subparagraph, the population of each city or city and county is that population determined by the last federal decennial or special census, or a subsequent census validated by the Demographic Research Unit or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code.

(ii) In the case of a city incorporated subsequent to the last federal census, or a subsequent census validated by the Demographic Research Unit, the Demographic Research Unit shall determine the population of the city. In the case of unincorporated territory annexed to a city subsequent to the last federal census, or a subsequent census validated by the Demographic Research Unit, the Demographic Research Unit shall determine the population of the annexed territory by the use of any federal decennial or special census, or estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of the consolidation of one city with another subsequent to the last federal census, or a subsequent census validated by the Demographic Research Unit, the population of the consolidated city, for the purpose of this subparagraph, is the aggregate population of the respective cities as determined by the last federal census, or a subsequent census or estimate validated by the Demographic Research Unit.

(B) Fifty percent shall be paid to the counties and cities and counties in the proportion that the population of each county or city and county bears to the total population of all counties and cities and counties, as determined by the Demographic Research Unit. For purposes of this subparagraph, the population of each county or city and county is that determined by the last federal census, or subsequent census validated by the Demographic Research Unit, or as determined by Section 11005.6 of the Revenue and Taxation Code.

(2) The amendments made to this section by the act that added this paragraph are operative upon the enactment of that act. However, the amendments made by the act that added this paragraph apply to revenues in the Vehicle License Collection Account in excess of fourteen million dollars (\$14,000,000) in the 2004–05 fiscal year and any fiscal year thereafter.

(c) Notwithstanding Section 11001, 25.72 percent of the moneys collected by the department on or after August 1, 1991, and before August 1, 1992, under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(d) Notwithstanding any other provision of law, both of the following apply:

(1) This section is operative for the period beginning on and after March 1, 2004.

(2) It is the intent of the Legislature that the total amount deposited by the Controller in the State Treasury to the credit of the Local Revenue Fund for the 2003–04 fiscal year be equal to the total amount that would have been deposited to the credit of the Local Revenue Fund if paragraph (1) of subdivision (a) was applied during that entire fiscal year. The department shall calculate and notify the Controller of the adjustment amounts that are required by this paragraph to be deposited in the State Treasury to the credit of the Local Revenue Fund. The amounts deposited in the State Treasury to the credit of the Local Revenue Fund pursuant to this paragraph shall be deemed to have been deposited during the 2003–04 fiscal year.

(e) This section does not amend nor is it intended to amend or impair Section 25350 and following of, Section 53584 and following of, the Government Code, or any other statute dealing with the interception of funds.

SEC. 137. Section 11005.6 of the Revenue and Taxation Code is amended to read:

11005.6. Any city, county, or city and county may apply to the Demographic Research Unit of the Department of Finance to estimate its population. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population. Such a certification may be made once each fiscal year.

All payments under Section 11005 for any allocation subsequent to the filing of the estimate shall be based upon the population so estimated until a subsequent certification is made by the Department of Finance or a subsequent federal decennial census is made.

Population changes based on a federal or state special census or estimate validated by the Department of Finance shall be accepted by the Controller only if certified to them at the request of the Department of Finance. The request shall be made only if the census or estimate is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city, county, or city and county applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 may be used for all purposes of this section unless a written request not to certify is received by the department from the city, city and county, or county within 25 days of completion of the estimate.

SEC. 138. Section 30462.1 of the Revenue and Taxation Code is amended to read:

30462.1. Any city may apply to the Demographic Research Unit of the Department of Finance to estimate its population. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population. This certification may be made once each fiscal year.

All payments under subparagraph (B) of paragraph (3) of subdivision (b) of Section 30462 for any allocation subsequent to the filing of the estimate shall be based upon the population so estimated until a subsequent certification is made by the Department of Finance or a subsequent federal decennial census is made.

Population changes based on a federal or state special census or estimate validated by the Department of Finance shall be accepted by the Controller only if certified to them at the request of the Department of Finance. The request shall be made only if the census or estimate is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 may be used for all purposes of this section unless a written request not to certify is received by the department from the city within 25 days of completion of the estimate.

SEC. 139. Section 188.8 of the Streets and Highways Code is amended to read:

188.8. (a) From the funds programmed pursuant to Section 188 for regional improvement projects, the commission shall approve programs and program amendments, so that funding is distributed to each county of County Group No. 1 and in each county of County Group No. 2 during the county share periods commencing July 1, 1997, and ending June 30, 2004, and each period of four years thereafter. The amount shall be computed as follows:

(1) The commission shall compute, for the county share periods all of the money to be expended for regional improvement projects in County Groups Nos. 1 and 2, respectively, as provided in Section 188.

(2) From the amount computed for County Group No. 1 in paragraph (1) for the county share periods the commission shall determine the amount of programming for each county in the group based on a formula that is based 75 percent on the population of the county to the total population of County Group No. 1 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 1.

(3) From the amount computed for County Group No. 2 in paragraph (1) for the county share periods the commission shall determine the amount of programming for each county in the group based on a formula that is based 75 percent on the population of the county to the total population of County Group No. 2 and 25 percent on state highway miles in the county to the total state highway miles in County Group No. 2.

(b) Notwithstanding subdivision (a), that portion of the county population and state highway mileage in El Dorado and Placer Counties that is included within the jurisdiction of the Tahoe Regional Planning Agency shall be counted separately toward the area under the jurisdiction of the Tahoe Regional Transportation Agency and may not be included in El Dorado and Placer Counties. The commission shall approve programs, program amendments, and fund reservations for the area under the jurisdiction of the Tahoe Regional Transportation Agency that shall be calculated using the formula described in paragraph (2) of subdivision (a).

(c) A transportation planning agency designated pursuant to Section 29532 of the Government Code, or a county transportation commission created by Division 12 (commencing with Section 130000) of the Public Utilities Code, may adopt a resolution to pool its county share programming with any county or counties adopting similar resolutions to consolidate its county shares for two consecutive county share periods into a single share covering both periods. A multicounty transportation planning agency with a population of less than three million may also adopt a resolution to pool the share of any county or counties within its region. The resolution shall provide for pooling the county share programming in any of the pooling counties for the new single share period and shall be submitted to the commission not later than May 1 immediately preceding the commencement of the county share period.

(d) For the purposes of this section, funds programmed shall include the following costs pursuant to subdivision (b) of Section 14529 of the Government Code:

(1) The amounts programmed or budgeted for both components of project development in the original programmed year.

(2) The amount programmed for right-of-way and right-of-way support costs in the year programmed in the most recent state transportation improvement program. If the final estimate is greater than 120 percent or less than 80 percent of the amount originally programmed, the amount shall be adjusted for final expenditure estimates at the time of right-of-way certification.

(3) The engineer's final estimate of project costs, including construction support, presented to the commission for approval pursuant to Section 14533 of the Government Code in the year programmed in the most recent state transportation improvement program. If the construction contract award amount is less than 80 percent of the engineer's final estimate, excluding construction support, the department shall notify the commission and the commission may adjust its project allocation accordingly.

(4) Project costs shown in the program, as amended, where project allocations have not yet been approved by the commission, escalated to the date of scheduled project delivery.

(e) Project costs shown in the program may not be changed to reflect any of the following:

(1) Differences that are within 20 percent of the amount programmed for actual project development cost.

(2) Differences that are within 20 percent of the amount reported at the time of allocation pursuant to paragraph (2) of subdivision (d) for actual right-of-way costs calculated at the time of acceptance of a project construction contract.

(3) Construction contract award amounts, except when those amounts are less than 80 percent of the engineer's final estimate, excluding construction support, and the commission has adjusted the project construction allocation.

(4) Changes in construction expenditures, except for supplemental project allocations made by the commission, including supplemental allocations made pursuant to subdivision (b) of Section 188.9.

(f) For the purposes of this section, the population in each county is that determined by the last preceding federal census, or a subsequent census validated by the Demographic Research Unit of the Department of Finance, at the beginning of each county share period.

(g) For the purposes of this section, "state highway miles" means the miles of state highways open to vehicular traffic at the beginning of each county share period.

(h) It is the intent of the Legislature that there is to be flexibility in programming under this section and Section 188 so that, while ensuring that each county will receive an equitable share of state transportation improvement program funding, the types of projects selected and the programs from which they are funded may vary from county to county.

(i) Commencing with the four-year period commencing on July 1, 2004, individual county share shortfalls and surpluses at the end of each four-year period, if any, shall be carried forward and credited or debited to the following four years.

(j) The commission, with the consent of the department, may consider programming projects in the state transportation improvement program in a county with a population of not more than 1,000,000 at a level higher or lower than the county share, when the regional agency either asks to reserve part or all of the county's share until a future programming year, to build up a larger share for a higher cost project, or asks to advance an amount of the share, in an amount not to exceed 200 percent of the county's current share, for a larger project, to be deducted from shares for future programming years. After consulting with the department, the commission may adjust the level of programming in the regional program in the affected region against the level of interregional programming in the improvement program to accomplish the reservation or advancement, for the current state transportation improvement program. The commission shall keep track of any resulting shortfalls or surpluses in county shares.

(k) Notwithstanding subdivision (a), in a region defined by Section 66502 of the Government Code, the transportation planning agency may adopt a resolution to pool the county share of any county or counties within the region, if each county receives no less than 85 percent and not more than 115 percent of its county share for a single county share period and 100 percent of its county share over two consecutive county share periods. The resolution shall be submitted to the commission not later than May 1, immediately preceding the commencement of the county share period.

(l) Federal funds used for federal demonstration projects that use federal obligational authority otherwise available for other projects shall be subtracted from the county share of the county where the project is located.

SEC. 140. Section 2107.2 of the Streets and Highways Code is amended to read:

2107.2. Any city or city and county may apply to the Demographic Research Unit of the Department of Finance to estimate its population or the population of any inhabited territory annexed to the city subsequent to the last federal or state census validated by the Demographic Research Unit of the Department of Finance. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. The department may develop or contract for the development of additional information if, in the opinion of the department, additional information may make an estimate feasible. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population.

All apportionments under Section 2107 and all payments under Section 11005 of the Revenue and Taxation Code for any apportionment made beginning with the month following the filing of the estimate shall be based upon the population so estimated until a subsequent estimate is made by the department and a certified copy is filed with the Controller or a subsequent determination is made by the United States Bureau of the Census and a certified copy is filed by the city or city and county with the Controller as provided in Section 2107.1.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city or city and county applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

No more than one estimate of its total population shall be filed each fiscal year for each city or city and county.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code may be used for all purposes of this section unless a written request not to certify is received by the department from the city or city and county within 25 days of completion of the estimate.

SEC. 141. Section 4333 of the Welfare and Institutions Code is amended to read:

4333. (a) In the event a county or counties elect to reduce their state hospital resources, beginning July 1, 1992, systemwide state hospital net bed reduction in any one year may not exceed 10 percent of the total for patients under Part 1 (commencing with Section 5000) of Division 5 in the prior year without the specific approval of the Director of State Hospitals.

(b) Net bed reductions at any one hospital may not exceed 10 percent of its contracted beds without specific approval of the Director of State Hospitals.

(c) If the proposed reduction in any year exceeds the maximum permitted amount, the department, with the assistance of counties, shall make every effort to contract for beds with other purchasers.

(d) If total county requests for bed reduction in any one year or at any one facility still exceed the amount of reduction allowed, each county's share of the reduction shall be determined by taking the ratio of its contracted beds to the total contracted and multiplying this by the total beds permitted to be reduced.

(e) (1) Small counties shall be exempted from the limitations of this section and shall have the amount of their reduction determined by the Director of State Hospitals.

(2) For purposes of this chapter, "small counties" means counties with a population of 125,000 or less based on the most recent available estimates of population data determined by the Demographic Research Unit of the Department of Finance.

(f) It is the intent of the Legislature that counties have maximum flexibility in planning the use of these resources, which includes making full use of existing facilities and that the Director of State Hospitals enforce their exemption authority in a manner consistent with this intent. Because freed-up beds may be purchased by other counties or may be used for other purposes, it is anticipated that individual county flexibility will be substantially greater than the 10-percent figure described in subdivisions (a) and (b).

(g) Counties may annually contract for state hospital beds as single entities or in combination with other counties. For purposes of this section, small counties, as defined in subdivision (e):

(1) Are encouraged to establish regional authorities to pool their resources to assure their ability to provide the necessary array of services to their mentally ill populations not otherwise available to them on an individual basis.

(2) May receive loans from the General Fund when emergency state hospital beds are needed, not to exceed one year in duration, with interest payable at the same rate as that earned through the Pooled Money Investment Fund. Any interest due may be waived based upon a finding of emergency by the Secretary of California Health and Human Services and the Director of Finance.

SEC. 142. Section 5902 of the Welfare and Institutions Code is amended to read:

5902. (a) In the 1991–92 fiscal year, funding sufficient to cover the cost of the basic level of care in institutions for mental disease at the rate established by the State Department of Health Care Services shall be made available to the department for skilled nursing facilities, plus the rate established for special treatment programs. The department may authorize a county to administer institutions for mental disease services if the county with the consent of the affected providers makes a request to administer services and an allocation is made to the county for these services. The department shall continue to contract with these providers for the services necessary for the operation of the institutions for mental disease.

(b) In the 1992–93 fiscal year, the department shall consider county-specific requests to continue to provide administrative services relative to institutions for mental disease facilities when no viable alternatives are found to exist.

(c) (1) By October 1, 1991, the department, in consultation with the County Behavioral Health Directors Association of California and the California Association of Health Facilities, shall develop and publish a county-specific allocation of institutions for mental

disease funds that will take effect on July 1, 1992.

(2) By November 1, 1991, counties shall notify the providers of any intended change in service levels to be effective on July 1, 1992.

(3) By April 1, 1992, counties and providers shall have entered into contracts for basic institutions for mental disease services at the rate described in subdivision (e) for the 1992–93 fiscal year at the level expressed on or before November 1, 1991, except that a county shall be permitted additional time, until June 1, 1992, to complete the processing of the contract, when any of the following conditions are met:

(A) The county and the affected provider have agreed on all substantive institutions for mental disease contract issues by April 1, 1992.

(B) Negotiations are in process with the county on April 1, 1992, and the affected provider has agreed in writing to the extension.

(C) The service level committed to on November 1, 1991, exceeds the affected provider's bed capacity.

(D) The county can document that the affected provider has refused to enter into negotiations by April 1, 1992, or has substantially delayed negotiations.

(4) If a county and a provider are unable to reach agreement on substantive contract issues by June 1, 1992, the department may, upon request of either the affected county or the provider, mediate the disputed issues.

(5) When contracts for service at the level committed to on November 1, 1991, have not been completed by April 1, 1992, and additional time is not permitted pursuant to the exceptions specified in paragraph (3) the funds allocated to those counties shall revert for reallocation in a manner that shall promote equity of funding among counties. With respect to counties with exceptions permitted pursuant to paragraph (3), funds shall not revert unless contracts are not completed by June 1, 1992. In no event shall funds revert under this section if there is no harm to the provider as a result of the county contract not being completed. During the 1992–93 fiscal year, funds reverted under this paragraph shall be used to purchase institution for mental disease/skilled nursing/special treatment program services in existing facilities.

(6) Nothing in this section shall apply to negotiations regarding supplemental payments beyond the rate specified in subdivision (e).

(d) On or before April 1, 1992, counties may complete contracts with facilities for the direct purchase of services in the 1992–93 fiscal year. Those counties for which facility contracts have not been completed by that date shall be deemed to continue to accept financial responsibility for those patients during the subsequent fiscal year at the rate specified in subdivision (a).

(e) As long as contracts with institutions for mental disease providers require the facilities to maintain skilled nursing facility licensure and certification, reimbursement for basic services shall be at the rate established by the State Department of Health Care Services. Except as provided in this section, reimbursement rates for services in institutions for mental diseases shall be the same as the rates in effect on July 31, 2004. Effective July 1, 2005, through June 30, 2008, the reimbursement rate for institutions for mental disease shall increase by 6.5 percent annually. Effective July 1, 2008, the reimbursement rate for institutions for mental disease shall increase by 4.7 percent annually.

(f) (1) Providers that agree to contract with the county for services under an alternative mental health program pursuant to Section 5768 that does not require skilled nursing facility licensure shall retain return rights to licensure as skilled nursing facilities.

(2) Providers participating in an alternative program that elect to return to skilled nursing facility licensure shall only be required to meet those requirements under which they previously operated as a skilled nursing facility.

(g) In the 1993–94 fiscal year and thereafter, the department shall consider requests to continue administrative services related to institutions for mental disease facilities from counties with a population of 150,000 or less based on the most recent available estimates of population data as determined by the Demographic Research Unit of the Department of Finance.

SEC. 143. Section 11011 of the Welfare and Institutions Code is amended to read:

11011. (a) (1) (A) The Safety Net Reserve Fund is hereby established in the State Treasury. The Medi-Cal Subaccount and the CalWORKs Subaccount are hereby created within the Safety Net Reserve Fund.

(B) On and after the effective date of the act adding this subparagraph, the Medi-Cal Subaccount and the CalWORKs Subaccount established pursuant to subparagraph (A) are hereby abolished and the balances remaining in those subaccounts shall be transferred to the Safety Net Reserve Fund.

(2) Notwithstanding any other law, the Controller may use the funds in the Safety Net Reserve Fund for cashflow loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code.

(b) Upon the enactment of the 2018 Budget Act, upon order of the Director of Finance, the Controller shall transfer two hundred million dollars (\$200,000,000) from the General Fund to the CalWORKs Subaccount.

(c) Upon appropriation by the Legislature, the Safety Net Reserve Fund shall be utilized, in addition to other state revenues, for the purpose of maintaining existing program benefits and services for the Medi-Cal and CalWORKs programs during economic downturns, when program costs may increase due to economic conditions.

SEC. 144. Section 11011.1 is added to the Welfare and Institutions Code, to read:

11011.1. For the 2018–19 fiscal year, upon order of the Director of Finance, the Controller shall transfer seven hundred million dollars (\$700,000,000) from the General Fund to the Safety Net Reserve Fund.

SEC. 145. The Legislature finds and declares that Section 91 of this act, which adds Section 12815 of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act protects individual privacy that might otherwise be unnecessarily compromised by the activities of the Office of Digital Innovation in working to improve service delivery functions by the state.

SEC. 146. The Legislature finds and declares that Section 94 of this act, which adds Section 13073.6 to the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act balances the right of the public to access certain information collected, received, or prepared by the Demographic Research Unit to develop accurate population estimates and projections while protecting the privacy of the individuals whose personal information is contained in the data.

SEC. 147. The Legislature finds and declares that the regulation of the manufacture, importation, supply, and sale of alcoholic beverages continues to be among the highest priorities of the State of California. The Department of Alcoholic Beverage Control is charged with the regulatory oversight of all alcoholic beverage licensees throughout the State of California, including all aspects of the licensing and enforcement process yearly. As a special fund department, the department has been required to perform its functions within a budget derived solely from the fees paid by licensees. The department has experienced virtually no growth in personnel since its inception in 1955, while the number of licensees has more than doubled and is increasing yearly, thereby necessitating budget action for the department to establish or improve services, as long demanded by its stakeholders, such as the modernization of its operation by establishing online services, reducing the time it takes to complete licensing investigations and prosecute violations, and increasing the capacity to perform enforcement activities to address unfair business practices in the industry. Budget action is also necessary to protect our communities from harm that may originate from noncompliant licensed premises, such as sales to minors, service to obviously intoxicated persons, violence, prostitution, and the sale of narcotics. To ensure appropriate funding levels given this continued growth in licensees and to avoid a potential budget crisis, fee increases are necessary to protect the fiscal integrity of the department and allow the department to continue to meet its continuing obligations to protect the health, safety, welfare, peace, and morals of the people of the state. The intent of the Legislature in enacting this measure is to return the department to an acceptable level of funding by adjusting license fees to a level consistent with the increased costs associated with the regulation of the licensees, and ensuring a continued level of reasonable, responsible, and predictable funding into the future through annual adjustments.

SEC. 148. The Legislature finds and declares, in regards to Section 96 of this act, which adds Section 14670.10.5 of the Government Code, that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances regarding the closure of the Sonoma Developmental Center, which provides an opportunity for the state to partner with the County of Sonoma to determine the appropriate future land uses and development potential for the Sonoma Developmental Center, while addressing affordable housing needs and open space preservation.

SEC. 149. The sum of two million nine hundred twenty-two thousand dollars (\$2,922,000) is hereby appropriated from the Alcohol Beverage Control Fund to the Department of Alcoholic Beverage Control for expenditure in the 2019–20 fiscal year in augmentation of Item 2100-001-3036 of Section 2 of the Budget Act of 2019 to fund the Responsible Beverage Server Training Program Act and to provide electronic services for licensees.

SEC. 150. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.