

AMENDMENTS TO ASSEMBLY BILL NO. 3037

Amendment 1

In the title, in line 1, after "act" insert:

to amend Section 53993 of, and to add Title 23 (commencing with Section 100600) to, the Government Code, and to add Section 97.82 to the Revenue and Taxation Code,

Amendment 2

On page 2, before line 1, insert:

SECTION 1. Section 53993 of the Government Code is amended to read:

53993. (a) Notwithstanding any other law, except as provided in subdivision (b), for the purpose of any law authorizing the division of taxes levied upon taxable property, including, but not limited to, Sections 53369.30, 53396, 53398.30, 53398.75, and 62005, no revenues derived from the imposition of a property tax rate approved by the voters pursuant to subdivision (b) of Section 1 of Article XIII A of the California Constitution and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution shall be divided.

(b) Subdivision (a) shall not apply to the either of the following:

(1) The allocation of property taxes pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code.

(2) The division of taxes authorized by Section 100660.

SEC. 2. Title 23 (commencing with Section 100600) is added to the Government Code, to read:

TITLE 23. COMMUNITY REDEVELOPMENT LAW OF 2018

PART 1. GENERAL PROVISIONS

100600. This title shall be known, and may be cited, as the Community Redevelopment Law of 2018.

100601. For purposes of this title:

(a) "Affected taxing entity" means any governmental taxing agency which levied or had levied on its behalf a property tax on all or a portion of the property located in the proposed agency in the fiscal year before the designation of the agency district.

(b) "Agency" means a redevelopment housing and infrastructure agency created by this title.

(c) "County" means a county or a city and county.

(d) "Debt" means any binding obligation to repay a sum of money, including obligations in the form of bonds, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals.

(e) "Designated official" means the appropriate official, such as an engineer of a city or county that is an affected taxing entity, designated pursuant to Section 100650.



(f) "Governing board" means the governing body of an agency established pursuant to this title.

(g) "Landowner" or "owner of land" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of the land by the governing board. The governing board has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this chapter. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed agency.

(h) "Legislative body" means the city council of the city or board of supervisors of the county.

(i) "Redevelopment project" means any undertaking of an agency pursuant to this title.

(j) "Special district" means an agency of the state formed for the performance of governmental or proprietary functions within limited geographic boundaries.

100602. (a) The Legislature declares that this title constitutes the Community Redevelopment Law within the meaning of Article XVI of Section 16 of the California Constitution, and that a redevelopment housing and infrastructure agency formed pursuant to this title shall have all powers granted to a redevelopment agency pursuant to that section.

(b) Unless the context clearly indicates otherwise, whenever the term "redevelopment agency" or "Community Redevelopment Law" appears in this code or any other code, except those laws described in the following sentence, it shall be deemed to refer to a "redevelopment housing and infrastructure agency" formed pursuant to this part or the "Community Redevelopment Law of 2018," as applicable. The previous sentence does not apply to any of the following laws:

(1) Part 1 (commencing with Section 33300) of Division 24 of the Health and Safety Code.

(2) Part 1.7 (commencing with Section 34100) of Division 24 of the Health and Safety Code.

(3) Part 1.8 (commencing with Section 34161) of Division 24 of the Health and Safety Code.

(4) Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code.

(5) Part 1.9 (commencing with Section 34192) of Division 24 of the Health and Safety Code.

PART 2. FORMATION OF A REDEVELOPING HOUSING AND INFRASTRUCTURE AGENCY

100610. (a) The legislative body of a city or county, subject to the conditions as may apply under Section 100633, may propose to form an agency pursuant to this title by adopting a resolution of intention to establish the agency. The resolution of intention shall contain all the following:

(1) A statement that a redevelopment housing and infrastructure agency is proposed to be established in accordance with the terms of this title.

(2) A statement of the need for the proposed agency and the goals that the proposed agency seeks to achieve.

(3) A preliminary project plan prepared by the legislative body. The preliminary project plan shall, at a minimum, include the following:

(A) A description of the proposed boundaries of the project area. This may be accomplished by reference to a map on file in the office of the clerk of the city or in the office of the recorder of the county, as applicable.

(B) A general statement of the land uses, layout of principal streets, population densities and building intensities, and standards proposed as the basis for the redevelopment of the project area.

(C) Evidence that redevelopment will achieve the purposes of this title.

(D) Evidence that the proposed redevelopment is consistent with the general plan of each applicable city or county in which the projects are proposed to be located.

(E) A general description of the impact of the project upon the area's residents and upon the surrounding neighborhood.

(F) A description of the affordable housing or infrastructure projects that are proposed to be financed by the agency.

(4) A financing section that shall contain all of the following information:

(A) A projection of the amount of tax revenues expected to be received by the agency in each year during which the agency will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.

(B) A plan for financing the affordable housing or infrastructure projects to be assisted by the agency, including a detailed description of any intention to incur debt.

(C) A limit on the total number of dollars of taxes that may be allocated to the agency pursuant to the plan.

(D) The date on which the agency will cease to exist, by which time all tax allocation to the agency will end. The date shall not be more than 45 years from the date on which the issuance of bonds is approved pursuant to Section 100684, or the issuance of a loan is approved by the legislative body of a city, county, or special district pursuant to Section 100689.

(E) An analysis of the costs to the city or county of providing facilities and services to the area of the agency while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the agency.

(F) An analysis of the projected fiscal impact of the agency and the associated development upon each affected taxing entity.

(5) The financing section may include a passthrough provision that provides that the agency will pay to each affected taxing entity an amount equivalent to the affected taxing entity equity amount, as determined pursuant to Section 97.82 of the Revenue and Taxation Code, provided that the affected taxing entity does not receive an amount of ad valorem property tax revenues that is in excess of its proportionate share of property tax revenues in the tax rate area in that fiscal year. A passthrough provision shall not provide payment to the city or county that proposes to form the agency, or to any school entity, as defined pursuant to subdivision (f) of Section 95 of the Revenue and Taxation Code. All amounts calculated pursuant to this subparagraph shall be

calculated after deducting the amount required to be deposited in the separate fund established pursuant to subdivision (a) of Section 100670 from the total amount of tax increment funds proposed to be received by the agency in the applicable fiscal year.

(6) A statement that a public hearing shall be held on the proposal, and a statement of the time and place of that hearing.

(b) The legislative body shall direct the city clerk or county recorder, as applicable, to mail a copy of the resolution of intention to each affected taxing entity.

100611. The city or county that adopted the resolution of intention pursuant to Section 100610 shall consult with each affected taxing entity. Any affected taxing entity may suggest revisions to be included in the resolution of formation.

100612. (a) The legislative body shall, no sooner than 60 days after the resolution of intention was provided to each affected taxing entity pursuant to subdivision (b) of Section 100610, hold a public hearing on the proposal.

(b) The legislative body shall provide notice of the public hearing by publication not less than once a week for four successive weeks in a newspaper of general circulation published in each city or county in which the proposed agency is located. The notice shall state that the agency will be used to finance affordable housing or infrastructure projects, briefly describe the proposed affordable housing or infrastructure projects, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed agency and state the day, hour, and place when and where any persons having any objections to the proposed agency or the regularity of any of the prior proceedings, may appear before the legislative body and object to the formation of the agency.

(c) At the public hearing, the legislative body shall proceed to hear and pass upon all written and oral objections to the formation of the agency. The hearing may be continued from time to time. The legislative body shall consider the recommendations, if any, of affected taxing entities, and all evidence and testimony for and against the formation of the agency.

(d) At the conclusion of the public hearing, the legislative body may adopt a resolution proposing the formation of the agency. The resolution of formation shall contain all the information described in subdivision (a) of Section 100610, and shall consider the recommendations, if any, of affected taxing entities, and all evidence and testimony for and against the adoption of the plan. The legislative body shall direct the city clerk or county recorder, as applicable, to mail the resolution of formation to each affected taxing entity.

100613. (a) The legislative body that adopted the resolution of formation pursuant to subdivision (d) of Section 100612 shall submit that resolution to the Strategic Growth Council for review.

(b) The Strategic Growth Council shall determine whether the establishment of an agency pursuant to this title, as provided in the resolution of formation, would promote statewide greenhouse gas reduction goals and recommend to the Department of Finance, based on that determination, whether the Department of Finance should approve the resolution of formation pursuant to Section 100614.

(c) The Strategic Growth Council shall adopt policies and procedures for the receipt and evaluation of resolutions of formation pursuant to this section.

100614. (a) The legislative body that adopted the resolution of formation pursuant to subdivision (d) of Section 100612 shall submit that resolution, along with all supporting documents, to the Department of Finance for approval.

(b) The Department of Finance shall have 90 days to approve or disapprove the resolution of formation. The Department of Finance shall approve the resolution if the Department of Finance finds that the plan will further the purposes of this title, and subject to the following:

(1) Except as provided in paragraph (2), the Department of Finance shall determine the affected taxing entity equity amount pursuant to Section 97.82 of the Revenue and Taxation Code for each affected taxing entity, subject to all the following requirements:

(A) In making the determinations required by this paragraph, the Department of Finance shall ensure that the total equity authorized with respect to all agencies within the state does not exceed more than ____ in any fiscal year.

(B) Equity shall not be provided to the city or county that adopted the resolution of formation pursuant to subdivision (d) of Section 100612, or to any school entity, as defined pursuant to subdivision (f) of Section 95 of the Revenue and Taxation Code.

(2) If the resolution of formation includes a passthrough provision that the Department of Finance determines meets the requirements described in paragraph (5) of subdivision (a) of Section 100610, then the Department of Finance shall provide that agency resolution with priority review, and that agency shall not be subject to paragraph (1).

(3) The Department of Finance shall disapprove a resolution if the department determines that the creation of that agency will result in a state fiscal impact with respect to all agencies within the state that exceeds more than ____ in any fiscal year. For purposes of this paragraph, "state fiscal impact" means the impact on the amount that the state is required to apportion to local educational entities, in accordance with existing requirements, with respect to all agencies within the state.

(4) The Department of Finance shall consider the recommendation of the Strategic Growth Council pursuant to Section 100613.

(c) If the Department of Finance disapproves the resolution, the department shall submit an explanation of its disapproval in writing to the legislative body and to each affected taxing entity.

(d) If the Department of Finance approves the resolution, then the agency shall be deemed to be in existence as of the date of that approval.

PART 3. GOVERNING BOARD OF REDEVELOPMENT HOUSING AND INFRASTRUCTURE AGENCY

100620. (a) The governing board of the agency shall consist of the following:

(1) One member appointed by the legislative body that adopted the resolution of intention pursuant to Section 100610.

(2) One member appointed by each affected taxing entity.

(3) Two public members initially appointed by the members appointed by the board composed of the members described in paragraphs (1) and (2) appointed, and then thereafter appointed by the board as a whole. The public members shall not be an elective officer or employee of any affected taxing entity.

(b) A majority of the membership of the board constitutes a quorum for the transaction of any business, the performance of any duty, or the exercise of any power of the board. If a vacancy in the board occurs, then a majority of the remaining members of the board constitutes a quorum.

100621. Members of the governing board established pursuant to this chapter shall not receive compensation but may receive reimbursement for actual and necessary expenses incurred in the performance of official duties pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5.

100623. (a) Members of the governing board are subject to Article 2.4 (commencing with Section 53234) of Chapter 2 of Part 1 of Division 2 of Title 5.

(b) An agency created pursuant to this title shall be a local public agency subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

PART 4. REDEVELOPMENT HOUSING AND INFRASTRUCTURE AGENCY POWERS AND DUTIES

CHAPTER 1. AGENCY POWERS

100630. (a) (1) An agency may finance any of the following:

(A) The purchase, construction, expansion, improvement, seismic retrofit, or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer that constitutes affordable housing or infrastructure projects as described in subdivision (b).

(B) The planning and design work that is directly related to the purchase, construction, expansion, or rehabilitation of property.

(C) The costs described in Sections 100635 and 100636.

(2) Facilities financed pursuant to this title are not required to be physically located within the boundaries of the agency. However, any facilities financed outside of an agency's boundaries shall have a tangible connection to the work of the agency, as detailed in the redevelopment project plan adopted pursuant to Part 5 (commencing with Section 100650).

(3) An agency shall not finance routine maintenance, repair work, or the costs of an ongoing operation or providing services of any kind.

(b) An agency shall only finance redevelopment projects that the agency finds are appropriate or necessary in the interests of the general welfare. For purposes of this title, redevelopment projects shall only include the following housing or infrastructure projects:

(1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

(2) Sewage treatment and water reclamation plants and interceptor pipes.

(3) Facilities for the collection and treatment of water for urban uses.

(4) Flood control levees and dams, retention basins, and drainage channels.

(5) Child care facilities.

- (6) Libraries.
 - (7) Parks, recreational facilities, and open space.
 - (8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles.
 - (9) Brownfield restoration and other environmental mitigation.
 - (10) The acquisition, construction, or rehabilitation of housing for persons of very low, low, and moderate income, as those terms are defined in Sections 50105 and 50093 of the Health and Safety Code, for rent or purchase. The agency may finance mixed-income housing developments, but may finance only those units in a mixed-income development that are restricted to occupancy by persons of very low, low, or moderate incomes, as those terms are defined in Sections 50105 and 50093 of the Health and Safety Code, and those onsite facilities for child care, after school care, and social services that are integrally linked to the tenants of the restricted units.
 - (11) Transit priority projects, as defined in Section 21155 of the Public Resources Code, that are located within a transit priority project area. For purposes of this paragraph, a transit priority project area may include a military base reuse plan that meets the definition of a transit priority project area and it may include a contaminated site within a transit priority project area. An agency may reimburse a developer of a project that is located entirely within the boundaries of that agency for any permit expenses incurred and to offset additional expenses incurred by the developer in constructing affordable housing units pursuant to the Transit Priority Project Program established in Section 65470.
 - (12) Projects that implement a sustainable communities strategy, when the State Air Resources Board, pursuant to Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7, has accepted a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emission reduction targets.
 - (13) Port or harbor infrastructure, as defined by Section 1698 of the Harbors and Navigation Code.
- (c) An agency shall not finance any project that is not described in subdivision (b).
- (d) The agency shall require, by recorded covenants or restrictions, that housing units built pursuant to this section shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low-, or moderate-income households for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.
- (e) An agency may utilize any powers under either the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code) or Chapter 6.10 (commencing with Section 25403) of Division 20 of the Health and Safety Code, and finance any action necessary to implement that act.
- 100630.5. (a) Except as provided in subdivision (b), an agency shall not, directly or indirectly, allocate or transfer any funds received by the agency pursuant to Chapter 1 (commencing with Section 100660) of Part 6 to any city, county, or special district.
- (b) Notwithstanding subdivision (a), an agency shall make any payments required by a passthrough provision that was approved by the Department of Finance at the time of the formation of the agency pursuant to paragraph (2) of subdivision (b) of

Section 100614, and included within the redevelopment project plan, as required by paragraph (8) of subdivision (d) of Section 100651. In making any payments required by this subdivision, the agency shall comply with the requirements of paragraph (5) of subdivision (a) of Section 100610. An agency shall not, directly or indirectly, make passthrough payments to any affected taxing entity, including by entering into a passthrough agreement, unless that passthrough provision was approved by the Department of Finance at the time of the formation of the agency pursuant to paragraph (2) of subdivision (b) of Section 100614.

100631. An agency may, within the area established in an approved redevelopment project plan, do either of the following:

(a) Purchase, lease, obtain option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property, any interest in property, and any improvements on it, including repurchase of developed property previously owned by the agency, to be used in a redevelopment project. An agency shall obtain an appraisal from a qualified independent appraiser to determine the fair market value of property before the agency acquires or purchases real property.

(b) Acquire real property by eminent domain to be used in a redevelopment project. Property already devoted to a public use may be acquired by the agency through eminent domain, but the agency shall not acquire property of a public body without the consent of that public body.

100632. An agency may rent, maintain, manage, operate, repair, and clear real property owned by the agency within the area established in an approved redevelopment project plan for the purpose of providing affordable housing.

100633. A city or county that created a former redevelopment agency, as defined in Section 33003 of the Health and Safety Code shall neither initiate the creation of an agency, nor participate in the governance or financing of an agency, until each of the following has occurred:

(a) The successor agency for the former redevelopment agency created by the city or county has received a finding of completion, as specified in Section 34179.7 of the Health and Safety Code.

(b) The city or county certifies to the Department of Finance and to the agency that no former redevelopment agency assets that are the subject of litigation involving the state, where the city or county, the successor agency, or the designated local authority are a named plaintiff, have been or will be used to benefit any efforts of an agency formed under this title, unless the litigation and all possible appeals have been resolved in a court of law. The city or county shall provide this certification to the Department of Finance within 10 days of its legislative body's action to participate or initiate the formation of an agency under this title.

(c) The Controller has completed its review as specified in Section 34167.5 of the Health and Safety Code.

(d) The successor agency and the entity that created the former redevelopment agency have complied with all of the Controller's findings and orders stemming from the reviews as specified in subdivision (c).

100634. (a) An agency may include any portion of a former redevelopment project area that was previously created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, provided that the city or county

that created the former redevelopment agency has met the requirements of Section 100633.

(b) An agency may finance only the facilities authorized in this title to the extent that the facilities are in addition to those provided in the territory of the agency before the agency was created. The additional facilities may not supplant facilities already available within that territory when the agency was created but may supplement, rehabilitate, upgrade, or make more sustainable those facilities.

(c) An agency may include areas which are not contiguous.

100635. It is the intent of the Legislature that the creation of an agency should not ordinarily lead to the removal of existing dwelling units. If, however, any dwelling units are proposed to be removed or destroyed in the course of public works construction within the area of the agency or private development within the area of the agency that is subject to a written agreement with the agency or that is financed in whole or in part by the agency then the redevelopment project plan adopted pursuant to Part 5 (commencing with Section 100650) shall contain provisions to do all of the following:

(a) If the dwelling units to be removed or destroyed are or were inhabited by persons or families of very low, low, or moderate income, as defined in Sections 50105 and 50093 of the Health and Safety Code, at any time within five years before establishment of the agency, cause or require the construction or rehabilitation of an equal number of replacement dwelling units, within one-half mile of the location of the units to be removed or destroyed, that have an equal or greater number of bedrooms as those removed or destroyed units, within two years of the removal or destruction of the dwelling units. The replacement dwelling units shall be available for rent or sale to persons or families of very low, low, or moderate income, at affordable rent, as defined in Section 50053 of the Health and Safety Code, or at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, to persons in the same or a lower income category (extremely low, very low, low, or moderate), as the persons displaced from, or who last occupied, the removed or destroyed dwelling units.

(b) If the dwelling units to be removed or destroyed were not inhabited by persons of low or moderate income within the period of time specified in subdivision (a), cause or require the construction or rehabilitation within one-half mile of the location of the units to be removed or destroyed of at least one unit but not less than 25 percent of the total dwelling units removed or destroyed, within two years of the removal or destruction of the dwelling units. The units constructed or rehabilitated pursuant to this subdivision shall be of equivalent size and type to the units to be removed or destroyed. An equal percentage of the replacement dwelling units constructed or rehabilitated pursuant to this subdivision shall be available for rent or sale at affordable rent, as defined in Section 50053 of the Health and Safety Code, or affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, to extremely low and very low income persons or families, as defined in Sections 50105 and 50106 of the Health and Safety Code.

(c) Comply with all relocation assistance requirements of Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, for persons displaced from dwelling units by any public works construction within the area of the agency or private development within the area of the agency that is subject to a written agreement with the agency or that is financed in whole or in part by the agency as a result of the redevelopment project plan adopted pursuant to Part 5 (commencing with Section

100650). The displacement of any persons from a dwelling unit as a result of the plan shall be deemed to be the result of public action.

(d) Ensure that removal or destruction of any dwelling units occupied by persons or families of low or moderate income not take place unless and until there has been full compliance with the relocation assistance requirements of this section, Section 100651, and Chapter 16 (commencing with Section 7260) of Division 7 of Title 1.

(e) (1) The agency shall require, by recorded covenants or restrictions, that all dwelling units constructed or rehabilitated pursuant to this section shall remain available at affordable rent or housing cost to, and occupied by, persons and families of the same income categories as required by subdivision (a) or (b), as applicable, for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.

(2) The agency may permit sales of owner-occupied units before the expiration of the 45-year period for a price in excess of that otherwise permitted under this subdivision pursuant to an adopted program that protects the agency's investment of moneys in the unit or units, including, but not limited to, an equity sharing program, that is not in conflict with another public funding source or law, and that establishes a schedule of equity sharing that permits retention by the seller of a portion of those excess proceeds based on the length of occupancy. For purposes of this paragraph, the terms of the equity sharing program shall be consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915, provided, however, that the program shall require any amounts recaptured by the agency to be used within five years for any of the affordable housing purposes described in Section 34176.1 of the Health and Safety Code.

100636. Any action or proceeding to attack, review, set aside, void, or annul the creation of an agency, adoption of redevelopment project plan, including a division of taxes thereunder, shall be commenced within 30 days after the formation of the agency. Consistent with the time limitations of this section, action or proceeding with respect to a division of taxes under this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

100637. An action to determine the validity of the issuance of bonds pursuant to this title may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. However, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, the action shall be commenced within 30 days after adoption of the resolution pursuant to Section 100684 providing for issuance of the bonds if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.

100638. (a) An agency shall maintain detailed records of every action taken by that agency, including, but not limited to, all the following:

(1) Original copies of any agreement, memorandum of understanding, or contact entered into by the agency.

(2) A record of any payment made by the agency.

(3) For each loan, advance, or indebtedness incurred or entered into, all of the following information:

(A) The date the loan, advance, or indebtedness was incurred or entered into.

(B) The principal amount, term, purpose, interest rate, and total interest of each loan, advance, or indebtedness.

(C) The principal amount and interest due in the fiscal year in which the statement of indebtedness is filed for each loan, advance, or indebtedness.

(D) The total amount of principal and interest remaining to be paid for each loan, advance, or indebtedness.

(b) The agency shall maintain any record described in this section for a period of 15 years after the later of the following:

(1) The date the record was originally created.

(2) The date that the agreement, memorandum of understanding, or contract expired or concluded.

(3) The date that the loan was fully paid off.

(c) Any person who violates this section is subject to a civil penalty of ten thousand dollars (\$10,000) per violation. All moneys collected as penalties pursuant to this subdivision shall be deposited in the Housing Rehabilitation Loan Fund, and, notwithstanding Section 50661 of the Health and Safety Code, those funds shall be available, upon appropriation by the Legislature, for support of the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).

CHAPTER 2. REPORTING REQUIREMENT

100640. (a) An agency shall submit an annual report to its governing board within six months of the end of the agency's fiscal year. The agency shall also submit the final report of any audit undertaken by any other local, state, or federal government entity to its governing board within 30 days of receipt of that audit report.

(b) The annual report required by subdivision (a) shall contain all of the following:

(1) (A) An independent financial audit report for the previous fiscal year. For purposes of this section, "audit report" means an examination of, and opinion on, the financial statements of the agency which present the results of the operations and financial position of the agency, including all financial activities with moneys required to be held in a separate fund established pursuant to subdivision (a) of Section 100670. This audit shall be conducted by a certified public accountant or public accountant, licensed by the State of California, in accordance with Government Auditing Standards adopted by the Comptroller General of the United States. The audit report shall meet, at a minimum, the audit guidelines prescribed by the Controller's office pursuant to Section 100642, and also include a report on the agency's compliance with laws, regulations, and administrative requirements governing activities of the agency, and a calculation of the excess surplus, as that term is defined in subdivision (g) of Section 100674, in the separate fund established pursuant to subdivision (a) of Section 100670.

(B) However, the governing board may elect to omit from inclusion in the audit report prepared pursuant to subparagraph (A) any distinct activity of the agency that is funded exclusively by the federal government and that is subject to audit by the federal government.

(2) A fiscal statement for the previous fiscal year that contains the information required pursuant to Section 100644.

(3) A description of the agency's activities in the previous fiscal year affecting housing and displacement that contains the information required by Section 100643.

(4) A description of the agency's progress, including specific actions and expenditures, in accomplishing the agency's purpose in the previous fiscal year.

(5) A list of, and status report on, all loans made by the agency that are fifty thousand dollars (\$50,000) or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the agency.

(6) A description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.

(7) A list of the fiscal years that the agency expects each of the following time limits to expire:

(A) The time limit for the commencement for eminent domain proceedings to acquire property within the project area.

(B) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project.

(C) The time limit for the effectiveness of the redevelopment plan.

(D) The time limit to repay indebtedness with the proceeds of property taxes.

(8) Any other information that the agency believes useful to explain its programs, including, but not limited to, the number of jobs created and lost in the previous fiscal year as a result of its activities.

(c) (1) The agency shall file with the Controller within six months of the end of the agency's fiscal year a copy of the annual report required by subdivision (a). In addition, the agency shall file with the Department of Housing and Community Development a copy of an audit report as required by subdivision (a). The reports shall be made in the time, format, and manner prescribed by the Controller after consultation with the Department of Housing and Community Development.

(2) The agency shall provide a copy of the annual report required by subdivision (a), upon the written request of any person or any affected taxing entity. If the report does not include detailed information regarding administrative costs, professional services, or other expenditures, the person or affected taxing entity may request, and the agency shall provide, that information. The person or affected taxing entity shall reimburse the agency for all actual and reasonable costs incurred in connection with the provision of the requested information.

100641. (a) When the agency presents the annual report to the governing board pursuant to Section 100640, the agency shall inform the governing board of any major audit violations of this title based on the independent financial audit report. The agency shall inform the governing board that the failure to correct a major audit violation of this part may result in the filing of an action by the Attorney General pursuant to Section 100646.

(b) The governing board shall review any report submitted pursuant to Section 100640 and take any action it deems appropriate on that report no later than the first meeting of the governing board occurring more than 21 days from the receipt of the report.

100642. The Controller shall develop and periodically revise the guidelines for the content of the report required by Section 100640. The Controller shall appoint an advisory committee to advise in the development of the guidelines. The advisory committee shall include representatives from among those persons nominated by the

Department of Housing and Community Development, the Legislative Analyst, the California Society of Certified Public Accountants, and any other authorities in the field that the Controller deems necessary and appropriate.

100643. (a) For the purposes of compliance with paragraph (3) of subdivision (b) of Section 100640, the description of the agency's activities shall contain the following information, regardless of whether each activity is funded exclusively by the state or federal government, for each project area and for the agency overall:

(1) The total number of nonelderly and elderly households, including separate subtotals of the numbers of very low income households, other lower income households, and persons and families of moderate income, that were displaced or moved from their dwelling units as part of a redevelopment project of the agency during the previous fiscal year.

(2) The total number of nonelderly and elderly households, including separate subtotals of the numbers of very low income households, other lower income households, and persons and families of moderate income, that the agency estimates will be displaced or will move from their dwellings as part of a redevelopment project of the agency during the present fiscal year and the date of adoption of a replacement housing portion of the redevelopment project plan required by Section 100635.

(3) The total number of dwelling units housing very low income households, other lower income households, and persons and families of moderate income, respectively, which have been destroyed or removed from the low- or moderate-income housing market during the previous fiscal year as part of a redevelopment project of the agency, specifying the number of those units that are not subject to the replacement requirements of Section 100635.

(4) The total numbers of agency-assisted dwelling units which were constructed, rehabilitated, acquired, or subsidized during the previous fiscal year for occupancy at an affordable housing cost by elderly persons and families, but only if the units are restricted by agreement or ordinance for occupancy by the elderly, and by very low income households, other lower income households, and persons and families of moderate income, respectively, specifying those units that are not currently so occupied, those units which have replaced units destroyed or removed pursuant to Section 100635, and the length of time any agency-assisted units are required to remain available at affordable costs.

(5) The total numbers of new or rehabilitated units subject to Section 100635, including separate subtotals of the number originally affordable to and currently occupied by, elderly persons and families, but only if the units are restricted by agreement or ordinance for occupancy by the elderly, and by very low income households, other lower income households, and persons and families of moderate income, respectively, and the length of time these units are required to remain available at affordable costs.

(6) The status and use of the separate fund established pursuant to subdivision (a) of Section 100670, including information on the use of this fund for very low income households, other lower income households, and persons and families of moderate income, respectively. If the separate fund is used to subsidize the cost of onsite or offsite improvements, then the description of the agency's activities shall include the number of housing units affordable to persons and families of low or moderate income which have been directly benefited by the onsite or offsite improvements.

(7) The amount of excess surplus, as defined in Section 100673.5, that has accumulated in the agency's separate fund established pursuant to subdivision (a) of Section 100670. Of the total excess surplus, the description shall also identify the amount that has accrued to the separate fund during each fiscal year. This component of the annual report shall also include any plan required to be reported by subdivision (c) of Section 100673.5.

(8) The total amount of funds expended for planning and general administrative costs.

(9) Any other information which the agency believes useful to explain its housing programs, including, but not limited to, housing for persons and families of other than low and moderate income.

(10) The total number of dwelling units for very low income households, other lower income households, and persons and families of moderate income to be constructed under the terms of an executed agreement or contract and the name and execution date of the agreement or contract. These units may only be reported for a period of two years from the execution date of the agreement or contract.

(11) The date and amount of all deposits and withdrawals of moneys deposited to and withdrawn from the separate fund established pursuant to subdivision (a) of Section 100670.

(b) As used in this section:

(1) "Elderly," has the same meaning as specified in Section 50067 of the Health and Safety Code.

(2) "Persons and families of moderate income," has the same meaning as specified in subdivision (b) of Section 50093 of the Health and Safety Code.

(3) "Other lower income households," has the same meaning as "lower income households" as specified in Section 50079.5 of the Health and Safety Code, exclusive of very low income households.

(4) "Persons and families of low or moderate income," has the same meaning as specified in Section 50093 of the Health and Safety Code.

(5) "Very low income households," has the same meaning as specified in Section 50105 of the Health and Safety Code.

(c) Notwithstanding any other law, costs associated with preparing the report required by this section may be paid with moneys from the separate fund established pursuant to subdivision (a) of Section 100670.

100644. For the purposes of compliance with paragraph (2) of subdivision (b) of Section 100640, the fiscal statement shall contain the following information:

(a) The amount of outstanding indebtedness of the agency and each project area.

(b) The amount of tax increment property tax revenues generated in the agency and in each project area.

(c) The financial transactions report required pursuant to Section 53891.

(d) The amount of outstanding debt and the total amount of payments required to be paid on that debt for that fiscal year.

(e) Any other fiscal information which the agency believes useful to describe its programs.

100645. (a) On or before May 1 of each year, the Department of Housing and Community Development shall compile and publish reports of the activities of each agency for the previous fiscal year, based on the information reported pursuant to

paragraph (3) of subdivision (b) of Section 100640 and reporting the types of findings made by agencies pursuant to subdivision (a) of Section 100670, including the date of the findings. The department shall publish this information for each redevelopment project of each agency. These reports may also contain the biennial review of relocation assistance required by Section 50460 of the Health and Safety Code. The report shall contain a list of those project areas that are not subject to the requirements of Section 100635.

(b) The department shall send a copy of the executive summary of its report to each agency for which information was reported pursuant to Section 100640 for the fiscal year covered by the report. The department shall send a copy of its report to each agency that requests a copy.

100646. (a) On or before April 1 of each year, the Controller shall compile a list of agencies that appear to have major audit violations as defined in this section, based on the independent financial audit reports filed with the Controller pursuant to Section 100640.

(b) On or before June 1 of each year, for each major audit violation of each agency identified pursuant to subdivision (a), the Controller shall determine if the agency has corrected the major audit violation. Before making this determination, the Controller shall consult with each affected agency that is the subject of the report. In making this determination, the Controller may request and shall receive the prompt assistance of public officials and public agencies, including, but not limited to, the affected agency subject to the report, counties, and cities. If the Controller determines that an agency has not corrected the major audit violation, the Controller shall send a list of that agency, its major violations, all relevant documents, and the affidavits required pursuant to subdivision (d) to the Attorney General for action pursuant to this section.

(c) For each agency that the Controller refers to the Attorney General pursuant to subdivision (b), the Controller shall notify the agency and the governing board that the agency was on the list sent to the Attorney General. The Controller's notice shall inform the agency and the governing board of the duties imposed by Section 100641.

(d) Within 45 days of receiving the referral from the Controller pursuant to subdivision (b), the Attorney General shall determine whether to file an action to compel the agency's compliance with this title. Any action filed pursuant to this section shall be commenced in the County of Sacramento. The time limit for the Attorney General to make this determination is directory and not mandatory. Any action shall be accompanied by an affidavit or affidavits, to be provided by the Controller with the referral, setting forth facts that demonstrate a likelihood of success on the merits of the claim that the agency has a major audit violation. The affidavit shall also certify that the agency and the governing board were informed not less than 10 days before the date on which the action was filed. The agency shall file a response to any action filed by the Attorney General pursuant to this section within 15 days of service.

(e) (1) On the earliest day that the business of the court will permit, but not later than 45 days after the filing of an action pursuant to this section, the court shall conduct a hearing to determine if good cause exists for believing that the agency has a major audit violation and has not corrected that violation.

(2) If the court determines that no good cause exists or that the agency had a major audit violation but corrected the major audit violation, the court shall dismiss the action.

(3) If the court determines that there is good cause for believing that the agency has a major audit violation and has not corrected that major audit violation, the court shall immediately issue an order that prohibits the agency from doing any of the following:

(A) Encumbering any funds or expending any money derived from any source except to pay the obligations designated in paragraph (1) of subdivision (e) of Section 100674.

(B) Adopting a redevelopment project plan.

(C) Amending a redevelopment project plan, except to correct the major audit violation that is the subject of the action.

(D) Issuing, selling, offering for sale, or delivering any bonds or any other evidence of indebtedness.

(E) Incurring any indebtedness.

(f) In a case that is subject to paragraph (3) of subdivision (e), the court shall also set a hearing on the matter within 60 days.

(g) If, on the basis of that subsequent hearing, the court determines that the agency has a major audit violation and has not corrected that violation, the court shall order the agency to comply with this part within 30 days, and order the agency to forfeit to the state no more than:

(1) Two thousand dollars (\$2,000) in the case of an agency with a total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000) as reported in the Controller's annual financial reports.

(2) Five thousand dollars (\$5,000) in the case of an agency with a total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000) as reported in the Controller's annual financial reports.

(3) Ten thousand dollars (\$10,000) in the case of an agency with a total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000) as reported in the Controller's annual financial reports.

(h) The order issued by the court pursuant to paragraph (3) of subdivision (e) shall continue in effect until the court determines that the agency has corrected the major audit violation. If the court determines that the agency has corrected the major audit violation, the court may dissolve its order issued pursuant to paragraph (3) of subdivision (e) at any time.

(i) An action filed pursuant to this section to compel an agency to comply with this part is in addition to any other remedy, and is not an exclusive means to compel compliance.

(j) As used in this section, "major audit violation" means that, for the fiscal year in question, an agency did not:

(1) File an independent financial audit report that substantially conforms with the requirements of paragraph (1) of subdivision (b) of Section 100640.

(2) File a fiscal statement that includes substantially all of the information required by Section 100644.

(3) Deposit all required tax increment revenues directly into the separate fund established pursuant to subdivision (a) of Section 100670 upon receipt, as required under Chapter 2 (commencing with Section 100670) of Part 6.

(4) Establish a separate fund as required by subdivision (a) of Section 100670.

(5) Accrue interest earned by the separate fund established pursuant to subdivision (a) of Section 100670 to that fund, as required by subdivision (b) of Section 100670.

(6) Determine that the planning and administrative costs charged to the separate fund established pursuant to subdivision (a) Section 100670 are necessary for the production, improvement, or preservation of low- and moderate-income housing, as required by subdivision (d) of Section 100670.5.

(7) Initiate development of housing on real property acquired using moneys from the separate fund established pursuant to subdivision (a) of Section 100670 or sell the property, as required by Section 100676.

PART 5. PREPARATION OF REDEVELOPMENT PROJECT PLANS

100650. (a) After the agency is formed, the governing board of the agency shall designate an appropriate official, such as an engineer of a city or county that is an affected taxing entity, to prepare a redevelopment project plan pursuant to Section 100651.

(b) In the case of an agency proposed for port or harbor infrastructure, the governing board shall designate and direct the harbor agency, except as provided in Section 1719 of the Harbors and Navigation Code, to prepare a redevelopment project plan pursuant to Section 100651.

100651. The official designated pursuant to Section 100650 shall prepare a proposed redevelopment project plan. The redevelopment project plan shall be consistent with the general plan of each city or county within the agency's boundaries, or, if the proposed project is located outside those boundaries, with the general plan of the city or county that the project is located. The plan shall include all of the following:

(a) A map and legal description of the proposed agency, which may include all or a portion of the agency designated in the resolution of formation.

(b) A description of the public facilities and other forms of development or financial assistance that is proposed in the area of the agency, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed agency, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance.

(c) If tax increment funding is incorporated into the financing plan, a finding that the development and financial assistance further the purposes of this title and are for redevelopment purposes.

(d) A financing section that shall contain all of the following information:

(1) A projection of the amount of tax increment revenues expected to be received by the agency in each year during which the agency will receive tax increment revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.

(2) A plan for financing the public facilities to be assisted by the agency, including a detailed description of any intention to incur debt.

(3) A limit on the total number of dollars of taxes that may be allocated to the agency pursuant to the plan.

(4) A date on which the agency will cease to exist, by which time all tax allocation to the agency will end. The date shall not be more than 45 years from the date on which the issuance of bonds is approved pursuant to Section 100684, or the issuance of a loan is approved by the legislative body of a city, county, or special district pursuant to Section 100689.

(5) An analysis of the costs to the city or county of providing facilities and services to the area of the agency while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the agency.

(6) An analysis of the projected fiscal impact of the agency and the associated development upon each affected taxing entity.

(7) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that agency and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project.

(8) If the agency had included a passthrough provision in the resolution of formation that was approved by the Department of Finance pursuant to paragraph (2) of subdivision (b) of Section 100614, a passthrough provision that is consistent with the passthrough provision approved by the Department of Finance, and with the requirements of paragraph (5) of subdivision (a) of Section 100610.

(e) A housing program that describes how the agency will comply with Chapter 2 (commencing with Section 100670) of Part 6. The program shall include the following information:

(1) The amount available in the separate fund established pursuant to subdivision (a) of Section 100670 and the estimated amounts that will be deposited in the fund during each of the next five years.

(2) Estimates of the number of new, rehabilitated, or price restricted residential units to be assisted during each of the five years and estimates of the expenditures of moneys from the fund during each of the five years.

(3) Estimates of the number of units, if any, developed by the agency for very low, low-, and moderate-income households during the next five years.

(f) Those components required to be included pursuant to Section 100671.5.

(g) The goals the agency proposes to achieve for each project financed pursuant to Section 100630.

(h) When preparing the plan, the designated official shall consult with each affected taxing entity, and, at the request of any affected taxing entity, shall meet with representatives of an affected taxing entity. Any affected taxing entity may suggest revisions to the plan.

100652. The designated official shall mail the redevelopment project plan to each owner of land within the agency's boundaries and to each affected taxing entity together with any report required by the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) that pertains to

the proposed public facilities or the proposed development project for which the public facilities are needed, and shall be made available for public inspection. The report shall also be sent to the governing board.

100653. (a) The agency shall, no sooner than 60 days after the redevelopment project plan was submitted to each affected taxing entity pursuant to Section 100652, hold a public hearing on the proposal.

(b) The agency body shall provide notice of the public hearing by publication not less than once a week for four successive weeks in a newspaper of general circulation published in each city or county in which the agency is located. The notice shall briefly describe the proposed affordable housing or infrastructure projects, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, and state the day, hour, and place when and where any persons having any objections to the proposed agency or the regularity of any of the prior proceedings, may appear before the governing board and object to the proposed redevelopment project plan.

(c) At the public hearing, the governing board shall proceed to hear and pass upon all written and oral objections to the proposed redevelopment project plan. The hearing may be continued from time to time. The governing board shall consider the recommendations, if any, of affected taxing entities, and all evidence and testimony for and against the proposed redevelopment project plan. The governing board may modify the plan by eliminating or reducing the size and cost of the proposed facilities or development or by reducing the amount of proposed debt or by making other necessary changes.

100654. (a) At the conclusion of the hearing pursuant to Section 100653, the governing board may adopt a resolution proposing the adoption of the redevelopment project plan, as modified, or it may adopt a resolution abandoning the proceedings. If the proceedings are abandoned, then the agency shall cease to exist by operation of this section with no further action required of the legislative body that initially proposed to form the agency and the governing board may not enact a resolution of intention to adopt a plan that includes the same geographic area within one year of the date of the resolution abandoning the proceedings.

(b) The redevelopment project plan shall take effect upon the adoption of the resolution. The redevelopment project plan shall specify if the agency shall be funded solely through the agency's share of tax increment, governmental or private loans, grants, bonds, assessments, fees, or some combination thereof. However, the agency shall not issue bonds or levy assessments or fees that may be included in the redevelopment project plan before one or more of the following:

(1) Approval pursuant to Section 100673, if applicable, to issue bonds to finance the redevelopment project plan.

(2) Compliance with the procedures required in subdivision (e) of Section 100660, to levy assessments or fees to finance the redevelopment project plan.

(c) In addition, the agency may expend up to 10 percent of any accrued tax increment in the first two years of the effective date of the formation of the agency on planning and dissemination of information to the residents within the agency's boundaries about the redevelopment project plan and planned activities to be funded by the agency.

PART 6. DIVISION OF TAXES

CHAPTER 1. GENERAL PROVISIONS

100660. (a) Any redevelopment project plan may contain a provision that taxes, if any, levied upon taxable property in the area included within the agency each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance approving the redevelopment project plan, shall be divided as follows:

(1) That portion of the taxes that would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the agency as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the formation of the agency, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid. For the purpose of allocating taxes levied by or for any affected taxing entity or entities that did not include the territory in a redevelopment project on the effective date of the ordinance but to which that territory has been annexed or otherwise included after that effective date, the assessment roll of the county last equalized on the effective date of the ordinance shall be used in determining the assessed valuation of the taxable property in the project on the effective date.

(2) That portion of the levied taxes each year in excess of the amount specified in paragraph (1) shall be allocated to and when collected shall be paid into a special fund of the agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the agency to finance or refinance, in whole or in part, the redevelopment project. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in that project as shown by the last equalized assessment roll referred to in paragraph (1), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid to the affected taxing entities. When the loans, advances, and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the redevelopment project shall be paid to the affected taxing entities as taxes on all other property are paid. When the agency ceases to exist pursuant to the adopted redevelopment project plan, all moneys thereafter received from taxes upon the taxable property in the agency shall be paid to the respective affected taxing entities as taxes on all other property are paid.

(3) That portion of the taxes in excess of the amount identified in paragraph (1) which are attributable to a tax rate levied by an affected taxing entity for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that affected taxing entity. This subdivision shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the affected taxing entity on or after January 1, 1989.

(b) Notwithstanding subdivision (a), where an agency's boundaries overlap with the boundaries of any former redevelopment project area that is subject to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code, any debt or obligation of the agency shall be subordinate to any and all enforceable obligations of the former redevelopment agency, as approved by the Oversight Board and the Department of Finance. For the purposes of this part, the division of taxes allocated to the agency pursuant to subdivision (a) shall not include any taxes required to be deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund created pursuant to subdivision (b) of Section 34170.5 of the Health and Safety Code.

(c) (1) The legislative body of the city or county forming the agency may choose to dedicate any portion of its net available revenue to the agency through the redevelopment project plan.

(2) For the purposes of this subdivision, "net available revenue" means periodic distributions to the city or county from the Redevelopment Property Tax Trust Fund, created pursuant to Section 34170.5 of the Health and Safety Code, that are available to the city or county after all preexisting legal commitments and statutory obligations funded from that revenue are made pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code. "Net available revenue" shall not include any funds deposited by the county auditor-controller into the Redevelopment Property Tax Trust Fund or funds remaining in the Redevelopment Property Tax Trust Fund before distribution.

(d) (1) That portion of any ad valorem property tax revenue annually allocated to a city or county pursuant to Section 97.70 of the Revenue and Taxation Code that is specified in the redevelopment project plan adopted pursuant to Part 5 (Commencing with Section 100650), and that corresponds to the increase in the assessed valuation of taxable property shall be allocated to, and, when collected, shall be apportioned to, a special fund of the agency for redevelopment purposes.

(2) When the agency ceases to exist pursuant to the adopted redevelopment project plan, the revenues described in this subdivision shall be allocated to, and, when collected, shall be apportioned to, the respective city or county.

(e) This section shall not be construed to prevent an agency from utilizing revenues from any of the following sources to support its activities provided that the applicable voter approval has been obtained, and the redevelopment project plan has been approved:

(1) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(2) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(3) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(4) The Landscaping and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

(5) The Vehicle Parking District Law of 1943 (Part 1 (commencing with Section 31500) of Division 18 of the Streets and Highways Code).

(6) The Parking District Law of 1951 (Part 4 (commencing with Section 35100) of Division 18 of the Streets and Highways Code).

(7) The Park and Playground Act of 1909 (Chapter 7 (commencing with Section 38000) of Part 2 of Division 3 of Title 4 of this code).

(8) The Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of this title).

(9) The Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703) of Part 1 of Division 2 of this title).

(10) The so-called facilities benefit assessment levied by the charter city of San Diego or any substantially similar assessment levied for the same purpose by any other charter city pursuant to any ordinance or charter provision.

100661. (a) The portion of taxes required to be allocated pursuant to paragraph (2) of subdivision (a) of Section 100660 shall be allocated and paid to the agency by the county auditor or officer responsible for the payment of taxes into the funds of the affected taxing entities pursuant to the procedure contained in this section.

(b) Not later than October 1 of each year, for each redevelopment project for which the redevelopment project plan provides for the division of taxes pursuant to Section 100660, the agency shall file, with the county auditor or officer described in subdivision (a), a statement of indebtedness and a reconciliation statement certified by the chief financial officer of the agency.

(c) (1) For each redevelopment project for which a statement of indebtedness is required to be filed, the statement of indebtedness shall contain all of the following:

(A) For each loan, advance, or indebtedness incurred or entered into, all of the following information:

(i) The date the loan, advance, or indebtedness was incurred or entered into.

(ii) The principal amount, term, purpose, interest rate, and total interest of each loan, advance, or indebtedness.

(iii) The principal amount and interest due in the fiscal year in which the statement of indebtedness is filed for each loan, advance, or indebtedness.

(iv) The total amount of principal and interest remaining to be paid for each loan, advance, or indebtedness.

(B) The sum of the amounts determined under clause (iii) of subparagraph (A).

(C) The sum of the amounts determined under clause (iv) of subparagraph (A).

(D) The available revenues as of the end of the previous year, as determined pursuant to paragraph (10) of subdivision (d).

(2) The agency may estimate the amount of principal or interest, the interest rate, or term of any loan, advance, or indebtedness if the nature of the loan, advance, or indebtedness is such that the amount of principal or interest, the interest rate or term cannot be precisely determined. The agency may list on a statement of indebtedness any loan, advance, or indebtedness incurred or entered into on or before the date the statement is filed.

(d) For each redevelopment project for which a reconciliation statement is required to be filed, the reconciliation statement shall contain all of the following:

(1) A list of all loans, advances, and indebtedness listed on the previous year's statement of indebtedness.

(2) A list of all loans, advances, and indebtedness, not listed on the previous year's statement of indebtedness, but incurred or entered into in the previous year and paid in whole or in part from revenue received by the agency pursuant to Section 100650. This listing may aggregate loans, advances, and indebtedness incurred or

entered into in the previous year for a particular purpose, including relocation expenses, administrative expenses, consultant expenses, or property management expenses, into a single item in the listing.

(3) For each loan, advance, or indebtedness described in paragraph (1) or (2), all of the following information:

(A) The total amount of principal and interest remaining to be paid as of the later of the beginning of the previous year or the date the loan, advance, or indebtedness was incurred or entered into.

(B) Any increases or additions to the loan, advance, or indebtedness occurring during the previous year.

(C) The amount paid on the loan, advance, or indebtedness in the previous year from revenue received by the agency pursuant to Section 100660.

(D) The amount paid on the loan, advance, or indebtedness in the previous year from revenue other than revenue received by the agency pursuant to Section 100660.

(E) The total amount of principal and interest remaining to be paid as of the end of the previous fiscal year.

(4) The available revenues of the agency as of the beginning of the previous fiscal year.

(5) The amount of revenue received by the agency in the previous fiscal year pursuant to Section 100660.

(6) The amount of available revenue received by the agency in the previous fiscal year other than pursuant to Section 100660.

(7) The sum of the amounts specified in subparagraph (D) of paragraph (3), to the extent that the amounts are not included as available revenues pursuant to paragraph (6).

(8) The sum of the amounts specified in paragraphs (4), (5), (6), and (7).

(9) The sum of the amounts specified in subparagraphs (C) and (D) of paragraph (3).

(10) The amount determined by subtracting the amount determined under paragraph (9) from the amount determined under paragraph (8). The amount determined pursuant to this paragraph shall be the available revenues as of the end of the previous fiscal year.

(e) For the purposes of this section, available revenues shall include all cash or cash equivalents held by the agency that were received by the agency pursuant to Section 100660 and all cash or cash equivalents held by the agency that are irrevocably pledged or restricted to payment of a loan, advance, or indebtedness that the agency has listed on a statement of indebtedness.

(f) The county auditor or officer shall, at the same time or times as the payment of taxes into the funds of the affected taxing entities of the county, allocate and pay the portion of taxes provided by paragraph (2) of subdivision (a) of Section 100660 to each agency. The amount allocated and paid shall not exceed the amount determined pursuant to subparagraph (C) of paragraph (1) of subdivision (c) minus the amount determined pursuant to subparagraph (D) of paragraph (1) of subdivision (c).

(g) (1) The statement of indebtedness constitutes prima facie evidence of the loans, advances, or indebtedness of the agency.

(2) (A) If the county auditor or other officer disputes the amount of loans, advances, or indebtedness as shown on the statement of indebtedness, the county auditor

or other officer shall, within 30 days after receipt of the statement, give written notice to the agency thereof.

(B) The agency shall, within 30 days after receipt of notice pursuant to subparagraph (A), submit any further information it deems appropriate to substantiate the amount of any loans, advances, or indebtedness which has been disputed. If the county auditor or other officer still disputes the amount of loans, advances, or indebtedness, final written notice of that dispute shall be given to the agency, and the amount disputed may be withheld from allocation and payment to the agency as otherwise required by subdivision (g). In that event, the auditor or other officer shall bring an action in the superior court in declaratory relief to determine the matter not later than 90 days after the date of the final notice.

(3) In any court action brought pursuant to this section, the issue shall involve only the amount of loans, advances, or indebtedness, and not the validity of any contract or debt instrument or any expenditures pursuant thereto. Payments to a trustee under a bond resolution or indenture of any kind or payments to a public agency in connection with payments by that public agency pursuant to a lease or bond issue shall not be disputed in any action under this section. The matter shall be set for trial at the earliest possible date and shall take precedence over all other cases except older matters of the same character. Unless an action is brought within the time provided for herein, the auditor or other officer shall allocate and pay the amount shown on the statement of indebtedness as provided in subdivision (f).

(h) This section does not permit a challenge to or attack on matters precluded from challenge or attack by reason of Section 100636 or 100637. However, this section does not deny a remedy against the agency otherwise provided by law.

(i) The Controller shall prescribe a uniform form of statement of indebtedness and reconciliation statement. These forms shall be consistent with this section. In preparing these forms, the Controller shall obtain the input of county auditors, redevelopment agencies, and organizations of county auditors and redevelopment agencies.

(j) For the purposes of this section, a fiscal year shall be a year that begins on July 1 and ends the following June 30.

100662. (a) Section 100660 fulfills the intent of Section 16 of Article XVI of the California Constitution. To further carry out the intent of Section 16 of Article XVI of the Constitution, whenever that provision requires the allocation of money between agencies such allocation shall be consistent with the intent of the people when they approved Section 16 of Article XVI of the California Constitution. Whenever money is allocated between agencies by means of a comparison of assessed values for different years, that comparison shall be based on the same assessment ratio. When there are different assessment ratios for the years compared, the assessed value shall be changed so that it is based on the same assessment ratio for the years so compared.

(b) As used in this part, the word "taxes" shall include, but without limitation, all levies on an ad valorem basis upon land or real property. However, "taxes" shall not include amounts of money deposited in a Sales and Use Tax Compensation Fund pursuant to Section 97.68 of the Revenue and Taxation Code or a Vehicle License Fee Property Tax Compensation Fund pursuant to Section 97.70 of the Revenue and Taxation Code.

100663. (a) This section implements and fulfills the intent of this article and of Article XIII B and Section 16 of Article XVI of the California Constitution. The allocation and payment to an agency of the portion of taxes specified in paragraph (2) of subdivision (a) of Section 100660 for the purpose of paying principal of, or interest on, loans, advances, or indebtedness incurred for redevelopment activity, as defined in subdivision (b) of this section, shall not be deemed the receipt by an agency of proceeds of taxes levied by or on behalf of the agency within the meaning or for the purposes of Article XIII B of the California Constitution, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to limitation of, any other public body within the meaning or for purposes of Article XIII B of the California Constitution or any statutory provision enacted in implementation of Article XIII B. The allocation and payment to an agency of this portion of taxes shall not be deemed the appropriation by a agency of proceeds of taxes levied by or on behalf of a agency within the meaning or for purposes of Article XIII B of the California Constitution.

(b) As used in this section, "redevelopment activity" means redevelopment meeting all the following criteria:

- (1) Is redevelopment as prescribed in Section 100630.
- (2) Primarily benefits the project area.
- (3) None of the funds are used for the purpose of paying for employee or contractual services of any local governmental agency unless these services are directly related to a redevelopment project, as described in subdivision (b) of Section 100630.

(c) Should any law hereafter enacted, without a vote of the electorate, confer taxing power upon an agency, the exercise of that power by the agency in any fiscal year shall be deemed a transfer of financial responsibility from the community to the agency for that fiscal year within the meaning of subdivision (a) of Section 3 of Article XIII B of the California Constitution.

CHAPTER 2. HOUSING FOR PERSONS OF LOW AND MODERATE INCOME

100670. (a) Not less than 30 percent of all taxes that are allocated to the agency from any affected taxing entity pursuant to Section 100660 shall be deposited into a separate fund, which the agency shall establish pursuant to Section 100670.5, and the agency shall use all moneys in that fund for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost, as defined by the following sections of the Health and Safety Code: Section 50052.5, to persons and families of low or moderate income, as defined in Section 50093, lower income households, as defined by Section 50079.5, very low income households, as defined in Section 50105, and extremely low income households, as defined by Section 50106, that is occupied by these persons and families unless the agency makes a finding that combining funding received under this program with other funding for the same purpose shall reduce administrative costs or expedite the construction of affordable housing. If the agency makes the finding described in the previous sentence, then (1) an agency may transfer funding from the program adopted pursuant to subdivision (e) of Section 100651 to the housing authority within the territorial jurisdiction of the local jurisdiction that created the agency or to the entity

that received the housing assets of the former redevelopment agency pursuant to Section 34176 of the Health and Safety Code or to a private nonprofit housing developer, and (2) Section 34176.1 of the Health and Safety Code shall not apply to funds transferred. The agency shall spend all funds described in this subdivision within the plan area in which the funds were generated. Any person who receives funds transferred pursuant to this subdivision shall comply with all applicable provisions of this part.

(b) In carrying out the purposes of this section, the agency may exercise any or all of its powers for the construction, rehabilitation, or preservation of affordable housing for extremely low, very low, low- and moderate-income persons or families, including the following:

(1) (A) Improve real property or building sites with onsite or offsite improvements, but only if both of the following are met:

(i) The improvements are part of the new construction or rehabilitation of affordable housing units for low- or moderate-income persons that are directly benefited by the improvements, and are a reasonable and fundamental component of the housing units.

(ii) The agency requires that the units remain available at affordable housing cost to, and occupied by, persons and families of extremely low, very low, low, or moderate income for the same time period and in the same manner as provided in subdivision (c) and paragraph (2) of subdivision (f) of Section 100670.5.

(B) If the newly constructed or rehabilitated housing units are part of a larger project and the agency improves or pays for onsite or offsite improvements pursuant to the authority in this subdivision, the agency shall pay only a portion of the total cost of the onsite or offsite improvement. The maximum percentage of the total cost of the improvement paid for by the agency shall be determined by dividing the number of housing units that are affordable to low- or moderate-income persons by the total number of housing units, if the project is a housing project, or by dividing the cost of the affordable housing units by the total cost of the project, if the project is not a housing project.

(2) Donate real property to private or public persons or entities.

(3) Finance insurance premiums necessary for the provision of insurance during the construction or rehabilitation of properties that are administered by governmental entities or nonprofit organizations to provide housing for lower income households, as defined in Section 50079.5 of the Health and Safety Code, including rental properties, emergency shelters, transitional housing, or special residential care facilities.

(4) Construct buildings or structures.

(5) Acquire buildings or structures.

(6) Rehabilitate buildings or structures.

(7) Provide subsidies to, or for the benefit of, extremely low income households, as defined by Section 50106 of the Health and Safety Code, very low income households, as defined by Section 50105 of the Health and Safety Code, lower income households, as defined by Section 50079.5 of the Health and Safety Code, or persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code, to the extent those households cannot obtain housing at affordable costs on the open market. Housing units available on the open market are those units developed without direct government subsidies.

(8) Develop plans, pay principal and interest on bonds, loans, advances, or other indebtedness, or pay financing or carrying charges.

(9) Maintain the community's supply of mobilehomes.

(10) Preserve the availability to lower income households of affordable housing units in housing developments that are assisted or subsidized by public entities and that are threatened with imminent conversion to market rates.

(c) The agency may use these funds to meet, in whole or in part, the replacement housing provisions in Section 100635. However, this section shall not be construed as limiting in any way the requirements of that section.

(d) The agency shall use these funds inside the plan area.

(e) The Legislature finds and declares that expenditures or obligations incurred by the agency pursuant to this section shall constitute an indebtedness of the plan area.

(f) (1) (A) An action to compel compliance with the requirement of this section to deposit not less than 25 percent of all taxes that are allocated to the agency pursuant to Section 100660 in the separate fund established pursuant to subdivision (a) shall be commenced within 10 years of the alleged violation. A cause of action for a violation accrues on the last day of the fiscal year in which the funds were required to be deposited in that separate fund.

(B) An action to compel compliance with the requirement of this section that money deposited in the separate fund established pursuant to subdivision (a) be used by the agency for purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost shall be commenced within 10 years of the alleged violation. A cause of action for a violation accrues on the date of the actual expenditure of the funds.

(C) An agency found to have deposited less into the separate fund established pursuant to subdivision (a) than mandated by Section 100670.5 or to have spent money from that fund for purposes other than increasing, improving, and preserving the community's supply of low- and moderate-income housing, as mandated by this section, shall repay the funds with interest in one lump sum pursuant to Section 970.4 or 970.5 or may do either of the following:

(i) Petition the court under Section 970.6 for repayment in installments.

(ii) Repay the portion of the judgment due to the separate fund in equal installments over a period of five years following the judgment.

(2) Repayment shall not be made from the funds required to be set aside or used for low- and moderate-income housing pursuant to this section.

(3) Notwithstanding clauses (i) and (ii) of subparagraph (C) of paragraph (1), all costs, including reasonable attorney's fees if included in the judgment, are due and shall be paid upon entry of judgment or order.

(4) Except as otherwise provided in this subdivision, Chapter 2 (commencing with Section 970) of Part 5 of Division 3.6 of Title 1 for the enforcement of a judgment against a local public entity applies to a judgment against a local public entity that violates this section.

(5) This subdivision applies to actions filed on and after January 1, 2019.

(6) The limitations period specified in subparagraphs (A) and (B) of paragraph (1) does not apply to a cause of action brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

100670.5. (a) The funds that are required by Section 100670 or 100671.5 to be used for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing shall be held in a separate fund, established pursuant to subdivision (a) of Section 100670, until used.

(b) Any interest earned by the separate fund and any repayments or other income to the agency for loans, advances, or grants, of any kind from that fund, shall accrue to and be deposited in, the fund and may only be used in the manner prescribed for the separate fund.

(c) The moneys in the separate fund established pursuant to subdivision (a) of Section 100670 shall be used to increase, improve, and preserve the supply of low- and moderate-income housing within the territorial jurisdiction of the agency.

(d) It is the intent of the Legislature that the separate fund established pursuant to subdivision (a) of Section 100670 be used to the maximum extent possible to defray the costs of production, improvement, and preservation of low- and moderate-income housing and that the amount of money spent for planning and general administrative activities associated with the development, improvement, and preservation of that housing not be disproportionate to the amount actually spent for the costs of production, improvement, or preservation of that housing. The agency shall determine annually that the planning and administrative expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing.

(e) (1) Planning and general administrative costs that may be paid with moneys from the separate fund established pursuant to subdivision (a) of Section 100670 are those expenses incurred by the agency that are directly related to the programs and activities authorized under subdivision (e) of Section 100670 and are limited to the following:

(A) Costs incurred for salaries, wages, and related costs of the agency's staff or for services provided through interagency agreements, and agreements with contractors, including usual indirect costs related thereto.

(B) Costs incurred by a nonprofit corporation which are not directly attributable to a specific project.

(2) Legal, architectural, and engineering costs and other salaries, wages, and costs directly related to the planning and execution of a specific project that are authorized under subdivision (e) of Section 100670 and that are incurred by a nonprofit housing sponsor are not planning and administrative costs for the purposes of this section, but are instead project costs.

(f) (1) The requirements of this subdivision apply to all new or substantially rehabilitated housing units developed or otherwise assisted with moneys from the separate fund established pursuant to subdivision (a) of Section 100670. Except to the extent that a longer period of time may be required by other provisions of law, the agency shall require that housing units subject to this subdivision shall remain available at affordable housing cost to, and occupied by, persons and families of low or moderate income and very low income and extremely low income households for the longest feasible time, but for not less than the following periods of time:

(A) Fifty-five years for rental units. However, the agency may replace rental units with equally affordable and comparable rental units in another location within the community if both of the following are met:

(i) The replacement units are available for occupancy before the displacement of any persons and families of low or moderate income residing in the units to be replaced.

(ii) The comparable replacement units are not developed with moneys from the separate fund.

(B) Forty-five years for owner-occupied units. However, the agency may permit sales of owner-occupied units before the expiration of the 45-year period for a price in excess of that otherwise permitted under this subdivision pursuant to an adopted program which protects the agency's investment of moneys from the separate fund, including, but not limited to, an equity sharing program which establishes a schedule of equity sharing that permits retention by the seller of a portion of those excess proceeds based on the length of occupancy. The remainder of the excess proceeds of the sale shall be allocated to the agency and deposited in the separate fund. Only the units originally assisted by the agency shall be counted towards the agency's obligations under Section 100671.

(C) Fifteen years for mutual self-help housing units that are occupied by and affordable to very low and low-income households. However, the agency may permit sales of mutual self-help housing units before expiration of the 15-year period for a price in excess of that otherwise permitted under this subdivision pursuant to an adopted program that (i) protects the agency's investment of moneys from the separate fund, including, but not limited to, an equity sharing program that establishes a schedule of equity sharing that permits retention by the seller of a portion of those excess proceeds based on the length of occupancy, and (ii) ensures through a recorded regulatory agreement, deed of trust, or similar recorded instrument that if a mutual self-help housing unit is sold at any time after expiration of the 15-year period and before 45 years after the date of recording of the covenants or restrictions required pursuant to paragraph (2), the agency recovers, at a minimum, its original principal from the separate fund from the proceeds of the sale and deposits those funds into that fund. The remainder of the excess proceeds of the sale not retained by the seller shall be allocated to the agency and deposited in the separate fund. For the purposes of this subparagraph, "mutual self-help housing unit" means an owner-occupied housing unit for which persons and families of very low and low income contribute no fewer than 500 hours of their own labor in individual or group efforts to provide a decent, safe, and sanitary ownership housing unit for themselves, their families, and others authorized to occupy that unit. This subparagraph does not preclude the agency and the developer of the mutual self-help housing units from agreeing to 45-year deed restrictions.

(2) If land on which those dwelling units are located is deleted from the plan area, the agency shall continue to require that those units remain affordable as specified in this subdivision.

(3) The agency shall require the recording in the office of the county recorder of the following documents:

(A) The covenants or restrictions implementing this subdivision for each parcel or unit of real property subject to this subdivision. The agency shall obtain and maintain a copy of the recorded covenants or restrictions for not less than the life of the covenant or restriction.

(B) For all new or substantially rehabilitated units developed or otherwise assisted with moneys from the separate fund established pursuant to subdivision (a) of Section

100670, a separate document called "Notice of Affordability Restrictions on Transfer of Property," set forth in 14-point type or larger. This document shall contain all of the following information:

(i) A recitation of the affordability covenants or restrictions. The document recorded under this subparagraph shall be recorded concurrently with the covenants or restrictions recorded under subparagraph (A), the recitation of the affordability covenants or restrictions shall also reference the concurrently recorded document.

(ii) The date the covenants or restrictions expire.

(iii) The street address of the property, including, if applicable, the unit number, unless the property is used to confidentially house victims of domestic violence.

(iv) The assessor's parcel number for the property.

(v) The legal description of the property.

(4) The agency shall require the recording of the document required under subparagraph (B) of paragraph (3) not more than 30 days after the date of recordation of the covenants or restrictions required under subparagraph (A) of paragraph (3).

(5) The county recorder shall index the documents required to be recorded under paragraph (3) by the agency and current owner.

(6) Notwithstanding Section 27383, a county recorder may charge all authorized recording fees to any party, including a public agency, for recording the document specified in subparagraph (B) of paragraph (3).

(7) Notwithstanding any other law, the covenants or restrictions implementing this subdivision shall run with the land and shall be enforceable against any owner who violates a covenant or restriction and each successor in interest who continues the violation, by any of the following:

(A) The agency.

(B) Any affected taxing entity.

(C) A resident of a unit subject to this subdivision.

(D) A residents' association with members who reside in units subject to this subdivision.

(E) A former resident of a unit subject to this subdivision who last resided in that unit.

(F) An applicant seeking to enforce the covenants or restrictions for a particular unit that is subject to this subdivision, if the applicant conforms to all of the following:

(i) Is of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(ii) Is able and willing to occupy that particular unit.

(iii) Was denied occupancy of that particular unit due to an alleged breach of a covenant or restriction implementing this subdivision.

(G) A person on an affordable housing waiting list who is of low or moderate income, as defined in Section 50093 of the Health and Safety Code, and who is able and willing to occupy a unit subject to this subdivision.

(8) A dwelling unit shall not be counted as satisfying the affordable housing requirements of this title, unless covenants for that dwelling unit are recorded in compliance with subparagraph (A) of paragraph (3).

(9) Failure to comply with the requirements of subparagraph (B) of paragraph (3) shall not invalidate any covenants or restrictions recorded pursuant to subparagraph (A) of paragraph (3).

(g) "Housing," as used in this section, includes residential hotels, as defined in subdivision (k) of Section 37912 of the Health and Safety Code. The definitions of "lower income households," "very low income households," and "extremely low income households" in Sections 50079.5, 50105, and 50106 of the Health and Safety Code shall apply to this section. "Longest feasible time," as used in this section, includes, but is not limited to, unlimited duration.

(h) "Increasing, improving, and preserving the community's supply of low- and moderate-income housing," as used in this section and in Section 100670, includes the preservation of rental housing units assisted by federal, state, or local government on the condition that units remain affordable to, and occupied by, low- and moderate-income households, including extremely low and very low income households, for the longest feasible time, but not less than 55 years, beyond the date the subsidies and use restrictions could be terminated and the assisted housing units converted to market rate rentals. In preserving these units the agency shall require that the units remain affordable to, and occupied by, persons and families of low- and moderate-income and extremely low and very low income households for the longest feasible time, but not less than 55 years.

(i) Funds from the separate fund established pursuant to subdivision (a) of Section 100670 shall not be used to the extent that other reasonable means of private or commercial financing of the new or substantially rehabilitated units at the same level of affordability and quantity are reasonably available to the agency or to the owner of the units. Before the expenditure of funds from the separate fund for new or substantially rehabilitated housing units, where those funds will exceed 50 percent of the cost of producing the units, the agency shall find, based on substantial evidence, that the use of the funds is necessary because the agency or owner of the units has made a good faith attempt but has been unable to obtain commercial or private means of financing the units at the same level of affordability and quantity.

100671. (a) Except as specified in subdivision (d), each agency shall expend over each 10-year period of the redevelopment project plan the moneys in the separate fund established pursuant to subdivision (a) of Section 100670 to assist housing for persons of low income and housing for persons of very low income in at least the same proportion as the total number of housing units needed that each of those income groups bears to the total number of units needed for persons of moderate, low, and very low income within the community, as those needs have been determined for the community pursuant to Section 65584. In determining compliance with this obligation, the agency may adjust the proportion by subtracting from the need identified for each income category, the number of units for persons of that income category that are newly constructed over the duration of the implementation plan with other locally controlled government assistance and without agency assistance and that are required to be affordable to, and occupied by, persons of the income category for at least 55 years for rental housing and 45 years for ownership housing, except that in making an adjustment the agency may not subtract units developed pursuant to a replacement housing obligation under state or federal law.

(b) Each agency shall expend over the duration of each plan, the moneys in the separate fund established pursuant to subdivision (a) of Section 100670 to assist housing that is available to all persons regardless of age in at least the same proportion as the number of low-income households with a member under 65 years of age bears to the

total number of low-income households of the community as reported in the most recent census of the United States Census Bureau.

(c) An agency that has deposited in the separate fund established pursuant to subdivision (a) of Section 100670 over the first five years of the period of a plan an aggregate that is less than two million dollars (\$2,000,000) shall have an extra five years to meet the requirements of this section.

(d) For the purposes of this section, "locally controlled" means government assistance if the city or county that proposed formation of the agency pursuant to Section 100610 or other local government entity has the discretion and the authority to determine the recipient and the amount of the assistance, whether or not the source of the funds or other assistance is from the state or federal government. Examples of locally controlled government assistance include, but are not limited to, the Community Development Block Grant Program (42 U.S.C. Sec. 5301 et seq.) funds allocated to a city or county, the Home Investment Partnership Program (42 U.S.C. Sec. 12721 et seq.) funds allocated to a city or county, fees or funds received by a city or county pursuant to a city or county authorized program, and the waiver or deferral of city or other charges.

100671.5. Every redevelopment project plan shall contain both of the following:

(a) A provision that requires, whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as part of a revitalization project, the agency to, within two years of such destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income an equal number of replacement dwelling units at affordable housing costs, as defined by Section 50052.5 of the Health and Safety Code, within the territorial jurisdiction of the agency, in accordance with all of the provisions of Section 100635.

(b) A provision that prohibits the number of housing units occupied by extremely low, very low-, and low-income households, including the number of bedrooms in those units, at the time the plan is adopted, from being reduced in the plan area during the effective period of the plan.

100672. Programs to assist or develop low- and moderate-income housing pursuant to this title shall be entitled to priority consideration after a program implemented by a housing successor pursuant to Section 34176.1 of the Health and Safety Code for assistance in housing programs administered by the California Housing Finance Agency, the Department of Housing and Community Development, and other state agencies and departments, if those agencies or departments determine that the housing is otherwise eligible for assistance under a particular program.

100672.5. The same notice requirements as specified in Section 65863.10 shall apply to multifamily rental housing that receives financial assistance pursuant to Sections 100670 and 100670.5.

100673. Notwithstanding Sections 100670 and 100670.5, assistance provided by an agency to preserve the availability to lower income households of affordable housing units within the plan area which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates may be credited and offset against an agency's obligations under Section 100670.

100673.5. (a) Except as otherwise provided in this subdivision, not later than six months following the close of any fiscal year of an agency in which excess surplus accumulates in the agency's separate fund established pursuant to subdivision (a) of Section 100670, the agency may adopt a plan pursuant to this section for expenditure of all moneys in the separate fund within five years from the end of that fiscal year. The plan may be general and need not be site-specific, but shall include objectives respecting the number and type of housing to be assisted, identification of the entities that will administer the plan, alternative means of ensuring the affordability of housing units for the longest feasible time, as specified in subdivision (f) of Section 100670.5, the income groups to be assisted, and a schedule by fiscal year for expenditure of the excess surplus.

(b) The agency shall separately account for any excess surplus accumulated each year either as part of or in addition to the separate fund established pursuant to subdivision (a) of Section 100670.

(c) If the agency develops a plan for expenditure of excess surplus or other moneys in the separate fund established pursuant to subdivision (a) of Section 100670, a copy of that plan and any amendments to that plan shall be included in the agency's annual report pursuant to Section 100640.

100674. (a) (1) Upon failure of the agency to expend or encumber excess surplus in the separate fund established pursuant to subdivision (a) of Section 100670, within one year from the date the moneys become excess surplus, as defined in paragraph (1) of subdivision (g), the agency shall do either of the following:

(A) Disburse voluntarily its excess surplus to the county housing authority, a private nonprofit housing developer, or to another public agency exercising housing development powers within the territorial jurisdiction of the agency in accordance with subdivision (b).

(B) Expend or encumber its excess surplus within two additional years.

(2) If an agency, after three years has elapsed from the date that the moneys become excess surplus, has not expended or encumbered its excess surplus, the agency shall be subject to sanctions pursuant to subdivision (e), until the agency has expended or encumbered its excess surplus plus an additional amount, equal to 50 percent of the amount of the excess surplus that remains at the end of the three-year period. The additional expenditure shall not be from the agency's separate fund established pursuant to subdivision (a) of Section 100670, but shall be used in a manner that meets all requirements for expenditures from that fund.

(b) The housing authority or other public agency to which the money is transferred shall utilize the moneys for the purposes of, and subject to the same restrictions that are applicable to, the agency under this part, and for that purpose may exercise all of the powers of a housing authority under Part 2 (commencing with Section 34200) of Division 24 of the Health and Safety Code to an extent not inconsistent with these limitations.

(c) Notwithstanding Section 34209 of the Health and Safety Code or any other law, for the purpose of accepting a transfer of, and using, moneys pursuant to this section, the housing authority of a county or other public agency may exercise its powers within the territorial jurisdiction of an agency located in that county.

(d) The amount of excess surplus that shall be transferred to the housing authority or other public agency because of a failure of the agency to expend or encumber excess

surplus within one year shall be the amount of the excess surplus that is not so expended or encumbered. The housing authority or other public agency to which the moneys are transferred shall expend or encumber these moneys for authorized purposes not later than three years after the date these moneys were transferred from the separate fund established pursuant to subdivision (a).

(e) (1) Until a time when the agency has expended or encumbered excess surplus moneys pursuant to subdivision (a), the agency shall be prohibited from encumbering any funds or expending any moneys derived from any source, except that the agency may encumber funds and expend moneys to pay the following obligations, if any, that were incurred by the agency before three years from the date the moneys became excess surplus:

(A) Bonds, notes, interim certificates, debentures, or other obligations issued by an agency, whether funded, refunded, assumed, or otherwise, pursuant to Part 7 (commencing with Section 100680).

(B) Loans or moneys advanced to the agency, including, but not limited to, loans from federal, state, or local agencies, or a private entity.

(C) Contractual obligations which, if breached, could subject the agency to damages or other liabilities or remedies.

(D) Indebtedness incurred pursuant to Section 100670 or 100672.

(E) An amount, to be expended for the operation and administration of the agency, that may not exceed 75 percent of the amount spent for those purposes in the preceding fiscal year.

(2) This subdivision shall not be construed to prohibit the expenditure of excess surplus funds or other funds to meet the requirement in paragraph (2) of subdivision (a) that the agency spend or encumber excess surplus funds, plus an amount equal to 50 percent of excess surplus, before spending or encumbering funds for any other purpose.

(f) This section shall not be construed to limit any authority that an agency may have under other provisions of this title to contract with a housing authority, private nonprofit housing developer, or other public agency exercising housing developer powers, for increasing or improving the community's supply of low- and moderate-income housing.

(g) For purposes of this section:

(1) "Excess surplus" means any unexpended and unencumbered amount in an agency's separate fund established pursuant to subdivision (a) of Section 100670 that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the separate fund pursuant to Sections 100670 and 100672 during the agency's preceding four fiscal years. The first fiscal year to be included in this computation is the 2019–20 fiscal year, and the first date on which an excess surplus may exist is July 1, 2024.

(2) Moneys shall be deemed encumbered if committed pursuant to a legally enforceable contract or agreement for expenditure for purposes specified in Sections 100670 and 100670.5.

(3) (A) For purposes of determining whether an excess surplus exists, it is the intent of the Legislature to give credit to agencies which convey land for less than fair market value, on which low- and moderate-income housing is built or is to be built if at least 49 percent of the units developed on the land are available at an affordable

housing cost to lower income households for at least the time specified in subdivision (f) of Section 100670.5, and otherwise comply with all of the provisions of this division applicable to expenditures of moneys from a low- and moderate-income housing fund established pursuant to Section 100670.5. Therefore, for the sole purpose of determining the amount, if any, of an excess surplus, an agency may make the following calculation: if an agency sells, leases, or grants land acquired with moneys from the separate fund established pursuant to subdivision (a) of Section 100670 for an amount which is below fair market value, and if at least 49 percent of the units constructed or rehabilitated on the land are affordable to lower income households, as defined in Section 50079.5 of the Health and Safety Code, the difference between the fair market value of the land and the amount the agency receives may be subtracted from the amount of moneys in an agency's separate fund.

(B) If taxes that are deposited in the separate fund are used as security for bonds or other indebtedness, the proceeds of the bonds or other indebtedness, and income and expenditures related to those proceeds, shall not be counted in determining whether an excess surplus exists. The unspent portion of the proceeds of bonds or other indebtedness, and income related thereto, shall be excluded from the calculation of the unexpended and unencumbered amount in the separate fund when determining whether an excess surplus exists.

(C) This subdivision shall not be construed to restrict the authority of an agency provided in any other provision of this title to expend funds from the separate fund established pursuant to subdivision (a) of Section 100670.

(D) The Department of Housing and Community Development shall develop and periodically revise the methodology to be used in the calculation of excess surplus as required by this section. The Director of Housing and Community Development shall appoint an advisory committee to advise in the development of this methodology. The advisory committee shall include department staff, affordable housing advocates, and representatives of the housing successors of former redevelopment agencies, the League of California Cities, the California Society of Certified Public Accountants, the Controller, and any other authorities or persons interested in the field that the director deems necessary and appropriate.

(h) Communities in which an agency has disbursed excess surplus funds pursuant to this section shall not disapprove a low- or moderate-income housing project funded in whole or in part by the excess surplus funds if the project is consistent with applicable building codes and the land use designation specified in any element of the general plan as it existed on the date the application was deemed complete. A local agency may require compliance with local development standards and policies appropriate to and consistent with meeting the quantified objectives relative to the development of housing, as required in housing elements of the community pursuant to subdivision (b) of Section 65583.

100674.5. (a) Notwithstanding Sections 50079.5, 50093, and 50105 of the Health and Safety Code, for purposes of an agency providing assistance to mortgagors participating in a homeownership residential mortgage revenue bond program pursuant to Section 33750 of the Health and Safety Code, or a home financing program pursuant to Section 52020 of the Health and Safety Code, or a California Housing Finance Agency home financing program, "area median income" means the highest of the following:

(1) Statewide median household income.
(2) Countywide median household income.
(3) Median family income for the area, as determined by the United States Department of Housing and Urban Development with respect to either a standard metropolitan statistical area or an area outside of a standard metropolitan statistical area.

(b) To the extent that any portion of the separate fund established pursuant to subdivision (a) of Section 100670 is expended by an agency to provide assistance to mortgagors participating in programs whose income exceeds that of persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, the agency shall, within two years, expend or enter into a legally enforceable agreement to expend twice that sum exclusively to increase and improve the community's supply of housing available at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code, of which at least 50 percent shall be very low income households, as defined in Section 50105 of the Health and Safety Code.

(c) In addition to the requirements of subdivision (c) of Section 33413 of the Health and Safety Code, the agency shall require that the lower and very low income dwelling units developed pursuant to this subdivision remain available at an affordable housing cost to lower and very low income households for at least 45 years, except as to dwelling units developed with the assistance of federal or state subsidy programs which terminate in a shorter period and cannot be extended or renewed.

(d) The agency shall include within the report required by Section 100640 information with respect to compliance by the agency with the requirements of this section.

100675. The covenants or restrictions imposed by the agency pursuant to subdivision (f) of Section 100670.5 may be subordinated under any of the following alternatives:

(a) To a lien, encumbrance, or regulatory agreement under a federal or state program when a federal or state agency is providing financing, refinancing, or other assistance to the housing units or parcels, if the federal or state agency refuses to consent to the seniority of the agency's covenant or restriction on the basis that it is required to maintain its lien, encumbrance, or regulatory agreement or restrictions due to statutory or regulatory requirements, adopted or approved policies, or other guidelines pertaining to the financing, refinancing, or other assistance of the housing units or parcels.

(b) To a lien, encumbrance, or regulatory agreement of a lender other than the agency or from a bond issuance providing financing, refinancing, or other assistance of owner-occupied units or parcels, provided that the agency makes a finding that an economically feasible alternative method of financing, refinancing, or assisting the units or parcels on substantially comparable terms and conditions, but without subordination, is not reasonably available.

(c) To an existing lien, encumbrance, or regulatory agreement of a lender other than the agency or from a bond issuance providing financing, refinancing, or other assistance of rental units, where the agency's funds are utilized for rehabilitation of the rental units.

(d) To a lien, encumbrance, or regulatory agreement of a lender other than the agency or from a bond issuance providing financing, refinancing, or other assistance

of rental units or parcels, provided that the agency makes a finding that an economically feasible alternative method of financing, refinancing, or assisting the units or parcels on substantially comparable terms and conditions, but without subordination, is not reasonably available, and the agency obtains written commitments reasonably designed to protect the agency's investment in the event of default, including, but not limited to, any of the following:

- (1) A right of the agency to cure a default on the loan.
- (2) A right of the agency to negotiate with the lender after notice of default from the lender.
- (3) An agreement that if before foreclosure of the loan, the agency takes title to the property and cures the default on the loan, the lender will not exercise any right it may have to accelerate the loan by reason of the transfer of title to the agency.
- (4) A right of the agency to purchase property from the owner at any time after a default on the loan.

100675.5. Subsidies provided pursuant to paragraph (8) of subdivision (b) of Section 100670 may include payment of a portion of the principal and interest on bonds issued by a public agency to finance housing for persons and families specified in that paragraph if the agency ensures by contract that the benefit of the subsidy will be passed on to those persons and families in the form of lower housing costs.

100676. For each interest in real property acquired using moneys from the separate fund established pursuant to subdivision (a) of Section 100670, the agency shall, within five years from the date it first acquires the property interest for the development of housing affordable to persons and families of low and moderate income, initiate activities consistent with the development of the property for that purpose. These activities may include, but are not limited to, zoning changes or agreements entered into for the development and disposition of the property. If these activities have not been initiated within this period, the agency may, by resolution, extend the period during which the agency may retain the property for one additional period not to exceed five years. The resolution of extension shall affirm the intention of the governing board that the property be used for the development of housing affordable to persons and families of low and moderate income. In the event that physical development of the property for this purpose has not begun by the end of the extended period, or if the agency does not comply with this requirement, the property shall be sold and the moneys from the sale, less reimbursement to the agency for the cost of the sale, shall be deposited in the agency's separate fund established pursuant to subdivision (a) of Section 100670.

PART 7. TAX INCREMENT BONDS

100680. The agency may, by majority vote, initiate proceedings to issue bonds pursuant to this chapter by adopting a resolution stating its intent to issue the bonds.

100681. The resolution adopted pursuant to Section 100680 shall contain all of the following information:

- (a) A description of the facilities or developments to be financed with the proceeds of the proposed bond issue.

(b) The estimated cost of the facilities or developments, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance.

(c) The maximum interest rate and discount on the proposed bond issuance.

(d) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.

(e) A finding that the amount necessary to pay the principal of, and interest on, the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subdivision (e).

100682. (a) Except as otherwise provided in subdivision (b), the clerk of the agency shall publish the resolution adopted pursuant to Section 100681 once a day for at least seven successive days in a newspaper published in the city or county at least six days a week, or at least once a week for two successive weeks in a newspaper published in the city or county less than six days a week.

(b) If there are no newspapers that meet the criteria specified in subdivision (a), the resolution shall be posted in three public places within the territory of the district for two succeeding weeks.

100683. (a) If the agency adopts a resolution proposing initiation of proceedings to issue bonds pursuant to Section 100680 for port or harbor infrastructure, it shall submit the proposal, together with the information specified in Section 100681, to the affected harbor agency pursuant to Section 1713 of the Harbors and Navigation Code for its preliminary approval.

(b) If the harbor agency grants preliminary approval, the proposal shall be considered by the State Lands Commission for final approval pursuant to Section 1714 of the Harbors and Navigation Code.

(c) If the State Lands Commission votes in favor of the issuance of the bonds as provided in Section 1714 of the Harbors and Navigation Code, the agency may proceed with the issuance of bonds pursuant to this part.

100684. The agency shall issue bonds by adopting a resolution providing for all of the following:

(a) The issuance of the bonds in one or more series.

(b) The principal amount of the bonds that shall be consistent with the amount specified in subdivision (b) of Section 100681.

(c) The date the bonds will bear.

(d) The date of maturity of the bonds.

(e) The denomination of the bonds.

(f) The form of the bonds.

(g) The manner of execution of the bonds.

(h) The medium of payment in which the bonds are payable.

(i) The place or manner of payment and any requirements for registration of the bonds.

(j) The terms of call or redemption, with or without premium.

100685. The agency may provide for refunding of bonds issued pursuant to this chapter. However, refunding bonds shall not be issued if the total net interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds exceeds the total net interest cost to maturity on the bonds to be refunded. The agency shall not extend the time to maturity of the bonds.

100686. The agency or any person executing the bonds shall not be personally liable on the bonds by reason of their issuance. The bonds and other obligations of an agency issued pursuant to this part are not a debt of the city, county, or state or of any of its political subdivisions, other than the agency, and none of those entities, other than the agency, shall be liable on the bonds and the bonds or obligations shall be payable exclusively from funds or properties of the agency. The bonds shall contain a statement to this effect on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

100687. The bonds may be sold at discount not to exceed 5 percent of par at public sale. At least five days before the sale, notice shall be published, pursuant to Section 6061, in a newspaper of general circulation and in a financial newspaper published in the City and County of San Francisco and in the City of Los Angeles. The bonds may be sold at not less than par to the federal government at private sale without any public advertisement.

100688. If any member of the agency whose signature appears on bonds ceases to be a member of the agency before delivery of the bonds, his or her signature is as effective as if he or she had remained in office. Bonds issued pursuant to this part are fully negotiable.

100689. Upon the approval of its legislative body, a city, county, or special district that contains territory within the boundaries of an agency may loan moneys to the agency to fund those activities described in the redevelopment project plan approved and adopted pursuant to Part 5 (commencing with Section 100650). Moneys loaned pursuant to this provision may be repaid at an interest rate that does not exceed the Local Agency Investment Fund rate that is in effect on the date that the loan is approved by the governing board. Notwithstanding any other provision of law, it is the intent of the Legislature that any loan issued to an agency by a governmental entity shall be repaid fully unless agreed to otherwise between the agency and the governmental entity.

100690. (a) Every two years after the issuance of debt pursuant to Section 100684, the agency shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and to the Joint Legislative Budget Committee.

(b) Upon the request of the Governor or of the Legislature, the Bureau of State Audits may conduct financial and performance audits of districts. The results of the audits shall be provided to the agency, the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

SEC. 3. Section 97.82 is added to the Revenue and Taxation Code, to read:

97.82. (a) Notwithstanding any other law, for the 2019–20 fiscal year and for each fiscal year thereafter, the auditor of a county in which a qualified local agency is located shall do both of the following:

(1) Increase the total amount of ad valorem property tax revenue that is otherwise required to be allocated to a qualified local agency by the affected tax entity equity amount.

(2) (A) Decrease the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the county's Educational Revenue Augmentation Fund by the affected tax entity equity amount.

(B) If, for any fiscal year, there is not enough ad valorem property tax revenue that is otherwise required to be allocated to a county Educational Revenue Augmentation Fund for the auditor to complete the allocation reduction required by subparagraph (A), the auditor shall additionally reduce the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts in the county for that fiscal year by an amount equal to the difference between the affected tax entity equity amount and the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund for that fiscal year. This reduction for each school district in the county shall be the percentage share of the total reduction that is equal to the proportion that the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the school district bears to the total amount of ad valorem property tax revenue that is otherwise required to be allocated to all school districts in a county. For purposes of this subparagraph, "school districts" do not include any districts that are excess tax school entities, as defined in Section 95.

(C) Any reduction in the amount of ad valorem property tax revenues deposited in the county's Educational Revenue Augmentation Fund as a result of subparagraph (A) shall be applied exclusively to reduce the amounts that are allocated from that fund to school districts and county offices of education, and shall not be applied to reduce the amounts of ad valorem property tax revenues that are otherwise required to be allocated from that fund to community college districts.

(b) For purposes of this section:

(1) "Affected tax entity equity amount" means an amount determined by the Department of Finance pursuant to Section 100614 of the Government Code to be sufficient to alleviate the burden caused by the redevelopment housing and infrastructure's agency's activities, but in no instance shall that amount exceed the amount of ad valorem property tax revenue that the qualified local agency would have received from property located within the redevelopment project area in the absence of the redevelopment and housing and infrastructure agency.

(2) "Qualified local agency" means a local agency as defined in subdivision (a) of Section 95 that was approved by the Department of Finance to receive equity pursuant to Section 100614 of the Government Code. "Qualified local agency" does not include a school entity.

(c) For the 2019–20 fiscal year and each fiscal year thereafter, ad valorem property tax revenue allocations made pursuant to Sections 96.1 and 96.5, or any successor to either of those provisions, shall not incorporate the allocation adjustments made by this section.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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Substantive

Amendment 3
On page 2, strike out lines 1 to 7, inclusive

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AMENDMENTS TO ASSEMBLY BILL NO. 3066

Amendment 1

In the title, in line 1, strike out "7000 of the Financial Code, relating to", strike out line 2 and insert:

754 of the Evidence Code, relating to interpreters.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 754 of the Evidence Code is amended to read:

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

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

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

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

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

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

(g) If the appointed interpreter is not familiar with the use of particular signs by the individual who is deaf or hard of hearing or his or her particular variant of sign



language, the court or other appointing authority shall, in consultation with the individual who is deaf or hard of hearing or his or her representative, appoint an intermediary interpreter.

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

~~(2)~~

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

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

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

(k) A statement, written or oral, made by an individual who the court finds is deaf or hard of hearing in reply to a question of a peace officer, or any other person having a law enforcement or prosecutorial function in a criminal or quasi-criminal investigation or proceeding, shall not be used against that individual who is deaf or hard of hearing unless the question was accurately interpreted and the statement was made knowingly, voluntarily, and intelligently and was accurately interpreted, or the court finds that either the individual could not have used an interpreter or an interpreter was not otherwise required by Title II of the federal Americans with Disabilities Act of 1990 (Public Law 101-336) and federal regulations adopted thereunder and that the statement was made knowingly, voluntarily, and intelligently.

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

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

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

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

Amendment 3

On page 1, strike out lines 1 to 9, inclusive, and strike out pages 2 and 3

AMENDMENTS TO ASSEMBLY BILL NO. 3075

Amendment 1

In the title, in line 1, strike out "amend Section 3001 of" and insert:

add Section 10.5 to

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 10.5 is added to the Elections Code, to read:

10.5. (a) There is established within the Secretary of State the Office of Elections Cybersecurity.

(b) The primary mission of the Office of Elections Cybersecurity is to coordinate efforts between the Secretary of State and local elections officials to reduce the likelihood and severity of cyber incidents that could interfere with the security or integrity of elections in the state.

(c) The Office of Elections Cybersecurity shall do all of the following:

(1) Coordinate with federal, state, and local agencies the sharing of information on threats to election cybersecurity, risk assessment, and threat mitigation in a timely manner and in a manner that protects sensitive information.

(2) In consultation with federal, state, and local agencies and private organizations, develop best practices for protecting against threats to election cybersecurity.

(3) In consultation with state and local agencies, develop and include best practices for cyber incident responses in emergency preparedness plans for elections.

(4) Identify resources, such as protective security tools, training, and other resources available to state and county elections officials.

(5) Advise the Secretary of State on issues related to election cybersecurity, and make recommendations for changes to state laws, regulations, and policies to further protect election infrastructure.

(6) Serve as a liaison between the Secretary of State, other state agencies, federal agencies, and local elections officials on election cybersecurity issues.

(7) Coordinate efforts within the Secretary of State to protect the security of Internet-connected elections-related resources, including all of the following:

(i) The state's online voter registration system established pursuant to Section 2196.

(ii) The statewide voter registration database developed in compliance with the requirements of the federal Help America Vote Act of 2002 (52 U.S.C. Sec. 20901 et seq.).

(iii) The Secretary of State's election night results Internet Web site.

(iv) The online campaign and lobbying filing and disclosure system developed by the Secretary of State pursuant to Chapter 4.6 (commencing with Section 84600) of Title 9 of the Government Code.

(v) Other parts of the Secretary of State's Internet Web site.



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Substantive

Amendment 3

On page 1, strike out lines 1 to 6, inclusive, and strike out page 2

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AMENDMENTS TO ASSEMBLY BILL NO. 3085

Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to add Chapter 7.5 (commencing with Section 8270) to Division 8 of the Welfare and Institutions Code, relating to homelessness, and making an appropriation therefor.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. The Legislature finds and declares the following:

(a) California's homeless crisis has reached emergency proportions. According to the latest federal Department of Housing and Urban Development report, California has experienced year-to-year increases in the homeless population by 13 percent in 2016 and nearly 14 percent in 2017. As of 2017, the overall statewide count has surged to 134,278 persons.

(b) In the last two years, dozens of city and county governments in California have declared homelessness an emergency. Despite increased efforts and resources to reduce homelessness in California, homelessness has remained a significant issue. Further, it has often been difficult for service providers to connect with homeless individuals and identify the services they need.

(c) Cities and counties throughout the state have started pursuing additional strategies to aid those in need, with several implementing programs that provide homeless individuals with work while providing easy access to services. These programs are loosely based on the There's a Better Way program in the City of Albuquerque, New Mexico, launched in 2015, that connects homeless individuals with work and has been widely lauded as a success. The City of Denver, Colorado launched one such program in 2016 called the Denver Day Works program and the reported numbers are very promising. In the program's first year, nearly 284 people were matched with work opportunities and 110 of these participants have found permanent employment, either with the city or county, or with private business hiring partners.

(d) Given the promising results in other cities, the state should provide incentives to cities and counties in California to pursue holistic approaches to aiding those experiencing homelessness by creating programs that offer these individuals with employment while matching them with other necessary services.

SEC. 2. Chapter 7.5 (commencing with Section 8270) is added to Division 8 of the Welfare and Institutions Code, to read:

CHAPTER 7.5. NEW BEGINNINGS CALIFORNIA PROGRAM

8270. (a) The New Beginnings California Program is hereby established in the Department of Community Services and Development for the purpose of providing



matching funds of up to _____ dollars (\$_____) to cities to implement, expand, or continue employment programs for homeless individuals.

(b) A city shall be eligible to receive grant funding pursuant to this section if its homeless employment program meets all of the following requirements:

(1) Connects homeless individuals with work opportunities. Employment offered through the program may be with the city, a contracted service provider, or a private entity that chooses to participate in the employment program.

(2) Program participants are paid an hourly wage that is at or above minimum wage.

(3) Connects program participants with shelter and other local services.

(4) Assists individuals who are not yet ready for employment with services and resources that will enable them to be prepared to work as soon as is feasible.

(c) A city that contracts with a service provider to implement a homeless employment program shall be eligible for a grant pursuant to this section if the program meets the requirements specified in subdivision (b).

(d) For purposes of this section, "city" also means a city and county.

(e) Grant funding awarded pursuant to this section shall be matched by the recipient city. A city's matching funds may be provided by charitable contributions or other grant funding.

(f) The department shall submit a report to the Legislature on the status of the grant program by no later than January 1, 2022. The report shall, at a minimum, include information regarding the implementation of the grant program and recommendations by the department to improve the program.

(g) The sum of _____ dollars (\$_____) is hereby appropriated from the General Fund to the New Beginnings California Account, which is hereby created. The Department of Community Services and Development shall apportion funds in the account to cities with employment programs that meet the requirements specified in subdivision (b), not to exceed _____ dollars (\$_____) per city. Funds in the account shall be available to the department without regard to fiscal years until the end of the 2023–24 fiscal year to carry out the purposes of this section.

Amendment 3

On page 1, strike out lines 1 and 2 and strike out page 2

AMENDMENTS TO ASSEMBLY BILL NO. 3089

Amendment 1

In the title, in line 1, strike out "49400" and insert:

69519

Amendment 2

In the title, strike out line 2 and insert:

student financial aid, and making an appropriation therefor.

Amendment 3

On page 1, before line 1, insert:

SECTION 1. Section 69519 of the Education Code is amended to read:

69519. (a) The commission, through an interagency agreement with the State Department of Social Services, currently operates a federally funded scholarship program that provides grant aid to provide access to California's current and former foster youth to postsecondary education. Funds provided through an appropriation by the Legislature shall be supplemental to funds provided by the federal government, and are designated to ensure program availability in the absence of and prior to the annual receipt of federal funds for this purpose.

(b) Funds provided for this program shall be used to assist students who are current and former foster youth, for career and technical training or traditional college courses. The commission shall operate this program in accordance with the program instructions provided by the federal Department of Health and Human Services, Administration for Children and Families, and the program guidelines developed by the State Department of Social Services.

(c) The total amount of funding and the amount of individual awards shall depend upon the amount of federal funding provided in addition to state funding. The commission, in conjunction with the State Department of Social Services, shall determine the individual award amounts and total number of students awarded on an annual basis as the amount of total annual funding is determined.

(d) Commencing with the ~~2017-18~~ 2019-20 award year, the commission shall make a new Chafee grant award to a student only if the student ~~attends either of the following:~~ meets both of the following conditions:

(1) Is under the age of 28.

(2) Attends either of the following institutions:

(+)

(A) A qualifying institution that is eligible for participation in the Cal Grant Program pursuant to Section 69432.7.

(-)



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(B) An institution that is not located in California that satisfies the provisions of subparagraphs (C) and (F) of paragraph (3) of subdivision (I) of Section 69432.7.

(e) Commencing with the 2019–20 award year, an additional two hundred fifty thousand dollars (\$250,000) is annually appropriated from the General Fund to expand the state’s allocation to the Chafee Educational and Training Vouchers program.

Amendment 4
On page 1, strike out lines 1 to 5, inclusive

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AMENDMENTS TO ASSEMBLY BILL NO. 3115

Amendment 1

In the title, strike out line 1 and insert:

An act to add Section 4033 to the Penal Code, relating to county jails.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 4033 is added to the Penal Code, to read:

4033. Each county jail shall allow at least one organization to provide a voter education program in the county jail. The program shall include, but not be limited to, providing both written and verbal information about voting rights upon release from jail, providing affidavits of registration to eligible voters, assisting eligible voters with the completion of the affidavits of registration, and assisting eligible voters in returning the completed voter registration cards to the county elections official.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Amendment 3

On page 1, strike out lines 1 to 4, inclusive, and strike out page 2

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AMENDMENTS TO ASSEMBLY BILL NO. 3129

Amendment 1

In the title, in line 1, strike out "485" and insert:

29805

Amendment 2

In the title, in line 1, strike out "criminal", strike out line 2 and insert:
firearms.

Amendment 3

On page 1, before line 1, insert:

SECTION 1. Section 29805 of the Penal Code is amended to read:

29805. (a) Except as provided in Section ~~29855 or 29855~~, subdivision (a) of Section 29800, or subdivision (b), any person who has been convicted of, or has an outstanding warrant for, a misdemeanor violation of Section 71, 76, 136.1, 136.5, or 140, subdivision (d) of Section 148, subdivision (f) of Section 148.5, Section 171b, paragraph (1) of subdivision (a) of Section 171c, Section 171d, 186.28, 240, 241, 242, 243, 243.4, 244.5, 245, 245.5, 246.3, 247, 273.5, 273.6, 417, 417.6, 422, 422.6, 626.9, 646.9, 830.95, 17500, 17510, 25300, 25800, 30315, or 32625, subdivision (b) or (d) of Section 26100, or Section 27510, or Section 8100, 8101, or 8103 of the Welfare and Institutions Code, any firearm-related offense pursuant to Sections 871.5 and 1001.5 of the Welfare and Institutions Code, Section 490.2 if the property taken was a firearm, or of the conduct punished in subdivision (c) of Section 27590, and who, within 10 years of the conviction, or if the individual has an outstanding warrant, owns, purchases, receives, or has in possession or under custody or control, any firearm is guilty of a public offense, punishable by imprisonment in a county jail not exceeding one year or in the state prison, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine.

(b) Any person who is convicted, on or after January 1, 2019, of a misdemeanor violation of subdivision (e) of Section 243 or Section 273.5, and who subsequently owns, purchases, receives, or has in possession or under custody or control, any firearm is guilty of a public offense, punishable by imprisonment in a county jail not exceeding one year or in the state prison, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine.

(b)

(c) The court, on forms prescribed by the Department of Justice, shall notify the department of persons subject to this section. However, the prohibition in this section may be reduced, eliminated, or conditioned as provided in Section 29855 or 29860.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred



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by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Amendment 4

On page 1, strike out lines 1 to 7, inclusive, and strike out page 2

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AMENDMENTS TO ASSEMBLY BILL NO. 3133

Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to amend Section 15770 of, and to add Section 15770.3 to, Government Code, relating to state government.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 15770 of the Government Code is amended to read:
15770. There is in the state government the State Public Works Board. The board consists of the Director of Finance, the Director of Transportation, and the Director of General Services. For the purpose of hearing and deciding upon matters related to the issuance of revenue bonds pursuant to the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800)), or any other law authorizing the issuance of revenue bonds, the Treasurer and the Controller shall be members of the board. For the purpose of hearing and deciding matters related to the acquisition of properties or construction of projects for any programs under the jurisdiction of the Natural Resources Agency, the Secretary of the Natural Resources Agency shall be a member of the board. Three Members of the Senate, appointed by the Senate Committee on Rules, and three Members of the Assembly, appointed by the Speaker, shall meet with and participate in the work of the board to the extent that such participation is not incompatible with their positions as Members of the Legislature. The appointed Members of the Legislature constitute a legislative interim committee on the subject of this part with all the powers and duties imposed upon such committees by the Joint Rules of the Legislature.

The amendments made to this section at the 1981-82 Regular Session of the Legislature shall become operative on January 1, 1983.

SEC. 2. Section 15770.3 is added to the Government Code, to read:

15770.3. When the Secretary of the Natural Resources Agency is serving as a member of the board, in the case of a vote of the board that results in a tie, the chairperson of the board shall cast the deciding vote.

Amendment 3

On page 1, strike out lines 1 to 8, inclusive, and strike out page 2



AMENDMENTS TO ASSEMBLY BILL NO. 3139

Amendment 1

In the title, in line 1, strike out "18030" and insert:

104.16

Amendment 2

In the title, in line 2, strike out "street lighting." and insert:

state highways.

Amendment 3

On page 1, before line 1, insert:

SECTION 1. Section 104.16 of the Streets and Highways Code is amended to read:

104.16. (a) Any airspace under a freeway, or real property acquired for highway purposes, in the City and County of San ~~Francisco~~, San Francisco or the City of Oakland, that is not excess property, shall be offered for lease on a right of first refusal by the department to the ~~city and county~~ City and County of San Francisco or to the City of Oakland, as applicable, or a political subdivision of the city or city and county, for purposes of an emergency shelter or feeding program, or for park, recreational, or open-space purposes.

(b) (1) The lease amount for emergency shelter or feeding programs shall be for one dollar (\$1) per month.

(2) For up to 10 parcels, the lease amount for park, recreational, or open-space purposes shall be 30 percent of the fair market lease value of the applicable parcel.

(3) Any property leased pursuant to paragraph (2) shall be located within a priority development area.

(4) The lease amount may be paid in advance of the term covered in order to reduce the administrative costs associated with the payment of the monthly rental fee. The lease shall require the payment of an administrative fee not to exceed five hundred dollars (\$500) per year, unless the department determines that a higher administrative fee is necessary, for the department's cost of administering the lease.

(c) In the case of a lease for park, recreational, or open-space purposes, in order to offset any potential loss of revenue, the department may include parcels leased pursuant to this section in a mitigation bank to be used to advance future development projects or highway projects within the ~~city and county~~ City and County of San Francisco or the City of Oakland.

(d) The ~~city and county~~ City and County of San Francisco or the City of Oakland or a political subdivision of the city or city and county, in consultation with the department, shall follow all applicable health, environmental, safety, design, and engineering standards.



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(e) Any lease shall require the lessee to fund and construct all associated infrastructure, and to accept full responsibility for liability related to those uses. The lease shall require the lessee to be responsible for all maintenance costs associated with those uses, except as otherwise provided in the lease. The lease shall authorize the lessee to subsidize its associated maintenance costs through generation of revenue under a limited revenue generation model, such as from limited parking facilities located on the leased property, if any revenues generated that exceed the associated maintenance costs are shared with the state, at a rate not less than 50 percent of those excess revenues, with that amount to be deposited in the State Highway Account.

(f) As used in this section, "priority development area" means an area identified in a sustainable communities strategy developed pursuant to Section 65080 of the Government Code.

(g) The Legislature finds and declares that the lease of real property pursuant to this section serves a public purpose.

Amendment 4

On page 1, strike out lines 1 to 5, inclusive, and strike out page 2

AMENDMENTS TO ASSEMBLY BILL NO. 3161

Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to amend Section 16501.5 of the Welfare and Institutions Code, relating to public social services.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 16501.5 of the Welfare and Institutions Code is amended to read:

16501.5. (a) In order to protect children and effectively administer and evaluate California's Child Welfare Services and Foster Care programs, the department shall implement a single statewide Child Welfare Services Case Management System no later than July 1, 1993.

(b) It is the intent of the Legislature in developing and implementing a statewide Child Welfare Services Case Management System to minimize the administrative and systems barriers ~~which that~~ inhibit the effective provision of services to children and families by applying current technology to the systems ~~which that~~ support the provision and management of child welfare services. Therefore, it is the intent of the Legislature that the Child Welfare Services Case Management System achieve all of the following:

(1) Provide child welfare services workers with immediate access to child and family specific information in order to make appropriate and expeditious case decisions.

(2) Provide child welfare services workers with the case management information needed to effectively and efficiently manage their caseloads and take appropriate and timely case management actions.

(3) Provide state and county child welfare services management with the information needed to monitor and evaluate the accomplishment of child welfare services tasks and goals.

(4) Provide all child welfare services agencies with a common ~~data base~~ database and definition of information from which to evaluate the child welfare services programs in terms of the following:

(A) Effectiveness in meeting statutory and regulatory mandates, goals, and objectives of the programs.

(B) Effectiveness in meeting the needs of the families and children serviced by the program.

(C) Projecting and planning for the future needs of the families and children served by the program.

(5) Meeting federal statistical reporting requirements with a minimum of duplication of effort.

(6) Consolidate the collection and reporting of information for those programs ~~which that~~ are closely related to child welfare services, including foster care and emergency assistance.



(7) Utilize the child welfare services functionality defined in current and planned automated systems as the foundation for the development of the technical requirements for the Child Welfare Services Case Management System.

(c) It is the intent of the Legislature that the Child Welfare Services Case Management System shall provide the required comprehensive and detailed individual county data needed by the department to implement and monitor the performance standards system.

(d) The Child Welfare Services Case Management System shall include, for cases in which a child welfare services worker is investigating a home for possible abuse or neglect of a child, the option of checking a "yes" or "no" box in regard to whether substance abuse is suspected in the home.

Amendment 3

On page 1, strike out lines 1 to 5, inclusive, and strike out pages 2 to 6, inclusive

AMENDMENTS TO ASSEMBLY BILL NO. 3168

Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to add Section 5443.1 to the Business and Professions Code, relating to outdoor advertising.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 5443.1 is added to the Business and Professions Code, to read:

5443.1. The provisions of this article shall not apply to an outdoor advertising display erected or built on publicly owned property, if both of the following conditions are met:

(a) A governmental agency has ownership and control over the subject property and adopts a resolution, ordinance, or other appropriate legally binding document that declares that the property is exempt from this article and forwards it to the Department of Transportation.

(b) The display complies with any other applicable ordinances or regulations of the governmental agency.

Amendment 3

On page 1, strike out lines 1 to 5, inclusive, and strike out page 2

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AMENDMENTS TO ASSEMBLY BILL NO. 3187

Amendment 1

In the title, in line 1, after “act” insert:

to add Section 44013 to the Public Resources Code, and to add Section 751 to the Public Utilities Code,

Amendment 2

In the title, in line 1, strike out “energy.” and insert:

biomethane.

Amendment 3

On page 1, before line 1, insert:

SECTION 1. Section 44013 is added to the Public Resources Code, to read:
44013. The board shall streamline the permitting process for an anaerobic digestion facility to allow a holder of a solid waste facility permit to modify that permit to include an anaerobic digestion facility.

SEC. 2. Section 751 is added to the Public Utilities Code, to read:
751. The commission shall authorize a gas corporation to include in its rate base all reasonable costs incurred to interconnect a biomass conversion facility or anaerobic digestion facility to its common carrier pipeline.

Amendment 4

On page 1, strike out lines 1 and 2



AMENDMENTS TO ASSEMBLY BILL NO. 3178

Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to amend Sections 41780 and 41825 of, and to add Section 41780.02 to, the Public Resources Code, relating to solid waste.

Amendment 2

On page 2, before line 1, insert:

SECTION 1. Section 41780 of the Public Resources Code is amended to read:
41780. (a) Each jurisdiction's source reduction and recycling element shall include an implementation schedule that shows both of the following:

(1) For the initial element, the jurisdiction shall divert 25 percent of all solid waste by January 1, 1995, through source reduction, recycling, and composting activities.

(2) Except as provided in Sections ~~41783~~ 41780.02, 41783, and 41784, for the first and each subsequent revision of the element, the jurisdiction shall divert 50 percent of all solid waste on and after January 1, 2000, through source reduction, recycling, and composting activities.

(b) This section does not prohibit a jurisdiction from implementing source reduction, recycling, and composting activities designed to exceed the requirements of this division.

SEC. 2. Section 41780.02 is added to the Public Resources Code, to read:

41780.02. (a) The Legislature finds that the storage of recyclable materials in amounts that exceed the design capacity or permitted capacity of a solid waste facility can pose a threat to public health and safety.

(b) Notwithstanding the diversion requirements of Section 41780, a jurisdiction may temporarily arrange, either directly or through its authorized recycling agent, for the disposal of recyclable material if the disposal is necessary for the facility to operate within its design or permit storage limits.

(c) Where the need to dispose of excess recyclable materials results from a lack of an available market, and is not the result of a jurisdiction's failure to undertake commercially reasonable efforts to find a market for the material, the jurisdiction shall not incur liability under Section 41850 for the resulting reduction in the quantity of solid waste diverted by the jurisdiction.

SEC. 3. Section 41825 of the Public Resources Code, as amended by Section 1 of Chapter 155 of the Statutes of 2017, is amended to read:

41825. (a) Using the information in the report submitted to the department by the jurisdiction pursuant to Section 41821 and any other relevant information, the department shall make a finding whether each jurisdiction was in compliance with Section 41780 for calendar year 2006 and shall review a jurisdiction's compliance with Section 41780 in accordance with the following schedule:



(1) If the department makes a finding that the jurisdiction was in compliance with Section 41780 for calendar year 2006, the department shall review, commencing January 1, 2012, and at least once every four years thereafter, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element.

(2) If the department makes a finding that the jurisdiction made a good faith effort to implement its source reduction and recycling element and household hazardous waste element, the department shall review, commencing January 1, 2010, and at least once every two years thereafter, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element.

(3) If the department makes a finding that the jurisdiction was not in compliance with Section 41780 for calendar year 2006 or for any subsequent calendar year, the department shall review, commencing January 1, 2010, and at least once every two years thereafter, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element.

(4) If, after determining that a jurisdiction is subject to paragraph (2), or, if, after determining that a jurisdiction is not in compliance with Section 41780 and is subject to paragraph (3), the department subsequently determines that the jurisdiction has come into compliance with Section 41780, the department shall review, at least once every four years, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element in the same manner as a jurisdiction that is subject to paragraph (1).

(5) If, after determining that a jurisdiction is in compliance with Section 41780 and is subject to paragraph (1), the department subsequently determines that the jurisdiction is not in compliance with Section 41780, the department shall review, at least once every two years, whether the jurisdiction has implemented its source reduction and recycling element and household hazardous waste element in the same manner as a jurisdiction that is subject to paragraph (2) or (3).

(b) In addition to the requirements of subdivision (a), the department may review whether a jurisdiction is in compliance with Section 41780 in accordance with the requirements of this section at any time that the department receives information that indicates the jurisdiction may not be making a good faith effort to implement its source reduction and recycling element and household hazardous waste element.

(c) (1) Before issuing a compliance order pursuant to subdivision (d), the department shall confer with the jurisdiction regarding conditions relating to the proposed order of compliance, with a first meeting occurring not less than 60 days before issuing a notice of intent to issue an order of compliance.

(2) The department shall issue a notice of intent to issue an order of compliance not less than 30 days before the department holds a hearing to issue the notice of compliance. The notice of intent shall specify all of the following:

(A) The proposed basis for issuing an order of compliance.

(B) The proposed actions the department recommends are necessary for the jurisdiction to complete to implement its source reduction and recycling element or household hazardous waste element.

(C) The proposed recommendations to the department.

(3) The department shall consider any information provided pursuant to subdivision (c) of Section 41821 if the proposed issuance of an order of compliance involves changes to a jurisdiction's calculation of annual disposal.

(d) (1) If, after holding a public hearing, which, to the extent possible, shall be held in the local or regional agency's jurisdiction, the department finds that a jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the department shall issue an order of compliance with a specific schedule for achieving compliance.

(2) The compliance order shall include those conditions that the department determines to be necessary for the jurisdiction to implement its diversion programs.

(3) In addition to considering the good faith efforts of a jurisdiction, as specified in subdivision (e), to implement a diversion program, the department shall consider both of the following factors in determining whether or not to issue a compliance order:

(A) Whether an exceptional growth rate may have affected compliance.

(B) Whether the absence or loss of a market for recyclable materials diverted from solid waste facilities necessitated the disposal of those materials as a temporary measure to avoid a public health threat associated with storing recyclable materials in amounts that exceed the permitted or design capacity of a solid waste facility.

~~(B)~~

(C) Other information that the jurisdiction may provide that indicates the effectiveness of the jurisdiction's programs, such as disposal characterization studies or other jurisdiction specific information.

(e) For purposes of making a determination pursuant to this section whether a jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the department shall consider all of the following criteria:

(1) For the purposes of this section, "good faith effort" means all reasonable and feasible efforts by a jurisdiction to implement those programs or activities identified in its source reduction and recycling element or household hazardous waste element, or alternative programs or activities that achieve the same or similar results.

(2) For purposes of this section, "good faith effort" may also include the evaluation by a jurisdiction of improved technology for the handling and management of solid waste that would reduce costs, improve efficiency in the collection, processing, or marketing of recyclable materials or yard waste, and enhance the ability of the jurisdiction to adequately address all sources of significant disposal, the submission by the jurisdiction of a compliance schedule, and the undertaking of all other reasonable and feasible efforts to implement the programs identified in the jurisdiction's source reduction and recycling element or household hazardous waste element.

(3) In determining whether a jurisdiction has made a good faith effort, the department shall consider the enforcement criteria included in its enforcement policy, as adopted on April 25, 1995, or as subsequently amended.

(4) The department shall consider all of the following when considering whether a jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element:

(A) Natural disasters.

(B) Budgetary conditions within a jurisdiction that could not be remedied by the imposition or adjustment of solid waste fees.

(C) Work stoppages that directly prevent a jurisdiction from implementing its source reduction and recycling element or household hazardous waste element.

(D) The impact of the failure of federal, state, and other local agencies located within the jurisdiction to implement source reduction and recycling programs in the jurisdiction.

(E) The extent to which the jurisdiction has implemented additional source reduction, recycling, and composting activities.

(F) The extent to which the jurisdiction has made program implementation choices driven by considerations related to other environmental issues, including climate change.

(G) Whether the jurisdiction has provided information to the department concerning whether construction and demolition waste material is at least a moderately significant portion of the waste stream, and, if so, whether the local jurisdiction has adopted an ordinance for diversion of construction and demolition waste materials from solid waste disposal facilities, has adopted a model ordinance pursuant to subdivision (a) of Section 42912 for diversion of construction and demolition waste materials from solid waste disposal facilities, or has implemented another program to encourage or require diversion of construction and demolition waste materials from solid waste disposal facilities.

(H) The extent to which the jurisdiction has implemented programs to comply with Section 41780 and to maintain its per capita disposal rate.

(I) The extent to which the lack of an available market for one or more types of recyclable materials is the result of circumstances beyond the reasonable control of the jurisdiction, and prevented the jurisdiction from fully implementing its diversion programs.

(5) In making a determination whether a jurisdiction has made a good faith effort, pursuant to this section, the department may consider a jurisdiction's per capita disposal rate as a factor in determining whether the jurisdiction adequately implemented its diversion programs. The department shall not consider a jurisdiction's per capita disposal rate to be determinative as to whether the jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element.

(f) This section shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

SEC. 4. Section 41825 of the Public Resources Code, as amended by Section 2 of Chapter 155 of the Statutes of 2017, is amended to read:

41825. (a) At least once every two years, the department shall review each jurisdiction's source reduction and recycling element and household hazardous waste element for compliance with Section 41780.

(b) In addition to the requirements of subdivision (a), the department may review whether a jurisdiction is in compliance with Section 41780 in accordance with the requirements of this section at any time that the department receives information that indicates the jurisdiction may not be making a good faith effort to implement its source reduction and recycling element and household hazardous waste element.

(c) (1) Before issuing a compliance order pursuant to subdivision (d), the department shall confer with the jurisdiction regarding conditions relating to the

proposed order of compliance, with a first meeting occurring not less than 60 days before issuing a notice of intent to issue an order of compliance.

(2) The department shall issue a notice of intent to issue an order of compliance not less than 30 days before the department holds a hearing to issue the notice of compliance. The notice of intent shall specify all of the following:

(A) The proposed basis for issuing an order of compliance.

(B) The proposed actions the department recommends are necessary for the jurisdiction to complete the implementation of its source reduction and recycling element or household hazardous waste element.

(C) The proposed recommendations to the department.

(3) The department shall consider any information provided pursuant to subdivision (c) of Section 41821, if the proposed issuance of an order of compliance involves changes to a jurisdiction's calculation of annual disposal.

(d) (1) If, after holding a public hearing, which, to the extent possible, shall be held in the local or regional agency's jurisdiction, the department finds that a jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the department shall issue an order of compliance with a specific schedule for achieving compliance.

(2) The compliance order shall include those conditions that the department determines to be necessary for the jurisdiction to implement its diversion programs.

(3) In addition to considering the good faith efforts of a jurisdiction, as specified in subdivision (e), to implement a diversion program, the department shall consider all of the following factors in determining whether or not to issue a compliance order:

(A) Whether an exceptional growth rate may have affected compliance.

(B) Whether the absence or loss of a market for recyclable materials diverted from solid waste facilities necessitated the disposal of those materials as a temporary measure to avoid a public health threat associated with storing recyclable materials in amounts that exceed the permitted or design capacity of a solid waste facility.

~~(B)~~

(C) Other information that the jurisdiction may provide that indicates the effectiveness of the jurisdiction's programs, such as disposal characterization studies or other jurisdiction specific information.

(e) For purposes of making a determination pursuant to this section as to whether a jurisdiction has failed to make a good faith effort to implement its source reduction and recycling element or its household hazardous waste element, the department shall consider all of the following criteria:

(1) For the purposes of this section, "good faith effort" means all reasonable and feasible efforts by a jurisdiction to implement those programs or activities identified in its source reduction and recycling element or household hazardous waste element, or alternative programs or activities that achieve the same or similar results.

(2) For purposes of this section, "good faith effort" may also include the evaluation by a jurisdiction of improved technology for the handling and management of solid waste that would reduce costs, improve efficiency in the collection, processing, or marketing of recyclable materials or yard waste, and enhance the ability of the jurisdiction to adequately address all sources of significant disposal, the submission by the jurisdiction of a compliance schedule, and the undertaking of all other reasonable

and feasible efforts to implement the programs identified in the jurisdiction's source reduction and recycling element or household hazardous waste element.

(3) In determining whether a jurisdiction has made a good faith effort, the department shall also consider the enforcement criteria included in its enforcement policy, as adopted on April 25, 1995, or as subsequently amended.

(4) The department shall consider all of the following when considering whether a jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element:

(A) Natural disasters.

(B) Budgetary conditions within a jurisdiction that could not be remedied by the imposition or adjustment of solid waste fees.

(C) Work stoppages that directly prevent a jurisdiction from implementing its source reduction and recycling element or household hazardous waste element.

(D) The impact of the failure of federal, state, and other local agencies located within the jurisdiction to implement source reduction and recycling programs in the jurisdiction.

(E) The extent to which the jurisdiction has implemented additional source reduction, recycling, and composting activities.

(F) The extent to which the jurisdiction has made program implementation choices driven by considerations related to other environmental issues, including climate change.

(G) Whether the jurisdiction has provided information to the department concerning whether construction and demolition waste material is at least a moderately significant portion of the waste stream, and, if so, whether the local jurisdiction has adopted an ordinance for diversion of construction and demolition waste materials from solid waste disposal facilities, has adopted a model ordinance pursuant to subdivision (a) of Section 42912 for diversion of construction and demolition waste materials from solid waste disposal facilities, or has implemented another program to encourage or require diversion of construction and demolition waste materials from solid waste disposal facilities.

(H) The extent to which the jurisdiction has implemented programs to comply with Section 41780 and to maintain its per capita disposal rate.

(I) The extent to which the lack of an available market for one or more types of recyclable materials is the result of circumstances beyond the reasonable control of the jurisdiction, and prevented the jurisdiction from fully implementing its diversion programs.

(5) In making a determination whether a jurisdiction has made a good faith effort, pursuant to this section, the department may consider a jurisdiction's per capita disposal rate as a factor in determining whether the jurisdiction adequately implemented its diversion programs. The department shall not consider a jurisdiction's per capita disposal rate to be determinative as to whether the jurisdiction has made a good faith effort to implement its source reduction and recycling element or its household hazardous waste element.

(f) This section shall become operative on January 1, 2022.

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Amendment 3

On page 2, strike out lines 1 to 37, inclusive, and strike out pages 3 and 4

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AMENDMENTS TO ASSEMBLY BILL NO. 3188

Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to amend Section 52060 of the Education Code, relating to school accountability.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 52060 of the Education Code is amended to read:

52060. (a) On or before July 1, 2014, the governing board of each school district shall adopt a local control and accountability plan using a template adopted by the state board.

(b) A local control and accountability plan adopted by the governing board of a school district shall be effective for a period of three years, and shall be updated on or before July 1 of each year.

(c) A local control and accountability plan adopted by the governing board of a school district shall include, for the school district and each school within the school district, both of the following:

(1) A description of the annual goals, for all pupils and each subgroup of pupils identified pursuant to Section 52052, to be achieved for each of the state priorities identified in subdivision (d) and for any additional local priorities identified by the governing board of the school district. For purposes of this article, a subgroup of pupils identified pursuant to Section 52052 shall be a numerically significant pupil subgroup as specified in paragraphs (2) and (3) of subdivision (a) of Section 52052.

(2) A description of the specific actions the school district will take during each year of the local control and accountability plan to achieve the goals identified in paragraph (1), including the enumeration of any specific actions necessary for that year to correct any deficiencies in regard to the state priorities listed in paragraph (1) of subdivision (d). The specific actions shall not supersede the provisions of existing local collective bargaining agreements within the jurisdiction of the school district.

(d) All of the following are state priorities:

(1) The degree to which the teachers of the school district are appropriately assigned in accordance with Section 44258.9, and fully credentialed in the subject areas, and, for the pupils they are teaching, every pupil in the school district has sufficient access to the standards-aligned instructional materials as determined pursuant to Section 60119, and school facilities are maintained in good repair, as defined in subdivision (d) of Section 17002.

(2) Implementation of the academic content and performance standards adopted by the state board, including how the programs and services will enable English learners to access the common core academic content standards adopted pursuant to Section 60605.8 and the English language development standards adopted pursuant to former Section 60811.3, as that section read on June 30, 2013, or former Section 60811.4, as



that section read on December 31, 2016, for purposes of gaining academic content knowledge and English language proficiency.

(3) Parental involvement, including efforts the school district makes to seek parent input in making decisions for the school district and each individual schoolsite, and including how the school district will promote parental participation in programs for unduplicated pupils and individuals with exceptional needs.

(4) Pupil achievement, as measured by all of the following, as applicable:

(A) Statewide assessments administered pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33 or any subsequent assessment, as certified by the state board.

(B) The Academic Performance Index, as described in Section 52052.

(C) The percentage of pupils who have successfully ~~completed~~ completed: (i) courses that satisfy the requirements for entrance to the University of California and the California State ~~University, or University~~; or (ii) career technical education sequences or programs of study that align with state board-approved career technical education standards and frameworks, including, but not limited to, those described in subdivision (a) of Section 52302, subdivision (a) of Section 52372.5, or paragraph (2) of subdivision (e) of Section ~~54692~~ 54692; or (iii) to the extent possible, both (i) and (ii).

(D) The percentage of English learner pupils who make progress toward English proficiency as measured by the California English Language Development Test or any subsequent assessment of English proficiency, as certified by the state board.

(E) The English learner reclassification rate.

(F) The percentage of pupils who have passed an advanced placement examination with a score of 3 or higher.

(G) The percentage of pupils who participate in, and demonstrate college preparedness pursuant to, the Early Assessment Program, as described in Chapter 6 (commencing with Section 99300) of Part 65 of Division 14 of Title 3, or any subsequent assessment of college preparedness.

(5) Pupil engagement, as measured by all of the following, as applicable:

(A) School attendance rates.

(B) Chronic absenteeism rates.

(C) Middle school dropout rates, as described in paragraph (3) of subdivision (a) of Section 52052.1.

(D) High school dropout rates.

(E) High school graduation rates.

(6) School climate, as measured by all of the following, as applicable:

(A) Pupil suspension rates.

(B) Pupil expulsion rates.

(C) Other local measures, including surveys of pupils, parents, and teachers on the sense of safety and school connectedness.

(7) The extent to which pupils have access to, and are enrolled in, a broad course of study that includes all of the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable, including the programs and services developed and provided to unduplicated pupils and individuals with exceptional needs, and the programs and services that are provided to benefit these

pupils as a result of the funding received pursuant to Section 42238.02, as implemented by Section 42238.03.

(8) Pupil outcomes, if available, in the subject areas described in Section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable.

(e) For purposes of the descriptions required by subdivision (c), the governing board of a school district may consider qualitative information, including, but not limited to, findings that result from school quality reviews conducted pursuant to subparagraph (J) of paragraph (4) of subdivision (a) of Section 52052 or any other reviews.

(f) To the extent practicable, data reported in a local control and accountability plan shall be reported in a manner consistent with how information is reported on a school accountability report card.

(g) The governing board of a school district shall consult with teachers, principals, administrators, other school personnel, local bargaining units of the school district, parents, and pupils in developing a local control and accountability plan.

(h) A school district may identify local priorities, goals in regard to the local priorities, and the method for measuring the school district's progress toward achieving those goals.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Amendment 3

On page 1, strike out lines 1 to 6, inclusive, and strike out page 2

AMENDMENTS TO ASSEMBLY BILL NO. 3192

Amendment 1

In the title, in line 1, strike out "53070 of the Education Code, relating to", strike out line 2 and insert:

Section 14115.8 of the Welfare and Institutions Code, relating to Medi-Cal.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 14115.8 of the Welfare and Institutions Code is amended to read:

14115.8. (a) (1) The department shall amend the Medicaid state plan with respect to the billing option for services by local educational agencies (LEAs), to ensure that schools shall be reimbursed for all eligible services that they provide that are not precluded by federal requirements.

(2) The department shall examine methodologies for increasing school participation in the Medi-Cal billing option for LEAs so that schools can meet the health care needs of their students.

(3) The department, to the extent possible shall simplify claiming processes for LEA billing.

(4) The department shall eliminate and modify state plan and regulatory requirements that exceed federal requirements when they are unnecessary.

(5) (A) The department shall, in consultation with the LEA Ad Hoc Workgroup and the State Department of Education, and consistent with any applicable federal requirements, prepare and complete a fiscal and compliance audit guide of the LEA Medi-Cal billing option described in Section 14132.06, subject to approval by the LEA Ad Hoc Workgroup.

(B) The department shall distribute the audit guide to LEAs by June 30, 2019.

(C) Any revisions to the audit guide shall be subject to approval by the LEA Ad Hoc Workgroup.

(D) The audit guide shall not be retroactively applied to audits completed by the department.

(b) If a rate study for the LEA Medi-Cal billing option is completed pursuant to Section 52 of Chapter 171 of the Statutes of 2001, the department, in consultation with the entities named in subdivision (c), shall implement the recommendations from the study, to the extent feasible and appropriate.

(c) In order to assist the department in formulating the state plan amendments required by subdivisions (a) and (b), the department shall regularly consult with the State Department of Education, representatives of urban, rural, large and small school districts, and county offices of education, the local education consortium, and local educational agencies. It is the intent of the Legislature that the department also consult with staff from Region IX of the federal Centers for Medicare and Medicaid Services, experts from the fields of both health and education, and state legislative staff.



(d) Notwithstanding any other law, or any other contrary state requirement, the department shall take whatever action is necessary to ensure that, to the extent there is capacity in its certified match, an LEA shall be reimbursed retroactively for the maximum period allowed by the federal government for any department change that results in an increase in reimbursement to local educational agency providers.

(e) The department may undertake all necessary activities to recoup matching funds from the federal government for reimbursable services that have already been provided in the state's public schools. The department shall prepare and take whatever action is necessary to implement all regulations, policies, state plan amendments, and other requirements necessary to achieve this purpose.

(f) The department shall file an annual report with the Legislature that shall include at least all of the following:

(1) A copy of the annual comparison required by subdivision (i).

(2) A state-by-state comparison of school-based Medicaid total and per eligible child claims and federal revenues. The comparison shall include a review of the most recent two years for which completed data is available.

(3) A summary of department activities and an explanation of how each activity contributed toward narrowing the gap between California's per eligible student federal fund recovery and the per student recovery of the top three states.

(4) A listing of all school-based services, activities, and providers approved for reimbursement by the federal Centers for Medicare and Medicaid Services in other state plans that are not yet approved for reimbursement in California's state plan and the service unit rates approved for reimbursement.

(5) The official recommendations made to the department by the entities named in subdivision (c) and the action taken by the department regarding each recommendation.

(6) A one-year timetable for state plan amendments and other actions necessary to obtain reimbursement for those items listed in paragraph (4).

(7) Identification of any barriers to local educational agency reimbursement, including those specified by the entities named in subdivision (c), that are not imposed by federal requirements, and a description of the actions that have been, and will be, taken to eliminate them.

(g) (1) These activities shall be funded and staffed by proportionately reducing federal Medicaid payments allocable to LEAs for the provision of benefits funded by the federal Medicaid program under the billing option for services by LEAs specified in this section. Moneys collected as a result of the reduction in federal Medicaid payments allocable to LEAs shall be deposited into the Local Educational Agency Medi-Cal Recovery Fund, which is hereby established in the Special Deposit Fund established pursuant to Section 16370 of the Government Code. These funds shall be used, upon appropriation by the Legislature, only to support the department to meet all the requirements of this section. If at any time this section is repealed, it is the intent of the Legislature that all funds in the Local Educational Agency Medi-Cal Recovery Fund be returned proportionally to all LEAs whose federal Medicaid funds were used to create this fund. The annual amount funded pursuant to this paragraph shall not exceed one million five hundred thousand dollars (\$1,500,000).

(2) Moneys collected under paragraph (1) shall be proportionately reduced from federal Medicaid payments to all participating LEAs so that no one LEA loses a disproportionate share of its federal Medicaid payments.

(h) (1) The department may enter into a sole source contract to comply with the requirements of this section.

(2) The level of additional staff to comply with the requirements of this section, including, but not limited to, staff for which the department has contracted for pursuant to paragraph (1), shall be limited to that level that can be funded with revenues derived pursuant to subdivision (g).

(i) The activities of the department shall include all of the following:

(1) An annual comparison of the school-based Medicaid systems in comparable states.

(2) Efforts to improve communications with the federal government, the State Department of Education, and local educational agencies.

(3) The development and updating of written guidelines to local educational agencies regarding best practices to avoid audit exceptions, as needed.

(4) The establishment and maintenance of a local educational agency user-friendly, interactive Internet Web site.

(5) Collaboration with the State Department of Education to help ensure LEA compliance with state and federal Medicaid requirements and to help improve LEA participation in the Medi-Cal billing option for LEAs.

Amendment 3

On page 1, strike out lines 1 to 9, inclusive, and strike out page 2

AMENDMENTS TO ASSEMBLY BILL NO. 3199

Amendment 1

In the title, in line 1, after "act" insert:

to amend Section 320.5 of the Penal Code,

Amendment 2

In the title, in line 1, strike out "CalWORKs." and insert:

charitable raffles.

Amendment 3

On page 2, before line 1, insert:

SECTION 1. Section 320.5 of the Penal Code is amended to read:

320.5. (a) Nothing in this chapter applies to any raffle conducted by an eligible organization as defined in subdivision (c) for the purpose of directly supporting beneficial or charitable purposes or financially supporting another private, nonprofit, eligible organization that performs beneficial or charitable purposes if the raffle is conducted in accordance with this section.

(b) 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, where all of the following are true:

(1) Each ticket is sold with a detachable coupon or stub, and both the ticket and its associated coupon or stub are marked with a unique and matching identifier.

(2) Winners of the prizes are determined by draw from among the coupons or stubs described in paragraph (1) that have been detached from all tickets sold for entry in the draw.

(3) The draw is conducted in California under the supervision of a natural person who is 18 years of age or older.

(4) (A) At least 90 percent of the gross receipts generated from the sale of raffle tickets for any given draw are used by the eligible organization conducting the raffle to benefit or provide support for beneficial or charitable purposes, or it may use those revenues to benefit another private, nonprofit organization, provided that an organization receiving these funds is itself an eligible organization as defined in subdivision (c). As used in this section, "beneficial 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. In no event shall funds raised by raffles conducted pursuant to this section 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.



(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 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, employees selling raffle tickets shall be deemed to be direct sellers as described in Section 650 of the Unemployment Insurance Code as long as they meet the requirements of that section.

(c) For purposes of this section, "eligible organization" means a private, nonprofit organization that has been qualified to conduct business in California for at least one year prior to conducting a raffle and is exempt from taxation pursuant to Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701k, 23701l, 23701t, or 23701w of the Revenue and Taxation Code.

(d) Any 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.

(e) ~~No~~ A raffle otherwise permitted under this section ~~may~~ shall not be conducted by means of, or otherwise utilize, any gaming machine, apparatus, or device, whether or not that machine, apparatus, or device meets the definition of slot machine contained in Section 330a, 330b, or 330.1.

(f) (1) ~~No~~ A raffle otherwise permitted under this section ~~may~~ shall not be conducted, nor ~~may~~ shall 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 may 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 Web site 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 Web site 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 e-mail address.

(g) A raffle otherwise permitted under this section shall not have any firearm, as defined in Section 16520, except an antique firearm, as defined in subdivision (c) of Section 16170, as a prize.

~~(g) No~~

(h) 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 (a) and (b).

~~(h)~~

(i) (1) An eligible organization may shall not conduct a raffle authorized under this section, unless it registers annually with 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, the following:

(A) The name and address of the eligible organization.

(B) 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.

(C) The name and title of a responsible fiduciary of the organization.

(2) The department may require an eligible organization to pay an annual registration fee of ten dollars (\$10) to cover the actual costs of the department to administer and enforce this section. The department may, by regulation, adjust the annual registration fee as needed to ensure that revenues willfully offset, but do not exceed, the actual costs incurred by the department pursuant to this section. The fee shall be deposited by the department into the General Fund.

(3) The department shall receive General Fund moneys for the costs incurred pursuant to this section subject to an appropriation by the Legislature.

(4) 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).

(5) The department shall maintain an automated database of all registrants. Each 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. The department may audit the records and other documents of a registrant to ensure compliance with this section.

(6) Once registered, an eligible organization must file annually thereafter with the department a report that includes the following:

(A) The aggregate gross receipts from the operation of raffles.

(B) The aggregate direct costs incurred by the eligible organization from the operation of raffles.

(C) The charitable or beneficial purposes for which proceeds of the raffles were used, or identify the eligible recipient organization to which proceeds were directed, and the amount of those proceeds.

(7) The department shall annually furnish to registrants a form to collect this information.

(8) The registration and reporting provisions of this section do not apply to any religious corporation sole or other religious corporation or organization that holds property for religious purposes, to a cemetery corporation regulated under Chapter 19 of Division 3 of the Business and Professions Code, or to any committee as defined in Section 82013 that is required to and does file any statement pursuant to the provisions of Article 2 (commencing with Section 84200) of Chapter 4 of Title 9, or to a charitable corporation organized and operated primarily as a religious organization, educational institution, hospital, or a health care service plan licensed pursuant to Section 1349 of the Health and Safety Code.

~~(i)~~

(j) The department may take legal action against a registrant if it determines that the registrant has violated this section or any 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. Any 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.

~~(j)~~

(k) Each 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 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.

~~(k)~~

(l) The Department of Justice shall conduct a study and report to the Legislature by December 31, 2003, on the impact of this section on raffle practices in California. Specifically, the study shall include, but not be limited to, information on whether the number of raffles has increased, the amount of money raised through raffles and whether this amount has increased, whether there are consumer complaints, and whether there is increased fraud in the operation of raffles.

~~(A) This section shall become operative on July 1, 2001.~~

(m) A raffle shall be exempt from this section if it satisfies all of the following requirements:

(1) It involves a general and indiscriminate distribution of the tickets.

(2) The tickets are offered on the same terms and conditions as the tickets for which a donation is given.

(3) The scheme does not require any of the participants to pay for a chance to win.

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Substantive

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Amendment 4
On page 2, strike out lines 1 to 3, inclusive

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AMENDMENTS TO ASSEMBLY BILL NO. 3205

Amendment 1

In the title, strike out line 1 and insert:

An act to add Section 17583 to the Education Code, relating to school facilities.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 17583 is added to the Education Code, to read:
17583. (a) (1) If a governing board of a school district elects to seek state funding pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10 for a school modernization project for a school facility constructed before January 1, 2012, the governing board of the school district shall include, as part of the modernization project, locks that allow doors to classrooms and any room with an occupancy of five or more persons to be locked from the inside of the room, except as provided in paragraph (2).

(2) The requirement in paragraph (1) does not apply to doors that are locked from the outside at all times, doors with locks that lock from inside, and pupil restrooms.

(b) The locks required by subdivision (a) shall conform to the specifications and requirements set forth in Title 24 of the California Code of Regulations.

Amendment 3

On page 1, strike out lines 1 and 2



AMENDMENTS TO ASSEMBLY BILL NO. 3224

Amendment 1

In the title, in line 1, after "act" insert:

to add Section 10503 to the Welfare and Institutions Code,

Amendment 2

In the title, in line 1, strike out "mental health services." and insert:

public social services.

Amendment 3

On page 1, before line 1, insert:

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

(a) Section 431.10 of Title 42 of the Code of Federal Regulations, implements Section 1902 (a)(4) of the Social Security Act, and requires that decisions regarding the state Medicaid program, known in California as Medi-Cal, be made by a government agency which maintains personnel standards on a merit basis.

(b) Section 272.4 of Title 7 of the Code of Federal Regulations requires that the federal Supplemental Nutrition Assistance Program (SNAP) be administered by merit personnel. Specifically, that section provides that "[s]tate agency personnel used in the certification process shall be employed in accordance with the current standards for a merit system of personnel administration or any standards later prescribed by the U.S. Civil Service Commission under section 208 of the Intergovernmental Personnel Act of 1970." The regulation further states that "[v]olunteers and other non-State agency employees shall not conduct certification interviews or certify SNAP applicants."

(c) In December 2017, the United States Department of Agriculture, under the leadership of President Donald Trump, issued guidance relating to the federal Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California, inviting the states to request a waiver to use nonmerit system personnel in call centers to perform duties unrelated to eligibility determinations. However, this change may lead to future changes that could eventually undermine long-standing regulations requiring eligibility decisions to be made by merit system personnel.

(d) The merit or civil service status of personnel who determine whether or not someone is eligible for benefits and how much they receive is an essential feature of America's safety net program, providing essential protections for people served by these programs and ensuring the integrity of government investments.

(e) Therefore, the Legislature further finds and declares that California should codify the provisions in state law to prevent against the erosion of these protections by federal lawmakers.

SEC. 2. Section 10503 is added to the Welfare and Institutions Code, to read:



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Substantive

10503. All decisions governing eligibility for assistance for Medi-Cal, CalWORKs, and CalFresh that are made by a county employee shall be determined exclusively by a merit or civil service employee of the county.

Amendment 4
On page 1, strike out lines 1 and 2

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AMENDMENTS TO ASSEMBLY BILL NO. 3229

Amendment 1

In the title, strike out line 1 and insert:

An act to amend Section 7480 of the Government Code, relating to privacy.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 7480 of the Government Code is amended to read:

7480. Nothing in this chapter shall prohibit any of the following:

(a) The dissemination of any financial information that is not identified with, or identifiable as being derived from, the financial records of a particular customer.

(b) When any ~~police~~ police, sheriff's department, district attorney, or sheriff's department or district attorney special agent with the Department of Justice in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, access cards, or other orders drawn upon any bank, credit union, or savings association in this state, ~~the police or police, sheriff's department or department, district attorney, special agent with the Department of Justice, or a county adult protective services office~~ when investigating the financial abuse of an elder or dependent adult, or a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, may request a bank, credit union, or savings association to furnish, and a bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the requesting party for a period 30 days ~~prior to, before,~~ and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

(1) The number of items dishonored.

(2) The number of items paid that created overdrafts.

(3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.

(4) The dates and amounts of deposits and debits and the account balance on these dates.

(5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.

(6) The date the account opened and, if applicable, the date the account closed.

(7) Surveillance photographs and video recordings of persons accessing the crime victim's financial account via an automated teller machine (ATM) or from within the financial institution for dates on which illegal acts involving the account were alleged to have occurred. Nothing in this paragraph does any of the following:

(A) Requires a financial institution to produce a photograph or video recording if it does not possess the photograph or video recording.



(B) Affects any existing civil immunities as provided in Section 47 of the Civil Code or any other provision of law.

(8) A bank, credit union, or savings association that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).

(c) When any ~~police~~ police, sheriff's department, district attorney, or sheriff's department or district attorney special agent with the Department of Justice in this state certifies to a bank, credit union, or savings association in writing that a crime report has been filed that involves the alleged fraudulent use of drafts, checks, access cards, or other orders drawn upon any bank, credit union, or savings association doing business in this state, the ~~police or police, sheriff's department or department,~~ district attorney, special agent with the Department of Justice, a county adult protective services office when investigating the financial abuse of an elder or dependent adult, or a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, may request, with the consent of the accountholder, the bank, credit union, or savings association to furnish, and the bank, credit union, or savings association shall furnish, a statement setting forth the following information with respect to a customer account specified by the requesting party for a period 30 days ~~prior to, before,~~ and up to 30 days following, the date of occurrence of the alleged illegal act involving the account:

(1) The number of items dishonored.

(2) The number of items paid that created overdrafts.

(3) The dollar volume of the dishonored items and items paid which created overdrafts and a statement explaining any credit arrangement between the bank, credit union, or savings association and customer to pay overdrafts.

(4) The dates and amounts of deposits and debits and the account balance on these dates.

(5) A copy of the signature card, including the signature and any addresses appearing on a customer's signature card.

(6) The date the account opened and, if applicable, the date the account closed.

(7) Surveillance photographs and video recordings of persons accessing the crime victim's financial account via an automated teller machine (ATM) or from within the financial institution for dates on which illegal acts involving this account were alleged to have occurred. Nothing in this paragraph does any of the following:

(A) Requires a financial institution to produce a photograph or video recording if it does not possess the photograph or video recording.

(B) Affects any existing civil immunities as provided in Section 47 of the Civil Code or any other provision of law.

(8) A bank, credit union, or savings association doing business in this state that provides the requesting party with copies of one or more complete account statements prepared in the regular course of business shall be deemed to be in compliance with paragraphs (1), (2), (3), and (4).

(d) For purposes of subdivision (c), consent of the accountholder shall be satisfied if an accountholder provides to the financial institution and the person or entity seeking disclosure, a signed and dated statement containing all of the following:

(1) Authorization of the disclosure for the period specified in subdivision (c).

(2) The name of the agency or department to which disclosure is authorized and, if applicable, the statutory purpose for which the information is to be obtained.

(3) A description of the financial records that are authorized to be disclosed.

(e) (1) The Attorney General, a supervisory agency, the Franchise Tax Board, the State Board of Equalization, the Employment Development Department, the Controller, or an inheritance tax referee when administering the Prohibition of Gift and Death Taxes (Part 8 (commencing with Section 13301) of Division 2 of the Revenue and Taxation Code), a police or sheriff's department or district attorney, a county adult protective services office when investigating the financial abuse of an elder or dependent adult, a long-term care ombudsman when investigating the financial abuse of an elder or dependent adult, a county welfare department when investigating welfare fraud, a county auditor-controller or director of finance when investigating fraud against the county, or the Department of Business Oversight when conducting investigations in connection with the enforcement of laws administered by the Commissioner of Business Oversight, from requesting of an office or branch of a financial institution, and the office or branch from responding to a request, as to whether a person has an account or accounts at that office or branch and, if so, any identifying numbers of the account or accounts.

(2) No additional information beyond that specified in this section shall be released to a county welfare department without either the accountholder's written consent or a judicial writ, search warrant, subpoena, or other judicial order.

(3) A county auditor-controller or director of finance who unlawfully discloses information he or she is authorized to request under this subdivision is guilty of the unlawful disclosure of confidential data, a misdemeanor, which shall be punishable as set forth in Section 7485.

(f) The examination by, or disclosure to, any supervisory agency of financial records that relate solely to the exercise of its supervisory function. The scope of an agency's supervisory function shall be determined by reference to statutes that grant authority to examine, audit, or require reports of financial records or financial institutions as follows:

(1) With respect to the Commissioner of Business Oversight by reference to Division 1 (commencing with Section 99), Division 1.1 (commencing with Section 1000), Division 1.2 (commencing with Section 2000), Division 1.6 (commencing with Section 4800), Division 2 (commencing with Section 5000), Division 5 (commencing with Section 14000), Division 7 (commencing with Section 18000), Division 15 (commencing with Section 31000), and Division 16 (commencing with Section 33000), of the Financial Code.

(2) With respect to the Controller by reference to Title 10 (commencing with Section 1300) of Part 3 of the Code of Civil Procedure.

(3) With respect to the Administrator of Local Agency Security by reference to Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

(g) The disclosure to the Franchise Tax Board of (1) the amount of any security interest that a financial institution has in a specified asset of a customer or (2) financial records in connection with the filing or audit of a tax return or tax information return that are required to be filed by the financial institution pursuant to Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or Part 18 (commencing with Section 38001), of the Revenue and Taxation Code.

(h) The disclosure to the State Board of Equalization of any of the following:

(1) The information required by Sections 6702, 6703, 8954, 8957, 30313, 30315, 32383, 32387, 38502, 38503, 40153, 40155, 41122, 41123.5, 43443, 43444.2, 44144, 45603, 45605, 46404, 46406, 50134, 50136, 55203, 55205, 60404, and 60407 of the Revenue and Taxation Code.

(2) The financial records in connection with the filing or audit of a tax return required to be filed by the financial institution pursuant to Part 1 (commencing with Section 6001), Part 2 (commencing with Section 7301), Part 3 (commencing with Section 8601), Part 13 (commencing with Section 30001), Part 14 (commencing with Section 32001), and Part 17 (commencing with Section 37001), of Division 2 of the Revenue and Taxation Code.

(3) The amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(i) The disclosure to the Controller of the information required by Section 7853 of the Revenue and Taxation Code.

(j) The disclosure to the Employment Development Department of the amount of any security interest a financial institution has in a specified asset of a customer, if the inquiry is directed to the branch or office where the interest is held.

(k) The disclosure by a construction lender, as defined in Section 8006 of the Civil Code, to the Registrar of Contractors, of information concerning the making of progress payments to a prime contractor requested by the registrar in connection with an investigation under Section 7108.5 of the Business and Professions Code.

(l) Upon receipt of a written request from a local child support agency referring to a support order pursuant to Section 17400 of the Family Code, a financial institution shall disclose the following information concerning the account or the person named in the request, whom the local child support agency shall identify, whenever possible, by social security number:

(1) If the request states the identifying number of an account at a financial institution, the name of each owner of the account.

(2) Each account maintained by the person at the branch to which the request is delivered, and, if the branch is able to make a computerized search, each account maintained by the person at any other branch of the financial institution located in this state.

(3) For each account disclosed pursuant to paragraphs (1) and (2), the account number, current balance, street address of the branch where the account is maintained, and, to the extent available through the branch's computerized search, the name and address of any other person listed as an owner.

(4) Whenever the request prohibits the disclosure, a financial institution shall not disclose either the request or its response, to an owner of the account or to any other person, except the officers and employees of the financial institution who are involved in responding to the request and to attorneys, employees of the local child support agencies, auditors, and regulatory authorities who have a need to know in order to perform their duties, and except as disclosure may be required by legal process.

(5) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information in response to a request pursuant to this subdivision, (B) failing to notify the owner of an account, or complying with a request under this paragraph not to disclose to the owner, the request or disclosure

under this subdivision, or (C) failing to discover any account owned by the person named in the request pursuant to a computerized search of the records of the financial institution.

(6) The local child support agency may request information pursuant to this subdivision only when the local child support agency has received at least one of the following types of physical evidence:

(A) Any of the following, dated within the last three years:

(i) Form 599.

(ii) Form 1099.

(iii) A bank statement.

(iv) A check.

(v) A bank passbook.

(vi) A deposit slip.

(vii) A copy of a federal or state income tax return.

(viii) A debit or credit advice.

(ix) Correspondence that identifies the child support obligor by name, the bank, and the account number.

(x) Correspondence that identifies the child support obligor by name, the bank, and the banking services related to the account of the obligor.

(xi) An asset identification report from a federal agency.

(B) A sworn declaration of the custodial parent during the 12 months immediately preceding the request that the person named in the request has had or may have had an account at an office or branch of the financial institution to which the request is made.

(7) Information obtained by a local child support agency pursuant to this subdivision shall be used only for purposes that are directly connected with the administration of the duties of the local child support agency pursuant to Section 17400 of the Family Code.

(m) (1) As provided in paragraph (1) of subdivision (c) of Section 666 of Title 42 of the United States Code, upon receipt of an administrative subpoena on the current federally approved interstate child support enforcement form, as approved by the federal Office of Management and Budget, a financial institution shall provide the information or documents requested by the administrative subpoena.

(2) The administrative subpoena shall refer to the current federal Office of Management and Budget control number and be signed by a person who states that he or she is an authorized agent of a state or county agency responsible for implementing the child support enforcement program set forth in Part D (commencing with Section 651) of Subchapter IV of Chapter 7 of Title 42 of the United States Code. A financial institution may rely on the statements made in the subpoena and has no duty to inquire into the truth of any statement in the subpoena.

(3) If the person who signs the administrative subpoena directs a financial institution in writing not to disclose either the subpoena or its response to any owner of an account covered by the subpoena, the financial institution shall not disclose the subpoena or its response to the owner.

(4) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for (A) disclosing information or providing documents in response to a subpoena pursuant to this subdivision, (B) failing to notify any owner of an account

covered by the subpoena or complying with a request not to disclose to the owner, the subpoena or disclosure under this subdivision, or (C) failing to discover any account owned by the person named in the subpoena pursuant to a computerized search of the records of the financial institution.

(n) The dissemination of financial information and records pursuant to any of the following:

(1) Compliance by a financial institution with the requirements of Section 2892 of the Probate Code.

(2) Compliance by a financial institution with the requirements of Section 2893 of the Probate Code.

(3) An order by a judge upon a written ex parte application by a peace officer showing specific and articulable facts that there are reasonable grounds to believe that the records or information sought are relevant and material to an ongoing investigation of a felony violation of Section 186.10 or of any felony subject to the enhancement set forth in Section 186.11.

(A) The ex parte application shall specify with particularity the records to be produced, which shall be only those of the individual or individuals who are the subject of the criminal investigation.

(B) The ex parte application and any subsequent judicial order shall be open to the public as a judicial record unless ordered sealed by the court, for a period of 60 days. The sealing of these records may be extended for 60-day periods upon a showing to the court that it is necessary for the continuance of the investigation. Sixty-day extensions may continue for up to one year or until termination of the investigation of the individual or individuals, whichever is sooner.

(C) The records ordered to be produced shall be returned to the peace officer applicant or his or her designee within a reasonable time period after service of the order upon the financial institution.

(D) Nothing in this subdivision shall preclude the financial institution from notifying a customer of the receipt of the order for production of records unless a court orders the financial institution to withhold notification to the customer upon a finding that the notice would impede the investigation.

(E) Where a court has made an order pursuant to this paragraph to withhold notification to the customer under this paragraph, the peace officer or law enforcement agency who obtained the financial information shall notify the customer by delivering a copy of the ex parte order to the customer within 10 days of the termination of the investigation.

(4) An order by a judge issued pursuant to subdivision (c) of Section 532f of the Penal Code.

(5) No financial institution, or any officer, employee, or agent thereof, shall be liable to any person for any of the following:

(A) Disclosing information to a probate court pursuant to Sections 2892 and 2893.

(B) Disclosing information in response to a court order pursuant to paragraph (3).

(C) Complying with a court order under this subdivision not to disclose to the customer, the order, or the dissemination of information pursuant to the court order.

(o) Disclosure by a financial institution to a peace officer, as defined in Section 830.1 of the Penal Code, pursuant to the following:

(1) Paragraph (1) of subdivision (a) of Section 1748.95 of the Civil Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 1748.95 of the Civil Code.

(2) Paragraph (1) of subdivision (a) of Section 4002 of the Financial Code, provided that the financial institution has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 4002 of the Financial Code.

(3) Paragraph (1) of subdivision (a) of Section 22470 of the Financial Code, provided that any financial institution that is a finance lender has first complied with the requirements of paragraph (2) of subdivision (a) and subdivision (b) of Section 22470 of the Financial Code.

(p) When the governing board of the Public Employees' Retirement System or the State Teachers' Retirement System certifies in writing to a financial institution that a benefit recipient has died and that transfers to the benefit recipient's account at the financial institution from the retirement system occurred after the benefit recipient's date of death, the financial institution shall furnish the retirement system with the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of the benefit recipient's death, or if the account has been closed, the name and address of the person who closed the account.

(q) When the retirement board of a retirement system established under the County Employees Retirement Law of 1937 certifies in writing to a financial institution that a retired member or the beneficiary of a retired member has died and that transfers to the account of the retired member or beneficiary of a retired member at the financial institution from the retirement system occurred after the date of death of the retired member or beneficiary of a retired member, the financial institution shall furnish the retirement system with the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of death of the retired member or beneficiary of a retired member, or if the account has been closed, the name and address of the person who closed the account.

(r) When the Franchise Tax Board certifies in writing to a financial institution that (1) a taxpayer filed a tax return that authorized a direct deposit refund with an incorrect financial institution account or routing number that resulted in all or a portion of the refund not being received, directly or indirectly, by the taxpayer; (2) the direct deposit refund was not returned to the Franchise Tax Board; and (3) the refund was deposited directly on a specified date into the account of an accountholder of the financial institution who was not entitled to receive the refund, then the financial institution shall furnish to the Franchise Tax Board the name and address of any coowner, cosigner, or any other person who had access to the funds in the account following the date of direct deposit refund, or if the account has been closed, the name and address of the person who closed the account.

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Substantive

Amendment 3

On page 1, strike out lines 1 to 11, inclusive, and strike out page 2

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