

Senate Bill No. 80

Passed the Senate March 16, 2011

Secretary of the Senate

Passed the Assembly March 16, 2011

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2011, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 5134 of the Business and Professions Code, to repeal and add Section 14044 of the Corporations Code, to amend Sections 965, 16142, 16142.1, 16148, 16320, 51244, and 63048.66 of, to amend, repeal, and add Section 12716 of, to add Section 22850.5 to, to add and repeal Section 8670.48.3 of, and to repeal Section 51244.3 of, the Government Code, and to amend Sections 4003 and 4004 of, and to add Section 14004.5 to, the Unemployment Insurance Code, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 80, Committee on Budget and Fiscal Review. State government.

(1) Existing law provides for the licensure and regulation of accountants by the California Board of Accountancy. Existing law sets forth the fee structure for licensure as an accountant, including for biennial renewal of a permit to practice. Existing law requires the board to fix the biennial renewal fee, in an amount not to exceed \$250, so that the reserve balance in the board's contingent fund is equal to approximately 9 months of annual authorized expenditures. Existing law allows an increase in renewal fees only upon a determination by the board that additional moneys are required to fund authorized expenditures and maintain the board's contingent fund reserve.

This bill would delete the requirement that the board fix the biennial renewal fee for purposes of maintaining the 9-month reserve balance in the contingent fund, and would delete the limitation that the biennial renewal fee may only be increased when additional moneys are required to fund authorized expenditures and maintain the contingent fund reserve balance.

(2) The California Small Business Financial Development Corporation Law authorizes the formation of small business financial development corporations to grant loans or loan guarantees for the purpose of stimulating small business development and imposes certain duties with respect thereto on a

director designated by the Secretary of Business, Transportation and Housing. The California Small Business Expansion Fund, which is created under that law and is continuously appropriated, provides funds to be used to pay for defaulted loan guarantees and administrative costs of these corporations.

This bill would require the Director of Finance, upon notification of the receipt of specified federal funds, to order that \$20,000,000 of state money in the expansion fund be reverted to the General Fund. The bill would require small business financial development corporations to prioritize the use of federal moneys over the use of state moneys when granting new loan guarantees, as specified.

(3) Existing law establishes the Oil Spill Response Trust Fund in the State Treasury and continuously appropriates to the administrator for oil spill response the moneys in the fund for expenditure for specified purposes, including to cover the costs incurred by state and local government for responding to oil spills. The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act requires the administrator to collect a uniform oil spill response fee, to be deposited into the fund, during any period that the fund contains less than or equal to 95% of a designated amount.

This bill would provide that if a loan or other transfer of money from the fund to the General Fund pursuant to the Budget Act reduces the balance of the fund to less than or equal to 95% of the designated amount, the administrator is not required to collect oil spill response fees if the annual Budget Act requires the transfer or loan to be repaid (A) to the fund with interest calculated at a rate earned by the Pooled Money Investment Account and (B) on or before June 30, 2014. The bill would require that the transfer or loan be repaid as soon as possible if a spill occurs and the administrator determines that response funds are needed immediately. These provisions would be repealed on July 1, 2014.

(4) Existing law authorizes, until January 1, 2015, a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue pursuant to contracts entered into under the Williamson Act are less than $\frac{1}{2}$ of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. Existing law provides that a landowner may choose to nonrenew and begin the cancellation process. Existing law also

provides that any increased revenues generated by properties under a new contract are to be paid to the county.

This bill would repeal these provisions.

(5) Existing law appropriates \$10,000,000 from the General Fund to the Controller for the 2010–11 fiscal year to make subvention payments to counties under the Williamson Act, as specified.

This bill would reduce this appropriation to zero.

(6) Existing law authorizes the loan of moneys in the State Treasury from one state fund or account to any other state fund or account to address the 2001–02, 2002–03, and 2003–04 fiscal years budgetary shortfalls, subject to certain conditions. Existing law requires the Director of Finance to order the repayment of all or a portion of any loan made pursuant to the above provisions if he or she determines that the fund or account from which the loan was made has a need for the moneys or there is no longer a need for the moneys in the fund or account that received the loan. Existing law imposes certain reporting requirements on the Director of Finance related to the above-described loans.

This bill would, instead, provide that unless law authorizing any budgetary loan states otherwise, the Director of Finance shall order the repayment of all or a portion of any budgetary loan, including, but not limited to, those loans described above, if he or she determines that the fund or account from which the loan was made has a need for the moneys or there is no longer a need for the moneys in the fund or account that received the loan. This bill would require the Director of Finance to make the above-described reports with respect to any outstanding budgetary loan and would make other specified changes related to the content and receipt of the reports.

(7) The Public Employees' Medical and Hospital Care Act authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers for health benefit plans for employees and annuitants, as defined.

This bill would require the board to negotiate with carriers offering health benefit plans to add a core health plan, as defined, to the existing portfolio of health benefit plans, or to implement other measures to achieve ongoing cost savings beginning in the 2012–13 fiscal year, or both.

(8) The federal Indian Gaming Regulatory Act of 1988 provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. The California Constitution authorizes the Governor to negotiate and conclude compacts, subject to ratification by the Legislature. Existing law ratifies a number of tribal-state gaming compacts between the State of California and specified Indian tribes. Existing law authorizes the Infrastructure and Economic Development Bank, upon a filing by the Director of Finance with the bank of a list of specified amended tribal compacts and compact assets, to sell for, and on behalf of, the state all or any portion of those compact assets to a special purpose trust, and authorizes the special purpose trust to issue bonds secured by those compact assets. Existing law provides that the portion of those compact assets that are timely deposited or are due for deposit in a specified fund between July 1, 2008, and June 30, 2011, shall not be available for the purpose described above. Existing law requires the Director of Finance to determine the portion of those compact assets attributable to each fiscal year, and authorizes the Director of Finance to direct the Controller, by separate order applicable to the assets for each fiscal year, to transfer the compact assets attributable to that fiscal year to the General Fund.

This bill would extend the period during which deposits of compact assets are not available for the purpose described above from June 30, 2011, to June 30, 2016.

(9) The federal Workforce Investment Act provides for workforce investment activities, including activities in which states may participate.

This bill would create the Consolidated Work Program Fund in the State Treasury, for the receipt of all moneys deposited pursuant to the federal Workforce Investment Act. The bill would require the Employment Development Department to administer those provisions, and moneys in the fund would be made available, upon appropriation by the Legislature, to the department for expenditure consistent with the act.

(10) Existing law provides that, for purposes of eligibility for federal-state extended unemployment benefits, an individual have earnings that exceed either 40 times his or her most recent weekly benefit amount or 1.5 times the highest quarter in the base period, and precludes the implementation of the alternative eligibility

requirement for federal-state extended benefits unless the Director of the Employment Development Department determines that these provisions have been approved by the United States Department of Labor.

The federal Supplemental Appropriations Act of 2008 created the Emergency Unemployment Compensation (EUC) Program on June 30, 2008, which provides for the payment of up to 13 weeks of federally funded emergency unemployment compensation (EUC) benefits to eligible unemployed individuals nationwide who had already collected all regular state benefits for which they were eligible. The federal Unemployment Compensation Extension Act of 2008, which was enacted on November 21, 2008, further expanded the EUC Program to provide for the payment of 20 weeks of benefits nationwide, and provides for the payment of 13 more weeks of benefits to eligible unemployed individuals in states with high unemployment rates, as determined by specified criteria. The federal American Recovery and Reinvestment Act of 2009, which was enacted on February 17, 2009, extends to May 31, 2010, the period of time during which claims for EUC benefits can be filed and paid.

Existing state law provides for the payment of temporary federal-state EUC benefits authorized under the federal Supplemental Appropriations Act of 2008, the federal Unemployment Compensation Extension Act of 2008, and the federal American Recovery and Reinvestment Act of 2009 to eligible individuals in this state for weeks of unemployment on or after February 1, 2009, and continuing until the week ending 3 weeks prior to the last week for which specified provisions providing for 100% federal sharing authorized under the federal American Recovery and Reinvestment Act of 2009, except as provided, if specified economic indicators trigger the payment of those benefits.

This bill would instead provide for the payment of temporary federal-state EUC benefits authorized under the federal Supplemental Appropriations Act of 2008, the federal Unemployment Compensation Extension Act of 2008, and the federal American Recovery and Reinvestment Act of 2009 to eligible individuals in this state for weeks of unemployment on or after February 1, 2009, and continuing until the week ending 4 weeks prior to the last week for which specified provisions

providing for 100% federal sharing authorized under the federal American Recovery and Reinvestment Act of 2009, except as provided, if specified economic indicators trigger the payment of those benefits. The bill would also revise the economic indicators triggering payment of benefits for weeks of unemployment beginning on or after December 19, 2010, and continuing until a specified date authorized by federal law or until the week ending 4 weeks prior to the last week for which 100% federal sharing is authorized by federal law, as specified. The bill would make related changes.

Because the bill would provide for the payment of additional amounts from the Unemployment Fund, a continuously appropriated special fund, it would make an appropriation.

(11) The Budget Act for the 2010–11 fiscal year appropriates moneys to state entities to fund the operations of those entities, including, among other things, for the cost of office space.

This bill would authorize the Director of Finance to adjust any item of appropriation for departmental support in the Budget Act for the 2010–11 fiscal year to reflect reductions in the rental rates charged to a state entity by the Department of General Services for the cost of office space in buildings owned or operated by the department.

(12) The Tort Claims Act provides for the liability and immunity of a governmental entity for its acts or omissions that cause harm to persons. Existing law provides that any claim for money or damages against the state is required to be presented to the California Victim Compensation and Government Claims Board within a specified period of time. Existing law requires the board, upon allowing a claim for which the Director of Finance certifies that a sufficient appropriation for the payment of the claim exists, to designate the fund from which the claim is to be paid.

This bill would require the board to provide notice to the chairpersons of the committees in each house of the Legislature that consider appropriations and the annual Budget Act, and the Chairperson of the Joint Legislative Budget Committee, within a specified period of time prior to allowing either the use of a current year appropriation to pay claims for prior year costs of \$500,000 or more, or claims from a single provider of goods or services with respect to a single department that exceed \$500,000 within one year.

The bill would also appropriate for the 2011–12 fiscal year \$1,000 from the Restitution Fund, a continuously appropriated fund, to the California Victim Compensation and Government Claims Board.

(13) Existing law creates in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of moneys received by the state from certain Indian tribes pursuant to the terms of gaming compacts entered into with the state. Existing law authorizes moneys in that fund to be used for specified purposes, including for grants for the support of state and local government agencies impacted by tribal government gaming. Existing law, until January 1, 2021, requires each county that administers grants from the Indian Gaming Special Distribution Fund to provide an annual report to certain legislative and executive branch members by October 1 of each year detailing the specific projects funded by all grants in the county’s jurisdiction in the previous fiscal year, as specified.

This bill would, until January 1, 2012, and for the 2009–10 fiscal year, authorize the Controller to allocate funding to a county that submits the annual report after the October 1 deadline, but prior to July 1, 2011.

(14) The bill would also make various conforming and nonsubstantive changes.

(15) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

(16) This bill would declare that it is to take immediate effect as an urgency statute and a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

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

SECTION 1. Section 5134 of the Business and Professions Code is amended to read:

5134. The amount of fees prescribed by this chapter is as follows:

(a) The fee to be charged to each applicant for the certified public accountant examination shall be fixed by the board at an amount not to exceed six hundred dollars (\$600). The board may charge a reexamination fee not to exceed seventy-five dollars (\$75) for each part that is subject to reexamination.

(b) The fee to be charged to out-of-state candidates for the certified public accountant examination shall be fixed by the board at an amount not to exceed six hundred dollars (\$600) per candidate.

(c) The application fee to be charged to each applicant for issuance of a certified public accountant certificate shall be fixed by the board at an amount not to exceed two hundred fifty dollars (\$250).

(d) The application fee to be charged to each applicant for issuance of a certified public accountant certificate by waiver of examination shall be fixed by the board at an amount not to exceed two hundred fifty dollars (\$250).

(e) The fee to be charged to each applicant for registration as a partnership or professional corporation shall be fixed by the board at an amount not to exceed two hundred fifty dollars (\$250).

(f) The biennial fee for the renewal of each of the permits to engage in the practice of public accountancy specified in Section 5070 shall not exceed two hundred fifty dollars (\$250).

(g) The delinquency fee shall be 50 percent of the accrued renewal fee.

(h) The initial permit fee is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the permit is issued, except that, if the permit is issued one year or less before it will expire, then the initial permit fee is an amount equal to 50 percent of the renewal fee in effect on the last regular renewal date before the date on which the permit is issued. The board may, by regulation, provide for the waiver or refund of the initial permit fee where the permit is issued less than 45 days before the date on which it will expire.

(i) (1) On and after the enactment of Assembly Bill 1868 of the 2005–06 Regular Session, the annual fee to be charged an individual for a practice privilege pursuant to Section 5096 with an authorization to sign attest reports shall be fixed by the board at an amount not to exceed one hundred twenty-five dollars (\$125).

(2) On and after enactment of Assembly Bill 1868 of the 2005–06 Regular Session, the annual fee to be charged an individual for a practice privilege pursuant to Section 5096 without an authorization to sign attest reports shall be fixed by the board at an amount not to exceed 80 percent of the fee authorized under paragraph (1).

(j) The fee to be charged for the certification of documents evidencing passage of the certified public accountant examination, the certification of documents evidencing the grades received on the certified public accountant examination, or the certification of documents evidencing licensure shall be twenty-five dollars (\$25).

(k) The board shall fix the fees in accordance with the limits of this section and, on and after July 1, 1990, any increase in a fee fixed by the board shall be pursuant to regulation duly adopted by the board in accordance with the limits of this section.

(l) It is the intent of the Legislature that, to ease entry into the public accounting profession in California, any administrative cost to the board related to the certified public accountant examination or issuance of the certified public accountant certificate that exceeds the maximum fees authorized by this section shall be covered by the fees charged for the biennial renewal of the permit to practice.

SEC. 2. Section 14044 of the Corporations Code is repealed.

SEC. 3. Section 14044 is added to the Corporations Code, to read:

14044. Upon notification that the state has received an award under the federal Small Business Jobs Act of 2010 (15 U.S.C. Sec. 631 et seq.), the following shall occur:

(a) The Director of Finance shall order that twenty million dollars (\$20,000,000) of state money in the Small Business Expansion Fund be reverted to the General Fund. For purposes of this section, “state money” means money that can be reverted to the General Fund.

(b) Corporations shall prioritize the use of federal moneys over the use of state moneys when granting new loan guarantees

pursuant to this article. However, that prioritization shall not apply if the use of the federal moneys does not meet the requirements for a guarantee pursuant to the federal act.

SEC. 4. Section 965 of the Government Code is amended to read:

965. (a) Upon the allowance by the California Victim Compensation and Government Claims Board of all or part of a claim for which the Director of Finance certifies that a sufficient appropriation for the payment of the claim exists, and the execution and presentation of documents the board may require which discharge the state of all liability under the claim, the board shall designate the fund from which the claim is to be paid and the state agency concerned shall pay the claim from that fund. The board shall provide notice to the chairpersons of the committees in each house of the Legislature that consider appropriations and the annual Budget Act, and the Chairperson of the Joint Legislative Budget Committee, at least 15 days, or a shorter period as the chairperson of the joint committee, or his or her designee, may in each instance require, prior to allowing either the use of a current year appropriation to pay claims for prior year costs of five hundred thousand dollars (\$500,000) or more, or claims from a single provider of goods or services with respect to a single department that exceeds five hundred thousand dollars (\$500,000) within one year. If there is no sufficient appropriation for the payment available, the board shall report to the Legislature in accordance with Section 912.8. Claims arising out of the activities of the State Department of Transportation may be paid if either the Director of Transportation or the Director of Finance certifies that a sufficient appropriation for the payment of the claim exists.

(b) Notwithstanding subdivision (a), if there is no sufficient appropriation for the payment of claims, settlements, or judgments against the state arising from an action in which the state is represented by the Attorney General, the Attorney General shall report the claims, settlements, and judgments to the Chairperson of either the Senate Committee on Appropriations or the Assembly Committee on Budget, who shall cause to be introduced legislation appropriating funds for the payment of the claims, settlements, or judgments.

(c) Notwithstanding subdivision (a) or (b), claims, settlements, or judgments arising out of the activities of a judicial branch entity,

as defined by Sections 900.3 and 940.3, or a judge thereof may be paid if the Judicial Council authorizes payment and the Administrative Director of the Courts certifies that sufficient funds for that payment exist from funds allocated to settlement, adjustment, and compromise of actions and claims. If sufficient funds for payment of settlements or judgments do not exist, the Administrative Director of the Courts shall report the settlements and judgments to the Chairperson of either the Senate Committee on Appropriations or the Assembly Committee on Budget, who shall cause to be introduced legislation appropriating funds for the payment of the settlements or judgments. If sufficient funds for payment of claims do not exist, the Administrative Director of the Courts shall report the claims to the California Victim Compensation and Government Claims Board, which shall have 90 days to object to payment. The Administrative Director of the Courts shall confer with the chairperson of the California Victim Compensation and Government Claims Board regarding any objection received during the 90-day period. If the California Victim Compensation and Government Claims Board withdraws the objection, or if no objection was received, the Administrative Director of the Courts shall report the claims to the Chairperson of either the Senate Committee on Appropriations or the Assembly Committee on the Budget, who shall cause to be introduced legislation appropriating funds for the payment of the claims. The Judicial Council may authorize any committee of the Judicial Council or any employee of the Administrative Office of the Courts to perform the functions of the Judicial Council under this section. The Administrative Director of the Courts may designate an executive staff member of the Administrative Office of the Courts to perform the functions of the Administrative Director of the Courts under this section.

(d) In addition to any amounts provided in the Budget Act of 2011, one thousand dollars (\$1,000) is appropriated for the 2011–12 fiscal year from the Restitution Fund to the California Victim Compensation and Government Claims Board.

SEC. 5. Section 8670.48.3 is added to the Government Code, to read:

8670.48.3. (a) Notwithstanding subparagraph (A) of paragraph (1) of subdivision (f) of Section 8670.48, a loan or other transfer of money from the fund to the General Fund pursuant to the Budget

Act that reduces the balance of the Oil Spill Response Trust Fund to less than or equal to 95 percent of the designated amount specified in subdivision (a) of Section 46012 of the Revenue and Taxation Code shall not obligate the administrator to resume collection of the oil spill response fee otherwise required by this article if both of the following conditions are met:

(1) The annual Budget Act requires a transfer or loan from the fund to be repaid to the fund with interest calculated at a rate earned by the Pooled Money Investment Account as if the money had remained in the fund.

(2) The annual Budget Act requires all transfers or loans to be repaid to the fund on or before June 30, 2014.

(b) A transfer or loan described in subdivision (a) shall be repaid as soon as possible if a spill occurs and the administrator determines that response funds are needed immediately.

(c) If there is a conflict between this section and any other law or enactment, this section shall control.

(d) This section shall remain in effect until July 1, 2014, and as of that date is repealed.

SEC. 6. Section 12716 of the Government Code is amended to read:

12716. (a) Each county that administers grants from the Indian Gaming Special Distribution Fund shall provide an annual report to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the Senate and Assembly committees on governmental organization, and the California Gambling Control Commission by October 1 of each year detailing the specific projects funded by all grants in the county's jurisdiction in the previous fiscal year, including amounts expended in that fiscal year, but funded from appropriations in prior fiscal years. The report shall provide detailed information on the following:

(1) The amount of grant funds received by the county.

(2) A description of each project that is funded.

(3) A description of how each project mitigates the impact of tribal gaming.

(4) The total expenditures for each project.

(5) All administrative costs related to each project, excluding the county's administrative fee.

(6) The funds remaining at the end of the fiscal year for each project.

(7) An explanation regarding how any remaining funds will be spent for each project, including the estimated time for expenditure.

(8) A description of whether each project is funded once or on a continuing basis.

(b) A county that does not provide an annual report pursuant to subdivision (a) shall not be eligible for funding from the Indian Gaming Special Distribution Fund for the following year.

(c) For the 2009–10 fiscal year, the Controller may allocate funding to a county that submits the annual report required pursuant to subdivision (a) after the October 1 deadline, but prior to July 1, 2011.

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

SEC. 7. Section 12716 is added to the Government Code, to read:

12716. (a) Each county that administers grants from the Indian Gaming Special Distribution Fund shall provide an annual report to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the Senate and Assembly committees on governmental organization, and the California Gambling Control Commission by October 1 of each year detailing the specific projects funded by all grants in the county's jurisdiction in the previous fiscal year, including amounts expended in that fiscal year, but funded from appropriations in prior fiscal years. The report shall provide detailed information on the following:

(1) The amount of grant funds received by the county.

(2) A description of each project that is funded.

(3) A description of how each project mitigates the impact of tribal gaming.

(4) The total expenditures for each project.

(5) All administrative costs related to each project, excluding the county's administrative fee.

(6) The funds remaining at the end of the fiscal year for each project.

(7) An explanation regarding how any remaining funds will be spent for each project, including the estimated time for expenditure.

(8) A description of whether each project is funded once or on a continuing basis.

(b) A county that does not provide an annual report pursuant to subdivision (a) shall not be eligible for funding from the Indian Gaming Special Distribution Fund for the following year.

(c) This section shall become operative on January 1, 2012.

SEC. 8. Section 16142 of the Government Code is amended to read:

16142. (a) The Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Natural Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

SEC. 9. Section 16142.1 of the Government Code is amended to read:

16142.1. (a) In lieu of the payments made pursuant to Section 16142, in a county that has adopted farmland security zones pursuant to Section 51296, the Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amount for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423.4

or 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code:

Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

SEC. 10. Section 16148 of the Government Code is amended to read:

16148. Zero dollars (\$0) is appropriated for the 2010–11 fiscal year from the General Fund to the Controller to make subvention payments to counties pursuant to Section 16140 in proportion to the losses incurred by those counties by reason of the reduction of assessed property taxes.

SEC. 11. Section 16320 of the Government Code is amended to read:

16320. (a) Unless otherwise prohibited by law, moneys in the State Treasury may be loaned from one state fund or account to any other state fund or account to address the 2001–02, 2002–03, and 2003–04 fiscal year budgetary shortfalls, subject to all of the following conditions:

(1) The loan is authorized in the 2002 Budget Act, legislation enacted in a 2003–04 Extraordinary Session, or the 2003 Budget Act.

(2) The terms and conditions of the loan, including an interest rate, are set forth in the loan authorization.

(3) The loan is considered part of the balance of the fund or account that received the funds for the purpose of accounting and budgeting, including any determination made pursuant to Section 13307.

(4) The loan is not deducted from the balance of the fund or account from which the loan is made for purposes of calculating a fee or assessment.

(5) A fee or assessment is not increased as a result of a loan.

(6) Moneys loaned under this section are not considered a transfer of resources for purposes of determining the legality of the use of those moneys by the fund or account from which the loan is made or the fund or account that received the loan.

(b) (1) Unless law authorizing any budgetary loan states otherwise, the Director of Finance shall order the repayment of all or a portion of any budgetary loan, including, but not limited to, those loans described in subdivision (a), if he or she determines that either of the following circumstances exists:

(A) The fund or account from which the loan was made has a need for the moneys.

(B) There is no longer a need for the moneys in the fund or account that received the loan.

(2) The Director of Finance shall notify, in writing, the Chairperson of the Joint Legislative Budget Committee within 30 days of ordering the repayment of any of these loans.

(c) On August 1 of each year, the Director of Finance shall report in writing to the Chairperson of the Joint Legislative Budget Committee the balances of any outstanding budgetary loans as of the preceding June 30.

(d) On February 1 of each year, the Director of Finance shall report in writing to the Chairperson of the Joint Legislative Budget Committee the balances of any outstanding budgetary loans as of the preceding December 31.

(e) The August 1 and February 1 reports described in subdivisions (c) and (d), respectively, shall include a summary of the General Fund budgetary obligations for future payment of deferred or suspended expenditures or transfers to any special fund or account and the dates that the obligations are due.

SEC. 12. Section 22850.5 is added to the Government Code, to read:

22850.5. (a) In performing the duties prescribed by Section 22850, the board shall negotiate with carriers providing health benefit plans to add a core health plan option to the existing portfolio of health plans or to implement other measures to achieve ongoing cost savings beginning in the 2012–13 fiscal year, or both.

(b) For purposes of this section, a “core health plan” means a plan that includes all of the following:

(1) A plan that provides coverage for essential benefits at lower premiums, for both the state and the employee, than existing benefit plan options.

(2) A plan that may include fewer benefits and higher employee cost sharing than those provided in existing health benefit plan options.

(3) A plan option that is available for participants beginning in the 2012 open enrollment period for the 2013 calendar year.

SEC. 13. Section 51244 of the Government Code is amended to read:

51244. Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

SEC. 14. Section 51244.3 of the Government Code is repealed.

SEC. 15. Section 63048.66 of the Government Code is amended to read:

63048.66. (a) Notwithstanding Section 63048.65 or any other provision of this article, compact assets that are subject to designation by the Director of Finance for sale pursuant to subdivision (a) of Section 63048.65 and that are timely deposited or are due for deposit in the Special Deposit Fund on or after July 1, 2008, and on or before June 30, 2016, shall not be available for the purpose of Section 63048.65.

(b) The Director of Finance shall determine the portion of the compact assets described in subdivision (a) that are attributable to payments made for each fiscal year. The Director of Finance may direct the Controller, by separate order applicable to the assets for each fiscal year, to transfer the compact assets attributable to that fiscal year from the Special Deposit Fund to the General Fund.

(c) Upon order of the Director of Finance, the Controller shall transfer the compact assets as provided in subdivision (b).

(d) If any legal challenges to the issuance of bonds pursuant to this article are settled sufficiently for the bonds to be sold, the following shall occur:

(1) Notwithstanding subdivision (a), the tribal assets described in subdivision (a) that are in the Special Deposit Fund, or are still due for payment to the Special Deposit Fund, may be made available for sale pursuant to subdivision (a) of Section 63048.65.

(2) The transfer of any compact assets to the General Fund pursuant to this section shall be suspended until after the bonds are sold, and any possible future transfers to the General Fund shall be consistent with the provisions of the bond sale.

SEC. 16. Section 4003 of the Unemployment Insurance Code is amended to read:

4003. (a) The provisions and definitions of terms in the Federal-State Extended Unemployment Compensation Act of 1970, as amended by the federal Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), apply to this part. “Federal-state extended benefits” means benefits payable under this part.

(b) To the extent that the provisions and definitions of terms in the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) are in effect in federal law and are in conflict with, or supplement the provisions and definitions applicable pursuant to subdivision (a), the provisions and definitions of the American Recovery and Reinvestment Act of 2009 shall apply to this part.

(c) There is an “on” indicator for purposes of federal-state extended benefits for a week if one of the following applies:

(1) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 120 percent of the average of the rates for the corresponding 13-week period ending in each of the preceding two calendar years, and equaled or exceeded 5 percent.

(2) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 6 percent, regardless of the rate of insured unemployment in the two previous years.

(3) With respect to weeks of unemployment beginning on or after February 1, 2009, and continuing until the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by subdivision (a) of Section 2005 of Public Law 111-5 for all claims, except for reimbursable entities described in Section 3306(c)(7) of the Internal Revenue Code, both of the following apply:

(A) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three months

for which data for all states are published before the close of that week, equals or exceeds 6.5 percent.

(B) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the three-month period referred to in subparagraph (A) equals or exceeds 110 percent of that average rate of total unemployment for either or both of the corresponding three-month periods ending in the two preceding calendar years.

(d) There is an “off” indicator for a week if, for the period consisting of that week, and the 12 weeks immediately preceding the week, none of the criteria specified in subdivision (c) results in an “on” indicator.

(e) For purposes of this section, the rate of insured unemployment for a 13-week period shall be determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of the period.

(f) The indicators specified in subdivisions (c) and (d) shall be operative only if mandated or permitted by federal law.

(g) Notwithstanding any other provision of this part, the Governor may, if permitted by federal law, suspend the payment of extended duration benefits under this part, to the extent necessary to ensure that otherwise eligible individuals are not denied, in whole or in part, the receipt of emergency unemployment compensation benefits authorized by the federal Supplemental Appropriations Act of 2008 (Public Law 110-252), the Unemployment Compensation Extension Act of 2008 (Public Law 110-449), and the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and that the state receives maximum reimbursement from the federal government for the payment of those emergency benefits.

(h) Notwithstanding the provisions of subdivision (c), with respect to weeks of unemployment beginning on or after December 19, 2010, and continuing until the earlier of the date authorized by Section 502(b) of Public Law 111-312, or the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by Section 2005(a) of Public Law 111-5 for all claims, except for reimbursable entities described in Section 3306(c)(7) of the Internal Revenue Code, the following applies:

(1) There is an “on” indicator for purposes of federal-state extended benefits for a week if one of the following applies:

(A) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 120 percent of the average of the rates for the corresponding 13-week period ending in each of the preceding three calendar years, and equaled or exceeded 5 percent.

(B) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 6 percent, regardless of the rate of insured unemployment in the three previous years.

(C) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of that week, equals or exceeds 6.5 percent and the average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the three-month period equals or exceeds 110 percent of that average rate of total unemployment for any or all of the corresponding three-month periods ending in the three preceding calendar years.

(2) There is an “off” indicator for a week if, for the period consisting of that week, and the 12 weeks immediately preceding the week, none of the criteria specified in paragraph (1) results in an “on” indicator.

(3) The indicators specified in paragraphs (1) and (2) shall be operative only if mandated or permitted by federal law.

SEC. 17. Section 4004 of the Unemployment Insurance Code is amended to read:

4004. (a) The department shall establish, for each eligible individual who files an application therefor, an extended compensation account with respect to such individual’s benefit year. The amount established in that account, subject to subdivision (b) of this section, shall be not less than whichever of the following is the least:

(1) Fifty percent of the total amount of regular compensation payable to him or her during that benefit year under this division.

(2) Thirteen times his or her average weekly benefit amount.

(3) Thirty-nine times his or her average weekly benefit amount, reduced by the regular compensation paid to him or her during that benefit year under this division.

(b) The amount determined under subdivision (a) of this section shall be reduced by the aggregate amount of additional compensation paid to the individual under Part 3 (commencing with Section 3501) of this division for prior weeks of unemployment in such benefit year which did not begin in an extended benefit period.

(c) For purposes of subdivision (a) of this section, an individual's weekly benefit amount for a week is the amount of regular compensation under Part 1 (commencing with Section 100) of this division payable to such individual for such week of total unemployment.

(d) With respect to weeks beginning in a high unemployment period, subdivision (a) shall be applied in accordance with the following percentages:

(1) In paragraph (1) of subdivision (a), 80 percent shall be substituted for 50 percent.

(2) In paragraph (2) of subdivision (a), 20 times shall be substituted for 13 times.

(3) In paragraph (3) of subdivision (a), 46 times shall be substituted for 39 times.

(e) For purposes of subdivision (d), "high unemployment period" means a period during which an extended benefit period would be in effect if subparagraph (A) of paragraph (3) of subdivision (c) of Section 4003 were applied by substituting 8 percent for 6.5 percent.

(f) Where subdivision (h) of Section 4003 is applicable, for purposes of subdivision (d), "high unemployment period" means a period during which an extended benefit period would be in effect if subparagraph (C) of paragraph (1) of subdivision (h) of Section 4003 were applied by substituting 8 percent for 6.5 percent.

SEC. 18. Section 14004.5 is added to the Unemployment Insurance Code, to read:

14004.5. The Consolidated Work Program Fund is hereby created in the State Treasury, for the receipt of all moneys deposited pursuant to the federal Workforce Investment Act. The Employment Development Department shall be the entity responsible for administering this section. Moneys in the fund shall

be made available, upon appropriation by the Legislature, to the department, for expenditure consistent with the purposes of the federal Workforce Investment Act.

SEC. 19. Notwithstanding any other law, the Director of Finance may adjust any item of appropriation for departmental support in the Budget Act for the 2010–11 fiscal year to reflect reductions in the rental rates charged to a state entity by the Department of General Services for the cost of office space in buildings owned or operated by the department.

SEC. 20. This act addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation on January 20, 2011, pursuant to subdivision (f) of Section 10 of Article IV of the California Constitution.

SEC. 21. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

SEC. 22. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the Budget Act of 2011 at the earliest possible time, it is necessary for this act to take effect immediately.

Approved _____, 2011

Governor