

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.20
(ID # 8096)

MEETING DATE:

Tuesday, October 2, 2018

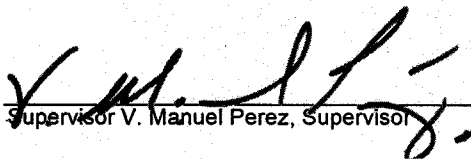
FROM : SUPERVISOR V. MANUEL PEREZ AND SUPERVISOR JOHN TAVAGLIONE :

SUBJECT: SUPERVISOR V. MANUEL PEREZ AND SUPERVISOR JOHN TAVAGLIONE:
SUPPORT PROPOSITION 1 THE VETERANS AND AFFORDABLE HOUSING
ACT.

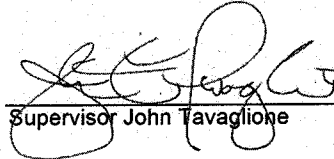
RECOMMENDED MOTION: That the Board of Supervisors:

1. Supports Proposition 1 on the November 6, 2018 general election ballot;
2. Authorizes the chairman of the Board to forward a letter conveying the Board's support to the initiative's proponents: Affordable Housing Now - Yes on Prop 1 Coalition.

ACTION: Policy


Supervisor V. Manuel Perez, Supervisor

9/27/2018



Supervisor John Tavaglione

9/27/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: October 2, 2018
xc: Second Dist., Fourth Dist.

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

BACKGROUND:

Summary

Proposition 1 is an important measure on the November 6, 2018 California general election ballot, addressing housing and homelessness. This measure was placed on the ballot by the Legislature to alleviate a housing affordability crisis facing families and communities across California.

Proposition 1, the Veterans and Affordable Housing Bond Act of 2018 (SB 3, 2017-2018), authorizes \$4 billion in state general obligation bonds to fund various existing affordable housing programs. The \$4 billion bond provides for the following:

- **\$1.8 billion** for affordable multifamily housing programs, which provide local governments, nonprofit organizations and private developers with low-interest loans to fund part of the construction-cost for rental housing projects, such as apartment buildings
- **\$1 billion** for home loan assistance to veterans through the CalVet Home Loan Program, which helps veterans purchase homes in California
- **\$450 million** for infrastructure programs, to build housing in existing urban areas and near public transportation, as well as loans and grants for a wide variety of projects that support this housing such as parks and water, sewage and transportation infrastructure
- **\$450 million** for homeownership programs such as down payment assistance and funds to assist low- and moderate-income families to build their own homes
- **\$300 million** in loans and grants to build housing for farmworkers

Proposition 1 is expected to bolster housing assistance to low- and moderate-income residents, first-time homebuyers, veterans and farmworker households, and, in many cases, allow the state to receive additional federal funding for affordable housing.

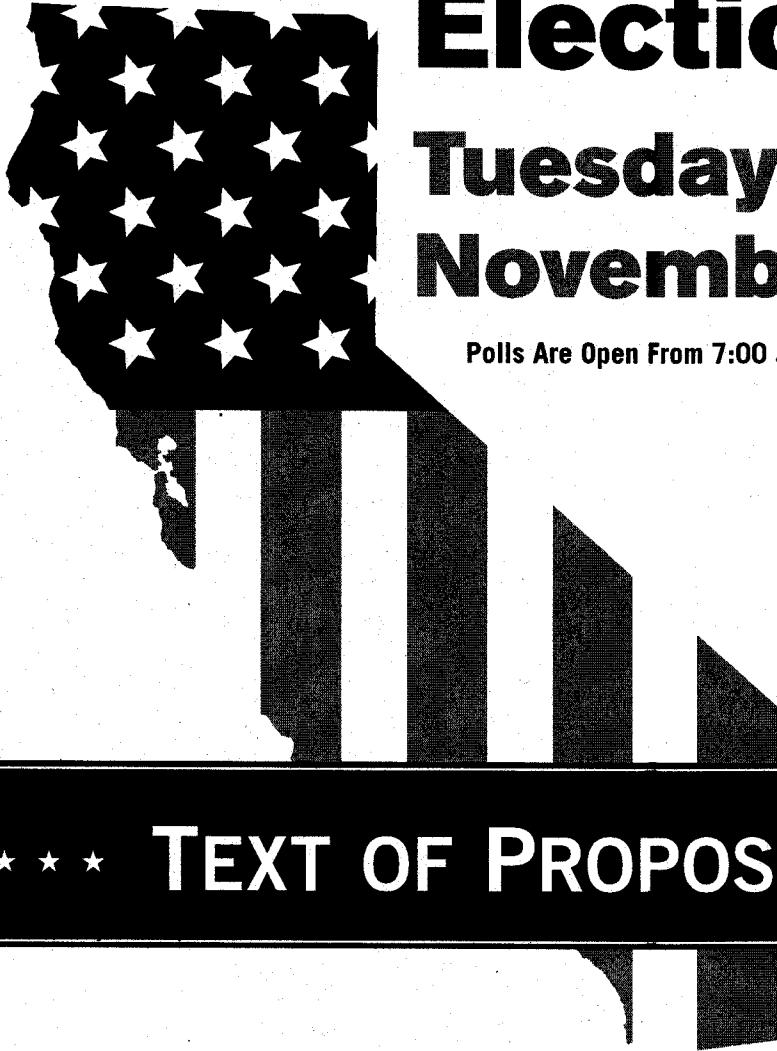
Riverside County can expect to benefit from this funding, particularly with projects such as housing rehabilitation, self-help housing, the Joe Serna farmworker grant fund, affordable housing innovation and self-help housing.

Attachment: Text of Proposed Laws

California General Election

**Tuesday
November 6, 2018**

Polls Are Open From 7:00 a.m. to 8:00 p.m. on Election Day!



★ ★ ★ ★ ★ **TEXT OF PROPOSED LAWS** ★ ★ ★ ★ ★



Certificate of Correctness

I, Alex Padilla, Secretary of State of the State of California, do hereby certify that the measures included herein will be submitted to the electors of the State of California at the General Election to be held throughout the State on November 6, 2018, and that this guide has been correctly prepared in accordance with the law. Witness my hand and the Great Seal of the State in Sacramento, California, this 13th day of August, 2018.

Alex Padilla

Alex Padilla, Secretary of State

VOTER BILL OF RIGHTS

YOU HAVE THE FOLLOWING RIGHTS:

1 **The right to vote if you are a registered voter.** You are eligible to vote if you are:

- a U.S. citizen living in California
- at least 18 years old
- registered where you currently live
- not currently in state or federal prison or on parole for the conviction of a felony
- not currently found mentally incompetent to vote by a court

2 **The right to vote if you are a registered voter even if your name is not on the list.** You will vote using a provisional ballot. Your vote will be counted if elections officials determine that you are eligible to vote.

3 **The right to vote if you are still in line when the polls close.**

4 **The right to cast a secret ballot** without anyone bothering you or telling you how to vote.

5 **The right to get a new ballot if you have made a mistake,** if you have not already cast your ballot. You can:

Ask an elections official at a polling place for a new ballot,

Exchange your vote-by-mail ballot for a new one at an elections office or at your polling place, or

Vote using a provisional ballot.

6 **The right to get help casting your ballot** from anyone you choose, except from your employer or union representative.

7 **The right to drop off your completed vote-by-mail ballot at any polling place** in California.

8 **The right to get election materials in a language other than English** if enough people in your voting precinct speak that language.

9 **The right to ask questions to elections officials about election procedures** and watch the election process. If the person you ask cannot answer your questions, they must send you to the right person for an answer. If you are disruptive, they can stop answering you.

10 **The right to report any illegal or fraudulent election activity** to an elections official or the Secretary of State's office.

 On the web at www.sos.ca.gov

 By phone at **(800) 345-VOTE (8683)**

 By email at elections@sos.ca.gov

**IF YOU BELIEVE YOU HAVE BEEN DENIED ANY OF THESE RIGHTS, CALL THE SECRETARY OF STATE'S
CONFIDENTIAL TOLL-FREE VOTER HOTLINE AT (800) 345-VOTE (8683).**

PROPOSITION 1

This law proposed by Senate Bill 3 of the 2017–2018 Regular Session (Chapter 365, Statutes of 2017) is submitted to the people in accordance with the provisions of Article XVI of the California Constitution.

This proposed law adds sections to the Health and Safety Code and the Military and Veterans Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SEC. 3. Part 16 (commencing with Section 54000) is added to Division 31 of the Health and Safety Code, to read:

PART 16. VETERANS AND AFFORDABLE HOUSING BOND ACT OF 2018

CHAPTER 1. GENERAL PROVISIONS

54000. Together with Article 5z (commencing with Section 998.600) of Chapter 6 of Division 4 of the Military and Veterans Code, this part shall be known, and may be cited, as the Veterans and Affordable Housing Bond Act of 2018.

54002. As used in this part, the following terms have the following meanings:

(a) "Board" means the Department of Housing and Community Development for programs administered by the department, and the California Housing Finance Agency for programs administered by the agency.

(b) "Committee" means the Housing Finance Committee created pursuant to Section 53524 and continued in existence pursuant to Sections 53548 and 54014.

(c) "Fund" means the Affordable Housing Bond Act Trust Fund of 2018 created pursuant to Section 54006.

54004. This part shall only become operative upon adoption by the voters at the November 6, 2018, statewide general election.

CHAPTER 2. AFFORDABLE HOUSING BOND ACT TRUST FUND OF 2018 AND PROGRAM

54006. The Affordable Housing Bond Act Trust Fund of 2018 is hereby created within the State Treasury. It is the intent of the Legislature that the proceeds of bonds (exclusive of refunding bonds issued pursuant to Section

54026) be deposited in the fund and used to fund the housing-related programs described in this chapter. The proceeds of bonds issued and sold pursuant to this part for the purposes specified in this chapter shall be allocated in the following manner:

(a) One billion five hundred million dollars (\$1,500,000,000) to be deposited in the Housing Rehabilitation Loan Fund established pursuant to Section 50661. The moneys in the fund shall be used for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to be expended to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with incomes of up to 60 percent of the area median income (AMI). These funds may also be used to provide technical assistance pursuant to Section 54007.

(b) One hundred fifty million dollars (\$150,000,000) to be deposited into the Transit-Oriented Development Implementation Fund, established pursuant to Section 53561, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 53560) to provide local assistance to cities, counties, cities and counties, transit agencies, and developers for the purpose of developing or facilitating the development of higher density uses within close proximity to transit stations that will increase public transit ridership. These funds may also be expended for any authorized purpose of this program and for state incentive programs, including loans and grants, within the department. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(c) Three hundred million dollars (\$300,000,000) to be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created within the fund. Moneys in the account shall be available, upon appropriation by the Legislature, pursuant to the Infill Incentive Grant Program of 2007

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established by Section 53545.13 for infill incentive grants to assist in the new construction and rehabilitation of infrastructure that supports high-density affordable and mixed-income housing in locations designated as infill, including, but not limited to, any of the following:

- (1) Park creation, development, or rehabilitation to encourage infill development.
- (2) Water, sewer, or other public infrastructure costs associated with infill development.
- (3) Transportation improvements related to infill development projects.
- (4) Traffic mitigation.

These funds may also be expended for any authorized purpose of this program. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(d) One hundred fifty million dollars (\$150,000,000) to be transferred to the Self-Help Housing Fund established pursuant to Section 50697.1. Notwithstanding Section 13340 of the Government Code and Section 50697.1, these funds are hereby continuously appropriated to the Department of Housing and Community Development without regard to fiscal years, which funds shall be transferred by the department to the California Housing Finance Agency for purposes of the home purchase assistance program established pursuant to Chapter 6.8 (commencing with Section 51341) of Part 3.

(e) Three hundred million dollars (\$300,000,000) to be deposited in the Joe Serna, Jr. Farmworker Housing Grant Fund, established pursuant to Section 50517.5, to fund grants or loans, or both, for local public entities, nonprofit corporations, limited liability companies, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families or for the acquisition of manufactured housing as part of a program to address and remedy the impacts of current and potential displacement of farmworker families from existing labor camps,

mobilehome parks, or other housing. These funds may also be expended for any authorized purpose of this program. These funds may also be used to provide technical assistance pursuant to Section 54007. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(f) Three hundred million dollars (\$300,000,000) to be deposited in the Affordable Housing Innovation Fund established pursuant to subparagraph (F) of paragraph (1) of subdivision (a) of Section 53545. Moneys in the fund shall be available, upon appropriation by the Legislature, pursuant to the Local Housing Trust Fund Matching Grant Program established by Section 50842.2 to fund competitive grants or loans to local housing trust funds that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Local housing trust funds shall be derived on an ongoing basis from private contribution or governmental sources that are not otherwise restricted in use for housing programs. These funds may also be expended for any authorized purpose of this program. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(g) Three hundred million dollars (\$300,000,000) to be deposited in the Self-Help Housing Fund established pursuant to Section 50697.1. The moneys in the fund shall be available for the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, to provide direct, forgivable loans to assist development projects involving multiple home ownership units, including single-family subdivisions, for self-help mortgage assistance programs, and for manufactured homes. These funds may also be

expended for any authorized purpose of this program. At least thirty million dollars (\$30,000,000) of the amount deposited in the Self-Help Housing Fund shall be used to provide grants or forgivable loans to assist in the rehabilitation or replacement, or both, of existing mobilehomes located in a mobilehome or manufactured home community. These funds may also be used to provide technical assistance pursuant to Section 54007. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

54007. (a) (1) Notwithstanding any other provision of this part, the Department of Housing and Community Development may provide technical assistance to eligible counties and eligible cities, or developers of affordable housing within eligible counties and eligible cities, to facilitate the construction of housing for the target populations for the following programs funded pursuant to this part:

(A) The Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2).

(B) The Joe Serna, Jr. Farmworker Housing Grant Program (Chapter 3.2 (commencing with Section 50515.2) of Part 2).

(C) The CalHome Program (Chapter 6 (commencing with Section 50650) of Part 2).

(2) Technical assistance pursuant to this section shall be provided using the bond proceeds allocated pursuant to Section 54006 to the program for which the technical assistance is provided.

(3) The Department of Housing and Community Development shall not provide more than three hundred sixty thousand dollars (\$360,000) total in technical assistance pursuant to this section, and an eligible county or eligible city shall not receive more than thirty thousand dollars (\$30,000) in technical assistance annually.

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

(1) "Eligible city" means a city that is located within a county with a population of 150,000 residents or fewer.

(2) "Eligible county" means a county with a population of 150,000 residents or fewer.

(3) "Technical assistance" includes engineering assistance and environmental review related to an affordable housing project and reimbursement of administrative costs related to developing a grant proposal.

54008. (a) The Legislature may, from time to time, amend any law related to programs to which funds are, or have been, allocated pursuant to this chapter for the purposes of improving the efficiency and effectiveness of those programs or to further the goals of those programs.

(b) The Legislature may amend this chapter to reallocate the proceeds of bonds issued and sold pursuant to this part among the programs to which funds are to be allocated pursuant to this chapter as necessary to effectively promote the development of affordable housing in this state.

54009. Programs funded with bond proceeds shall, when allocating financial support, give preference to projects that are "public works" for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and other projects on which all construction workers will be paid at least the general prevailing rate of per diem wages as determined by the Director of Industrial Relations.

CHAPTER 3. FISCAL PROVISIONS

54010. Bonds in the total amount of three billion dollars (\$3,000,000,000), exclusive of refunding bonds issued pursuant to Section 54026, or so much thereof as is necessary as determined by the committee, are hereby authorized to be issued and sold for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. All bonds herein authorized which have been duly issued, sold, and delivered as provided herein shall constitute valid and binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual

payment of both principal of and interest on those bonds when due.

54012. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), except subdivisions (a) and (b) of Section 16727 of the Government Code, and all of the provisions of that law as amended from time to time apply to the bonds and to this part, except as provided in Section 54028, and are hereby incorporated in this part as though set forth in full in this part.

54014. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this part, the committee is continued in existence. For the purposes of this part, the Housing Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law.

(b) The Department of Housing and Community Development may adopt guidelines establishing requirements for administration of its financing programs. The guidelines shall not constitute rules, regulations, orders, or standards of general application and are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) For the purposes of the State General Obligation Bond Law, the Department of Housing and Community Development is designated the "board" for programs administered by the department, and the California Housing Finance Agency is the "board" for programs administered by the agency.

54016. Upon request of the board stating that funds are needed for purposes of this part, the committee shall determine whether or not it is necessary or desirable to issue bonds, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and are not required to be sold at any one time. Bonds may bear interest subject to federal income tax.

54018. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in

addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collections of state revenues to do or perform each and every act which is necessary to collect that additional sum.

54020. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this part, an amount that will equal the total of both of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this part, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 54024, appropriated without regard to fiscal years.

54022. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this part. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold, excluding any refunding bonds authorized pursuant to Section 54026, for purposes of this part, less any amount loaned pursuant to this section and not yet repaid and any amount withdrawn from the General Fund pursuant to Section 54024 and not yet returned to the General Fund. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated in accordance with this part.

54024. For purposes of carrying out this part, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold, excluding any refunding bonds authorized pursuant to Section 54026, for purposes of this part, less any amount loaned pursuant to Section 54022 and not yet repaid and any amount withdrawn from the General Fund pursuant to this section and not yet returned to

the General Fund. Any amounts withdrawn shall be deposited in the fund to be allocated in accordance with this part. Any moneys made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from moneys received from the sale of bonds which would otherwise be deposited in that fund.

54026. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the electors of this act shall constitute approval of any refunding bonds issued to refund bonds issued pursuant to this part, including any prior issued refunding bonds. Any bond refunded with the proceeds of a refunding bond as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

54028. Notwithstanding any provisions in the State General Obligation Bond Law, the maturity date of any bonds authorized by this part shall not be later than 35 years from the date of each such bond. The maturity of each series shall be calculated from the date of issuance of each bond.

54030. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this part are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

54032. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this part that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, may order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of tax-exempt bonds and to obtain any

other advantage under federal law on behalf of the funds of this state.

54034. All moneys derived from premiums and accrued interest on bonds sold pursuant to this part shall be transferred to the General Fund as a credit to expenditures for bond interest; provided, however, that amounts derived from premiums may be reserved and used to pay the costs of bond issuance prior to transfer to the General Fund.

SEC. 4. Article 5z (commencing with Section 998.600) is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 5z. The Veterans and Affordable Housing Bond Act of 2018

998.600. Together with Part 16 (commencing with Section 54000) of Division 31 of the Health and Safety Code, this article shall be known and may be cited as the Veterans and Affordable Housing Bond Act of 2018.

998.601. (a) The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as amended from time to time, except as otherwise provided herein, is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this article, and the provisions of that law are included in this article as though set out in full in this article. All references in this article to "herein" refer both to this article and that law.

(b) For purposes of the State General Obligation Bond Law, the Department of Veterans Affairs is designated the board.

998.602. As used herein, the following terms have the following meanings:

(a) "Board" means the Department of Veterans Affairs.

(b) "Bond" means a veterans' bond, a state general obligation bond, issued pursuant to this article adopting the provisions of the State General Obligation Bond Law.

(c) "Bond act" means this article authorizing the issuance of state general obligation bonds and adopting the State General Obligation Bond Law by reference.

(d) "Committee" means the Veterans Finance Committee of 1943, established by Section 991.

(e) "Fund" means the Veterans' Farm and Home Building Fund of 1943, established by Section 988.

(f) "Payment Fund" means the Veterans' Bonds Payment Fund established by Section 988.6.

998.603. For the purpose of creating a fund to provide farm and home aid for veterans in accordance with the Veterans' Farm and Home Purchase Act of 1974 (Article 3.1 (commencing with Section 987.50)), and of all acts amendatory thereof and supplemental thereto, the committee may create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of not more than one billion dollars (\$1,000,000,000), exclusive of refunding bonds, in the manner provided herein.

998.604. (a) All bonds authorized by this article, when duly sold and delivered as provided herein, constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

(b) There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money, in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, these bonds as provided herein, and all officers required by law to perform any duty in regard to the collection of state revenues shall collect this additional sum.

(c) On the dates on which funds are to be remitted pursuant to Section 16676 of the Government Code for the payment of debt service on the bonds in each fiscal year, there shall be transferred to the Payment Fund to pay the debt service all of the money in the fund, not in excess of the amount of debt service then due and payable. If the money transferred on the remittance dates is less than debt service then due and payable, the balance remaining unpaid shall be transferred to the General Fund out of the fund as soon as it shall become available, together with interest thereon from the remittance date until paid, at the same rate of interest as borne by the bonds, compounded semiannually. Notwithstanding any other provision of law to the contrary, this subdivision shall apply to all veterans' farm and home purchase bond acts pursuant to this chapter.

This subdivision does not grant any lien on the fund, the Payment Fund, or the moneys therein to the holders of any bonds issued under this article. For the purposes of this subdivision, "debt service" means the principal (whether due at maturity, by redemption, or acceleration), premium, if any, or interest payable on any date with respect to any series of bonds. This subdivision shall not apply, however, in the case of any debt service that is payable from the proceeds of any refunding bonds.

998.605. There is hereby appropriated from the General Fund, for purposes of this article, a sum of money that will equal both of the following:

(a) That sum annually necessary to pay the principal of, and the interest on, the bonds issued and sold as provided herein, as that principal and interest become due and payable.

(b) That sum necessary to carry out Section 998.606, appropriated without regard to fiscal years.

998.606. For the purposes of this article, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of a sum of money not to exceed the amount of the unsold bonds which have been authorized by the committee to be sold pursuant to this article. Any sums withdrawn shall be deposited in the fund. All moneys made available under this section to the board shall be returned by the board to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this article.

998.607. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this article. The amount of the request shall not exceed the amount of unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this article. The board shall execute whatever documents are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this article.

998.608. Upon request of the board, supported by a statement of its plans and projects approved by the Governor, the committee shall determine whether to issue any bonds authorized under this article in order to carry out the board's plans and projects, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out these plans and projects progressively, and it is not necessary that all of the bonds be issued or sold at any one time.

998.609. (a) As long as any bonds authorized under this article are outstanding, the Secretary of Veterans Affairs shall, at the close of each fiscal year, require a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, to be made by an independent public accountant of recognized standing. The results of each survey and projection shall be reported in writing by the public accountant to the Secretary of Veterans Affairs, the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and the committee.

(b) The Division of Farm and Home Purchases shall reimburse the public accountant for these services out of any money that the division may have available on deposit with the Treasurer.

998.610. (a) The committee may authorize the Treasurer to sell all or any part of the bonds authorized by this article at the time or times established by the Treasurer.

(b) Whenever the committee deems it necessary for an effective sale of the bonds, the committee may authorize the Treasurer to sell any issue of bonds at less than their par value, notwithstanding Section 16754 of the Government Code. However, the discount on the bonds shall not exceed 3 percent of the par value thereof.

998.611. Out of the first money realized from the sale of bonds as provided herein, there shall be redeposited in the General Obligation Bond Expense Revolving Fund, established by Section 16724.5 of the Government Code, the amount of all expenditures made for the purposes specified in that section, and this money may be used for the same purpose and repaid in the same manner whenever additional bond sales are made.

998.612. Any bonds issued and sold pursuant to this article may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. The approval of the voters for the issuance of bonds under this article includes approval for the issuance of bonds issued to refund bonds originally issued or any previously issued refunding bonds.

998.613. Notwithstanding any provision of the bond act, if the Treasurer sells bonds under this article for which bond counsel has issued an opinion to the effect that the interest on the bonds is excludable from gross income for purposes of federal income tax, subject to any conditions which may be designated, the Treasurer may establish separate accounts for the investment of bond proceeds and for the earnings on those proceeds, and may use those proceeds or earnings to pay any rebate, penalty, or other payment required by federal law or take any other action with respect to the investment and use of bond proceeds required or permitted under federal law necessary to maintain the tax-exempt status of the bonds or to obtain any other advantage under federal law on behalf of the funds of this state.

998.614. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this article are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by Article XIII B.

PROPOSITION 2

This law proposed by Assembly Bill 1827 of the 2017–2018 Regular Session (Chapter 41, Statutes of 2018) is submitted to the people in accordance with Section 10 of Article II of the California Constitution.

This proposed law amends and adds sections to the Welfare and Institutions Code; therefore, provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. The voters hereby find and declare that housing is a key factor for

stabilization and recovery from mental illness and results in improved outcomes for individuals living with a mental illness. The Mental Health Services Act, an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, must therefore be amended to provide for the expenditure of funds from the Mental Health Services Fund to the No Place Like Home Program established pursuant to Part 3.9 (commencing with Section 5849.1) of Division 5 of the Welfare and Institutions Code, which finances the acquisition, design, construction, rehabilitation, or preservation of permanent supportive housing for individuals living with a severe mental illness who are homeless or at risk of chronic homelessness.

SEC. 2. Section 1, this section, and Sections 3 to 7, inclusive, shall be known, and may be cited, as the No Place Like Home Act of 2018.

SEC. 3. Section 5849.35 of the Welfare and Institutions Code is amended to read:

5849.35. (a) The authority may do all of the following:

(1) Consult with the commission and the State Department of Health Care Services concerning the implementation of the No Place Like Home Program, including the review of annual reports provided to the authority by the department pursuant to Section 5849.11.

(2) Enter into one or more *single-year or multiyear* contracts with the department for the department to provide, and the authority to pay the department for providing, services described in Sections 5849.7, 5849.8, and 5849.9, related to permanent supportive housing for the target ~~population~~ *population and to provide for payments to the department from amounts on deposit in the Supportive Housing Program Subaccount created within the Mental Health Services Fund pursuant to paragraph (1) of subdivision (f) of Section 5890*. Before entering into any contract pursuant to this paragraph, the executive director of the authority shall transmit to the commission a copy of the contract in substantially final form. The contract shall be deemed approved by the commission unless it acts within 10 days to disapprove the contract.

(3) On or before June 15 and December 15 of each year, the authority shall certify to the Controller the amounts the authority is required to pay as provided in Section 5890 for the

following six-month period to the department pursuant to any service contract entered into pursuant to paragraph (2).

(b) The department may do all of the following:

(1) Enter into one or more *single-year or multiyear* contracts with the authority to provide services described in Sections 5849.7, 5849.8, and 5849.9, related to permanent supportive housing for the target ~~population~~ *population and to receive payments from amounts on deposit in the Supportive Housing Program Subaccount pursuant to paragraph (1) of subdivision (f) of Section 5890*. Payments received by the department under any service contract authorized by this paragraph shall be used, before any other allocation or distribution, to repay loans from the authority pursuant to Section 15463 of the Government Code.

(2) Enter into one or more loan agreements with the authority as security for the repayment of the revenue bonds issued by the authority pursuant to Section 15463 of the Government Code. The department shall deposit the proceeds of these loans, excluding any refinancing loans to redeem, refund, or retire bonds, into the fund. The department's obligations to make payments under these loan agreements shall be limited obligations payable solely from amounts received pursuant to its service contracts with the authority.

(3) The department may pledge and assign its right to receive all or a portion of the payments under the service contracts entered into pursuant to paragraph (1) directly to the authority or its bond trustee for the payment of principal, premiums, if any, and interest under any loan agreement authorized by paragraph (2).

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

(1) The consideration to be paid by the authority to the department for the services provided pursuant to the contracts authorized by paragraph (2) of subdivision (a) and paragraph (1) of subdivision (b) is fair and reasonable and in the public interest.

(2) The service contracts and payments made by the authority to the department pursuant to a service contract authorized by paragraph (2) of subdivision (a) and paragraph (1) of subdivision (b) and the loan agreements and loan repayments made by the department to the

authority pursuant to a loan agreement authorized by paragraph (2) of subdivision (b) shall not constitute a debt or liability, or a pledge of the faith and credit, of the state or any political ~~subdivision~~ *subdivision, except as approved by the voters at the November 6, 2018, statewide general election.*

(d) The state hereby covenants with the holders from time to time of any bonds issued by the authority pursuant to Section 15463 of the Government Code that it will not alter, amend, or restrict the provisions of this section, *paragraph (1) of subdivision (f) of Section 5890, or subdivision (b) of Section 5891* in any manner adverse to the interests of those bondholders so long as any of those bonds remain outstanding. The authority may include this covenant in the resolution, indenture, or other documents governing the bonds.

(e) Agreements under this section are not subject to, and need not comply with, the requirements of any other law applicable to the execution of those agreements, including, but not limited to, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code shall not apply to any contract entered into between the authority and the department under this section.

SEC. 4. Section 5849.4 of the Welfare and Institutions Code is amended to read:

5849.4. (a) The No Place Like Home Fund is hereby created within the State Treasury and, notwithstanding Section 13340 of the Government Code, continuously appropriated to the department, the authority, and the Treasurer for the purposes of this part. Accounts and subaccounts may be created within the fund as needed. Up to 5 percent of the amount deposited in the fund may be used for administrative expenses in implementing this part.

(b) There shall be paid into the fund the following:

(1) Any moneys from the receipt of loan proceeds by the department derived from the issuance of bonds by the authority under subdivision (b) of Section 15463 of the Government Code.

(2) *Any appropriation or transfer to the fund from the General Fund or other funds.*

~~(2)~~

(3) Any other federal or state grant, or from any private donation or grant, for the purposes of this part.

~~(3)~~

(4) Any interest payment, loan repayments, or other return of funds.

SEC. 5. Section 5849.15 is added to the Welfare and Institutions Code, to read:

5849.15. The voters ratify all of the following provisions as being consistent with and in furtherance of Proposition 63, enacted by the voters at the November 2, 2004, statewide general election, and approve all of the following provisions for purposes of Section 1 of Article XVI of the California Constitution:

(a) *Chapter 43 of the Statutes of 2016, which amended Sections 5830, 5845, 5847, 5848, 5897, and 5899 and added this part.*

(b) *Chapter 322 of the Statutes of 2016, which added Section 15463 to the Government Code, and amended Sections 5849.1, 5849.2, 5849.3, 5849.4, 5849.5, 5849.7, 5849.8, 5849.9, 5849.11, 5849.14, 5890, and 5891 of, added Section 5849.35 to, and repealed and added Section 5849.13 of, this code.*

(c) *Those provisions of Chapter 561 of the Statutes of 2017 that amended any of the provisions referenced in subdivisions (a) and (b).*

(d) *The amendments to Section 5849.35, 5849.4, and 5890 made by the act adding this section.*

(e) *The issuance by the California Health Facilities Financing Authority of bonds in an amount not to exceed two billion dollars (\$2,000,000,000) for the purposes of financing permanent supportive housing pursuant to the No Place Like Home Program and related purposes as set forth in subdivision (b) of Section 15463 of the Government Code, the issuance of bonds for the purpose of redeeming, refunding, or retiring bonds as set forth in subdivision (c) of Section 15463 of the Government Code, and the process by which those bonds are issued, secured, and repaid, as set forth in the provisions referenced in subdivisions (a) to (d), inclusive.*

SEC. 6. Section 5890 of the Welfare and Institutions Code is amended to read:

5890. (a) The Mental Health Services Fund is hereby created in the State Treasury. The fund shall be administered by the state. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are, except as provided in subdivision (d) of Section 5892, continuously appropriated, without regard to fiscal years, for the purpose of funding the following programs and other related activities as designated by other provisions of this division:

(1) Part 3 (commencing with Section 5800), the Adult and Older Adult *Mental Health System of Care Act*.

(2) Part 3.2 (commencing with Section 5830), *Innovative Programs*.

(3) Part 3.6 (commencing with Section 5840), *Prevention and Early Intervention Programs*.

(4) Part 3.9 (commencing with Section 5849.1), *No Place Like Home Program*.

(5) Part 4 (commencing with Section 5850), the *Children's Mental Health Services Act*.

(b) The establishment of this fund and any other provisions of the act establishing it or the programs funded shall not be construed to modify the obligation of health care service plans and disability insurance policies to provide coverage for mental health services, including those services required under Section 1374.72 of the Health and Safety Code and Section 10144.5 of the Insurance Code, related to mental health parity. This act shall not be construed to modify the oversight duties of the Department of Managed Health Care or the duties of the Department of Insurance with respect to enforcing these obligations of plans and insurance policies.

(c) This act shall not be construed to modify or reduce the existing authority or responsibility of the State Department of Health Care Services.

(d) The State Department of Health Care Services shall seek approval of all applicable federal Medicaid approvals to maximize the availability of federal funds and eligibility of participating children, adults, and seniors for medically necessary care.

(e) Share of costs for services pursuant to Part 3 (commencing with Section 5800) and Part 4

(commencing with Section 5850) of this division, shall be determined in accordance with the Uniform Method of Determining Ability to Pay applicable to other publicly funded mental health services, unless this Uniform Method is replaced by another method of determining copayments, in which case the new method applicable to other mental health services shall be applicable to services pursuant to Part 3 (commencing with Section 5800) and Part 4 (commencing with Section 5850) of this division.

(f) (1) The Supportive Housing Program Subaccount is hereby created in the Mental Health Services Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the subaccount are reserved and continuously appropriated, without regard to fiscal years, to the California Health Facilities Financing Authority to provide funds to meet its financial obligations pursuant to any service contracts entered into pursuant to Section 5849.35. Notwithstanding any other law, including any other provision of this section, no later than the last day of each month, the Controller shall, before any transfer or expenditure from the fund for any other purpose for the following month, transfer from the Mental Health Services Fund to the Supportive Housing Program Subaccount an amount that has been certified by the California Health Facilities Financing Authority pursuant to paragraph (3) of subdivision (a) of Section 5849.35, but not to exceed an aggregate amount of one hundred forty million dollars (\$140,000,000) per year. If in any month the amounts in the Mental Health Services Fund are insufficient to fully transfer to the subaccount or the amounts in the subaccount are insufficient to fully pay the amount certified by the California Health Facilities Financing Authority, the shortfall shall be carried over to the next ~~month~~ *month, to be transferred by the Controller with any transfer required by the preceding sentence*. Moneys in the Supportive Housing Program Subaccount shall not be loaned to the General Fund pursuant to Section 16310 or 16381 of the Government Code.

(2) *Prior to the issuance of any bonds pursuant to Section 15463 of the Government Code, the Legislature may appropriate for transfer funds in the Mental Health Services Fund to the Supportive Housing Program Subaccount in an*

amount up to one hundred forty million dollars (\$140,000,000) per year. Any amount appropriated for transfer pursuant to this paragraph and deposited in the No Place Like Home Fund shall reduce the authorized but unissued amount of bonds that the California Health Facilities Financing Authority may issue pursuant to Section 15463 of the Government Code by a corresponding amount. Notwithstanding Section 13340 of the Government Code, all moneys in the subaccount transferred pursuant to this paragraph are reserved and continuously appropriated, without regard to fiscal years, for transfer to the No Place Like Home Fund, to be used for purposes of Part 3.9 (commencing with Section 5849.1). The Controller shall, before any transfer or expenditure from the fund for any other purpose for the following month but after any transfer from the fund for purposes of paragraph (1), transfer moneys appropriated from the Mental Health Services Fund to the subaccount pursuant to this paragraph in equal amounts over the following 12-month period, beginning no later than 90 days after the effective date of the appropriation by the Legislature. If in any month the amounts in the Mental Health Services Fund are insufficient to fully transfer to the subaccount or the amounts in the subaccount are insufficient to fully pay the amount appropriated for transfer pursuant to this paragraph, the shortfall shall be carried over to the next month.

(3) The sum of any transfers described in paragraphs (1) and (2) shall not exceed an aggregate of one hundred forty million dollars (\$140,000,000) per year.

(4) Paragraph (2) shall become inoperative once any bonds authorized pursuant to Section 15463 of the Government Code are issued.

SEC. 7. The provisions of this act may be amended by a two-thirds vote of the Legislature so long as such amendments are consistent with and further the intent of this act.

PROPOSITION 3

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Fish and Game Code and the Water Code; therefore,

new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

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

SECTION 1. Division 38 (commencing with Section 86000) is added to the Water Code, to read:

DIVISION 38. STATE WATER SUPPLY INFRASTRUCTURE, WATER CONVEYANCE, ECOSYSTEM AND WATERSHED PROTECTION AND RESTORATION, AND DRINKING WATER PROTECTION ACT OF 2018

CHAPTER 1. SHORT TITLE

86000. *This division shall be known and may be cited as the Water Supply and Water Quality Act of 2018.*

CHAPTER 2. FINDINGS AND DECLARATIONS

86001. *The people find and declare the following:*

(a) *In our frequently very dry state, our high-tech, agricultural and urbanized economy relies on an uninterrupted and high-quality water supply. By making water use more efficient, reducing the demand for water, providing new and diverse water supplies, improving the quality of our source watersheds, and protecting key environmental uses of water, this measure will assure that the economic and environmental engines of California are not derailed by a shortage of water.*

(b) *California's recent historic drought raises serious questions about the long-term reliability of our current water supplies. The drought underscores the need to use our existing water supplies more efficiently, increase investments in our water infrastructure, and more effectively integrate our water system from the headwaters to the end user.*

(c) *California's water situation requires implementation of the California Water Action Plan to provide for the water needs of people, agriculture, and the environment. This division will help provide a more reliable water supply by reducing waste, increasing the amount of water available to meet our needs, and improving water quality. This division also provides additional protection for our communities from floods.*

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(d) This division will implement cost-effective methods of water development and conservation to meet California's present and future water needs in a changing climate, including capture of urban drainage and stormwater runoff, groundwater and brackish water desalting, groundwater storage, water recycling, water conservation, and watershed management, restoration, enhancement and protection.

(e) Many of the water supply and water quality investments provided by this division will be matched by agencies and grant recipients, more than doubling the effectiveness of the funding provided.

(f) Agencies implementing this division will give high priority to cost-effective projects and to the most durable and most environmentally beneficial projects. Funding will go to projects that contribute to implementation of the California Water Action Plan, the goal of which is to increase the resiliency of the California water system and the ability of California communities to cope with drought conditions.

(g) Every Californian has a right to safe, clean, affordable, and accessible drinking water. By complying with Section 106.3, agencies providing funds for safe drinking water pursuant to this division will help achieve the intent of that section.

(h) This division provides a fair and reasonable distribution of funds directly and indirectly benefiting every region of the state.

(i) This division provides short and long-term cost-effective actions to address the water shortages caused by the recent drought, and will help prepare local communities for future droughts. Droughts reduce water supplies for people, agriculture and the environment. This division will help meet the water needs of people, agriculture, and the environment and make California more resilient in the face of a changing climate.

(j) By improving the health and water productivity of watersheds, communities will become more self-reliant with respect to water supply, and local environmental quality will be increased.

(k) By removing invasive plants such as yellow starthistle, giant reed (*Arundo donax*), and tamarisk, water supply will be increased and habitat for fish and wildlife will be improved.

(l) Flooding can devastate communities and infrastructure. We can make better use of floodwaters by capturing waters and putting them to use in our communities, on our farms, and by recharging groundwater basins. By providing funds to intelligently manage our watersheds and floodplains, this division will also help avoid flood damage, improve fish and wildlife habitat, remove pollutants from our water supply, enhance groundwater, remediate aquifers and improve the environment. Better floodplain management may allow improved operation of upstream reservoirs for water supply purposes.

(m) Severe fire conditions can lead to significant erosion, reduced water quality and impacts on water infrastructure. This division provides funding to manage forests and watersheds to reduce fire danger, mitigate the effects of wildfires on water supply and quality, and enhance water supplies.

(n) This division funds the following programs, which respond to human and environmental water needs in California:

(1) Improvement of water supply and water quality utilizing cost-effective methods, including water conservation, desalting of groundwater and other inland saline water, stormwater management, wastewater recycling, and similar water management measures.

(2) Better management of forest and rangeland watersheds, such as through the Sierra Nevada Watershed Improvement Program, to improve the pattern, quantity, and quality of water runoff and groundwater recharge. Improving soil health improves the ability of the ground to better contain groundwater and moderate the rate of water runoff.

(3) Better groundwater management, including faster implementation of the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6), and better recognition of the connection between surface and groundwater.

(4) Provision of water for fish and wildlife, including restoration of the Pacific Flyway and management of habitat in a dynamic way to respond to changing environmental conditions.

(5) Increased capacity to convey water resulting in greater groundwater recharge and improved

conveyance and utilization of floodwaters for use in drought years.

(o) The State Water Resources Control Board, the Department of Fish and Wildlife, and many other agencies have recognized that providing funding for fish habitat enhancement is vital to restoring native California fish populations and that relying solely on flow to restore those populations will not be sufficient. Providing funding for fish habitat enhancement is a vital complement to reasonable flows to protect fish.

(p) California has lost 95 percent of its historical wetlands. These wetlands provide food, water, and cover for migratory and other birds, fish, mammals, reptiles, amphibians, and a vast number of plant species. Many species may become endangered or threatened without wetlands and many more survive only due to wetlands available today. This division combines work to sustain and protect current wetlands with the potential to increase wetlands in California to support a thriving flora and fauna.

(q) The implementation of this division will result in cost savings to local governments immediately of substantially more than one billion dollars, and reduce local government operating costs by hundreds of millions of dollars per year. This division will provide funding that displaces local government funding, resulting in the implementation of projects in the following areas. These projects would have eventually been implemented by local government.

(1) *Safe Drinking Water.* State direct and matching funds will reduce the cost to local government of implementing drinking water and wastewater treatment systems, and to some extent, the operation of those systems.

(2) *Wastewater Recycling.* State funds will reduce the cost of these plants, reducing the capital cost of the projects for local governments. By reducing local government capital costs, the cost of water from these plants will also be reduced. Implementation of wastewater recycling plants will defer the need for more expensive alternative sources of water supply, thus further reducing local capital and operating costs.

(3) *Groundwater Desalting.* State funds will reduce the cost of these plants, reducing the capital cost of the projects for local governments. By reducing local government

capital costs, the cost of water from these plants will also be reduced. Implementation of groundwater desalting plants will defer the need for more expensive alternative sources of water supply, thus further reducing local capital and operating costs.

(4) *Water Conservation.* State funds will reduce the cost of these projects, reducing costs to local government. More importantly, reduced water demand resulting from these projects will reduce operating costs and will temporarily or permanently defer the construction and operating costs of more expensive capital outlay projects needed to provide new water.

(5) *Repairing Flood Control Reservoirs.* State funds will reduce the costs of these projects for local government.

(6) *San Francisco Bay Restoration Authority Funds.* State investment in wetlands projects providing flood protection around San Francisco Bay will reduce flood risk associated with climate change. This will reduce the cost of other flood control measures, and more importantly will reduce flood damage which often results in tremendous costs to local government for facility repair.

(7) *Stormwater Funding.* Regulations imposed by the State Water Resources Control Board and various regional water quality control boards will result in the construction of various capital outlay projects costing billions of dollars. Providing funds through this measure will reduce the cost of these projects to local government.

(8) *Fisheries Restoration.* This division provides hundreds of millions of dollars for fisheries restoration. Local and regional water agencies are voluntarily undertaking many of these projects. By providing state funds, this division will reduce local costs. In addition, the resulting increase in fish populations will make it possible to improve local water supplies, avoiding local government costs to provide replacement water supplies costing hundreds of millions or even billions of dollars.

(9) *Bay Area Regional Reliability.* San Francisco Bay area water districts are undertaking extensive improvements in their water distribution systems to interconnect their water supplies for greater drought water supply reliability and other benefits. By providing funds for this program, this division will reduce their

costs by two hundred fifty million dollars (\$250,000,000).

(10) *Friant Kern Canal Repair.* Groundwater overdraft has caused subsidence of the Friant Kern Canal. State funds to repair the canal will reduce the cost of repairing the canal to local water districts. Avoiding the cost to finance this project will also save tens of millions of dollars per year in interest costs which would have to be paid by these districts.

(11) *Oroville Dam Repair.* Although the costs of repairing Oroville Dam should be covered by the federal government either through the Federal Emergency Management Agency or the United States Army Corps of Engineers, the federal government may not fulfill this obligation. If the State Water Resources Development System contractors, which are all local agencies, are forced to cover all or part of these costs, this division will reduce their costs by two hundred million dollars (\$200,000,000). Interest costs would also be reduced.

(r) Substantial funds remain to be allocated to storage projects pursuant to Division 26.7 (commencing with Section 79700). For this reason, and so as not to interfere with the work of the California Water Commission in awarding these funds, this measure does not include funding for the construction of specific storage projects.

CHAPTER 3. DEFINITIONS

86002. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

(a) "Conservation" means rehabilitation, stabilization, restoration, reduced water use, development, and reconstruction, or any combination of those activities.

(b) "Conservation actions on private lands" means projects implemented with willing landowners that involve the adaptive and flexible management of natural resources in response to changing conditions and threats to habitat and wildlife. These investments and actions are specifically designed to create habitat conditions on private lands which, when managed dynamically over time, contribute to the long-term health and resiliency of vital ecosystems and enhance wildlife populations.

(c) "Delta" means the Sacramento-San Joaquin Delta as defined in Section 12220.

(d) "Department" means the Department of Water Resources.

(e) "Desalination" means removing salt and other contaminants from polluted groundwater or other inland sources of water containing salts, including brackish water.

(f) "Disadvantaged community" has the meaning set forth in subdivision (a) of Section 79505.5, as it may be amended.

(g) "Dry weather runoff" is defined as in Section 10561.5.

(h) "Economically distressed area" has the meaning set forth in subdivision (k) of Section 79702, as it may be amended.

(i) "Finance committee" means the Water Supply Reliability and Drought Protection Finance Committee created by Section 86182.

(j) "Fund" means the Water Supply Reliability and Drought Protection Fund of 2018 created by Section 86169.

(k) "Groundwater sustainability agency" means an agency defined in subdivision (j) of Section 10721.

(l) "Integrated regional water management plan" means a comprehensive plan for a defined geographic area that meets the requirements of Part 2.2 (commencing with Section 10530) of Division 6, as that part may be amended.

(m) "Invasive plant" means a terrestrial or aquatic plant not native to California of no or negligible agricultural value which does any of the following: displaces native plants, threatens native plant biodiversity, harms agricultural or rangeland productivity, degrades wildlife habitat, contributes to fire hazard, or uses more water than the plants it displaces.

(n) "Multibenefit project" means a project that serves more than one purpose, including but not limited to flood management, water supply, water quality improvement, environmental enhancement, recreation, energy conservation, reduction of emission of climate-changing gases, and fish and wildlife improvement.

(o) "Nonprofit organization" means an organization qualified to do business in California and exempt under Section 501(c)(3) or Section 501(c)(6) of the Internal Revenue Code, to the extent permitted by state and federal law.

(p) "Protection" means those actions necessary to prevent harm or damage to persons, property or natural resources or those actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition, development, restoration, conservation, preservation, and interpretation as interpretation is defined in subdivision (i) of Section 75005 of the Public Resources Code.

(q) "Public agency" means a state agency or department, special district, joint powers authority, city, county, city and county, or other political subdivision of the state.

(r) "Public water systems" is defined in subdivision (h) of Section 116275 of the Health and Safety Code and means regional, municipal, and district urban water suppliers, including privately owned water suppliers as defined in Section 10617.

(s) "Restoration" means the improvement of physical structures or facilities and, in the case of natural systems and landscape features, includes, but is not limited to, projects that improve physical and ecological processes, including, but not limited to, erosion control; sediment management; the control and elimination of invasive species; prescribed burning; fuel hazard reduction; fencing out threats to existing or restored natural resources; meadow, wetland, riparian, and stream restoration; and other plant and wildlife habitat improvement to increase the natural system value of the property. Restoration projects shall include the planning, monitoring, and reporting necessary to ensure successful implementation of the project objectives.

(t) "Severely disadvantaged community" means a community with a median household income of less than 60 percent of the statewide median household income.

(u) "Sierra Nevada Watershed Improvement Program" is a coordinated, integrated, collaborative program to restore the health of California's primary watershed by increasing the pace and scale of forest restoration in order to maintain the important benefits that the Sierra Nevada region provides.

(v) "State board" means the State Water Resources Control Board.

(w) "State General Obligation Bond Law" means the State General Obligation Bond Law,

Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code.

(x) "Stormwater" is defined as in Section 10561.5.

(y) "Stormwater Resource Plans" are defined as in Part 2.3 (commencing with Section 10560) of Division 6.

CHAPTER 4. ACCOUNTABILITY

86003. (a) (1) The Natural Resources Agency shall provide for an independent audit of expenditures pursuant to this division no less than every three years.

(2) On or before January 10, 2020, and every six months thereafter, the Natural Resources Agency shall publish on its website a report that contains all of the following information relating to this division for the previous six months with the information summarized by section of this division:

(A) Funding encumbrances.

(B) Summary of new projects funded.

(C) Summary of projects completed.

(D) Discussion of progress towards meeting the metrics of success established pursuant to Section 86157.

(E) Discussion of common challenges experienced by state agencies and recipients of funding in executing projects.

(F) Discussion of major accomplishments and successes experienced by state agencies and recipients of funding in executing projects.

(3) This subdivision shall remain in effect only until January 1, 2028, and as of that date is inoperative.

(b) The Department of Finance or the Controller, or the California State Auditor at the direction of the Legislature, may conduct an audit of the expenditures of any state agency receiving funding pursuant to this act.

(c) The state agency issuing any grant with funding authorized by this division shall require adequate reporting of the expenditures of the funding from the grant.

CHAPTER 5. IMPROVEMENT OF WATER SUPPLY
AND WATER QUALITY

Article 1. Safe Drinking Water

86004. The sum of seven hundred fifty million dollars (\$750,000,000) is appropriated from the fund to the state board for expenditures, grants, and loans to improve water quality or help provide clean, safe, and reliable drinking water to all Californians.

86005. The projects eligible for funding pursuant to this article shall help improve water quality for a beneficial use. The purposes of this article are to:

(a) Reduce contaminants in drinking water supplies regardless of the source of the water or the contamination.

(b) Assess and prioritize the risk of contamination to drinking water supplies.

(c) Address the critical and immediate needs of disadvantaged, rural, or small communities that suffer from contaminated or inadequate drinking water supplies, including, but not limited to, projects that address a public health emergency.

(d) Leverage other private, federal, state, and local drinking water quality and wastewater treatment funds.

(e) Provide disadvantaged communities with public drinking water infrastructure that provides clean, safe, and reliable drinking water supplies that the community can sustain over the long term.

(f) Ensure access to clean, safe, reliable, and affordable drinking water for California's communities.

(g) Meet primary and secondary drinking water standards or remove contaminants identified by the state or federal government to meet primary or secondary drinking water standards.

86006. The contaminants that may be addressed with funding pursuant to this article may include, but shall not be limited to, lead, nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic, selenium, hexavalent chromium, mercury, PCE (perchloroethylene), TCE (trichloroethylene), DCE (dichloroethene), DCA (dichloroethane), 1,2,3-TCP (trichloropropane), carbon tetrachloride, 1,4-dioxane, 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,

manganese, total dissolved solids, electrical conductivity, and uranium.

86007. (a) (1) Of the funds authorized by Section 86004, five hundred million dollars (\$500,000,000) shall be available for grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water, or both. Priority shall be given to projects that provide treatment for contamination or access to an alternate drinking water source or sources for small community water systems or state small water systems in disadvantaged communities whose drinking water source is impaired by chemical and nitrate contaminants and other health hazards identified by the state board. Eligible recipients serve disadvantaged communities and are public water systems or public agencies.

(2) Eligible expenses may include initial operation and maintenance costs for systems serving disadvantaged communities. Priority shall be given to projects that provide shared solutions for multiple communities, at least one of which is a disadvantaged community that lacks safe, affordable drinking water and is served by a small community water system, state small water system, or a private well. Construction grants shall be limited to five million dollars (\$5,000,000) per project, except that the state board may set a limit of not more than twenty million dollars (\$20,000,000) for projects that provide regional benefits or are shared among multiple entities, including consolidation of two or more drinking water systems, at least one of which shall be a small disadvantaged community. Not more than 50 percent of a grant may be awarded in advance of actual expenditures.

(3) For the purposes of this subdivision, "initial operation and maintenance costs" means those initial, eligible, and reimbursable costs under a construction funding agreement that are incurred up to, and including, but not limited to, initial startup testing of the constructed project in order to deem the project complete. Initial operation and maintenance costs are eligible to receive funding pursuant to this section for a period not to exceed three years.

(b) Of the funds authorized by this section, up to ten million dollars (\$10,000,000) shall be available for grants to provide school children

with safe drinking water under the drinking water for schools grant program pursuant to Section 116276 of the Health and Safety Code.

86008. Of the funds authorized by Section 86004, two hundred fifty million dollars (\$250,000,000) shall be available for deposit in the State Water Pollution Control Revolving Fund Small Community Grant Fund created pursuant to Section 13477.6 for grants and loans for wastewater treatment projects. Priority shall be given to projects that serve disadvantaged communities and severely disadvantaged communities, and to projects that address public health hazards. Projects may include, but not be limited to, projects that identify, plan, design, and implement regional mechanisms to consolidate wastewater systems or provide affordable treatment technologies.

86009. Of the funds authorized by Section 86004, up to sixty million dollars (\$60,000,000) shall be made available for drinking water infrastructure or wastewater improvements, or both, on private property, or for interim replacement drinking water supplies.

(a) Funds may be used for the following purposes:

(1) To conduct water quality testing of drinking water wells.

(2) To install and replace laterals, repair or replace private wells or onsite wastewater systems, properly close abandoned wells and septic system infrastructure, and provide infrastructure necessary to connect residences to a public water or wastewater system.

(3) To replace interior drinking water plumbing and fixtures that contain lead.

(4) To provide interim replacement drinking water supplies.

(b) The state board may establish a revolving loan fund to facilitate financing for activities allowable under this section.

(c) Priority shall be given to projects that assist low-income homeowners, including mobilehome owners, and vulnerable populations.

86010. (a) For the purposes of awarding funding pursuant to this article, a local cost share of not less than 50 percent of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced

for projects that directly benefit a disadvantaged community or an economically distressed area.

(b) At least 10 percent of the funds available pursuant to this article shall be allocated for projects serving severely disadvantaged communities.

(c) Up to 15 percent of the funds available pursuant to this article may be allocated for technical assistance to disadvantaged communities. The state board shall operate a multidisciplinary technical assistance program for small and disadvantaged communities which may include, but is not limited to, outreach and education, needs assessments, review of alternative approaches to provide communities with safe drinking water or wastewater services, project selection and design, board and operator training, and other technical, managerial, and financial capacity building assistance for utilities serving disadvantaged communities related to providing communities with safe drinking water or wastewater services. The agency may also contract with a nonprofit organization, resource conservation district, or other local agency to provide these services.

Article 2. Water Recycling and Desalination

86020. The sum of four hundred million dollars (\$400,000,000) is appropriated from the fund to the state board to award grants and loans to eligible entities as defined in subdivision (a) of Section 86166 on a competitive basis for wastewater recycling projects. Grants pursuant to this section may be made for all of the following:

(a) Water recycling projects, including, but not limited to, treatment, storage, conveyance, brine disposal, and distribution facilities for potable and nonpotable recycling projects.

(b) Dedicated distribution infrastructure to serve residential, commercial, agricultural, fish and wildlife habitat, and industrial end-user retrofit projects to allow use of recycled water.

(c) Pilot projects for new potable reuse and contaminant removal technology.

(d) Multibenefit recycled water projects that improve water quality.

(e) Multibenefit recycled water projects that protect, conserve, and restore wetland and other wildlife habitat.

(f) Technical assistance and grant writing assistance related to specific projects for disadvantaged communities and economically distressed areas.

86021. The sum of four hundred million dollars (\$400,000,000) is appropriated from the fund to the state board to award grants to eligible entities as defined in subdivision (a) of Section 86166 on a competitive basis for desalination of brackish groundwater, and other brackish water desalination projects which do not directly negatively affect riparian habitat, estuaries, coastal bays, coastal lagoons, or ocean waters of California as defined by the state board. Grants pursuant to this section must comply with the requirements of this section, and may be made for all of the following:

(a) Treatment, storage, conveyance, and distribution facilities. Projects may remove contaminants in addition to salts, but shall be primarily constructed and operated to remove salt.

(b) Distribution infrastructure to serve residential, commercial, agricultural, fish and wildlife habitat, and industrial end-user retrofit projects to allow use of desalted water.

(c) Multibenefit salt removal projects that improve water quality.

(d) Technical assistance and grant writing assistance related to specific projects for disadvantaged communities and economically distressed areas.

(e) Multibenefit salt removal projects that provide water supply for wetland and other wildlife habitat.

(f) Technical assistance and grant writing assistance related to specific projects for disadvantaged communities and economically distressed areas.

86022. No grant made pursuant to this article shall exceed 50 percent of the cost of the project, but this requirement may be eliminated or reduced for that portion of projects that primarily serve disadvantaged communities, economically distressed areas, or wildlife habitat.

86023. Projects funded pursuant to this article shall be selected on a competitive basis with priority given to the following criteria:

(a) Water supply reliability improvement.

(b) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or from local rivers and streams and benefits related to attainment of beneficial uses and water quality objectives in local receiving waters.

(c) Public health benefits from improved drinking water quality or supply.

(d) Cost-effectiveness, based on the amount of water produced per dollar invested and other cost-effectiveness criteria adopted by the state board.

(e) Energy efficiency and greenhouse gas emission reductions.

(f) Water supply or water quality improvements benefitting disadvantaged communities.

(g) Protection and restoration of fish and wildlife habitat, as well as provision of a reliable water supply for fish and wildlife.

Article 3. Water Conservation

86030. The sum of three hundred million dollars (\$300,000,000) is appropriated from the fund to the department for the following purposes:

(a) Statewide turf removal program.

(1) The program shall provide financial incentives to public and private property owners to convert their irrigated or watered landscaping to drought tolerant plantings, including appropriate low water using plants. The department shall set a maximum amount each applicant can receive, and shall allow greater incentives to low-income homeowners who could not otherwise afford to participate in the landscape water conversion program. No less than 75 percent of the funds allocated to this program shall be spent on programs benefitting residential property owners. The department shall make awards to nonresidential applicants on the basis of cost-effectiveness with respect to water supply. Each grant must reduce water consumption by at least 50 percent compared to current water use.

(2) The most cost-effective projects and those projects that provide the greatest environmental benefits based on the state investment shall receive highest priority for funding. Environmental benefits shall include, but not be limited to, planting appropriate drought resistant native and other plants, reduction in

consumptive water use, and increased availability of water for environmental benefits.

(3) The department shall not reject or reduce eligibility to residents residing in service areas which have previously offered turf removal rebate programs as long as the resident was not a participant in the program.

(4) The department shall cooperate with eligible entities as defined in subdivision (a) of Section 86166 and the Public Utilities Commission to develop an on-bill repayment mechanism to pay for the consumer's share of the landscape conversion project.

(b) Leak detection.

(1) Competitive grants on a matching basis to public water systems to reduce leaks in their water distribution systems, eliminate leaks in the water systems of their customers if the water system operator determines that customer leak detection and elimination is a cost-effective way to improve the water system operator's water supply and provides a public benefit, and install instrumentation to detect leaks at residential, institutional, and commercial properties. The department shall make awards on the basis of cost-effectiveness with respect to water supply. Water system operators receiving grants pursuant to this subdivision shall give highest priority to leak detection and water waste elimination programs in disadvantaged communities and economically distressed areas.

(2) No grant award shall exceed 50 percent of the cost of the project. Cost sharing may be reduced or eliminated for a grant award that primarily benefits residential property owners in a disadvantaged community or an economically distressed area.

(c) Toilet replacement. Competitive grants on a matching basis to public water systems or eligible entities as defined in subdivision (a) of Section 86166 to replace toilets using more than three gallons per flush with new toilets that conserve water and flush 1.28 gallons per flush or less. The department shall make awards on the basis of cost-effectiveness with respect to water supply. Entities receiving grants pursuant to this subdivision shall give highest priority to toilet replacement programs in disadvantaged communities and economically distressed areas.

(d) Water meters. Installation of water meters in disadvantaged communities that are not metered.

(e) Energy saving water conservation. Competitive grants on a matching basis to public water systems to undertake water conservation projects that promote saving energy. These projects shall document the greenhouse gas emission reductions coming from water conservation programs. The department shall make awards on the basis of cost-effectiveness with respect to water supply as well as energy savings. Highest priority shall be given to programs in disadvantaged communities and economically distressed areas.

(f) In determining how to allocate the funds appropriated pursuant to this section, the department shall determine which technologies are most cost-effective, produce the greatest environmental benefits, and provide the most benefit to disadvantaged communities and economically distressed areas.

(g) Any entity receiving a grant pursuant to this section may use grant funds to establish a revolving fund from which the entity may make loans to implement water conservation programs. The interest rate shall be established by the entity, and the entity may charge a reasonable administration fee to be paid along with the interest on the loan over the lifetime of the loan. Payments made on loans made pursuant to this program shall be returned to the revolving fund to be used for additional loans to implement water conservation programs. Loans made pursuant to this section may be for up to 15 years, or for the useful life of the water conservation project, whichever is shorter.

86031. The sum of fifteen million dollars (\$15,000,000) is appropriated from the fund to the State Energy Resources Conservation and Development Commission for the Water Energy Technology Program to accelerate the deployment of innovative water and energy saving technologies and help continue to make water conservation a California way of life.

86032. (a) The purpose of this section is to help make it possible to improve flows in tributaries to the Delta and to expedite the transfer of conserved agricultural water while minimizing impacts on water rights holders.

(b) The sum of fifty million dollars (\$50,000,000) is appropriated from the fund to the department for matching grants to local agencies to aid in the construction and implementation of agricultural water conservation projects and for grants in accordance with Section 79158.

(c) For the purposes of approving a grant under this section, the department shall determine if there will be a net savings of water as a result of each proposed project and if the project is cost-effective and technically sound.

(d) A project under this section shall not receive more than five million dollars (\$5,000,000) in grant proceeds from the department.

(e) The department shall give preference to the most cost-effective and technically sound projects.

(f) Priority shall be given to grants that result in water savings which are used to improve the quality of fish and wildlife through increased flows in tributaries to the Delta. Grants improving internal water district efficiency for other uses and transfers are also eligible for funding.

(g) No project may cause adverse impacts to fish or wildlife without mitigating those impacts below a level of significance. The cost of mitigation may be included in grant funds.

Article 4. Flood Management for Improved Water Supply

86040. (a) The sum of two hundred million dollars (\$200,000,000) is appropriated from the fund to the Central Valley Flood Protection Board for:

(1) Enlargement and environmental enhancement of existing floodways and bypasses within the jurisdiction of the Central Valley Flood Protection Board, including providing recreation opportunities.

(2) Improvement of flood control facilities and environmental enhancement within the jurisdiction of the Central Valley Flood Protection Board.

(b) To be eligible for funding under this section, a project shall provide reduced flood risk, reduced liability, or reduced maintenance responsibility for state agencies or local flood control districts, or both.

(c) The Central Valley Flood Protection Board shall give preference to:

(1) Those projects that primarily benefit disadvantaged communities or economically distressed areas.

(2) Multibenefit projects designed to reduce flood risk and enhance fish and wildlife habitat by allowing rivers and floodplains to function more naturally. These projects create additional public benefits such as protecting farms and ranches, improving water quality, increasing groundwater recharge, and providing public recreation opportunities.

(3) Those projects that include matching funds, including, but not limited to, matching funds from other state agencies. Matching fund requirements may be reduced or eliminated to the extent the project directly benefits disadvantaged communities or economically distressed areas.

(d) The Central Valley Flood Protection Board may make grants to eligible entities as defined in subdivision (a) of Section 86166 to implement this section.

(e) The Central Valley Flood Protection Board may use up to one million dollars (\$1,000,000) of these funds to develop a programmatic permit for authorization of habitat restoration and related multibenefit floodplain restoration projects whose primary purpose is restoration and that meet the criteria described in subdivisions (a) and (b).

(f) Of the amount appropriated in subdivision (a), fifty million dollars (\$50,000,000) shall be awarded for matching grants to public agencies to construct flood control improvements to existing dams on rivers in the Sacramento Valley that provide flood protection to urbanized areas. If these funds are not awarded for this purpose by January 1, 2032, they may be used for the other purposes of this section.

86041. (a) The sum of one hundred million dollars (\$100,000,000) is appropriated from the fund to the department for grants to local agencies on a 50 percent matching basis to repair or reoperate reservoirs that provide flood control either as a principal purpose or as an indirect effect of their operation. Grantees must demonstrate that the proposed repair or reoperation will increase the amount of water stored in those reservoirs that could be put to

beneficial use. No funds appropriated under this section shall be used to raise the height of any dam. Spillway modification projects that do not raise the crest height of the dam are eligible for grant funds.

(b) (1) To be eligible for funding under this section, a project must provide substantial increases in recreational opportunities, such as trails along river channels, and significant net improvements to fish and wildlife habitat in and adjacent to the river channel downstream of the reservoir and, to the extent compatible with safe reservoir operation, within the reservoir. At least 10 percent of project costs shall be allocated to these recreational and habitat purposes. The funds to carry out these purposes shall be allocated by the department directly to a state conservancy if there is a conservancy with jurisdiction over the area of the project. If there is no conservancy, the Natural Resources Agency's California River Parkways Program shall contract with an eligible entity as defined in subdivision (a) of Section 86166 to carry out these purposes. The agency operating the reservoir being repaired or reoperated shall approve the recreational and habitat elements of the project and shall not charge any fees for review, plan check, permits, inspections, or any other related costs associated with the project, and shall provide permanent operation and maintenance of the entire project, including the habitat and recreational elements. Projects may include grants to eligible entities as defined in subdivision (a) of Section 86166 to implement this paragraph.

(2) All costs associated with the requirements of this subdivision may be paid for with funds provided to local agencies by this section, and do not have to be matched by the agency.

(c) Grants made pursuant to this section may be for the purpose of seismic retrofit.

(d) No grants made pursuant to this section shall be for reservoir maintenance or sediment removal from the reservoir or upstream of the reservoir, except as necessary to complete projects authorized under subdivisions (a), (b), and (c).

(e) Applicants shall certify that projects paid for by funds provided by this section will be permanently operated and maintained.

(f) First priority shall be given to projects that benefit disadvantaged communities.

(g) Projects to assist in the reoperation of eligible reservoirs shall increase water supply for beneficial uses through the purchase and installation of water measuring equipment, acquisition of information systems, and the use of technologies and data to improve reservoir management.

(h) (1) A local public agency, Indian tribe, or nonprofit organization that receives funding under this article to create recreational facilities or wildlife habitat may use up to 20 percent of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of those recreational facilities or wildlife habitat.

(2) A local public agency, Indian tribe, or nonprofit organization that acquires an interest in land, recreation facilities or wildlife habitat with money from this article and transfers the interest in land, recreational facilities or wildlife habitat to another public agency, Indian tribe, or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in the land, recreational facilities, or wildlife habitat.

(3) This subdivision does not apply to state agencies.

(4) If the local public agency, Indian tribe, or nonprofit organization does not establish a trust fund pursuant to this subdivision, the agency, tribe or organization shall certify to the state agency making the grant that it can maintain the land, recreational facilities, or wildlife habitat to be acquired or developed from funds otherwise available to the agency, tribe, or organization.

(5) If the interest in land, recreational facilities, or wildlife habitat is condemned or if the local public agency, Indian tribe, or nonprofit organization determines that the interest in land, recreational facilities, or wildlife habitat is unable to fulfill the purposes for which money from this article was expended, the trust fund and any unexpended interest are appropriated to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this section.

(i) The department shall give preference to those projects that coordinate reservoir reoperation with the provision of water for groundwater recharge through conjunctive use or other integrated surface/groundwater projects.

86042. The sum of two hundred million dollars (\$200,000,000) is appropriated from the fund to the San Francisco Bay Restoration Authority to provide matching grants for flood management, wetlands restoration, and other projects consistent with Article 2 (commencing with Section 66704.5) of Chapter 5 of Title 7.25 of the Government Code. For purposes of this section, matching funds may include funds provided by local governments, regional governments, the federal government, private parties, or other funds raised by the San Francisco Bay Restoration Authority. No grant shall exceed 50 percent of the cost of the project.

86043. (a) (1) A local public agency, Indian tribe, or nonprofit organization that receives funding under this article to acquire an interest in land may use up to 20 percent of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of that interest in land.

(2) A local public agency, Indian tribe, or nonprofit organization that acquires an interest in land with money from this article and transfers the interest in land to another public agency, Indian tribe, or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in land.

(3) This subdivision does not apply to state agencies.

(b) If the local public agency, Indian tribe, or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency, tribe, or organization shall certify to the state agency making the grant that it can maintain the land to be acquired from funds otherwise available to the agency, tribe, or organization.

(c) If the interest in land is condemned or if the local public agency, Indian tribe, or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this article was expended, the trust fund and any unexpended interest are appropriated to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this chapter.

Article 5. Funding for Water Measurement and Information

86048. The sum of sixty million dollars (\$60,000,000) is appropriated from the fund for water measurement and information systems, as follows:

(a) The sum of twenty million dollars (\$20,000,000) is appropriated to the department for development of methods and installation of water measuring equipment to improve estimates of water balance, water budgets, diversions, and water use to support water allocations, drought management, groundwater management, water quality management, and water rights.

(b) The sum of ten million dollars (\$10,000,000) is appropriated to the state board for development of information systems, technologies, and data that improve the state board's ability to manage water rights. These systems will include, but not be limited to, digitizing and making available the 10 million pages of paper records on water rights within the state board and in other repositories and the creation of a digital repository for water diversion and use data.

(c) The sum of ten million dollars (\$10,000,000) is appropriated to the Water Data Administration Fund, established pursuant to Section 12420, to be used by the department in consultation with the state board for the purpose of making California water information interoperable, consistent with Part 4.9 (commencing with Section 12400) of Division 6.

(d) The sum of twenty million dollars (\$20,000,000) is appropriated as follows:

(1) Five million dollars (\$5,000,000) is appropriated to the University of California for its multicampus Water Security and Sustainability Research Initiative to develop core elements of a water resources information system, in cooperation with the department and the state board.

(2) Five million dollars (\$5,000,000) is appropriated to the California Water Institute at California State University, Fresno to undertake research leading to improvement and conservation of water supplies and improved water quality in California.

(3) Five million dollars (\$5,000,000) is appropriated to the Irrigation Training and Research Center at California Polytechnic State University, San Luis Obispo to undertake research leading to improvement and conservation of water supplies and improved water quality in California.

(4) Five million dollars (\$5,000,000) is appropriated to the Office of Water Programs at California State University, Sacramento to undertake research leading to improvement and conservation of water supplies and improved water quality in California.

(5) The institutions of higher education receiving funds pursuant to this subdivision shall work together to assure that their efforts do not conflict or overlap, but are complementary to each other.

Article 6. Capture and Use of
Urban Runoff and Stormwater

86050. (a) The sum of four hundred million dollars (\$400,000,000) is appropriated from the fund to the state board for projects to capture and use urban dry weather runoff and stormwater runoff. All grants made pursuant to this section by the state board for construction projects must be to counties or cities, a city and county, or a joint powers authority containing a city, county, or city and county with responsibility for flood control or management. The state board may spend up to fifty million dollars (\$50,000,000) for grants to eligible entities as defined in subdivision (a) of Section 86166 to develop stormwater resource plans. Funds available pursuant to this section shall be allocated to projects serving and providing a direct benefit to disadvantaged and severely disadvantaged communities. The state board may use these funds to make grants for technical assistance and outreach to disadvantaged communities.

(b) The sum of thirty million dollars (\$30,000,000) is appropriated from the fund to the California Tahoe Conservancy for projects to capture and use dry weather runoff and stormwater runoff in the Lake Tahoe Basin pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.

(c) The sum of forty million dollars (\$40,000,000) is appropriated from the fund to the Santa Monica Mountains Conservancy for projects to capture and use dry weather runoff

and stormwater runoff pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code in the area defined in paragraph (2) of subdivision (d) of Section 86080.

(d) The sum of forty million dollars (\$40,000,000) is appropriated from the fund to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for projects to capture and use dry weather runoff and stormwater runoff pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code.

(e) The sum of forty million dollars (\$40,000,000) is appropriated from the fund to the State Coastal Conservancy for projects to capture and use dry weather runoff and stormwater runoff pursuant to Division 21 (commencing with Section 31000) of the Public Resources Code.

(f) Funds spent pursuant to this section shall be used for competitive grants for projects that develop, implement, or improve multibenefit projects identified and prioritized in stormwater resource plans consistent with Part 2.3 (commencing with Section 10560) of Division 6, as that part may be amended, and shall include as many as possible of the following benefits: capture and treatment of stormwater or dry weather runoff for beneficial uses; removal of pollutants from the captured and treated runoff; creation or restoration of habitat or parkland to capture and treat stormwater or dry weather runoff for beneficial uses by using best management practices that improve environmental quality; removal of pollutants from the captured and treated runoff; creation or restoration of habitat or parkland; storage, infiltration, or use of the captured and treated runoff to augment local water supplies; creation or restoration of native habitat, trails, parkland, or other natural open space; reduction of urban heat islands; and provision of other public recreational opportunities. Projects that include wetlands and native habitat or project elements designed to mimic or restore natural watershed functions shall be given the highest priority.

(g) Of the amount appropriated pursuant to subdivision (a), at least forty million dollars (\$40,000,000) shall be available for projects that reduce the flow of trash and other pollutants: (1) into a National Estuarine

Research Reserve, onto beaches, or into near-shore coastal waters in San Diego County or (2) into San Diego Bay. Priority shall be given to projects that reduce the flow of trash or other pollutants into one or more units of the state park system.

86051. (a) Each state agency receiving funds pursuant to this article shall require at least a 50 percent cost share by recipients of grant funds, but may eliminate or reduce the matching requirements for that portion of projects primarily benefiting disadvantaged communities or economically distressed areas.

(b) Projects funded by this section must comply with water quality policies or regulations adopted by the state board or the regional water quality control board with jurisdiction over the project.

(c) Project costs may include development of decision support tools, data acquisition, and geographic information system data analysis to identify and evaluate the benefits and costs of potential stormwater capture and reuse projects.

(d) Preference shall be granted to projects that divert stormwater or dry weather runoff from storm drains or channels and put it to beneficial use.

(e) Agencies receiving funds pursuant to this section shall give high priority to projects benefitting disadvantaged communities. Each agency receiving funds pursuant to this article shall allocate at least 35 percent of the funds they receive for projects that benefit disadvantaged communities.

(f) In implementing this article, each agency receiving funds pursuant to this article shall consult with the Natural Resources Agency regarding the integration and prioritization of the habitat, parkland, open space, recreational, and public use components of stormwater and dry weather runoff capture and reuse projects, and shall seek assistance from the Natural Resources Agency in the review and scoring of proposed projects.

(g) Projects may prevent stormwater and dry weather runoff from entering storm drains or channels.

86052. Entities defined in subdivision (a) of Section 86166 are eligible to receive funds under subdivisions (b), (c), (d), and (e) of Section 86050.

86053. Funds allocated pursuant to this article may be granted to an eligible applicant for single or multiple small-scale projects that are consistent with Chapter 6.5 (commencing with Section 1650) of Division 2 of the Fish and Game Code, regardless of whether that chapter is still in effect.

Article 7. Integrated Regional Water Management

86054. The sum of five million dollars (\$5,000,000) is allocated to the department to provide direct funding support to approved Integrated Regional Water Management (IRWM) regional water management groups for the purpose of maintaining ongoing IRWM planning and implementation efforts, thereby sustaining the significant investment made through IRWM for regional collaboration on water management.

CHAPTER 6. WATERSHED, LAND, AND FISHERIES IMPROVEMENTS

Article 1. Watershed Improvement for Water Supply and Water Quality Enhancement

86080. The sum of two billion three hundred fifty-five million dollars (\$2,355,000,000) is appropriated from the fund to protect, restore and improve the health of watershed lands, including forest lands (including oaks, redwoods, and sequoias), meadows, wetlands, chaparral, riparian habitat, and other watershed lands, including lands owned by the United States, in order to protect and improve water supply and water quality, improve forest health, reduce fire danger consistent with the best available science, mitigate the effects of wildfires on water quality and supply, increase flood protection, remediate aquifers, or to protect or restore riparian or aquatic resources. No grants made pursuant to this section shall be for reservoir maintenance or sediment removal from a reservoir or upstream of a reservoir, except as necessary for field research required pursuant to subdivision (a). Funds shall be allocated as follows:

(a) Two hundred million dollars (\$200,000,000) to the Sierra Nevada Conservancy for the protection, restoration, and improvement of Sierra Nevada watersheds, pursuant to Division 23.3 (commencing with Section 33300) of the Public Resources Code and including the purposes outlined in Section 33320 of the Public Resources Code. Funds shall also be spent for the implementation and

to further the goals and purposes of the Sierra Nevada Watershed Improvement Program. Projects eligible for funding under the Sierra Nevada Watershed Improvement Program may include research and monitoring to measure the impact of forest restoration work on water supply, climate, and other benefits, including long-term air quality, water quality and quantity, greenhouse gas emissions, carbon storage, habitat, recreational uses, and community vitality. Projects funded under the Sierra Nevada Watershed Improvement Program shall be based on the best available science regarding forest restoration and must be undertaken to improve water supply and quality, to protect and restore ecological values, and to promote forest conditions that are more resilient to wildfire, climate change, and other disturbances. The Sierra Nevada Conservancy may make grants to federal agencies if it determines such grants are the most efficient way to implement the intent of this division on federally managed lands.

(b) Sixty million dollars (\$60,000,000) to the California Tahoe Conservancy for the protection and restoration of watersheds of the Lake Tahoe Basin, pursuant to Title 7.42 (commencing with Section 66905) of the Government Code. Funds shall be spent for implementation and to further the goals and purposes of the Lake Tahoe Environmental Improvement Program, pursuant to Article 6 (commencing with Section 5096.351) of Chapter 1.692 of Division 5 of the Public Resources Code.

(c) One hundred million dollars (\$100,000,000) to the San Francisco Bay Area Conservancy Program of the State Coastal Conservancy for the protection and restoration of watersheds of the San Francisco Bay Area, pursuant to Chapter 4.5 (commencing with Section 31160) of Division 21 of the Public Resources Code.

(d) One hundred eighty million dollars (\$180,000,000) for the protection and restoration of watersheds of the Counties of Los Angeles, Orange, and Ventura as follows:

(1) Sixty million dollars (\$60,000,000) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for the protection and restoration of the watersheds of the San Gabriel and Lower Los Angeles Rivers pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code.

(2) Sixty million dollars (\$60,000,000) to the Santa Monica Mountains Conservancy, for the protection and restoration of the watersheds of Santa Monica Bay, the Upper Los Angeles River and the Upper Santa Clara River pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code and the watersheds defined in subdivision (c) of Section 79570.

(3) Thirty million dollars (\$30,000,000) to the Santa Ana River Conservancy Program of the State Coastal Conservancy for the protection and restoration of watersheds of the Santa Ana River pursuant to Chapter 4.6 (commencing with Section 31170) of Division 21 of the Public Resources Code.

(4) Thirty million dollars (\$30,000,000) to the Baldwin Hills Conservancy for the protection and restoration of the Baldwin Hills and Ballona Creek watersheds, and for projects to capture dry weather runoff and stormwater runoff pursuant to Division 22.7 (commencing with Section 32550) of the Public Resources Code.

(e) Forty million dollars (\$40,000,000) to the San Diego River Conservancy for the protection and restoration of watersheds in the County of San Diego pursuant to Division 22.9 (commencing with Section 32630) of the Public Resources Code.

(f) One hundred thirty-five million dollars (\$135,000,000) to the State Coastal Conservancy for the protection and restoration of coastal watersheds pursuant to Division 21 (commencing with Section 31000) of the Public Resources Code.

(g) One hundred fifty million dollars (\$150,000,000) for the protection and restoration of the watersheds of the Sacramento and San Joaquin Rivers as follows:

(1) One hundred million dollars (\$100,000,000) to the Sacramento-San Joaquin Delta Conservancy for protection and restoration of the Delta pursuant to Division 22.3 (commencing with Section 32300) of the Public Resources Code. Highest priority shall be given to projects that benefit the restoration of native species and that reduce the negative impacts of excessive salinity intrusion. Highest priority shall also be given to projects that restore habitat important to species listed pursuant to the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.) and the

California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code). The funds may also be used for improvement of public recreational facilities in the Delta and for grants to local agencies and nonprofit organizations to increase community access to parks and recreational opportunities for underserved urban communities in the Delta. The conservancy may implement programs designed to reduce greenhouse gas emissions from the Delta.

(2) Twenty million dollars (\$20,000,000) to the San Joaquin River Conservancy for the implementation of the San Joaquin River Parkway pursuant to Division 22.5 (commencing with Section 32500) of the Public Resources Code.

(3) Thirty million dollars (\$30,000,000) to the Lower American River Conservancy Fund created by Section 5845.9 of the Public Resources Code. The Wildlife Conservation Board shall use these funds to implement Chapter 10.5 (commencing with Section 5845) of Division 5 of the Public Resources Code.

(h) One hundred seventy million dollars (\$170,000,000) for river parkways, as follows:

(1) Seventy million dollars (\$70,000,000) to the Natural Resources Agency for projects pursuant the California River Parkways Act of 2004 (Chapter 3.8 (commencing with Section 5750) of Division 5 of the Public Resources Code). The Secretary of the Natural Resources Agency shall allocate at least 65 percent of these funds for projects that benefit disadvantaged communities. With the remaining funds, the secretary shall seek to benefit poorer communities that do not qualify as disadvantaged communities.

(2) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Guadalupe River corridor.

(3) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Russian River corridor.

(4) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Santa Clara River corridor.

(5) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Tijuana River corridor.

(6) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Carmel River corridor.

(7) Ten million dollars (\$10,000,000) to the State Coastal Conservancy for grants to nonprofit organizations and local public agencies to implement river parkway projects for habitat restoration, public recreation, and water quality improvement along the Napa River corridor.

(8) Fifteen million dollars (\$15,000,000) to the State Coastal Conservancy for river parkway projects within the San Diego Bay watershed.

(9) Fifteen million dollars (\$15,000,000) to the State Coastal Conservancy for river parkway projects along the Santa Margarita River in the County of San Diego.

(10) Ten million dollars (\$10,000,000) to the California Tahoe Conservancy to implement habitat restoration, public recreation, and water quality improvements along the Upper Truckee River corridor.

(i) One hundred fifty million dollars (\$150,000,000) shall be available for projects that restore, protect, and preserve the Los Angeles River and its tributaries, as follows:

(1) Seventy-five million dollars (\$75,000,000) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code and Section 79508 of this code.

(2) Seventy-five million dollars (\$75,000,000) to the Santa Monica Mountains Conservancy pursuant to Division 23 (commencing with

Section 33000) of the Public Resources Code and Section 79508 of this code.

(j) Three hundred million dollars (\$300,000,000) to the Wildlife Conservation Board for the following:

(1) For the protection and restoration of the watersheds of the Sacramento, Smith, Eel, and Klamath Rivers and other rivers of the Counties of Del Norte, Humboldt, Marin, Mendocino, and Sonoma, and the Carrizo Plain pursuant to Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code.

(2) For protection and restoration of oak woodlands and rangelands pursuant to Division 10.4 (commencing with Section 10330) of the Public Resources Code and Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code.

(3) For acquisition and restoration of riparian habitat, migratory bird habitat, anadromous fisheries, wetland habitat, and other watershed lands pursuant to Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code.

(4) Grants may include funding to help fulfill state commitments to implement Natural Community Conservation Plans adopted pursuant to Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code, and to large-scale regional Habitat Conservation Plans adopted pursuant to the federal Endangered Species Act (16 U.S.C. Sec. 1531 et seq.).

(5) Of the amount made available pursuant to this subdivision, the sum of ten million dollars (\$10,000,000) shall be available to assist farmers in integrating agricultural activities with watershed restoration and wildlife protection. Priority shall be given to projects that include partnerships with resource conservation districts.

(6) Of the amount made available pursuant to this subdivision, the sum of fifty million dollars (\$50,000,000) is appropriated to the Oak Woodlands Conservation Fund established by Section 1363 of the Fish and Game Code, and may be expended pursuant to Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code.

(7) Of the amount made available pursuant to this subdivision, the sum of thirty million dollars

(\$30,000,000) shall be available for grazing land protection pursuant to the California Rangeland, Grazing Land, and Grassland Protection Act (Division 10.4 (commencing with Section 10330) of the Public Resources Code).

(8) Of the amount made available pursuant to this subdivision, not less than sixty million dollars (\$60,000,000) shall be available for projects that advance the conservation objectives of natural community conservation plans adopted pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code). First priority shall be given to plans that include protection of aquatic ecosystems. Funding pursuant to this paragraph shall not be used to offset mitigation obligations otherwise required.

(k) Twenty-five million dollars (\$25,000,000) to the Coachella Valley Mountains Conservancy for the protection and restoration of the Coachella Valley watershed pursuant to Division 23.5 (commencing with Section 33500) of the Public Resources Code.

(l) One hundred fifty million dollars (\$150,000,000) to the Department of Parks and Recreation for protection and restoration of watershed lands within and affecting units of the state park system, with high priority to redwood and other forest land important to protecting river and stream flows and quality. In addition to other purposes authorized pursuant to this section, the Department of Parks and Recreation may allocate funds to improve and increase the efficiency and effectiveness of state park water supply and wastewater treatment systems.

(m) Sixty million dollars (\$60,000,000) to the Department of Conservation for watershed restoration and conservation projects on agricultural lands, rangelands, managed wetlands, and forested lands.

(1) No less than thirteen million dollars (\$13,000,000) shall be used for grants pursuant to Section 9084 of the Public Resources Code.

(2) No less than thirty-one million dollars (\$31,000,000) shall be used for the purposes of Division 10.2 (commencing with Section 10200) of the Public Resources Code.

(3) Ten million dollars (\$10,000,000) shall be used for the Watershed Coordinator Grant Program.

(n) One hundred million dollars (\$100,000,000) to the Ocean Protection Council for projects that: (1) reduce the amount of pollutants that flow to beaches, bays, coastal estuaries, and near-shore ecosystems; and (2) protect coastal and near-shore ocean resources from the impacts of rising sea levels, storm surges, ocean acidification and related hazards, including, but not limited to, increasing the resiliency of near-shore ocean habitats. Projects may include, but are not limited to, projects that protect or restore beaches, coastal estuaries and watersheds, bays, and near-shore ecosystems, including marine protected areas. Of this amount, the council shall use at least five million dollars (\$5,000,000) for the local coastal program sea level rise grant program that supports local coastal program updates to address sea level rise, including sea level rise modeling, vulnerability assessments, and adaptation planning and policy development.

(o) The sum of two hundred million dollars (\$200,000,000) is appropriated from the fund to the Natural Resources Agency, for water-related projects that implement the Natural Resources Agency's Salton Sea Management Program consistent with provisions of Article 2 (commencing with Section 2940) of Chapter 13 of Division 3 of the Fish and Game Code, and in fulfillment of the obligations of the State of California to comply with the terms of Chapters 611, 612, 613, and 614 of the Statutes of 2003. These statutes were enacted to facilitate the execution and implementation of the Quantification Settlement Agreement, including restoration of the Salton Sea. The Natural Resources Agency may expend these funds on projects that provide multiple benefits of ecosystem restoration, air quality improvement, and economic recovery for severely disadvantaged communities.

(1) Of the amount appropriated pursuant to this paragraph, not less than twenty million dollars (\$20,000,000) shall be available for purposes consistent with the New River Water Quality, Public Health, and River Parkway Development Program, as described in Section 71103.6 of the Public Resources Code.

(2) Of the amount allocated pursuant to this section, the sum of one million dollars (\$1,000,000) shall be available for a Salton Sea Integrated Watershed Plan providing technical assistance for, outreach to, and engagement with severely disadvantaged communities.

(p) Five million dollars (\$5,000,000) to the Delta Stewardship Council for the Delta Science Program as described in Section 85280.

(q) Fifty million dollars (\$50,000,000) to the department for Urban Streams Restoration Program competitive grants pursuant to Section 7048. The department shall allocate at least 65 percent of these funds for projects that benefit disadvantaged communities. With the remaining funds, the department shall seek to benefit poorer communities that do not qualify as disadvantaged communities.

(r) Twenty million dollars (\$20,000,000) to the Department of Forestry and Fire Protection for grants for urban forestry projects that manage, capture, or conserve stormwater, recharge local groundwater supplies, or improve water supplies or water quality through infiltration, sediment management, and erosion control pursuant to the California Urban Forestry Act (Chapter 2 (commencing with Section 4799.06) of Part 2.5 of Division 4 of the Public Resources Code).

(s) Fifteen million dollars (\$15,000,000) to the Delta Protection Commission for expenditures, grants, or loans for projects that improve water quality by improving wastewater treatment in Delta legacy communities, as described in subdivision (f) of Section 32301 of the Public Resources Code, and at recreational facilities in the Delta. Funds may be expended on wastewater improvement projects serving Delta legacy communities, or Delta legacy community households with failing septic systems which threaten the quality of groundwater or surface water supplies used for urban, agricultural, or fisheries purposes. Funds may also be allocated to improve and increase the efficiency and effectiveness of Delta recreational facility wastewater treatment systems. Priority shall be given to projects that address public health hazards. Projects may identify, plan, design, and implement regional mechanisms to consolidate wastewater systems or provide affordable treatment technologies.

(t) Twenty million dollars (\$20,000,000) to the Department of Parks and Recreation for projects that provide access to rivers for nonmotorized recreation and for grants to eligible entities as defined in subdivision (a) of Section 86166 for this purpose. First priority shall be given to projects that include matching funds and to projects that serve disadvantaged communities and economically distressed areas, whether or not they include cost sharing.

(u) (1) Twenty million dollars (\$20,000,000) to the Wildlife Conservation Board for the construction of a Pacific Flyway Center in the vicinity of the Suisun Marsh, to be operated by the Department of Fish and Wildlife. The Department of Fish and Wildlife may contract with a nonprofit organization to operate the center. The center shall be used to educate the public about the importance of California's wetlands, agricultural lands (including rice), and riparian areas in benefitting waterfowl, shorebirds, native plants, and animals, the value of wetlands in absorbing gases that cause climate change, and similar educational purposes. The operator of the center shall make special efforts to bring people, and especially students, from disadvantaged communities to the center for educational purposes. If the Wildlife Conservation Board determines that all or part of these funds is not needed to complete this project, it may allocate the unneeded part of the funds to the purposes of subdivision (j).

(2) (A) Of the amount appropriated by paragraph (1), the Wildlife Conservation Board may make a grant of up to four million dollars (\$4,000,000) to a nonprofit organization whose principal purpose is wildlife conservation to establish a trust fund, the interest from which shall be used exclusively to operate the Pacific Flyway Center and bring people from disadvantaged communities to the center.

(B) With the approval of the Department of Fish and Wildlife, the nonprofit organization can transfer the operation of the Pacific Flyway Center to another nonprofit organization. If such a transfer takes place, the trust fund shall be transferred to the new nonprofit organization.

(3) If the funds allocated by this section are not all used to construct the Pacific Flyway Center by January 1, 2028, any remaining funds are appropriated to the Wildlife Conservation Board for the purposes of Section 86123.

(v) Eighty million dollars (\$80,000,000) to the State Coastal Conservancy for the removal of Matilija Dam, and for associated levee and flood control improvements, water supply improvements, and related projects on Matilija Creek and the Ventura River, and for river parkway projects along the Ventura River. The conservancy may grant all or part of these funds to the County of Ventura. Highest priority for the river parkway projects shall be those which benefit disadvantaged communities. If the State Coastal Conservancy determines that all or part of these funds is not needed to complete this project, it may allocate the unneeded part of the funds to the purposes of subdivision (f).

(w) The sum of twenty-five million dollars (\$25,000,000) to the University of California for the Natural Reserve System for matching grants for land acquisition and for the construction and development of facilities that will be used for research and training to improve the management of aquatic ecosystems, natural lands, and the preservation or conservation of California's wildlife resources. Priority shall be given to projects that advance research on the impacts of climate change, reduction of greenhouse gas emissions, and adaptation of natural systems to the impacts of climate change.

(x) (1) The sum of fifty million dollars (\$50,000,000) is appropriated from the fund to the Sierra Nevada Conservancy for the purpose of awarding grants within the jurisdiction of the conservancy to eligible entities as defined in subdivision (a) of Section 86166 for the purpose of reducing the threat of wildfires which would negatively impact watershed health. Projects may be for the purpose of hazardous fuel reduction, postfire watershed rehabilitation, forest management practices that promote forest resilience to severe wildfire, climate change, and other disturbances, and development of local plans to reduce the risk of wildfires that could adversely affect watershed health. Preference shall be given to grants which include matching funds, but this preference may be reduced or eliminated for grants which benefit disadvantaged communities or economically distressed areas.

(2) The sum of fifty million dollars (\$50,000,000) is appropriated from the fund to the Department of Forestry and Fire Protection for the purpose of awarding grants in areas

outside the jurisdiction of the Sierra Nevada Conservancy to eligible entities as defined in subdivision (a) of Section 86166 for the purpose of reducing the threat of wildfires which would negatively impact watershed health. Projects may be for the purpose of hazardous fuel reduction, postfire watershed rehabilitation and restoration, forest management practices that promote forest resilience to severe wildfire, climate change, and other disturbances, and development of local plans to reduce the risk of wildfires that could adversely affect watershed health. Preference shall be given to grants which include matching funds, but this preference may be reduced or eliminated for grants which benefit disadvantaged communities or economically distressed areas.

86083. Consistent with the other requirements of this article, funds spent pursuant to this article may be used for grants to eligible entities as defined in subdivision (a) of Section 86166. Funds awarded to eligible entities may be used for projects on land owned by a state or federal agency. With the exception of funds allocated to grant programs, funds may also be used directly by the state agency receiving the funds to implement watershed improvement projects consistent with this article. In making grants pursuant to this article, agencies shall give high priority to applications that include cost sharing and to grants that benefit disadvantaged communities and economically distressed areas whether or not they include cost sharing.

86084. (a) For a project to be eligible for funding pursuant to this article, the project shall have watershed protection and restoration, water supply or water quality benefits, or ecosystem benefits relating to rivers, streams, forests, meadows, wetlands or other water-related resources.

(b) (1) Funds appropriated pursuant to this article may be used for protection and restoration of forests, meadows, wetlands, riparian habitat, coastal resources, and near-shore ocean habitat, to acquire land and easements to protect these resources and avoid development that may reduce watershed health, and to take other measures that protect or improve the quality or quantity of water supplies downstream from projects funded in whole or in part by this article. Forest restoration projects, including, but not limited to, hazardous fuel

reduction, post-fire watershed rehabilitation, and forest management and tree planting using appropriate native plants, shall be based on the best available science regarding forest restoration and must be undertaken to protect and restore ecological values and to promote forest conditions that are more resilient to wildfire, climate change, and other disturbances.

(2) Fuel hazard reduction activities on United States Forest Service lands in the Sierra Nevada and similar forest types shall be generally consistent with objectives of the Sierra Nevada Watershed Improvement Program and the best available science, including United States Forest Service General Technical Report PSW-GTW-220, as it may be updated.

86085. Any entity receiving funds pursuant to this article that expends funds on private lands shall secure an agreement or interest in the private lands to assure the purpose of the expenditure is maintained for such time as is commensurate with the best practices for the type of project.

86086. (a) (1) A local public agency, Indian tribe, or nonprofit organization that receives funding for a project pursuant to this article may use up to 20 percent of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of that project.

(2) A local public agency, Indian tribe, or nonprofit organization that acquires an interest in a project with money from this article and transfers the interest in the project to another public agency, Indian tribe, or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in the project.

(3) This subdivision does not apply to state agencies.

(b) If the local public agency, Indian tribe, or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency, tribe, or organization shall certify to the state agency making the grant that it can maintain the project to be undertaken using funds otherwise available to the agency, tribe, or organization.

(c) The interest from the trust fund shall be used only to monitor the implementation of a project and to maintain a project and its water

supply and water quality benefits implemented pursuant to this article.

(d) If an interest in a project is condemned or if the local public agency, Indian tribe, or nonprofit organization determines that the interest in the project is unable to fulfill the purposes for which money from this article was expended, the trust fund and any unexpended interest are appropriated and shall be returned to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this article.

86087. Funds allocated pursuant to this article may be granted to an eligible applicant for single or multiple small-scale projects that are consistent with Chapter 6.5 (commencing with Section 1650) of Division 2 of the Fish and Game Code, regardless of whether that chapter is still in effect.

86088. By April 30, 2019, the Natural Resources Agency shall recommend provisions for grant approval guidelines to each state agency that receives an appropriation pursuant to this article in order to ensure appropriate consistency of the guidelines. Each agency shall consider the recommendations of the Natural Resources Agency as they adopt their own guidelines.

86089. Agencies receiving funds pursuant to this article shall give high priority to projects that benefit the native wildlife, birds, and fishes of California.

Article 2. Land and Water Management for Water Supply Improvement

86090. The sum of one hundred million dollars (\$100,000,000) is appropriated from the fund to the Wildlife Conservation Board for the purpose of awarding competitive grants to eligible entities as defined in subdivision (a) of Section 86166 to improve the quality of public and private rangelands, wildlands, meadows, wetlands, riparian areas, and aquatic areas for the purpose of increasing groundwater recharge and water supply from those lands and for improving water quality consistent with protecting and restoring ecological values.

86091. Funds allocated pursuant to this article may be granted to an eligible applicant for single or multiple small-scale projects that are consistent with Chapter 6.5 (commencing with Section 1650) of Division 2 of the Fish and

Game Code, regardless of whether that chapter is still in effect.

86094. In making grants pursuant to this article, the Wildlife Conservation Board shall give highest priority to projects that:

(a) Are most cost-effective in producing improved water supply or water quality and that provide the greatest fish and wildlife benefits.

(b) Include matching funds.

(c) Benefit disadvantaged communities and economically distressed areas.

(d) Are for the purpose of invasive plant control and eradication, restoration of riparian habitat, meadows and wetlands, and other projects that improve the flow of water from the lands, and reduce the use of water by invasive plant species.

86096. For a project to be eligible for funding pursuant to this article, the project shall have water supply or water quality benefits or both. A project that targets the removal of invasive plants to increase water supply shall only be funded if the applicant guarantees that the land from which plants will be removed will be maintained.

86097. (a) (1) A local public agency, Indian tribe, or nonprofit organization that receives funding under this article may use up to 20 percent of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of the funded project.

(2) A local public agency, Indian tribe, or nonprofit organization that undertakes a project with money from this division and can no longer maintain the project shall transfer the ownership of the trust fund to another public agency, Indian tribe, or nonprofit organization that is willing and able to maintain that project.

(3) This subdivision does not apply to state agencies.

(b) If the local public agency, Indian tribe, or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency, tribe, or organization shall certify to the state agency making the grant that it can maintain the project in an appropriate condition.

(c) The interest from the trust fund established from the funds available pursuant to this section shall be used only to maintain a project and its

water supply and water quality benefits implemented pursuant to this article.

(d) If the interest in a project is condemned or if the local public agency, Indian tribe, or nonprofit organization determines that the interest in the project is unable to fulfill the purposes for which money from this article was expended, the trust fund and any unexpended interest are appropriated and shall be returned to the Wildlife Conservation Board. The funds returned may be utilized only for projects authorized by this article.

86098. In implementing this article, the Wildlife Conservation Board may provide incentives to landowners for conservation actions on private lands or use of voluntary habitat credit exchange mechanisms.

86099. At least 10 percent of the funds available pursuant to this section shall be allocated for projects that provide a direct benefit to disadvantaged communities. These benefits may include range improvement, among other benefits. These projects may include technical assistance for, outreach to, and engagement with disadvantaged communities.

Article 3. Conservation Corps

86105. The sum of forty million dollars (\$40,000,000) is appropriated from the fund to the California Conservation Corps for projects to protect, restore, and improve the health of watershed lands, including forest lands, meadows, wetlands, chaparral, riparian habitat, and other watershed lands. Projects may include, but are not limited to, regional and community fuel hazard reduction projects on public lands, invasive species removal, and stream, river, and riparian restoration projects. The California Conservation Corps shall allocate at least 50 percent of the funds pursuant to this section for grants to certified local conservation corps. Projects shall improve water quality, water supply reliability, or riparian or watershed health. Projects shall be undertaken in coordination with a nonprofit organization or public agency.

Article 4. Central Valley Fisheries Restoration

86106. (a) The people of California find and declare that the protection, restoration, and enhancement of native fish populations, including anadromous salmonids, of the central

valley is necessary for the ecological and economic health of the State of California.

(b) Fish need both suitable habitat and appropriately timed flows in rivers and their tributaries.

(c) The state board shall take note of the funding provided by this article and the resulting fish habitat restoration as the state board determines flows necessary to restore central valley native fish populations and fisheries.

(d) Many state and federal agencies, including the department, the Department of Fish and Wildlife, the Delta Stewardship Council, the Delta Conservancy, the Wildlife Conservation Board, the Central Valley Flood Protection Board, the federal Bureau of Reclamation, the United States Fish and Wildlife Service, and the National Marine Fisheries Service, have prepared policies and plans to restore Central Valley native fish and fisheries habitat, but these policies and plans are not fully funded.

(e) Many state and federal laws require the restoration of central valley native fish populations and fisheries habitat, but funding has not been fully available to carry out the requirements of these laws.

(f) The sum of four hundred million dollars (\$400,000,000) is appropriated from the fund to the Natural Resources Agency for the restoration of central valley populations of native fish and fisheries habitat.

(1) (A) The Secretary of the Natural Resources Agency shall appoint a Central Valley Fisheries Advisory Committee made up of representatives from the Central Valley Salmon Habitat Partnership, appropriate local, state, and federal fish and water management and other agencies, nonprofit organizations, commercial fishing organizations, universities, local agencies, and Indian tribes with relevant scientific expertise, including representation from the upper watersheds. The committee shall advise the secretary on the annual expenditure of funds appropriated pursuant to this article. The committee may solicit projects and direct the creation of projects pursuant to this article, subject to approval by the secretary.

(B) The committee shall work closely with representatives from each river basin in the central valley, including local government and water agencies, Indian tribes, and nonprofit

organizations, to develop projects that are most suitable for the conditions in the basin and that meet the other requirements of this section.

(C) In proposing projects, the committee shall take into account the entire life cycle of the fish species to be benefitted and shall consider the interaction of the effects of each project within a river basin with projects in other river basins. The committee shall also consider adverse impacts resulting from poor watershed health, including severe wildfire and extensive tree mortality.

(2) Projects funded pursuant to this section shall increase self-sustaining populations of native fish, or contribute to an existing fish population becoming self-sustaining in the future, with a minimal requirement of expenditures to continue to operate the project. No funds may be expended on fish hatcheries.

(3) The committee shall give high priority to projects that provide multiple benefits, such as improved flood management, improved water quality, improved water supply, enhanced groundwater sustainability, aquifer remediation, and reduction of emission of greenhouse gases while also improving conditions for native fish species and their habitats. The committee shall also give high priority to projects that can be integrated into an existing flow regime and provide multispecies benefits over a range of flow conditions. The committee shall also give high priority to projects that are consistent with recovery plan and resiliency strategies for native California fish species.

(4) Expenditures shall be for capital outlay projects such as conservation easements, water measurement needed to measure the effects of the project, projects that restore or enhance fisheries habitat such as floodplain expansion, reintroductions of fish into their historical habitat, improved fish passage opportunities, creation or enhancement of spawning and rearing habitat, and other projects. Acquisition of land or easements as part of a fisheries enhancement project must be from willing sellers. Project costs shall include the costs of planning, environmental review, mitigation of the impacts of the project, and permitting. High priority shall be given to projects that provide adult and juvenile fish access to or fish passage through agricultural fields or floodplain habitats

that will provide enhanced juvenile rearing and food production opportunities.

(5) Of the funds authorized by this section, the Secretary of the Natural Resources Agency may allocate up to ten million dollars (\$10,000,000) for one or more grants for capital outlay and related programmatic purposes to institutions of higher education for facilities that can be used to improve scientific and technical coordination, communication and training among those institutions, the department, the Department of Fish and Wildlife, the state board and other state agencies to assure that developments in ecosystem and fisheries science and management are deployed and employed across higher education institutions and state government agencies.

(g) Based on the recommendations of the committee, the Secretary of the Natural Resources Agency may make grants to any state or local agency, Indian tribe, or nonprofit organization to carry out the purpose of this section. The secretary shall give high priority to projects that include matching funds, projects with a local agency as the lead agency, and projects supporting proposed actions in the Sacramento Valley Salmon Resiliency Strategy (as published by the Natural Resources Agency in June 2017, and as it may be amended), the California Central Valley Salmon and Steelhead Recovery Plan published by the National Marine Fisheries Service, and other similar strategies as they are adopted.

(h) Of the amount appropriated pursuant to this section, not less than thirty-five million dollars (\$35,000,000) shall be available for projects to restore rivers and streams in support of fisheries and wildlife, including, but not limited to, reconnection of rivers with their floodplains, riparian and side-channel habitat restoration pursuant to the California Riparian Habitat Conservation Program (Chapter 4.1 (commencing with Section 1385) of Division 2 of the Fish and Game Code) and restoration and protection of upper watershed forests and meadow systems that are important for fish and wildlife resources. Subdivision (f) of Section 79738 applies to this subdivision. Priority shall be given to projects supported by multistakeholder public or private partnerships, or both, using a science-based approach and measurable objectives to guide identification,

design, and implementation of regional actions to benefit salmon and steelhead.

(i) Of the amount appropriated pursuant to this section, five million dollars (\$5,000,000) shall be available to assist in the development of the Central Valley Salmon Partnership Habitat Implementation Plan.

(j) The secretary shall give high priority to the removal of Dennett Dam on the Tuolumne River if additional funds are still needed to complete removal of the dam.

(k) A local public agency, Indian tribe, or nonprofit organization receiving funding under this article may use up to 20 percent of those funds to establish a trust fund, the proceeds of which shall be used exclusively to pay or help pay for the maintenance and monitoring of the project being funded.

(1) If the local public agency, Indian tribe, or nonprofit organization is unable to continue to maintain and monitor the project, it may transfer ownership of the trust fund to another public agency, Indian tribe, or nonprofit organization, with the approval of the Secretary of the Natural Resources Agency.

(2) This subdivision does not apply to state agencies.

(3) If the local public agency, Indian tribe, or nonprofit organization does not establish a trust fund pursuant to paragraph (1), the agency, tribe, or organization shall certify to the Secretary of the Natural Resources Agency that it can maintain the project from funds otherwise available to the agency, tribe, or organization.

(4) If all or part of the project cannot be maintained or is condemned, the trust fund and any unexpended interest are appropriated to the Natural Resources Agency. The funds returned to the agency may be utilized only for projects pursuant to this article.

(l) Of the amount appropriated to the Natural Resources Agency pursuant to this section, seven million dollars (\$7,000,000) is appropriated to the Department of Fish and Wildlife for native fish restoration projects on the upper Feather River below Oroville Dam for gravel restoration, streambed restoration, and salmon habitat restoration projects.

CHAPTER 7. GROUNDWATER
SUSTAINABILITY AND STORAGE

86110. (a) The sum of six hundred seventy-five million dollars (\$675,000,000) is appropriated from the fund to the department for projects and programs that support sustainable groundwater management consistent with Part 2.74 (commencing with Section 10720) of Division 6. The funds shall be used for competitive grants that advance sustainable groundwater management through implementation of groundwater sustainability plans and projects that protect, enhance, or improve groundwater supplies. At least 10 percent of all grants made pursuant to this paragraph shall be made to groundwater sustainability agencies whose groundwater basins underlie disadvantaged communities.

(b) The sum of ten million dollars (\$10,000,000) is appropriated from the fund to the state board, for use by the Office of Sustainable Water Solutions to implement a multidisciplinary technical assistance program for small and disadvantaged communities and to support the involvement of disadvantaged communities and the public in groundwater sustainability agencies and in the development and implementation of groundwater sustainability plans.

86111. (a) Of the funds authorized by Section 86110, six hundred forty million dollars (\$640,000,000) shall be available for grants to groundwater sustainability agencies implementing groundwater sustainability plans pursuant to subdivision (k) of Section 10721 for the following purposes:

(1) Groundwater recharge and storage projects including, but not limited to, acquisition of land and groundwater pumping allocations from willing sellers, planning of facilities such as feasibility studies and environmental compliance, distribution systems, and monitoring facilities. No grant made pursuant to this section shall exceed twenty million dollars (\$20,000,000).

(2) Projects that implement groundwater sustainability plans pursuant to Part 2.74 (commencing with Section 10720) of Division 6. Projects eligible for funding include, but are not limited to, feasibility studies, environmental compliance, engineering work used to develop groundwater use and sustainable yield for

specific projects, well use measurement, and innovative decision support tools.

(3) Projects that assess and address saltwater intrusion, including future impacts related to climate change.

(4) Matching grants to groundwater sustainability agencies to develop groundwater sustainability plans pursuant to subdivision (k) of Section 10721. No grant shall exceed one million dollars (\$1,000,000), and no groundwater sustainability agency shall receive more than one grant.

(b) Of the funds authorized by this section, the sum of five million dollars (\$5,000,000) shall be available for research to guide investments made pursuant to this section. Research activities may include, but are not limited to, geophysical surveys, system-level modeling and analysis, development of novel methods and tools that can be applicable to local decision-making, cross-sector economic and policy analysis of novel recharge methods, and development of new approaches to significantly enhance groundwater recharge and fit-for-purpose water treatment and reuse.

(c) Of the funds authorized by this section, the department may allocate up to ten million dollars (\$10,000,000) for the development of publicly accessible decision support tools to assist groundwater sustainability agencies in conducting drinking water quality analysis, including the development and assessment of sustainable yield, undesirable results, measurable objectives and other required targets. The decision support tools should also support vulnerability assessments to help determine communities that may be at risk of facing water supply or contamination challenges. The tools should be available for other efforts such as drought vulnerability assessments and shall be linked to the human right to water indicator housed at the state board.

(d) Of the funds authorized by this section, the department may allocate up to five million dollars (\$5,000,000) for one or more grants for capital outlay and related programmatic purposes to institutions of higher education for facilities that can be used to improve communication and coordination among these institutions, the department, and the state board in order to assure that

developments in groundwater science and management are efficiently deployed and employed across higher education institutions and state government agencies.

(e) A local public agency, Indian tribe, or nonprofit organization receiving funding under this section may use up to 20 percent of those funds to establish a trust fund used exclusively to pay or help pay for the maintenance and monitoring of the agency's or organization's interest in land acquired pursuant to this section.

(1) If the local public agency, Indian tribe, or nonprofit organization that acquired an interest in land with money from this section decides to transfer that interest to another public agency, Indian tribe, or nonprofit organization, the ownership of the trust fund established to maintain that interest in land shall also be transferred.

(2) This subdivision does not apply to state agencies.

(3) If the local public agency, Indian tribe, or nonprofit organization does not establish a trust fund pursuant to this subdivision the agency, tribe, or organization shall certify to the state agency making the grant that it can maintain the land to be acquired from funds otherwise available to the agency, tribe, or organization.

(4) If the interest in land is condemned or if the local public agency, Indian tribe, or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this chapter.

86112. (a) The department shall give priority for funding pursuant to this chapter to the following in equal priority:

(1) Groundwater basins designated by the department as critically overdrafted basins, groundwater basins in danger of becoming critically overdrafted, and groundwater basins where surface and groundwater are interconnected.

(2) Groundwater basins with documented water quality problems, land subsidence, impacts on surface streams or groundwater dependent

ecosystems, or other undesirable results as defined by subdivision (x) of Section 10721.

(3) Groundwater basins that protect important state-owned resources, such as state parks and wildlife areas.

(4) Projects that support the use of floodwaters of acceptable water quality to recharge groundwater basins. This innovative multibenefit concept brings together four important California water management objectives, including flood hazard reduction, sustainable groundwater management, ecosystem restoration, and water supply reliability.

(A) Projects may include adaptive modification of flood and conservation storage operations at reservoirs, modifications to spillway facilities at existing reservoirs, inundation of new or expanded flood bypasses or temporary flood storage land areas, application of floodwaters to agricultural lands during fallow or dormant seasons, or increased use of existing groundwater recharge facilities.

(B) Projects may include using floodwaters for recharge of groundwater projects, with both flood hazard reduction and groundwater sustainability benefits.

(C) Projects that provide benefits in flood hazard reduction and groundwater sustainability. Project feasibility can also be supported by ecosystem restoration and water supply benefits.

(b) Of the amount appropriated in Section 86110, the department may use up to ten million dollars (\$10,000,000) for the following purposes:

(1) Assess statewide potential for use of floodwaters for recharge and prioritize locations based upon proximity and conveyance connections in the state with flood hazard reduction and groundwater sustainability needs.

(2) Complete a pilot study of a priority location to demonstrate potential water resources management innovations to facilitate flood hazard reduction and groundwater recharge.

(3) Identify and demonstrate use of analytical tools and innovative water management techniques to support development of available floodwaters and recharge of groundwater basins.

(4) Develop economic monetization techniques of groundwater recharge benefits.

(5) Demonstrate application of the department's climate change methodology to both water supply and flood management applications.

(6) Provide technical assistance to groundwater sustainability and local flood management agencies, as well as coordination with state and federal flood agencies.

(c) The department shall consider the following criteria when awarding grants:

(1) The potential of the project to prevent or correct undesirable results due to groundwater use.

(2) The potential of the project to maximize groundwater storage, reliability, recharge, or conjunctive use.

(3) The potential of the project to support sustainable groundwater management.

(4) The annualized cost-effectiveness of the project to achieve the goals of the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6).

(d) Eligible entities as defined in subdivision (a) of Section 86166, including groundwater sustainability agencies, shall be eligible for grants. Priority for funding shall be given to local agencies implementing the Sustainable Groundwater Management Act.

(e) For purposes of awarding funding under this chapter, a local cost share of not less than 50 percent of the total cost of the project shall be required. The cost-sharing requirement may be waived or reduced for that portion of a project that directly benefits a disadvantaged community or economically distressed area or for projects the majority of whose benefits are to restore ecosystems dependent on groundwater.

(f) No grant may be made unless the Department of Fish and Wildlife certifies that harm done to fish or wildlife as a result of the project will be mitigated to ensure any potential impacts are less than significant.

(g) Eligible projects may include such infrastructure improvements as improved canal and infiltration capacity.

86113. (a) For purposes of this section, "district" means the Borrego Water District.

(b) Of the amount appropriated in Section 86110, thirty-five million dollars

(\$35,000,000) shall be awarded as a grant to the district for the following programs:

(1) Acquisition of land and acquisition of the right to pump groundwater from willing sellers to reduce groundwater pumping in order to bring groundwater pumping within the boundaries of the Borrego Springs Subbasin of the Borrego Valley Groundwater Basin to a level that is sustainable on a long-term basis pursuant to the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6). Lands acquired may be transferred to the Department of Parks and Recreation, a nonprofit organization, or another public agency for future management.

(2) Water end-use efficiency, including urban and agricultural water conservation, and water conservation on recreational facilities such as golf courses.

(3) Restoration of lands acquired pursuant to this section.

(4) Stormwater capture for groundwater basin recharge and re-use.

(5) Other district projects implementing the Sustainable Groundwater Management Act.

(c) (1) No cost sharing by the district is required to implement this section. This is justified because the community of Borrego Springs is a severely disadvantaged community and because excessive groundwater pumping can impact important resources in Anza-Borrego Desert State Park whose 500,000 annual visitors contribute an estimated forty million dollars (\$40,000,000) annually to the region, as well as support 600 jobs.

(2) The district may require cost sharing by beneficiaries when making grants pursuant to paragraphs (2) and (4) of subdivision (b).

(d) As a condition of this grant, the district must agree to both of the following:

(1) Implement measures which assure that lands not presently being irrigated will not come into irrigation and that presently irrigated lands will not become more intensively irrigated.

(2) Require new development to pay all costs of water purchases the district incurs, and all costs of water projects the district undertakes in order to accommodate that development.

(e) (1) The district or a nonprofit organization that receives funding pursuant to this chapter to

acquire an interest in land may use up to 20 percent of those funds to establish a trust fund that is exclusively used to help pay for the maintenance, monitoring, and restoration of that interest in land.

(2) The district or a nonprofit organization that acquires an interest in land with money from this chapter and transfers the interest in land to another public agency or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in land.

(3) This subdivision does not apply to state agencies.

(4) If the district or nonprofit organization does not establish a trust fund pursuant to this subdivision, the agency or organization shall certify to the department that it can maintain the land to be acquired from funds otherwise available to the agency or organization.

(5) If the interest in land is condemned or if the district or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated to the district. The funds returned to the district may be utilized only for projects pursuant to this chapter.

(f) Any funds not needed by the district to implement the program described in this section may be granted by the district to a nonprofit organization or the Department of Parks and Recreation to acquire lands adjacent to or in the immediate proximity of Anza-Borrego Desert State Park to prevent development or irrigation of that land which might impact groundwater resources in the park. These lands may be inside or outside the boundaries of the district but must be within the boundaries of the Borrego Springs Subbasin of the Borrego Valley Groundwater Basin, which is the source of all potable water for the Borrego Springs community and visitors to the park. The lands may be used for wildlife habitat.

(g) The district may award grants to nonprofit organizations in order to carry out all or part of the programs authorized by this section.

CHAPTER 8. WATER FOR WILDLIFE, PACIFIC FLYWAY RESTORATION, AND DYNAMIC HABITAT MANAGEMENT
86120. The sum of three hundred million dollars (\$300,000,000) is appropriated from

the fund to the Wildlife Conservation Board (hereinafter in this section "the board") to acquire water from willing sellers and to acquire storage and delivery rights to improve conditions for fish and wildlife in streams, rivers, wildlife refuges, wetland habitat areas, and estuaries. High priority shall be given to meeting the water delivery goals of the federal Central Valley Project Improvement Act (Title 34 of Public Law 102-575). The board may arrange for acquisition, long-term lease agreements, or transfer of water rights if it determines such actions are beneficial to wildlife conservation. The board may sell, transfer, or store water or storage rights purchased pursuant to this section if the board finds that the sale, transfer or storage will not cause harm to fish and wildlife. In years when the board does not require the water for fish and wildlife purposes, the board may temporarily sell or lease the water or delivery rights. Notwithstanding Section 13340 of the Government Code, the proceeds of any water sales pursuant to this section by the board are appropriated directly to the board without regard to fiscal year. The board shall use the proceeds of the sale, lease, or transfer of water or delivery rights to achieve conservation purposes authorized by this section. The acquisition of water using funds expended pursuant to this chapter shall only be used for projects that will provide fisheries, wildlife, or ecosystem benefits.

86121. (a) The sum of fifty million dollars (\$50,000,000) is appropriated from the fund to the Department of Fish and Wildlife for the purpose of improving water supply and water quality conditions for fish and wildlife on private lands. The Department of Fish and Wildlife may provide incentives to landowners for conservation actions on private lands or use of voluntary habitat credit exchange mechanisms. Such incentives shall be designed to be appropriately flexible and responsive to the highly variable amounts of water required by fish and wildlife.

(b) The Department of Fish and Wildlife shall use a portion of the funds provided by this section to develop a programmatic authorization to expedite approval of habitat restoration and water quality improvement projects not covered under Chapter 6.5 (commencing with Section 1650) of Division 2 of the Fish and Game Code and for the implementation of that chapter.

86122. (a) The sum of three hundred million dollars (\$300,000,000) is appropriated from the fund to the Wildlife Conservation Board for coastal and central valley salmon and steelhead fisheries restoration projects. The Wildlife Conservation Board shall give priority to projects that contribute to the recovery of salmon and steelhead species listed pursuant to the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code) or the federal Endangered Species Act (16 U.S.C. Sec. 1531 et. seq.), to enhance commercial and recreational salmon fisheries and to achieve the goals of Chapter 8 (commencing with Section 6900) of Part 1 of Division 6 of the Fish and Game Code.

(b) Of the amount appropriated by this section, up to one hundred million dollars (\$100,000,000) shall be spent for matching grants to local agencies for capital outlay projects to implement programs to improve fish passage opportunities and to restore anadromous salmonid habitats, particularly juvenile rearing habitat for spring run salmon, on rivers in the Sacramento Valley that have dams blocking the main stem of the river.

(c) Of the amount appropriated by this section, at least one hundred million dollars (\$100,000,000) shall be spent to install fish screens on the Sacramento and San Joaquin Rivers and their tributaries and in the Delta to screen anadromous fish from water intakes. High priority shall go to projects identified as high priority in the Sacramento Valley Salmon Resiliency Strategy, as published by the Natural Resources Agency in June 2017, and as it may be amended.

86123. (a) The sum of two hundred eighty million dollars (\$280,000,000) is appropriated from the fund to the Wildlife Conservation Board for projects to protect migratory birds through habitat acquisition, easements, restoration, or other projects and to provide water for wildlife refuges and wildlife habitat areas to fulfill the purposes identified in the Central Valley Joint Venture Implementation Plan, as it may be amended, including:

(1) Projects to implement this section which may include conservation actions on private lands.

(2) Protection and restoration of riparian and wetland habitat in the Sacramento River Basin.

(3) Protection and restoration of riparian and wetland habitat in the San Joaquin and Tulare Basins.

(b) Of the amount appropriated by this section, forty million dollars (\$40,000,000) shall be deposited in the California Waterfowl Habitat Preservation Account established pursuant to Section 3467 of the Fish and Game Code, for the purposes of implementing the California Waterfowl Habitat Program pursuant to Article 7 (commencing with Section 3460) of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code, the California Landowner Incentive Program of the Department of Fish and Wildlife, the Permanent Wetland Easement Program of the Wildlife Conservation Board, and the establishment or enhancement of waterfowl nesting and other wildlife habitat cover on fallowed lands including projects authorized pursuant to Section 1018.

(c) Of the amount appropriated by this section, ten million dollars (\$10,000,000) shall be deposited in the Shared Habitat Alliance for Recreational Enhancement (SHARE) Account established pursuant to Section 1572 of the Fish and Game Code and administered by the Department of Fish and Wildlife for the purposes of providing hunting and other wildlife-dependent recreational opportunities to the public through voluntary agreements with private landowners.

(d) Of the amount appropriated by this section, at least one hundred ten million dollars (\$110,000,000) shall be expended for acquisition and delivery of water to wildlife refuges, and associated infrastructure projects, to achieve full compliance with the terms of subsection (d) of Section 3406 of the federal Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

CHAPTER 8.6. SACRAMENTO REGION WATER RELIABILITY AND HABITAT PROTECTION

86124. (a) Ten million dollars (\$10,000,000) is appropriated from the fund to the department for grants to the Regional Water Authority and to the City of Sacramento on behalf of the Sacramento Area Water Forum for projects that are consistent with the coequal objectives of the Water Forum Agreement. Eligible projects include facilities, studies, and other actions to

improve flow and temperature conditions and habitat in the lower American River, increase water use efficiency and conservation, or improve the integration of surface water and groundwater supplies to provide for dry year water supply reliability.

(b) The Regional Water Authority and the Water Forum shall jointly develop and approve studies, projects, or programs to be funded by the grants. Highest priority shall be given to improving water temperature conditions in the lower American River and to projects or programs that contribute to both of the Water Forum's coequal objectives of improving water supply and protecting the environment. The authority will be the grantee for water supply and water efficiency projects. The City of Sacramento, on behalf of the Water Forum, will be the grantee for environmental protection, water temperature studies, and habitat restoration projects.

(c) The amount allocated in aggregate to the package of projects shall not exceed 50 percent of the projects' total cost.

(d) No funds appropriated pursuant to this section may be spent to build new surface storage or raise existing reservoirs.

CHAPTER 9. BAY AREA REGIONAL WATER RELIABILITY
86125. Two hundred fifty million dollars (\$250,000,000) is appropriated from the fund to the department for a grant to the group of eight water agencies collectively known as the Bay Area Regional Reliability Partnership (BARR) for new facilities that extend the benefits of surface water storage for region-wide benefits in any of the following areas: drought supply reliability, drinking water quality, and emergency storage, as generally described in the Final Mitigation Project List contained in the San Francisco Bay Area Regional Reliability Drought Contingency Plan. The Contra Costa Water District may receive the grant on behalf of the partnership unless the BARR Partnership has a governance structure in place at the time of the grant award that makes it eligible to receive the funds directly. The participating water agencies in the San Francisco Bay Area Regional Reliability Drought Contingency Plan will determine and designate funds to one or any of the listed projects, but the amount determined for any single project shall not exceed 50 percent of the project's total cost.

No funds appropriated pursuant to this section may be spent to build new surface storage or raise existing reservoirs.

CHAPTER 10. IMPROVED WATER CONVEYANCE
AND WATER CONSERVATION

86126. Even though the drought has eased, the effects of the drought are still being felt in many areas throughout the state, including the San Joaquin Valley. Further exacerbating the impact of drought conditions on water users were legal requirements restricting pumping from the Sacramento-San Joaquin Delta. One of the consequences of both the drought and pumping restrictions was a significant increase in groundwater pumping as a means to replace reduced surface supplies. An increase in groundwater pumping lowers groundwater tables, which in turn causes wells to go dry and land to subside, which has particularly been the case on the east side of the San Joaquin Valley. The Friant-Kern Canal has lost 60 percent of its capacity to convey water for both consumptive uses and groundwater recharge. Unless conveyance capacity is restored and increased, the subsidence will continue to get worse and those local communities, including disadvantaged communities, that largely rely on groundwater to serve their citizens, will continue to suffer adverse effects. Significant public benefits will result from this state investment, including avoiding increased unemployment, stabilization of groundwater, and securing a more stable food supply for California.

86127. The sum of seven hundred fifty million dollars (\$750,000,000) is appropriated from the fund to the department for a grant to the Friant Water Authority for water conveyance capital improvements, including restored and increased conveyance capacity to and in the Madera and Friant-Kern canals, resulting in greater groundwater recharge, improved conveyance and utilization of floodwaters, and for water conservation. Improvements with funds provided by this paragraph shall be completed consistent with applicable state and federal laws and contracts.

86128. The sum of one hundred million dollars (\$100,000,000) is appropriated from the fund to the Natural Resources Agency for actions that support projects defined in paragraph 11 of the settlement agreement to restore the San Joaquin River referenced in Section 2080.2 of the Fish

and Game Code. Before expenditure may occur, formal concurrence on specific projects to be undertaken is required by the settling parties to the agreement.

86129. The diversion of water from Barker Slough to the North Bay Aqueduct adversely impacts listed fish species and also adversely impacts water quality served to a large urban area. There would be multiple public benefits to relocating the diversion to the North Bay Aqueduct to the Sacramento River.

86130. The sum of five million dollars (\$5,000,000) is appropriated from the fund to the department to plan for a diversion of water from the Sacramento River to the North Bay Aqueduct to reduce the adverse impact on listed fish species and provide a higher quality of drinking water to those served by the aqueduct.

CHAPTER 11. OROVILLE DAM FLOOD SAFETY

86131. The Oroville Dam provides flood control for the Sacramento Valley. The inclusion of flood control at Oroville Dam was not an obligation of the public water agencies that receive water from Oroville Dam. The flood control function of Oroville Dam was paid for by the federal government.

86132. The sum of two hundred million dollars (\$200,000,000) is appropriated from the fund to the department for repair and reconstruction of the spillways at the Oroville Dam.

86133. The sum of twenty-one million dollars (\$21,000,000) is appropriated from the fund to the department. Fifteen million dollars (\$15,000,000) shall be spent for Feather River sediment management and removal between Live Oak and Verona in coordination with the Sutter Butte Flood Control Agency. Six million dollars (\$6,000,000) of these funds shall be awarded as a grant to the Sutter Butte Flood Control Agency for floodwater attenuation projects at the Oroville Wildlife Area that provide downstream flood control relief and ecosystem restoration.

86134. The sum of one million dollars (\$1,000,000) is appropriated from the fund to the department for a grant to the County of Butte for capital outlay projects and equipment for emergency preparedness coordination and communications consistent with the Office of Emergency Services' Standardized Emergency Management System (SEMS).

CHAPTER 12. GENERAL PROVISIONS

86151. (a) In projects involving voluntary habitat restoration, water quality improvement and multibenefit floodplain restoration each agency administering provisions of this division shall encourage interagency coordination and develop and utilize efficient project approval and permitting mechanisms, including, but not limited to, the provisions of Chapter 6.5 (commencing with Section 1650) of Division 2 of the Fish and Game Code (regardless of whether that chapter is still in effect) and programmatic permits for voluntary habitat restoration, to avoid project delays and maximize the amount of money spent on project implementation.

(b) Projects designed to primarily protect migratory birds through acquisition, easements, restoration, or other projects shall be consistent with the plans and recommendations established by the federal Migratory Bird Joint Venture partnerships that encompass parts of California.

(c) Any agency providing funds pursuant to this division to disadvantaged communities or economically distressed areas may provide funding to assist these communities in applying for that funding, including technical and grant writing assistance. These funds may be provided to nonprofit organizations and local public agencies assisting these communities.

(d) Any agency receiving funds pursuant to this division may contract for the services of resource conservation districts pursuant to Section 9003 of the Public Resources Code.

(e) Agencies may count in-kind contributions up to 25 percent of the total project cost as part of cost sharing. Agencies may count the value of the donated land in a bargain sale as part of cost sharing.

(f) Agencies considering proposals for acquisition of lands shall also consider the ability of the proposed final owner of the land to maintain it in a condition that will protect the values for which it is to be acquired and to prevent any problems that might occur on neighboring lands if the land is not properly managed.

(g) Trust funds established pursuant to this division shall be managed pursuant to the requirements of the Uniform Prudent

Management of Institutional Funds Act (Part 7 (commencing with Section 18501) of Division 9 of the Probate Code).

(h) Projects designed to primarily protect riparian habitat through acquisition, easements, restoration or other projects shall consider the plans and recommendations established by the California Riparian Habitat Conservation Program pursuant to Chapter 4.1 (commencing with Section 1385) of Division 2 of the Fish and Game Code.

(i) The administering agency shall provide advance payment of 50 percent of grant awards for those projects that satisfy both of the following criteria:

(1) The project proponent is a disadvantaged community or eligible entity as defined in subdivision (a) of Section 86166 or the project benefits a disadvantaged community.

(2) The grant award for the project is less than one million dollars (\$1,000,000).

(j) Eligible grant costs shall include indirect costs as defined in federal Office of Management and Budget guidelines, as well as reasonable overhead costs.

(k) Agencies receiving funds designated for specific programs or grantees shall expedite the expenditure or transfer of those funds with the least amount of process necessary to comply with existing state laws and regulations and the requirements of this division. It is the intent of this division that the expenditure or transfer of funds shall be efficient, cost-effective, and expeditious and generally should occur no later than 90 days from demonstrated eligibility by the recipient for the funds requested.

86152. Agencies shall, to the extent practicable, quantify the amount of water generated for human and environmental use resulting from proposed expenditures they make pursuant to this division. Agencies shall, to the extent practicable, quantify the improvement in the quality of water generated for human and environmental use resulting from proposed expenditures they make pursuant to this division.

86153. To the extent consistent with the other provisions of this division, statewide agencies making grants pursuant to this division shall seek to allocate funds equitably to eligible projects throughout the state, including northern

and southern California, coastal and inland regions, and Sierra and Cascade foothill and mountain regions.

86154. Applicants for grants pursuant to this division shall indicate whether the grant proposal is consistent with the local integrated regional water management plan, if one exists. However, consistency with the integrated regional water management plan shall not be required as a condition of any grant, and grant proposals shall not be given lower priority if they are not consistent with integrated regional water management plans.

86155. (a) Notwithstanding any other provision of this division, a local public agency with a population of less than 100,000 and a median household income of less than 100 percent of the state average household income shall be required to provide matching funds of no more than 35 percent for a grant for a project entirely within their jurisdiction. State agencies making grants to these local public agencies may provide funding in advance of construction of portions of the project if the state agency determines that requiring the local public agency to wait for payment until the project is completed would make the project infeasible.

(b) Nothing in this section prohibits a state agency from making a grant to a disadvantaged community or economically distressed area that does not require cost sharing.

86156. Any repayment of loans made pursuant to this division, including interest payments, and interest earnings, shall be deposited in the fund and shall be available solely for the purposes of the chapter or section that authorized the loan.

86157. (a) Each state agency that receives an appropriation of funding made available by this division shall be responsible for establishing metrics of success and reporting the status of projects and all uses of the funding on the state's bond accountability Internet Web site.

(b) Each state agency that receives an appropriation of funding made available by this division shall do the following:

(1) Evaluate the outcomes of projects funded by this division.

(2) Include in the agency's reporting pursuant to Section 86003 the evaluation described in subdivision (a).

(3) Hold a grantee of funds accountable for completing projects funded by this division on time and within scope.

86158. (a) For projects carried out by state agencies pursuant to this division, up to 10 percent of funds allocated for each program funded by this division may be expended for planning, monitoring, and reporting necessary for the successful design, selection, and implementation of the projects and the verification of benefits. An eligible entity receiving a grant for a project pursuant to this division may also receive sufficient funds for planning, monitoring, and reporting necessary for the successful design, selection, and implementation of the projects. This section shall not otherwise restrict funds ordinarily used by an agency for "preliminary plans," "working drawings," and "construction" for a capital outlay project or grant project.

(b) Permit and plan check fees and reasonable administrative and indirect project fees and costs related to managing construction shall be deemed part of construction costs. Project costs allocated for project planning and design, and direct and indirect administrative costs shall be identified as separate line items in the project budget.

86159. Notwithstanding Section 16727 of the Government Code, funding provided pursuant to Chapter 6 (commencing with Section 86080) and Chapter 8 (commencing with Section 86120) may be used for grants and loans to nonprofit organizations to repay financing described in Section 22064 of the Financial Code related to projects that are consistent with the purposes of those chapters.

86160. Not more than a total of 5 percent of the funds allocated to any state agency under this division may be used to pay for its costs of administering programs and projects specified in this division.

86161. (a) Water quality monitoring data shall be collected and reported to the state board in a manner that is compatible and consistent with surface water monitoring data systems or groundwater monitoring data systems administered by the state board, consistent with Part 4.9 (commencing with Section 12400) of

Division 6. Watershed monitoring data shall be collected and reported to the Department of Conservation in a manner that is compatible and consistent with the statewide watershed program administered by the Department of Conservation.

(b) State agencies making grants or loans pursuant to this division may include specific expenditures for compliance with local, state, and federal permitting and other requirements.

(c) Up to 1 percent of funds allocated for each program funded by this division may be expended for research into methods to improve water supply, water related habitat, and water quality relevant to that program, in addition to any other amounts provided for in this division.

86162. (a) Prior to disbursing grants or loans pursuant to this division, each state agency that receives an appropriation from the funding made available by this division to administer a grant or loan program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines shall include monitoring and reporting requirements and may include a limitation on the dollar amount of each grant or loan to be awarded. The guidelines shall not include a prohibition on the recovery of reasonable overhead or indirect costs by local public agencies, Indian tribes, or nonprofit organizations. If the state agency has previously developed and adopted project solicitation and evaluation guidelines that comply with the requirements of this division, it may use those guidelines. Overhead or indirect costs incurred by a local public agency, Indian tribe, or nonprofit organization are eligible for reimbursement and shall not weigh negatively in the evaluation of funding proposals pursuant to this division.

(b) Prior to disbursing grants or loans, the state agency shall conduct three regional public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California, one meeting shall be conducted at a location in the central valley of California, and one meeting shall be conducted at a location in southern California. Agencies without jurisdiction in one or more of these

three regions may omit the meetings in the region or regions within which they do not have jurisdiction. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

(c) At least 45 days prior to soliciting projects pursuant to this division, a state agency administering funds pursuant to this division shall post an electronic form of the guidelines for grant applicants on its website. Project solicitation and evaluation guidelines shall only include criteria based on the applicable requirements of this division.

(d) Nothing in this division restricts agencies from enforcing and complying with existing laws.

86163. Each project funded from this division shall comply with the following requirements:

(a) The investment of public funds pursuant to this division will result in public benefits that address the most critical statewide needs and priorities for public funding, as determined by the agency distributing the funds.

(b) In the appropriation and expenditure of funding authorized by this division, priority will be given to projects that leverage private, federal, or local funding or produce the greatest public benefit. All state agencies receiving funds pursuant to this division shall seek to leverage the funds to the greatest extent possible, but agencies shall take into account the limited ability to cost share by small public agencies, and by agencies seeking to benefit disadvantaged communities and economically distressed areas.

(c) A funded project shall advance the purposes of the chapter or article from which the project received funding.

(d) In making decisions regarding water resources pursuant to this division, state and local agencies will use the best available science to inform those decisions.

(e) To the extent practicable, a project supported by funds made available by this division will include signage informing the public that the project received funds from the Water Supply and Water Quality Act of 2018.

(f) To the extent feasible, projects funded with proceeds from this division shall promote state planning priorities consistent with the provisions

of Section 65041.1 of the Government Code and sustainable communities strategies consistent with the provisions of subparagraph (B) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code.

(g) To the extent feasible, watershed objectives for private lands included in this division should be achieved through use of conservation easements and voluntary landowner participation, including, but not limited to, the use of perpetual conservation easements pursuant to Division 10.2 (commencing with Section 10200) and Division 10.4 (commencing with Section 10330) of the Public Resources Code, voluntary habitat credit exchange mechanisms, and conservation actions on private lands.

86164. Funds provided by this division shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta water conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.

86165. (a) This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law. This division does not limit or affect the application of Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220, inclusive.

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2018.

(c) Nothing in this division supersedes, limits, or otherwise modifies the applicability of Chapter 10 (commencing with Section 1700) of

Part 2 of Division 2, including petitions related to any new conveyance constructed or operated in accordance with Chapter 2 (commencing with Section 85320) of Part 4 of Division 35.

(d) Unless otherwise expressly provided, nothing in this division supersedes, reduces, or otherwise affects existing legal protections, both procedural and substantive, relating to the state board's regulation of diversion and use of water, including, but not limited to, water right priorities, the protection provided to municipal interests by Sections 106 and 106.5, and changes in water rights. Nothing in this division expands or otherwise alters the state board's existing authority to regulate the diversion and use of water or the courts' existing concurrent jurisdiction over California water rights.

(e) Nothing in this division shall be construed to affect the California Wild and Scenic Rivers Act (Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code) or the federal Wild and Scenic Rivers Act (16 U.S.C. Section 1271 et seq.) and funds authorized pursuant to this division shall not be available for any project that could have an adverse effect on the values upon which a wild and scenic river or any other river is afforded protections pursuant to the California Wild and Scenic Rivers Act or the federal Wild and Scenic Rivers Act.

(f) Nothing in this division supersedes, limits, or otherwise modifies the Sacramento-San Joaquin Delta Reform Act of 2009 (Division 35 (commencing with Section 85000)) or any other applicable law, including, but not limited to, Division 22.3 (commencing with Section 32300) of the Public Resources Code.

(g) Notwithstanding any other provision of law, any agency or nonprofit organization acquiring land pursuant to this division may make use of the Natural Heritage Preservation Tax Credit Act of 2000 (Division 28 (commencing with Section 37000) of the Public Resources Code). Funds appropriated pursuant to this division that are not designated for competitive grant programs may also be used for the purposes of reimbursing the General Fund pursuant to the Natural Heritage Preservation Tax Credit Act of 2000.

(h) Funds provided pursuant to this division, and any appropriation or transfer of those funds, shall not be deemed to be a transfer of funds for

the purposes of Chapter 9 (commencing with Section 2780) of Division 3 of the Fish and Game Code.

86166. (a) Applicants eligible to receive grants, loans, and contracts pursuant to this division are public agencies, state universities, including university-managed national laboratories, resource conservation districts, nonprofit organizations, public utilities, mutual water companies, public water systems as defined in subdivision (h) of Section 116275 of the Health and Safety Code, urban water suppliers as defined in Section 10617 of the Water Code, federally recognized Indian tribes, federal agencies owning or managing land in California, and state Indian tribes listed on the Native American Heritage Commission's California Tribal Consultation List. State agencies granting funds pursuant to this division shall give priority to eligible applicants with experience in planning, designing, and developing the types of projects receiving funding from the agencies, or which have access to consulting help in these areas.

(b) (1) To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission, or a mutual water company, shall have a clear and definite public purpose and the project shall benefit the customers of the water system and not the investors.

(2) To be eligible for funding under this division, an urban water supplier shall have adopted and submitted an urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6).

(3) To be eligible for funding under this division, an agricultural water supplier shall have adopted and submitted an agricultural water management plan in accordance with the Agricultural Water Management Planning Act (Part 2.8 (commencing with Section 10800) of Division 6).

(4) In accordance with Section 10608.56, an agricultural water supplier or an urban water supplier is ineligible for grant funding under this division unless it complies with the requirements of Part 2.55 (commencing with Section 10608) of Division 6.

(5) Notwithstanding any other provision of this division, agencies receiving funds pursuant to this division may reduce or eliminate cost sharing requirements when making grants of one million dollars (\$1,000,000) or less to nonprofit organizations with budgets less than one million dollars (\$1,000,000) if the agency determines that such grants would be the most effective way to achieve the purposes of this division.

86167. Where feasible, projects funded pursuant to this division may use the services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5 of the Public Resources Code. Public agencies receiving funding under this division shall give additional priority to projects that involve the services of the California Conservation Corps or a certified community conservation corps, or other nonprofit entities that provide job training and education opportunities for veterans, foster care recipients, farmworkers, or local youth in conservation or restoration projects.

86168. Each state agency that receives an appropriation of funding made available by this division shall be responsible for establishing and reporting on the state's bond accountability Internet Web site each of the following: metrics of success, metrics for benefitting disadvantaged communities and economically distressed areas, progress in meeting those metrics, status of projects funded under this division, and all uses of the funding the state agency receives under this division. The Secretary of the Natural Resources Agency shall annually report to the Legislature expenditures made pursuant to this division, and the benefits derived from those expenditures.

86169. The proceeds of bonds issued and sold pursuant to this division, excluding the proceeds of any refunding bonds issued in accordance with Section 86192, shall be deposited in the Water Supply Reliability and Drought Protection Fund of 2018, which is hereby created in the State Treasury.

86169.1. Notwithstanding Section 13340 of the Government Code, moneys in the Water Supply Reliability and Drought Protection Fund of 2018 are continuously appropriated without regard to fiscal year for the purposes of this division in the manner set forth in this division.

Funds authorized by and made available pursuant to this division shall be available and expended only as provided in this division and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose.

86170. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division.

86171. (a) Funds provided by this division shall not be used to support or pay for the costs of environmental mitigation, except for the costs of environmental mitigation for projects funded pursuant to this division.

(b) Funds provided by this division shall be used for environmental enhancements or other public benefits.

(c) Notwithstanding subdivisions (a) and (b), the costs of mitigation of the environmental impacts directly related and limited to expenditures under this division may be paid for by funds provided by this division.

(d) Funds available pursuant to this division shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.

86172. Every entity implementing this division shall give highest priority to funding projects that combine relatively high cost-effectiveness, durability, and enhanced environmental quality.

86174. Acquisitions pursuant to Chapter 6 (commencing with Section 86080) of this division shall be from willing sellers only.

86177. The requirement that a project be cost-effective does not require a full benefit and cost analysis.

86178. Agencies implementing this division shall give special consideration to projects that employ new or innovative technology or practices, including decision support tools that support the integration of multiple strategies and jurisdictions, including, but not limited to, water supply, wildfire reduction, habitat improvement, invasive weed control, flood control, land use, and sanitation.

86179. Any contract, including a contract to provide a grant, between a public agency, Indian tribe, or nonprofit organization and the Department of Fish and Wildlife or the Wildlife Conservation Board for work funded pursuant to this division, or pursuant to Division 26.7 (commencing with Section 79700) shall be considered a contract subject to the requirements of Section 1501.5 of the Fish and Game Code, and therefor shall not be considered a public work or a public improvement, and is not subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

86179.1. Priority shall be given to the expenditure of funds on activities that affect the Delta and the species that rely on it that are generally consistent with the report "A Delta Renewed: A Guide to Science-Based Ecological Restoration in the Sacramento-San Joaquin Delta" prepared in 2016 by the San Francisco Estuary Institute-Aquatic Science Center.

86179.2. In the awarding of grants to be made by any agency pursuant to this act or Division 26.7 (commencing with Section 79700) after the effective date of this act, overhead or indirect costs incurred by a local public agency, Indian tribe, or nonprofit organization are eligible for reimbursement and shall not weigh negatively in the evaluation of funding proposals. Eligible grant costs shall include indirect costs as defined in federal Office of Management and Budget guidelines, as well as reasonable overhead costs. For nonprofit organizations, grants shall provide for reimbursement of indirect costs by applying the organization's federally negotiated indirect cost rate, if one exists. If a negotiated rate does not exist, the organization may elect to use the default indirect cost rate of 10 percent of its modified total direct costs as defined by the federal Office of Management and Budget.

86179.3. No grants made pursuant to this division shall result in an unmitigated increase in a community's exposure to flood hazards or in a net reduction in flood conveyance capacity of any publicly owned flood protection facility.

86179.4. In awarding grants for land acquisition, the Wildlife Conservation Board shall give preference to organizations that voluntarily pay property taxes.

CHAPTER 13. FISCAL PROVISIONS

86180. (a) Bonds in the total amount of eight billion eight hundred seventy-seven million dollars (\$8,877,000,000), or so much thereof as is necessary, not including the amount of any refunding bonds issued in accordance with Section 86192 may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall from time to time sell the bonds authorized by the committee pursuant to Section 86182. Bonds shall be sold upon the terms and conditions specified in one or more resolutions to be adopted by the committee pursuant to Section 16731 of the Government Code.

86181. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law, as that law may be amended, apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division, except subdivisions (a) and (b) of Section 16727 of the Government Code.

86182. (a) Solely for the purpose of authorizing the issuance and sale pursuant to the State General Obligation Bond Law of the bonds authorized by this division, the Water Supply Reliability and Drought Protection Finance Committee is hereby created. For purposes of this division, the Water Supply Reliability and Drought Protection Finance Committee is the "committee," as that term is used in the State General Obligation Bond Law.

(b) The finance committee consists of the Director of Finance, the Treasurer, and the Controller. Notwithstanding any other provision of law, any member may designate a representative to act as that member in his or

her place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as chairperson of the finance committee.

(d) A majority of the finance committee may act for the finance committee.

86183. The finance committee shall determine whether or not it is necessary or desirable to issue bonds authorized by this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

86184. For purposes of the State General Obligation Bond Law, "board," as defined in Section 16722 of the Government Code, means the Secretary of the Natural Resources Agency.

86185. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

86186. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum that is necessary to carry out the provisions of Section 86189, appropriated without regard to fiscal years.

86187. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division less any amount withdrawn pursuant to Section 86189. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by

resolution, authorized to be sold, excluding any refunding bond authorized pursuant to Section 86192, for the purpose of carrying out this division. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

86188. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

86189. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold, excluding any refunding bond authorized pursuant to Section 86192, for the purpose of carrying out this division less any amount borrowed pursuant to Section 86187. Any amounts withdrawn shall be deposited in the fund. Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

86190. All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this division shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premium may be reserved

and used to pay the cost of bond issuance prior to any transfer to the General Fund.

86191. Pursuant to the State General Obligation Bond Law, the cost of bond issuance shall be paid out of the bond proceeds, including premiums, if any. To the extent the cost of bond issuance is not paid from premiums received from the sale of bonds, these costs shall be shared proportionately by each program funded through this division by the applicable bond sale.

86192. The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing such refunded bonds.

86193. The proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. Section 1 of this act shall take effect immediately upon approval by the voters of the Water Supply and Water Quality Act of 2018, as set forth in that section at the November 6, 2018, statewide general election. In order to fund a water supply reliability and drought protection program at the earliest possible date, it is necessary that this act take effect immediately.

SEC. 3. Conflicting Provisions.

(a) The provisions and intent of the Water Supply and Water Quality Act of 2018 shall be given precedence over any state law, statute, regulation, or policy that conflicts with this section, and the policy and intent of this act shall prevail over any such contrary law, statute, regulation, or policy.

(b) If this division is approved by the voters, but superseded by any other conflicting ballot division approved by more voters at the same election, and the conflicting ballot division is later held invalid, it is the intent of the voters that this act shall be given the full force of law.

(c) If any rival or conflicting initiative regulating any matter addressed by this act receives a higher affirmative vote, then all nonconflicting parts of this act shall become operative.

SEC. 4. If any provision of this act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

SEC. 5. Section 2799.7 is added to the Fish and Game Code, to read:

2799.7. Subdivision (f) of Section 2787 does not apply to Section 2795. Notwithstanding other provisions of this article and Section 13340 of the Government Code, as of July 2, 2020, funds transferred pursuant to Section 2795 shall be continuously appropriated to the Wildlife Conservation Board for purposes of Chapter 8 (commencing with Section 86120) of Division 38 of the Water Code.

SEC. 6. Article 8 (commencing with Section 11860) is added to Chapter 9 of Part 3 of Division 6 of the Water Code, to read:

Article 8. Greenhouse Gas Reduction Fund

11860. (a) Notwithstanding any other provision of law, including Section 13340 of the Government Code and Sections 39710 to 39723, inclusive, of the Health and Safety Code, the fees paid, the cost of compliance instruments acquired, and the increased cost of power purchased by the Department of Water Resources as a result of the implementation of Division 25.5 (commencing with Section 38500) of the Health and Safety Code are continuously appropriated to the department from the Greenhouse Gas Reduction Fund, as defined in Section 16428.8 of the Government Code, and the fees paid, the cost of compliance instruments acquired, and the increased cost of power purchased by the Metropolitan Water District of Southern California (Chapter 209 of the Statutes of 1969, as amended) as a result of the implementation of Division 25.5 of the Health and Safety Code are continuously

appropriated to the district from the Greenhouse Gas Reduction Fund, as defined in Section 16428.8 of the Government Code.

(b) The funds appropriated to the department pursuant to this section shall be expended within the State Water Resources Development System, and on consumer water conservation programs within the jurisdiction of the State Water Resources Development System.

(c) The funds appropriated to the district pursuant to this section shall be expended within the water storage, treatment, conveyance, and distribution system of the district and on consumer water conservation programs within the jurisdiction of the district.

(d) Of the consumer water conservation programs authorized by subdivisions (b) and (c), highest priority shall be given to those benefitting disadvantaged communities, as defined in subdivision (a) of Section 79505.5, as it may be amended, and economically distressed areas, as defined in subdivision (k) of Section 79702, as it may be amended.

(e) All expenditures pursuant to this section shall meet the requirements of Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code. The department and district will provide an annual report to the State Air Resources Board on the prior year's project implementation along with a plan for current year implementation.

(f) No funds provided by this part shall be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of new Delta water conveyance facilities. No funds provided by this section shall be expended to pay the costs of construction of new surface water storage facilities or to expand the capacity of the California Aqueduct or the Colorado River Aqueduct. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.

(g) All reasonable and feasible measures shall be taken to reduce, avoid, or mitigate significant negative environmental impacts from projects undertaken pursuant to this section.

11861. (a) Notwithstanding any other provision of law, including Section 13340 of the Government Code and Sections 39710 to

39723, inclusive, of the Health and Safety Code, the fees paid, the cost of compliance instruments acquired, and the increased cost of power purchased by the Contra Costa Water District as a result of the implementation of Division 25.5 (commencing with Section 38500) of the Health and Safety Code are continuously appropriated to the district from the Greenhouse Gas Reduction Fund, as defined in Section 16428.8 of the Government Code, and the fees paid, the cost of compliance instruments acquired, and the increased cost of power purchased by the San Luis and Delta Mendota Water Authority as a result of the implementation of Division 25.5 (commencing with Section 38500) of the Health and Safety Code are continuously appropriated to the authority from the Greenhouse Gas Reduction Fund, as defined in Section 16428.8 of the Government Code.

(b) (1) The funds appropriated to the Contra Costa Water District pursuant to this section shall be expended within the boundaries of the district and on consumer water conservation programs within the district.

(2) The funds appropriated to the San Luis and Delta Mendota Water Authority pursuant to this section shall be expended within the water storage, treatment, conveyance, and distribution system of the authority and on water conservation, water quality improvement, water treatment, water supply, and similar water programs within the jurisdiction of the authority.

(c) Of the funds appropriated pursuant to subdivision (b), highest priority shall be given to those projects benefitting disadvantaged communities, as defined in subdivision (a) of Section 79505.5, as it may be amended, and economically distressed areas, as defined in subdivision (k) of Section 79702, as it may be amended.

(d) All expenditures pursuant to this section shall meet the requirements of Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code. The district and the authority shall provide an annual report to the State Air Resources Board on the prior year's project implementation along with a plan for current year implementation.

(e) All reasonable and feasible measures shall be taken to reduce, avoid, or mitigate significant

negative environmental impacts from projects undertaken pursuant to this section.

PROPOSITION 4

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Part 6.3 (commencing with Section 1179.81) is added to Division 1 of the Health and Safety Code, to read:

PART 6.3. CHILDREN'S HOSPITAL BOND ACT OF 2018

CHAPTER 1. GENERAL PROVISIONS

1179.81. (a) This part shall be known, and may be cited, as the *Children's Hospital Bond Act of 2018*.

(b) *California's network of regional children's hospitals provide vital health care services to children facing life-threatening illness or injury. Over one million times each year, children are cared for at these hospitals without regard to their family's ability to pay.*

(c) *Children's hospitals also provide specialized treatment and care that has increased the survival of children suffering from serious diseases and illnesses such as childhood leukemia, cancer, heart defects, diabetes, sickle cell anemia, and cystic fibrosis.*

(d) *Children's hospitals also provide essential training for pediatricians, pediatric specialists and others who treat children, and they conduct critically important medical research that benefits all of California's children.*

(e) *However, the burden of providing uncompensated care and the increasing costs of health care seriously impair our children's hospitals' ability to modernize and expand their facilities and to purchase the latest medical technologies and special medical equipment necessary to take care of sick children.*

(f) *Therefore, the people desire to provide a steady and ready source of funds for capital improvement programs for children's hospitals*

to improve the health, welfare, and safety of California's children.

1179.82. As used in this part, the following terms have the following meanings:

(a) "Authority" means the California Health Facilities Financing Authority established pursuant to Section 15431 of the Government Code.

(b) "Children's hospital" means either of the following:

(1) A University of California general acute care hospital described below:

(A) University of California, Davis Children's Hospital.

(B) Mattel Children's Hospital at University of California, Los Angeles.

(C) University Children's Hospital at University of California, Irvine.

(D) University of California, San Francisco Children's Hospital.

(E) University of California, San Diego Children's Hospital.

(2) A general acute care hospital that is, or is an operating entity of, a California nonprofit corporation that received a grant or grants pursuant to Part 6 (commencing with Section 1179.10) or Part 6.1 (commencing with Section 1179.50) that provides comprehensive pediatric services to a high volume of children eligible for governmental programs and to children with special health care needs eligible for the California Children's Services Program.

(c) "Committee" means the Children's Hospital Bond Act Finance Committee created pursuant to Section 1179.91.

(d) "Fund" means the Children's Hospital Bond Act Fund created pursuant to Section 1179.83.

(e) "Grant" means the distribution of money in the fund by the authority to children's hospitals for projects pursuant to this part or to an eligible hospital pursuant to this part.

(f) "Program" means the Children's Hospital Program established pursuant to this part.

(g) "Project" means constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing of a children's hospital to be financed or refinanced with funds provided in whole or in part pursuant to this part. "Project" may include reimbursement for the

costs of constructing, expanding, remodeling, renovating, furnishing, equipping, financing, or refinancing of a children's hospital where these costs are incurred after January 1, 2018. "Project" may include any combination of one or more of the foregoing undertaken jointly by two or more participating children's hospitals that qualify under this part.

CHAPTER 2. THE CHILDREN'S HOSPITAL PROGRAM

1179.83. The proceeds of bonds issued and sold pursuant to this part shall be deposited in the Children's Hospital Bond Act Fund, which is hereby created.

1179.84. The purpose of the Children's Hospital Program is to improve the health and welfare of California's critically ill children by providing a stable and ready source of funds for capital improvement projects for children's hospitals. The program provided for in this part is in the public interest, serves a public purpose, and will promote the health, welfare, and safety of the citizens of the state.

1179.85. The authority is authorized to award grants to any children's hospital for purposes of funding projects, as defined in subdivision (g) of Section 1179.82, or to a hospital pursuant to subdivision (c) of Section 1179.86.

1179.86. (a) Eighteen percent of the total funds available for grants pursuant to this part shall be awarded to children's hospitals as defined in paragraph (1) of subdivision (b) of Section 1179.82.

(b) Seventy-two percent of the total funds available for grants pursuant to this part shall be awarded to children's hospitals as defined in paragraph (2) of subdivision (b) of Section 1179.82.

(c) Ten percent of the total funds available for grants pursuant to this part shall be available for grants to hospitals that provide pediatric services to children eligible for the California Children's Services Program that are either (1) a public hospital as defined in paragraph (25) of subdivision (a) of Section 14105.98 of the Welfare and Institutions Code, or (2) a general acute care hospital licensed pursuant to Section 1250 of this code that is, or is an operating entity of, a California nonprofit corporation. The funds shall be used solely for constructing, expanding, remodeling, renovating, furnishing, or equipping the pediatric program of an eligible

hospital. A children's hospital as defined in subdivision (b) of Section 1179.82 shall not be eligible for grants under this subdivision, except that any funds available under this subdivision that have not been exhausted by June 30, 2033, shall become available for an application from any such children's hospital. The authority shall award grants under procedures it shall adopt to further the purposes of this subdivision.

1179.87. (a) The authority shall develop a written application for the awarding of grants under this part within 90 days of the adoption of this act. The authority shall award grants to eligible children's hospitals, subject to the limitations of this part and to further the purposes of this part, based on the following factors:

(1) The grant will contribute toward expansion or improvement of health care access by children eligible for governmental health insurance programs and indigent, underserved, and uninsured children.

(2) The grant will contribute toward the improvement of child health care or pediatric patient outcomes.

(3) The children's hospital provides uncompensated or undercompensated care to indigent or public pediatric patients.

(4) The children's hospital provides services to vulnerable pediatric populations.

(5) The children's hospital promotes pediatric teaching or research programs.

(6) Demonstration of project readiness and project feasibility.

(b) (1) An application for funds shall be submitted to the authority for approval as to its conformity with the requirements of this part.

(2) The authority shall process and award grants in a timely manner, not to exceed 60 days.

(c) A children's hospital identified in paragraph (1) of subdivision (b) of Section 1179.82 shall not apply for, and the authority shall not award to that children's hospital, a grant that would cause the total amount of grants awarded to that children's hospital to exceed one-fifth of the total funds available for grants to all children's hospitals pursuant to subdivision (a) of Section 1179.86. Notwithstanding this grant limitation, any funds available under subdivision (a) of Section 1179.86 that have not been

exhausted by June 30, 2033, shall become available for an application from any children's hospital identified in paragraph (1) of subdivision (b) of Section 1179.82.

(d) A children's hospital identified in paragraph (2) of subdivision (b) of Section 1179.82 shall not apply for, and the authority shall not award to that children's hospital, a grant that would cause the total amount of grants awarded to that children's hospital to exceed one hundred thirty-five million dollars (\$135,000,000) from funds available for grants to all children's hospitals pursuant to subdivision (b) of Section 1179.86. Notwithstanding this grant limitation, any funds available under subdivision (b) of Section 1179.86 that have not been exhausted by June 30, 2033, shall become available for an application from any children's hospital defined in paragraph (2) of subdivision (b) of Section 1179.82.

(e) In no event shall a grant to finance a project exceed the total cost of the project, as determined by the children's hospital and approved by the authority.

(f) All projects that are awarded grants shall be completed within a reasonable period of time. If the authority determines that the children's hospital has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all or a portion of the grant. A children's hospital receiving a grant under this part shall submit certification of project completion to the authority.

(g) Grants shall only be available pursuant to this section if the authority determines that it has sufficient money available in the fund. Nothing in this section shall require the authority to award grants if the authority determines that it has insufficient moneys available in the fund to do so.

(h) The authority may annually determine the amount available for purposes of this part. Administrative costs for this program shall not exceed the actual costs or 1 percent, whichever is less.

1179.88. The California State Auditor may conduct periodic audits to ensure that bond proceeds are awarded in a timely fashion and in a manner consistent with the requirements of this part and that awardees of bond proceeds

are using funds in compliance with applicable provisions of this part.

CHAPTER 3. FISCAL PROVISIONS

1179.89. Bonds in the total amount of one billion five hundred million dollars (\$1,500,000,000), not including the amount of any refunding bonds, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

1179.90. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all provisions of that law apply to the bonds and to this part and are hereby incorporated in this part as though set forth in full in this part.

1179.91. (a) Solely for the purpose of authorizing the issuance and sale pursuant to the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) of the bonds authorized by this part, the Children's Hospital Bond Act Finance Committee is hereby created. For purposes of this part, the Children's Hospital Bond Act Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) The authority is designated the "board" for purposes of the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and shall administer the program pursuant to this part.

1179.92. The committee shall determine whether or not it is necessary or desirable to

issue bonds authorized pursuant to this part in order to carry out the actions specified in Section 1179.84 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds be issued or sold at any one time.

1179.93. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

1179.94. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated continuously from the General Fund in the State Treasury, for the purposes of this part, an amount that equals the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this part, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 1179.95, appropriated without regard to fiscal years.

1179.95. For the purposes of carrying out this part, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this part. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund from proceeds received from the sale of bonds for the purpose of carrying out this part.

1179.96. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

1179.97. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of

bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionally by each children's hospital funded through this bond act.

1179.98. The authority may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, including other authorized forms of interim financing that include, but are not limited to, commercial paper, in accordance with Section 16312 of the Government Code, for purposes of carrying out this part. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this part. The authority shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this part.

1179.99. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this part includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this part or any previously issued refunding bonds.

1179.100. Notwithstanding any other provision of this part, or of the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), if the Treasurer sells bonds pursuant to this part that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment of earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other

advantage under federal law on behalf of the funds of this state.

CHAPTER 4. GENERAL PROVISIONS.

1179.101. The people hereby find and declare that, inasmuch as the proceeds from the sale of bonds authorized by this part are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

1179.102. Notwithstanding any other provision of this part, the provisions of this part are severable. If any provision of this part or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

PROPOSITION 5

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure amends a section of the California Constitution and amends and adds sections to the Revenue and Taxation Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. This act shall be known, and shall be cited, as the People's Initiative to Protect Proposition 13 Savings.

SEC. 2. Section 2 of Article XIII A of the California Constitution is amended to read:

SEC. 2. (a) (1) The "full cash value" means the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975-76 full cash value may be reassessed to reflect that valuation. For purposes of this section, "newly constructed" does not include real property that is reconstructed after a disaster, as declared by the Governor, where the

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fair market value of the real property, as reconstructed, is comparable to its fair market value prior to the disaster. For purposes of this section, the term "newly constructed" does not include that portion of an existing structure that consists of the construction or reconstruction of seismic retrofitting components, as defined by the Legislature.

~~However, the~~

(2) On and after November 5, 1986, and until January 1, 2019, the Legislature may provide that, under appropriate circumstances and pursuant to definitions and procedures established by the Legislature, any person over the age of 55 years who resides in property that is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII and any implementing legislation may transfer the base year value of the property entitled to exemption, with the adjustments authorized by subdivision (b), to any replacement dwelling of equal or lesser value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property. For

(3) (A) For purposes of this section, ~~any~~ the following definitions shall apply:

(i) "Any person over the age of 55 years" includes a married couple one member of which is over the age of 55 years. ~~For purposes of this section, "replacement~~

(ii) "Replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, and any land on which it may be situated. For purposes of this section, a two-dwelling unit shall be considered as two separate single-family dwellings. ~~This~~

(B) This paragraph shall apply to any replacement dwelling that was purchased or newly constructed on or after November 5, 1986.

~~In addition, the~~

(4) On and after November 9, 1988, and until January 1, 2019, the Legislature may authorize each county board of supervisors, after consultation with the local affected agencies within the county's boundaries, to adopt an ordinance making the provisions of this subdivision relating to transfer of base year value also applicable to situations in which the

replacement dwellings are located in that county and the original properties are located in another county within this State. For purposes of this paragraph, "local affected agency" means any city, special district, school district, or community college district that receives an annual property tax revenue allocation. This paragraph applies to any replacement dwelling that was purchased or newly constructed on or after the date the county adopted the provisions of this subdivision relating to transfer of base year value, but does not apply to any replacement dwelling that was purchased or newly constructed before November 9, 1988.

~~The~~

(5) On and after June 6, 1990, and until January 1, 2019, the Legislature may extend the provisions of this subdivision relating to the transfer of base year values from original properties to replacement dwellings of homeowners over the age of 55 years to severely disabled homeowners, but only with respect to those replacement dwellings purchased or newly constructed on or after the effective date of this paragraph.

(6) (A) On and after January 1, 2019, subject to applicable procedures and definitions as provided by statute, the base year value of property that is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII of any person over 55 years of age or any severely disabled homeowner shall be transferred to any replacement dwelling, regardless of the number of prior transfers, the value of the replacement dwelling or whether the replacement dwelling is located within the same county, that is purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property.

(B) For purposes of this paragraph, the following shall apply:

(i) For any replacement dwelling of greater value and purchased or newly constructed by a person eligible to transfer the base year value of his or her original property, the base year value of the replacement dwelling shall be calculated by adding the difference between the full cash value of the original property and the full cash value of the replacement dwelling to the base year value of the original property.

(ii) For any replacement dwelling of equal or lesser value purchased or newly constructed by a person eligible to transfer the base year value of his or her original property, the base year value of the replacement dwelling shall be calculated by dividing the base year value of the original property by the full cash value of the original property, and multiplying the result by the full cash value of the replacement dwelling.

(b) The full cash value base may reflect from year to year the inflationary rate not to exceed 2 percent for any given year or reduction as shown in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced to reflect substantial damage, destruction, or other factors causing a decline in value.

(c) For purposes of subdivision (a), the Legislature may provide that the term "newly constructed" does not include any of the following:

(1) The construction or addition of any active solar energy system.

(2) The construction or installation of any fire sprinkler system, other fire extinguishing system, fire detection system, or fire-related egress improvement, as defined by the Legislature, that is constructed or installed after the effective date of this paragraph.

(3) The construction, installation, or modification on or after the effective date of this paragraph of any portion or structural component of a single- or multiple-family dwelling that is eligible for the homeowner's exemption if the construction, installation, or modification is for the purpose of making the dwelling more accessible to a severely disabled person.

(4) The construction, installation, removal, or modification on or after the effective date of this paragraph of any portion or structural component of an existing building or structure if the construction, installation, removal, or modification is for the purpose of making the building more accessible to, or more usable by, a disabled person.

(5) The construction or addition, completed on or after January 1, 2019, of a rain water capture system, as defined by the Legislature.

(d) For purposes of this section, the term "change in ownership" does not include the

acquisition of real property as a replacement for comparable property if the person acquiring the real property has been displaced from the property replaced by eminent domain proceedings, by acquisition by a public entity, or governmental action that has resulted in a judgment of inverse condemnation. The real property acquired shall be deemed comparable to the property replaced if it is similar in size, utility, and function, or if it conforms to state regulations defined by the Legislature governing the relocation of persons displaced by governmental actions. This subdivision applies to any property acquired after March 1, 1975, but affects only those assessments of that property that occur after the provisions of this subdivision take effect.

(e) (1) (A) Notwithstanding any other provision of this section, the Legislature shall provide that the base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property within the same county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property.

~~(2)~~

(B) Except as provided in ~~paragraph (3)~~, ~~subparagraph (C)~~, this ~~subdivision~~ ~~paragraph~~ applies to any comparable replacement property acquired or newly constructed on or after July 1, 1985, *until January 1, 2019*, and to the determination of base year values for the 1985-86 fiscal year and fiscal years ~~thereafter~~ *until the 2018-19 fiscal year*.

~~(3)~~

(C) (i) In addition to the transfer of base year value of property within the same county that is permitted by ~~paragraph (1)~~, ~~subparagraph (A)~~, the Legislature may authorize each county board of supervisors to adopt, after consultation with affected local agencies within the county, an ordinance allowing the transfer of the base year value of property that is located within another county in the State and is substantially damaged or destroyed by a disaster, as declared by the Governor, to comparable replacement property of equal or lesser value that is located within the adopting county and is acquired or newly constructed within three years of the substantial damage or destruction of the original property as a replacement for that property. The scope

and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to this paragraph shall not exceed the scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to subdivision (a). For purposes of this paragraph, *subparagraph*, "affected local agency" means any city, special district, school district, or community college district that receives an annual allocation of ad valorem property tax revenues.

This paragraph

(ii) This subparagraph applies to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster, as declared by the Governor, occurring on or after October 20, 1991, and before January 1, 2019; and to the determination of base year values for the 1991–92 fiscal year and fiscal years thereafter until the 2018–19 fiscal year.

(2) (A) Notwithstanding any other provision of this section, on and after January 1, 2019, the base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor, shall be transferred to any property that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property, regardless of whether that replacement property is comparable, as specified in paragraph (2) of subdivision (f), or whether the replacement property is located within the same county.

(B) For purposes of this paragraph, the following shall apply:

(i) For any replacement property of greater value and purchased or newly constructed by a person eligible to transfer the base year value of his or her original property, the base year value of the replacement property shall be calculated by adding the difference between the full cash value of the original property and the full cash value of the replacement property to the base year value of the original property.

(ii) For any replacement property of equal or lesser value purchased or newly constructed by a person eligible to transfer the base year value of his or her original property, the base year value of the replacement property shall be calculated by dividing the base year value of the

original property by the full cash value of the original property, and multiplying the result by the full cash value of the replacement property.

(f) For the purposes of subdivision (e):

(1) Property is substantially damaged or destroyed if it sustains physical damage amounting to more than 50 percent of its value immediately before the disaster. Damage includes a diminution in the value of property as a result of restricted access caused by the disaster.

(2) Replacement property is comparable to the property substantially damaged or destroyed if it is similar in size, utility, and function to the property that it replaces, and if the fair market value of the acquired property is comparable to the fair market value of the replaced property prior to the disaster.

(g) For purposes of subdivision (a), the terms "purchased" and "change in ownership" do not include the purchase or transfer of real property between spouses since March 1, 1975, including, but not limited to, all of the following:

(1) Transfers to a trustee for the beneficial use of a spouse, or the surviving spouse of a deceased transferor, or by a trustee of such a trust to the spouse of the trustor.

(2) Transfers to a spouse that take effect upon the death of a spouse.

(3) Transfers to a spouse or former spouse in connection with a property settlement agreement or decree of dissolution of a marriage or legal separation.

(4) The creation, transfer, or termination, solely between spouses, of any coowner's interest.

(5) The distribution of a legal entity's property to a spouse or former spouse in exchange for the interest of the spouse in the legal entity in connection with a property settlement agreement or a decree of dissolution of a marriage or legal separation.

(h) (1) For purposes of subdivision (a), the terms "purchased" and "change in ownership" do not include the purchase or transfer of the principal residence of the transferor in the case of a purchase or transfer between parents and their children, as defined by the Legislature, and the purchase or transfer of the first one million dollars (\$1,000,000) of the full cash value of all other real property between

parents and their children, as defined by the Legislature. This subdivision applies to both voluntary transfers and transfers resulting from a court order or judicial decree.

(2) (A) Subject to subparagraph (B), commencing with purchases or transfers that occur on or after the date upon which the measure adding this paragraph becomes effective, the exclusion established by paragraph (1) also applies to a purchase or transfer of real property between grandparents and their grandchild or grandchildren, as defined by the Legislature, that otherwise qualifies under paragraph (1), if all of the parents of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of the purchase or transfer.

(B) A purchase or transfer of a principal residence shall not be excluded pursuant to subparagraph (A) if the transferee grandchild or grandchildren also received a principal residence, or interest therein, through another purchase or transfer that was excludable pursuant to paragraph (1). The full cash value of any real property, other than a principal residence, that was transferred to the grandchild or grandchildren pursuant to a purchase or transfer that was excludable pursuant to paragraph (1), and the full cash value of a principal residence that fails to qualify for exclusion as a result of the preceding sentence, shall be included in applying, for purposes of subparagraph (A), the one-million-dollar (\$1,000,000) full cash value limit specified in paragraph (1).

(i) (1) Notwithstanding any other provision of this section, *except as otherwise provided in paragraph (5)*, the Legislature shall provide with respect to a qualified contaminated property, as defined in paragraph (2), that either, but not both, of the following apply:

(A) (i) Subject to the limitation of clause (ii), *on and after November 4, 1998, and until January 1, 2019*, the base year value of the qualified contaminated property, as adjusted as authorized by subdivision (b), may be transferred to a replacement property that is acquired or newly constructed as a replacement for the qualified contaminated property, if the replacement real property has a fair market value that is equal to or less than the fair market

value of the qualified contaminated property if that property were not contaminated and, except as otherwise provided by this clause, is located within the same county. The base year value of the qualified contaminated property may be transferred to a replacement real property located within another county if the board of supervisors of that other county has, after consultation with the affected local agencies within that county, adopted a resolution authorizing an intercounty transfer of base year value as so described.

(ii) This subparagraph applies only to replacement property that is acquired or newly constructed within five years after ownership in the qualified contaminated property is sold or otherwise transferred.

(B) In the case in which the remediation of the environmental problems on the qualified contaminated property requires the destruction of, or results in substantial damage to, a structure located on that property, the term "new construction" does not include the repair of a substantially damaged structure, or the construction of a structure replacing a destroyed structure on the qualified contaminated property, performed after the remediation of the environmental problems on that property, provided that the repaired or replacement structure is similar in size, utility, and function to the original structure.

(2) For purposes of this subdivision, "qualified contaminated property" means residential or nonresidential real property that is all of the following:

(A) In the case of residential real property, rendered uninhabitable, and in the case of nonresidential real property, rendered unusable, as the result of either environmental problems, in the nature of and including, but not limited to, the presence of toxic or hazardous materials, or the remediation of those environmental problems, except where the existence of the environmental problems was known to the owner, or to a related individual or entity as described in paragraph (3), at the time the real property was acquired or constructed. For purposes of this subparagraph, residential real property is "uninhabitable" if that property, as a result of health hazards caused by or associated with the environmental problems, is unfit for human habitation, and nonresidential real

property is "unusable" if that property, as a result of health hazards caused by or associated with the environmental problems, is unhealthy and unsuitable for occupancy.

(B) Located on a site that has been designated as a toxic or environmental hazard or as an environmental cleanup site by an agency of the State of California or the federal government.

(C) Real property that contains a structure or structures thereon prior to the completion of environmental cleanup activities, and that structure or structures are substantially damaged or destroyed as a result of those environmental cleanup activities.

(D) Stipulated by the lead governmental agency, with respect to the environmental problems or environmental cleanup of the real property, not to have been rendered uninhabitable or unusable, as applicable, as described in subparagraph (A), by any act or omission in which an owner of that real property participated or acquiesced.

(3) It shall be rebuttably presumed that an owner of the real property participated or acquiesced in any act or omission that rendered the real property uninhabitable or unusable, as applicable, if that owner is related to any individual or entity that committed that act or omission in any of the following ways:

(A) Is a spouse, parent, child, grandparent, grandchild, or sibling of that individual.

(B) Is a corporate parent, subsidiary, or affiliate of that entity.

(C) Is an owner of, or has control of, that entity.

(D) Is owned or controlled by that entity.

If this presumption is not overcome, the owner shall not receive the relief provided for in subparagraph (A) or (B) of paragraph (1). The presumption may be overcome by presentation of satisfactory evidence to the assessor, who shall not be bound by the findings of the lead governmental agency in determining whether the presumption has been overcome.

(4) This subdivision applies only to replacement property that is acquired or constructed on or after January 1, 1995, and to property repairs performed on or after that date.

(5) (A) *Notwithstanding any other provision of this section, on and after January 1, 2019, and subject to the limitation of clause (ii) of*

subparagraph (A) of paragraph (1), the base year value of the qualified contaminated property shall be transferred to a replacement property that is acquired or newly constructed as a replacement for the qualified contaminated property, regardless of whether the replacement real property has a fair market value that is equal to or less than the fair market value of the qualified contaminated property if that property were not contaminated or whether the replacement property is located within the same county.

(B) *For purposes of this paragraph, the following shall apply:*

(i) *For any replacement property of greater value and purchased or newly constructed by a person eligible to transfer the base year value of his or her original property pursuant to this clause, the base year value of the replacement property shall be calculated by adding the difference between the full cash value of the original property and the full cash value of the replacement property to the base year value of the original property.*

(ii) *For any replacement property of equal or lesser value purchased or newly constructed by a person eligible to transfer the base year value of his or her original property pursuant to this clause, the base year value of the replacement property shall be calculated by dividing the base year value of the original property by the full cash value of the original property, and multiplying the result by the full cash value of the replacement property.*

(j) Unless specifically provided otherwise, amendments to this section adopted prior to November 1, 1988, are effective for changes in ownership that occur, and new construction that is completed, after the effective date of the amendment. Unless specifically provided otherwise, amendments to this section adopted after November 1, 1988, are effective for changes in ownership that occur, and new construction that is completed, on or after the effective date of the amendment.

SEC. 3. Section 69.5 of the Revenue and Taxation Code is amended to read:

69.5. (a) (1) Notwithstanding any other provision of law, pursuant to subdivision (a) of Section 2 of Article XIII A of the California Constitution, any person over the age of 55 years, or any severely and permanently

disabled person, who resides in property that is eligible for the homeowners' exemption under subdivision (k) of Section 3 of Article XIII of the California Constitution and Section 218 may transfer, subject to the conditions and limitations provided in this section, the base year value of that property to any replacement dwelling of equal or lesser value that is located within the same county and is purchased or newly constructed by that person as his or her principal residence within two years of the sale by that person of the original property, provided that the base year value of the original property shall not be transferred to the replacement dwelling until the original property is sold.

(2) Notwithstanding the limitation in paragraph (1) requiring that the original property and the replacement dwelling be located in the same county, this limitation shall not apply in any county in which the county board of supervisors, after consultation with local affected agencies within the boundaries of the county, adopts an ordinance making the provisions of paragraph (1) also applicable to situations in which replacement dwellings are located in that county and the original properties are located in another county within this state. The authorization contained in this paragraph shall be applicable in a county only if the ordinance adopted by the board of supervisors complies with all of the following requirements:

(A) It is adopted only after consultation between the board of supervisors and all other local affected agencies within the county's boundaries.

(B) It requires that all claims for transfers of base year value from original property located in another county be granted if the claims meet the applicable requirements of both subdivision (a) of Section 2 of Article XIII A of the California Constitution and this section.

(C) It requires that all base year valuations of original property located in another county and determined by its assessor be accepted in connection with the granting of claims for transfers of base year value.

(D) It provides that its provisions are operative for a period of not less than five years.

(E) The ordinance specifies the date on and after which its provisions shall be applicable. However, the date specified shall not be earlier than November 9, 1988. The specified

applicable date may be a date earlier than the date the county adopts the ordinance.

(b) In addition to meeting the requirements of subdivision (a), any person claiming the property tax relief provided by this section shall be eligible for that relief only if the following conditions are met:

(1) The claimant is an owner and a resident of the original property either at the time of its sale, or at the time when the original property was substantially damaged or destroyed by misfortune or calamity, or within two years of the purchase or new construction of the replacement dwelling.

(2) The original property is eligible for the homeowners' exemption, as the result of the claimant's ownership and occupation of the property as his or her principal residence, either at the time of its sale, or at the time when the original property was substantially damaged or destroyed by misfortune or calamity, or within two years of the purchase or new construction of the replacement dwelling.

(3) At the time of the sale of the original property, the claimant or the claimant's spouse who resides with the claimant is at least 55 years of age, or is severely and permanently disabled.

(4) At the time of claiming the property tax relief provided by subdivision (a), the claimant is an owner of a replacement dwelling and occupies it as his or her principal place of residence and, as a result thereof, the property is currently eligible for the homeowners' exemption or would be eligible for the exemption except that the property is already receiving the exemption because of an exemption claim filed by the previous owner.

(5) The original property of the claimant is sold by him or her within two years of the purchase or new construction of the replacement dwelling. For purposes of this paragraph, the purchase or new construction of the replacement dwelling includes the purchase of that portion of land on which the replacement building, structure, or other shelter constituting a place of abode of the claimant will be situated and that, pursuant to paragraph (3) of subdivision (g), constitutes a part of the replacement dwelling.

(6) Except as otherwise provided in paragraph (2) of subdivision (a), the replacement dwelling,

including that portion of land on which it is situated that is specified in paragraph (5), is located entirely within the same county as the claimant's original property.

(7) The claimant has not previously been granted, as a claimant, the property tax relief provided by this section, except that this paragraph shall not apply to any person who becomes severely and permanently disabled subsequent to being granted, as a claimant, the property tax relief provided by this section for any person over the age of 55 years. In order to prevent duplication of claims under this section within this state, county assessors shall report quarterly to the State Board of Equalization that information from claims filed in accordance with subdivision (f) and from county records as is specified by the board necessary to identify fully all claims under this section allowed by assessors and all claimants who have thereby received relief. The board may specify that the information include all or a part of the names and social security numbers of claimants and their spouses and the identity and location of the replacement dwelling to which the claim applies. The information may be required in the form of data processing media or other media and in a format that is compatible with the recordkeeping processes of the counties and the auditing procedures of the state.

(c) The property tax relief provided by this section shall be available if the original property or the replacement dwelling, or both, of the claimant includes, but is not limited to, either of the following:

(1) A unit or lot within a cooperative housing corporation, a community apartment project, a condominium project, or a planned unit development. If the unit or lot constitutes the original property of the claimant, the assessor shall transfer to the claimant's replacement dwelling only the base year value of the claimant's unit or lot and his or her share in any common area reserved as an appurtenance of that unit or lot. If the unit or lot constitutes the replacement dwelling of the claimant, the assessor shall transfer the base year value of the claimant's original property only to the unit or lot of the claimant and any share of the claimant in any common area reserved as an appurtenance of that unit or lot.

(2) A manufactured home or a manufactured home and any land owned by the claimant on which the manufactured home is situated. For purposes of this paragraph, "land owned by the claimant" includes a pro rata interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(A) If the manufactured home or the manufactured home and the land on which it is situated constitutes the claimant's original property, the assessor shall transfer to the claimant's replacement dwelling either the base year value of the manufactured home or the base year value of the manufactured home and the land on which it is situated, as appropriate. If the manufactured home dwelling that constitutes the original property of the claimant includes an interest in a resident-owned mobilehome park, the assessor shall transfer to the claimant's replacement dwelling the base year value of the claimant's manufactured home and his or her pro rata portion of the real property of the park. No transfer of base year value shall be made by the assessor of that portion of land that does not constitute a part of the original property, as provided in paragraph (4) of subdivision (g).

(B) If the manufactured home or the manufactured home and the land on which it is situated constitutes the claimant's replacement dwelling, the assessor shall transfer the base year value of the claimant's original property either to the manufactured home or the manufactured home and the land on which it is situated, as appropriate. If the manufactured home dwelling that constitutes the replacement dwelling of the claimant includes an interest in a resident-owned mobilehome park, the assessor shall transfer the base year value of the claimant's original property to the manufactured home of the claimant and his or her pro rata portion of the park. No transfer of base year value shall be made by the assessor to that portion of land that does not constitute a part of the replacement dwelling, as provided in paragraph (3) of subdivision (g).

This subdivision shall be subject to the limitations specified in subdivision (d).

(d) The property tax relief provided by this section shall be available to a claimant who is the coowner of the original property, as a joint

tenant, a tenant in common, a community property owner, or a present beneficiary of a trust subject to the following limitations:

(1) If a single replacement dwelling is purchased or newly constructed by all of the coowners and each coowner retains an interest in the replacement dwelling, the claimant shall be eligible under this section whether or not any or all of the remaining coowners would otherwise be eligible claimants.

(2) If two or more replacement dwellings are separately purchased or newly constructed by two or more coowners and more than one coowner would otherwise be an eligible claimant, only one coowner shall be eligible under this section. These coowners shall determine by mutual agreement which one of them shall be deemed eligible.

(3) If two or more replacement dwellings are separately purchased or newly constructed by two coowners who held the original property as community property, only the coowner who has attained the age of 55 years, or is severely and permanently disabled, shall be eligible under this section. If both spouses are over 55 years of age, they shall determine by mutual agreement which one of them is eligible.

In the case of coowners whose original property is a multiunit dwelling, the limitations imposed by paragraphs (2) and (3) shall only apply to coowners who occupied the same dwelling unit within the original property at the time specified in paragraph (2) of subdivision (b).

(e) Upon the sale of original property, the assessor shall determine a new base year value for that property in accordance with subdivision (a) of Section 2 of Article XIII A of the California Constitution and Section 110.1, whether or not a replacement dwelling is subsequently purchased or newly constructed by the former owner or owners of the original property.

This section shall not apply unless the transfer of the original property is a change in ownership that either (1) subjects that property to reappraisal at its current fair market value in accordance with Section 110.1 or 5803 or (2) results in a base year value determined in accordance with this section, Section 69, or Section 69.3 because the property qualifies under this section, Section 69, or Section 69.3 as a replacement dwelling or property.

(f) (1) A claimant shall not be eligible for the property tax relief provided by this section unless the claimant provides to the assessor, on a form that shall be designed by the State Board of Equalization and that the assessor shall make available upon request, the following information:

(A) The name and social security number of each claimant and of any spouse of the claimant who is a record owner of the replacement dwelling.

(B) Proof that the claimant or the claimant's spouse who resided on the original property with the claimant was, at the time of its sale, at least 55 years of age, or severely and permanently disabled. Proof of severe and permanent disability shall be considered a certification, signed by a licensed physician and surgeon of appropriate specialty, attesting to the claimant's severely and permanently disabled condition. In the absence of available proof that a person is over 55 years of age, the claimant shall certify under penalty of perjury that the age requirement is met. In the case of a severely and permanently disabled claimant either of the following shall be submitted:

(i) A certification, signed by a licensed physician or surgeon of appropriate specialty that identifies specific reasons why the disability necessitates a move to the replacement dwelling and the disability-related requirements, including any locational requirements, of a replacement dwelling. The claimant shall substantiate that the replacement dwelling meets disability-related requirements so identified and that the primary reason for the move to the replacement dwelling is to satisfy those requirements. If the claimant, or the claimant's spouse or guardian, so declares under penalty of perjury, it shall be rebuttably presumed that the primary purpose of the move to the replacement dwelling is to satisfy identified disability-related requirements.

(ii) The claimant's substantiation that the primary purpose of the move to the replacement dwelling is to alleviate financial burdens caused by the disability. If the claimant, or the claimant's spouse or guardian, so declares under penalty of perjury, it shall be rebuttably presumed that the primary purpose of the move is to alleviate the financial burdens caused by the disability.

(C) The address and, if known, the assessor's parcel number of the original property.

(D) The date of the claimant's sale of the original property and the date of the claimant's purchase or new construction of a replacement dwelling.

(E) A statement by the claimant that he or she occupied the replacement dwelling as his or her principal place of residence on the date of the filing of his or her claim.

(F) Any claim under this section shall be filed within three years of the date the replacement dwelling was purchased or the new construction of the replacement dwelling was completed subject to subdivision (k) or (m).

(2) A claim for transfer of base year value under this section that is filed after the expiration of the filing period set forth in subparagraph (F) of paragraph (1) shall be considered by the assessor, subject to all of the following conditions:

(A) Any base year value transfer granted pursuant to that claim shall apply commencing with the lien date of the assessment year in which the claim is filed.

(B) The full cash value of the replacement property in the assessment year described in subparagraph (A) shall be the base year value of the real property in the assessment year in which the base year value was transferred, factored to the assessment year described in subparagraph (A) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property that does not qualify for property tax relief pursuant to the criteria set forth in subparagraphs (A) and (B) of paragraph (4) of subdivision (h).

(g) For purposes of this section:

(1) "Person over the age of 55 years" means any person or the spouse of any person who has attained the age of 55 years or older at the time of the sale of the original property.

(2) "Base year value of the original property" means its base year value, as determined in accordance with Section 110.1, with the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California

Constitution and subdivision (f) of Section 110.1, determined as of the date immediately prior to the date that the original property is sold by the claimant, or in the case where the original property has been substantially damaged or destroyed by misfortune or calamity and the owner does not rebuild on the original property, determined as of the date immediately prior to the misfortune or calamity.

If the replacement dwelling is purchased or newly constructed after the transfer of the original property, "base year value of the original property" also includes any inflation factor adjustments permitted by subdivision (f) of Section 110.1 for the period subsequent to the sale of the original property. The base year or years used to compute the "base year value of the original property" shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(3) "Replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of a replacement dwelling includes only that area of reasonable size that is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate replacement dwelling. For purposes of this paragraph, "area of reasonable size that is used as a site for a residence" includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site. For purposes of this paragraph, "land owned by the claimant" includes an ownership interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(4) "Original property" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant

on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of the original property includes only that area of reasonable size that is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate original property. For purposes of this paragraph, "area of reasonable size that is used as a site for a residence" includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site. For purposes of this paragraph, "land owned by the claimant" includes an ownership interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(5) "Equal or lesser value" means that the amount of the full cash value of a replacement dwelling does not exceed one of the following:

(A) One hundred percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed prior to the date of the sale of the original property.

(B) One hundred and five percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed within the first year following the date of the sale of the original property.

(C) One hundred and ten percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed within the second year following the date of the sale of the original property.

For the purposes of this paragraph, except as otherwise provided in paragraph (4) of subdivision (h), if the replacement dwelling is, in part, purchased and, in part, newly constructed, the date the "replacement dwelling is purchased or newly constructed" is the date of purchase or the date of completion of construction, whichever is later.

(6) "Full cash value of the replacement dwelling" means its full cash value, determined in accordance with Section 110.1, as of the date on which it was purchased or new construction was completed, and after the purchase or the completion of new construction.

(7) "Full cash value of the original property" means, either:

(A) Its new base year value, determined in accordance with subdivision (e), without the application of subdivision (h) of Section 2 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A and subdivision (f) of Section 110.1 for the period from the date of its sale by the claimant to the date on which the replacement property was purchased or new construction was completed.

(B) In the case where the original property has been substantially damaged or destroyed by misfortune or calamity and the owner does not rebuild on the original property, its full cash value, as determined in accordance with Section 110, immediately prior to its substantial damage or destruction by misfortune or calamity, as determined by the county assessor of the county in which the property is located, without the application of subdivision (h) of Section 2 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, for the period from the date of its sale by the claimant to the date on which the replacement property was purchased or new construction was completed.

(8) "Sale" means any change in ownership of the original property for consideration.

(9) "Claimant" means any person claiming the property tax relief provided by this section. If a spouse of that person is a record owner of the replacement dwelling, the spouse is also a claimant for purposes of determining whether in any future claim filed by the spouse under this section the condition of eligibility specified in paragraph (7) of subdivision (b) has been met.

(10) "Property that is eligible for the homeowners' exemption" includes property that is the principal place of residence of its owner and is entitled to exemption pursuant to Section 205.5.

(11) "Person" means any individual, but does not include any firm, partnership, association, corporation, company, or other legal entity or organization of any kind. "Person" includes an individual who is the present beneficiary of a trust.

(12) "Severely and permanently disabled" means any person described in subdivision (b) of Section 74.3.

(13) For the purposes of this section, property is "substantially damaged or destroyed by misfortune or calamity" if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land's or the improvement's full cash value immediately prior to the misfortune or calamity. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the misfortune or calamity and is permanent in nature.

(h) (1) Upon the timely filing of a claim described in subparagraph (F) of paragraph (1) of subdivision (f), the assessor shall adjust the new base year value of the replacement dwelling in conformity with this section. This adjustment shall be made as of the latest of the following dates:

(A) The date the original property is sold.

(B) The date the replacement dwelling is purchased.

(C) The date the new construction of the replacement dwelling is completed.

(2) Any taxes that were levied on the replacement dwelling prior to the filing of the claim on the basis of the replacement dwelling's new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that the taxes exceed the amount that would be due when determined on the basis of the adjusted new base year value.

(3) Notwithstanding Section 75.10, Chapter 3.5 (commencing with Section 75) shall be utilized for purposes of implementing this subdivision, including adjustments of the new base year value of replacement dwellings acquired prior to the sale of the original property.

(4) In the case where a claim under this section has been timely filed and granted, and new construction is performed upon the replacement dwelling subsequent to the transfer of base year value, the property tax relief provided by this section also shall apply to the replacement dwelling, as improved, and thus there shall be no reassessment upon completion of the new

construction if both of the following conditions are met:

(A) The new construction is completed within two years of the date of the sale of the original property and the owner notifies the assessor in writing of completion of the new construction within six months after completion.

(B) The fair market value of the new construction on the date of completion, plus the full cash value of the replacement dwelling on the date of acquisition, is not more than the full cash value of the original property as determined pursuant to paragraph (7) of subdivision (g) for purposes of granting the original claim.

(i) Any claimant may rescind a claim for the property tax relief provided by this section and shall not be considered to have received that relief for purposes of paragraph (7) of subdivision (b), and the assessor shall grant the rescission, if a written notice of rescission is delivered to the office of the assessor as follows:

(1) A written notice of rescission signed by the original filing claimant or claimants is delivered to the office of the assessor in which the original claim was filed.

(2) (A) Except as otherwise provided in this paragraph, the notice of rescission is delivered to the office of the assessor before the date that the county first issues, as a result of relief granted under this section, a refund check for property taxes imposed upon the replacement dwelling. If granting relief will not result in a refund of property taxes, then the notice shall be delivered before payment is first made of any property taxes, or any portion thereof, imposed upon the replacement dwelling consistent with relief granted under this section. If payment of the taxes is not made, then notice shall be delivered before the first date that those property taxes, or any portion thereof, imposed upon the replacement dwelling, consistent with relief granted under this section, are delinquent.

(B) Notwithstanding any other provision in this division, any time the notice of rescission is delivered to the office of the assessor within six years after relief was granted, provided that the replacement property has been vacated as the claimant's principal place of residence within 90 days after the original claim was filed, regardless of whether the property continues to receive the homeowners' exemption. If the rescission increases the base year value of a

property, or the homeowners' exemption has been incorrectly allowed, appropriate escape assessments or supplemental assessments, including interest as provided in Section 506, shall be imposed. The limitations periods for any escape assessments or supplemental assessments shall not commence until July 1 of the assessment year in which the notice of rescission is delivered to the office of the assessor.

(3) The notice is accompanied by the payment of a fee as the assessor may require, provided that the fee shall not exceed an amount reasonably related to the estimated cost of processing a rescission claim, including both direct costs and developmental and indirect costs, such as costs for overhead, personnel, supplies, materials, office space, and computers.

(j) (1) With respect to the transfer of base year value of original properties to replacement dwellings located in the same county, this section, except as provided in paragraph (3) or (4), shall apply to any replacement dwelling that is purchased or newly constructed on or after November 6, 1986.

(2) With respect to the transfer of base year value of original properties to replacement dwellings located in different counties, except as provided in paragraph (4), this section shall apply to any replacement dwelling that is purchased or newly constructed on or after the date specified in accordance with subparagraph (E) of paragraph (2) of subdivision (a) in the ordinance of the county in which the replacement dwelling is located, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988.

(3) With respect to the transfer of base year value by a severely and permanently disabled person, this section shall apply only to replacement dwellings that are purchased or newly constructed on or after June 6, 1990.

(4) The amendments made to subdivision (e) by the act adding this paragraph shall apply only to replacement dwellings under Section 69 that are acquired or newly constructed on or after October 20, 1991, and shall apply commencing with the 1991-92 fiscal year.

(k) (1) In the case in which a county adopts an ordinance pursuant to paragraph (2) of

subdivision (a) that establishes an applicable date which is more than three years prior to the date of adoption of the ordinance, those potential claimants who purchased or constructed replacement dwellings more than three years prior to the date of adoption of the ordinance and who would, therefore, be precluded from filing a timely claim, shall be deemed to have timely filed a claim if the claim is filed within three years after the date that the ordinance is adopted. This paragraph may not be construed as a waiver of any other requirement of this section.

(2) In the case in which a county assessor corrects a base year value to reflect a pro rata change in ownership of a resident-owned mobilehome park that occurred between January 1, 1989, and January 1, 2002, pursuant to paragraph (4) of subdivision (b) of Section 62.1, those claimants who purchased or constructed replacement dwellings more than three years prior to the correction and who would, therefore, be precluded from filing a timely claim, shall be deemed to have timely filed a claim if the claim is filed within three years of the date of notice of the correction of the base year value to reflect the pro rata change in ownership. This paragraph may not be construed as a waiver of any other requirement of this section.

(3) This subdivision does not apply to a claimant who has transferred his or her replacement dwelling prior to filing a claim.

(4) The property tax relief provided by this section, but filed under this subdivision, shall apply prospectively only, commencing with the lien date of the assessment year in which the claim is filed. There shall be no refund or cancellation of taxes prior to the date that the claim is filed.

(l) No escape assessment may be levied if a transfer of base year value under this section has been erroneously granted by the assessor pursuant to an expired ordinance authorizing intercounty transfers of base year value.

(m) (1) The amendments made to subdivisions (b) and (g) of this section by Chapter 613 of the Statutes of 2001 shall apply:

(A) With respect to the transfer of base year value of original properties to replacement dwellings located in the same county, to any

replacement dwelling that is purchased or newly constructed on or after November 6, 1986.

(B) With respect to the transfer of base year value of original properties to replacement dwellings located in different counties, to any replacement dwelling that is purchased or newly constructed on or after the date specified in accordance with subparagraph (E) of paragraph (2) of subdivision (a) in the ordinance of the county in which the replacement dwelling is located, but not to any replacement dwelling that was purchased or newly constructed before November 9, 1988.

(C) With respect to the transfer of base year value by a severely and permanently disabled person, to replacement dwellings that are purchased or newly constructed on or after June 6, 1990.

(2) The property tax relief provided by this section in accordance with this subdivision shall apply prospectively only commencing with the lien date of the assessment year in which the claim is filed. There shall be no refund or cancellation of taxes prior to the date that the claim is filed.

(n) A claim filed under this section is not a public document and is not subject to public inspection, except that a claim shall be available for inspection by the claimant or the claimant's spouse, the claimant's or the claimant's spouse's legal representative, the trustee of a trust in which the claimant or the claimant's spouse is a present beneficiary, and the executor or administrator of the claimant's or the claimant's spouse's estate.

(o) The amendments made to this section by the act adding this subdivision shall apply commencing with the lien date for the 2012-13 fiscal year.

(p) *This section shall remain in effect only until January 1, 2019, and as of that date is repealed.*

SEC. 4. Section 69.5 is added to the Revenue and Taxation Code, to read:

69.5. (a) (1) *Notwithstanding any other law, pursuant to subdivision (a) of Section 2 of Article XIII A of the California Constitution, the base year value of property that is eligible for the homeowners' exemption under subdivision (k) of Section 3 of Article XIII of the California Constitution and Section 218 of any person over*

55 years of age or any severely disabled person, subject to the procedures provided in this section, shall be transferred to any replacement dwelling, regardless of the value of the replacement dwelling or whether the replacement dwelling is located within the same county, that is purchased or newly constructed by that person as his or her principal residence within two years of the sale by that person of the original property, provided that the base year value of the original property shall not be transferred to the replacement dwelling until the original property is sold.

(2) *For purposes of calculating the base year value of a replacement dwelling, the following shall apply:*

(A) *For any replacement dwelling of greater value and purchased or newly constructed by a person eligible to transfer the base year value of his or her original property within two years of the sale of the original property, the base year value of the replacement dwelling shall be calculated by adding the difference between the full cash value of the original property and the full cash value of the replacement dwelling to the base year value of the original property.*

(B) *For any replacement dwelling of equal or lesser value purchased or newly constructed by a person eligible to transfer the base year value of his or her original property within two years of the sale of the original property, the base year value of the replacement dwelling shall be calculated by dividing the base year value of the original property by the full cash value of the original property, and multiplying the result by the full cash value of the replacement dwelling.*

(b) *In addition to meeting the requirements of subdivision (a), any person entitled to the property tax relief provided by this section shall be eligible for that relief only if the following conditions are met:*

(1) *The person is an owner and a resident of the original property either at the time of its sale, or at the time when the original property was substantially damaged or destroyed by misfortune or calamity, or within two years of the purchase or new construction of the replacement dwelling.*

(2) *The original property is eligible for the homeowners' exemption, as the result of the person's ownership and occupation of the property as his or her principal residence, either*

at the time of its sale, or at the time when the original property was substantially damaged or destroyed by misfortune or calamity, or within two years of the purchase or new construction of the replacement dwelling.

(3) At the time of the sale of the original property, the person or his or her spouse who resides with the person is at least 55 years of age, or is severely and permanently disabled.

(4) At the time of filing for the property tax relief provided by subdivision (a), the person is an owner of a replacement dwelling and occupies it as his or her principal place of residence and, as a result thereof, the property is currently eligible for the homeowners' exemption or would be eligible for the exemption except that the property is already receiving the exemption because of an exemption filed by the previous owner.

(5) The original property of the person is sold by him or her within two years of the purchase or new construction of the replacement dwelling. For purposes of this paragraph, the purchase or new construction of the replacement dwelling includes the purchase of that portion of land on which the replacement building, structure, or other shelter constituting a place of abode of the person will be situated and that, pursuant to paragraph (3) of subdivision (g), constitutes a part of the replacement dwelling.

(c) (1) The property tax relief provided by this section shall be available if the original property or the replacement dwelling, or both, of the person includes, but is not limited to, either of the following:

(A) A unit or lot within a cooperative housing corporation, a community apartment project, a condominium project, or a planned unit development. If the unit or lot constitutes the original property of the person, the assessor shall transfer to the person's replacement dwelling only the base year value of the person's unit or lot and his or her share in any common area reserved as an appurtenance of that unit or lot. If the unit or lot constitutes the replacement dwelling of the person, the assessor shall transfer the base year value of the person's original property only to the unit or lot of the claimant and any share of the person in any common area reserved as an appurtenance of that unit or lot.

(B) A manufactured home or a manufactured home and any land owned by the person on which the manufactured home is situated. For purposes of this paragraph, "land owned by the person" includes a pro rata interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(i) If the manufactured home or the manufactured home and the land on which it is situated constitutes the person's original property, the assessor shall transfer to the person's replacement dwelling either the base year value of the manufactured home or the base year value of the manufactured home and the land on which it is situated, as appropriate. If the manufactured home dwelling that constitutes the original property of the person includes an interest in a resident-owned mobilehome park, the assessor shall transfer to the person's replacement dwelling the base year value of the person's manufactured home and his or her pro rata portion of the real property of the park. No transfer of base year value shall be made by the assessor of that portion of land that does not constitute a part of the original property, as provided in paragraph (4) of subdivision (g).

(ii) If the manufactured home or the manufactured home and the land on which it is situated constitutes the claimant's replacement dwelling, the assessor shall transfer the base year value of the claimant's original property either to the manufactured home or the manufactured home and the land on which it is situated, as appropriate. If the manufactured home dwelling that constitutes the replacement dwelling of the claimant includes an interest in a resident-owned mobilehome park, the assessor shall transfer the base year value of the claimant's original property to the manufactured home of the claimant and his or her pro rata portion of the park. No transfer of base year value shall be made by the assessor to that portion of land that does not constitute a part of the replacement dwelling, as provided in paragraph (3) of subdivision (g).

(2) This subdivision shall be subject to the limitations specified in subdivision (d).

(d) The property tax relief provided by this section shall be available to a person who is the coowner of the original property, as a joint

tenant, a tenant in common, a community property owner, or a present beneficiary of a trust subject to the following limitations:

(1) If a single replacement dwelling is purchased or newly constructed by all of the coowners and each coowner retains an interest in the replacement dwelling, the person filing for the transfer of base year value shall be eligible under this section whether or not any or all of the remaining coowners would otherwise be eligible.

(2) If two or more replacement dwellings are separately purchased or newly constructed by two or more coowners and more than one coowner would otherwise be eligible to transfer base year value pursuant to this section, all coowners shall have the base year value of the original property transferred to any replacement dwelling in proportion to their ownership interest in the original property.

(3) If two or more replacement dwellings are separately purchased or newly constructed by two coowners who held the original property as community property, only the coowner who has attained 55 years of age, or is severely and permanently disabled, shall be eligible under this section. If both spouses are over 55 years of age, the base year value of the original property shall be transferred to any replacement dwelling in proportion to their ownership interest in the original property.

(4) In the case of coowners whose original property is a multiunit dwelling, the limitations imposed by paragraphs (2) and (3) shall only apply to coowners who occupied the same dwelling unit within the original property at the time specified in paragraph (2) of subdivision (b).

(e) Upon the sale of original property, the assessor shall determine a new base year value for that property in accordance with subdivision (a) of Section 2 of Article XIII A of the California Constitution and Section 110.1, whether or not a replacement dwelling is subsequently purchased or newly constructed by the former owner or owners of the original property. This section shall not apply unless the transfer of the original property is a change in ownership that either (1) subjects that property to reappraisal at its current fair market value in accordance with Section 110.1 or 5803 or (2) results in a base year value determined in accordance with

this section, Section 69, or Section 69.3, because the property qualifies under this section, Section 69, or Section 69.3 as a replacement dwelling or property.

(f) (1) A person entitled the property tax relief provided by this section shall provide to the assessor, on a form that shall be designed by the State Board of Equalization and that the assessor shall make available upon purchase of the replacement dwelling at the time in which the replacement dwelling would ordinarily be subject to reappraisal at its current fair market value, the following information:

(A) The name and social security number of each person who resides at the property and who is eligible for the homeowner's exemption.

(B) Proof that the person or his or her spouse who resided on the original property with the person was, at the time of its sale, at least 55 years of age, or severely and permanently disabled. Proof of severe and permanent disability shall be considered a certification, signed by a licensed physician and surgeon of appropriate specialty, attesting to the claimant's severely and permanently disabled condition. In the absence of available proof that a person is over 55 years of age, the person shall certify under penalty of perjury that the age requirement is met. In the case of a severely and permanently disabled person either of the following shall be submitted:

(i) A certification, signed by a licensed physician or surgeon of appropriate specialty that identifies specific reasons why the disability necessitates a move to the replacement dwelling and the disability-related requirements, including any locational requirements, of a replacement dwelling. The person shall substantiate that the replacement dwelling meets disability-related requirements so identified and that the primary reason for the move to the replacement dwelling is to satisfy those requirements. If the person, or his or her spouse or guardian, so declares under penalty of perjury, it shall be rebuttably presumed that the primary purpose of the move to the replacement dwelling is to satisfy identified disability-related requirements.

(ii) The person's substantiation that the primary purpose of the move to the replacement dwelling is to alleviate financial burdens caused by the disability. If the person, or his or her spouse or

guardian, so declares under penalty of perjury, it shall be rebuttably presumed that the primary purpose of the move is to alleviate the financial burdens caused by the disability.

(C) The address and, if known, the assessor's parcel number of the original property.

(D) The date of the sale of the person's original property and the date of the purchase or new construction of a replacement dwelling.

(E) A statement by the person that he or she occupied the replacement dwelling as his or her principal place of residence on the date of the filing of his or her claim.

(2) The form required by this subdivision shall be filed within three years of the date the replacement dwelling was purchased or the new construction of the replacement dwelling was completed. Any form filed after the expiration of the filing period set forth in this paragraph shall be considered by the assessor, subject to all of the following conditions:

(A) Any base year value transfer granted pursuant to that filing shall apply commencing with the lien date of the assessment year in which the form is filed.

(B) The full cash value of the replacement property in the assessment year described in subparagraph (A) shall be the base year value of the real property in the assessment year in which the base year value was transferred, factored to the assessment year described in subparagraph (A) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property that does not qualify for property tax relief pursuant to the criteria set forth in paragraph (4) of subdivision (h).

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

(1) "Person over 55 years of age" means any person or the spouse of any person who has attained 55 years of age or older at the time of the sale of the original property.

(2) (A) "Base year value of the original property" means its base year value, as determined in accordance with Section 110.1, with the adjustments permitted by subdivision

(b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, determined as of the date immediately prior to the date that the original property is sold by the claimant, or in the case where the original property has been substantially damaged or destroyed by misfortune or calamity and the owner does not rebuild on the original property, determined as of the date immediately prior to the misfortune or calamity.

(B) If the replacement dwelling is purchased or newly constructed after the transfer of the original property, "base year value of the original property" also includes any inflation factor adjustments permitted by subdivision (f) of Section 110.1 for the period subsequent to the sale of the original property. The base year or years used to compute the "base year value of the original property" shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(3) "Replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a person as his or her principal place of residence, and any land owned by the person on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of a replacement dwelling includes only that area of reasonable size that is used as a site for a residence, and "land owned by the person" includes land for which the person either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate replacement dwelling. For purposes of this paragraph, "area of reasonable size that is used as a site for a residence" includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site. For purposes of this paragraph, "land owned by the person" includes an ownership interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(4) "Original property" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a person as his or her principal place of residence,

and any land owned by the person on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of the original property includes only that area of reasonable size that is used as a site for a residence, and "land owned by the person" includes land for which the person either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate original property. For purposes of this paragraph, "area of reasonable size that is used as a site for a residence" includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site. For purposes of this paragraph, "land owned by the person" includes an ownership interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(5) "Full cash value of the replacement dwelling" means its full cash value, determined in accordance with Section 110.1, as of the date on which it was purchased or new construction was completed, and after the purchase or the completion of new construction.

(6) "Full cash value of the original property" means, either:

(A) Its new base year value, determined in accordance with subdivision (e), without the application of subdivision (h) of Section 2 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A and subdivision (f) of Section 110.1 for the period from the date of its sale by the person to the date on which the replacement property was purchased or new construction was completed.

(B) In the case where the original property has been substantially damaged or destroyed by misfortune or calamity and the owner does not rebuild on the original property, its full cash value, as determined in accordance with Section 110, immediately prior to its substantial damage or destruction by misfortune or calamity, as determined by the county assessor of the county in which the property is located, without the application of subdivision (h) of Section 2 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of

Section 110.1, for the period from the date of its sale by the person to the date on which the replacement property was purchased or new construction was completed.

(7) "Sale" means any change in ownership of the original property for consideration.

(8) "Person" means any individual, but not any firm, partnership, association, corporation, company, or other legal entity or organization of any kind, who files for the property tax relief provided by this section. "Person" includes an individual who is the present beneficiary of a trust.

(9) "Property that is eligible for the homeowners' exemption" includes property that is the principal place of residence of its owner and is entitled to exemption pursuant to Section 205.5.

(10) Property is "substantially damaged or destroyed by misfortune or calamity" if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land's or the improvement's full cash value immediately prior to the misfortune or calamity. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the misfortune or calamity and is permanent in nature.

(h) (1) Upon the timely filing of a form, as described in subdivision (f), the assessor shall adjust the new base year value of the replacement dwelling in conformity with this section. This adjustment shall be made as of the latest of the following dates:

(A) The date the original property is sold.

(B) The date the replacement dwelling is purchased.

(C) The date the new construction of the replacement dwelling is completed.

(2) Any taxes that were levied on the replacement dwelling prior to the filing for the property tax relief provided by this section on the basis of the replacement dwelling's new base year value, and any allowable annual adjustments to that new base year value, shall be canceled or refunded to the person to the extent that the taxes exceed the amount that would be due when determined on the basis of the adjusted new base year value.

(3) *Notwithstanding Section 75.10, Chapter 3.5 (commencing with Section 75) shall be utilized for purposes of implementing this subdivision, including adjustments of the new base year value of replacement dwellings acquired prior to the sale of the original property.*

(4) *In the case where a form under this section has been timely filed, and new construction is performed upon the replacement dwelling subsequent to the transfer of base year value, the property tax relief provided by this section also shall apply to the replacement dwelling, as improved, and thus there shall be no reassessment upon completion of the new construction if the new construction is completed within two years of the date of the sale of the original property and the owner notifies the assessor in writing of completion of the new construction within six months after completion.*

(i) *With respect to the transfer of the base year value of original properties to replacement dwellings, this section shall apply to any replacement dwelling that is purchased or newly constructed on or after January 1, 2019.*

(j) *A form filed under this section is not a public document and is not subject to public inspection, except that the form shall be available for inspection by the person or his or her spouse, the person's or his or her spouse's legal representative, the trustee of a trust in which the person or his or her spouse is a present beneficiary, and the executor or administrator of the person's or his or her spouse's estate.*

(k) *This section shall become operative on January 1, 2019.*

SEC. 5. The statutory provisions of this measure may be amended by a two-thirds vote of the members of each house of the Legislature and signed by the Governor so long as the amendments are consistent with and further the intent of this act.

SEC. 6. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

PROPOSITION 6

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds a section to the California Constitution; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Statement of Findings and Purposes.

(a) California's taxes on gasoline and car ownership are among the highest in the nation.

(b) These taxes have been raised without the consent of the people.

(c) Therefore, the people hereby amend the Constitution to require voter approval of the recent increase in the gas and car tax enacted by Chapter 5 of the Statutes of 2017 and any future increases in the gas and car tax.

SEC. 2. Voter Approval for Increases in Gas and Car Tax.

SEC. 2.1. Section 3.5 is added to Article XIII A of the California Constitution, to read:

SEC. 3.5. (a) Notwithstanding any other provision of law, the Legislature shall not impose, increase or extend any tax, as defined in Section 3, on the sale, storage, use, or consumption of motor vehicle gasoline or diesel fuel, or on the privilege of a resident of California to operate on the public highways a vehicle or trailer coach, unless and until that proposed tax is submitted to the electorate and approved by a majority vote.

(b) This section does not apply to taxes on motor vehicle gasoline or diesel fuel, or on the privilege of operating a vehicle or trailer coach at the rates that were in effect on January 1, 2017. Any increase in the rate of such taxes imposed after January 1, 2017, shall cease to be imposed unless and until approved by the electorate as required by this section.

PROPOSITION 7

This law proposed by Assembly Bill 807 of the 2017–2018 Regular Session (Chapter 60, Statutes of 2018) is submitted to the people in

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accordance with Section 10 of Article II of the California Constitution.

This proposed law adds a section to the Government Code and repeals sections of the Daylight Saving Time Act; therefore, provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. If federal law authorizes the state to provide for the year-round application of daylight saving time and the Legislature considers the adoption of this application, it is the intent of this act to encourage the Legislature to consider the potential impacts of year-round daylight saving time on communities along the border between California and other states and between California and Mexico.

SEC. 2. Section 6808 is added to the Government Code, to read:

6808. (a) The standard time within the state is that of the fifth zone designated by federal law as Pacific standard time (15 U.S.C. Secs. 261 and 263).

(b) The standard time within the state shall advance by one hour during the daylight saving time period commencing at 2 a.m. on the second Sunday of March of each year and ending at 2 a.m. on the first Sunday of November of each year.

(c) Notwithstanding subdivision (b), the Legislature may amend this section by a two-thirds vote to change the dates and times of the daylight saving time period, consistent with federal law, and, if federal law authorizes the state to provide for the year-round application of daylight saving time, the Legislature may amend this section by a two-thirds vote to provide for that application.

SEC. 3. Section 1 of the Daylight Saving Time Act is repealed.

~~Section 1. This act shall be known and may be cited as the Daylight Saving Time Act.~~

SEC. 4. Section 2 of the Daylight Saving Time Act is repealed.

~~Section 2. The standard time within the State, except as hereinafter provided, is that of the One Hundred and Twentieth (120th) degree of longitude west from Greenwich and which is~~

~~now known, described and designated by Act of Congress as "United States Standard Pacific Time."~~

SEC. 5. Section 3 of the Daylight Saving Time Act is repealed.

~~Sec. 3. From 1 o'clock antemeridian on the last Sunday of April, until 2 o'clock antemeridian on the last Sunday of October, the standard time in this State so established shall be one hour in advance of the standard time now known as United States Standard Pacific time.~~

SEC. 6. Section 4 of the Daylight Saving Time Act is repealed.

~~Section 4. In all laws, statutes, orders, decrees, rules and regulations relating to the time of performance of any act by any officer or department of this State, or of any county, city and county, city, town or district thereof or relating to the time in which any rights shall accrue or determine, or within which any act shall or shall not be performed by any person subject to the jurisdiction of the State, and in all the public schools and in all other institutions of this State, or of any county, city and county, city, town or district thereof, and in all contracts or choses in actions made or to be performed in this State, the time shall be as set forth in this act and it shall be so understood and intended.~~

SEC. 7. Section 5 of the Daylight Saving Time Act is repealed.

~~SECTION 5. All acts in conflict herewith are hereby repealed.~~

PROPOSITION 8

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Name.

This act shall be known as the "Fair Pricing for Dialysis Act."

SEC. 2. Findings and Purposes.

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This act, adopted by the people of the State of California, makes the following findings and has the following purposes:

(a) The people make the following findings:

(1) Kidney dialysis is a process where blood is cleaned of waste and excess water, usually through a machine outside the patient's body, and then returned to the patient. If someone who needs dialysis cannot obtain or afford high quality care, toxins build up in the body, leading to death.

(2) In California, at least 66,000 Californians undergo dialysis treatment.

(3) Just two multinational, for-profit corporations operate or manage nearly three-quarters of dialysis clinics in California and treat almost 70 percent of dialysis patients in California. These two multinational corporations annually earn billions of dollars from their dialysis operations, including almost \$400 million each year in California alone.

(4) Because federal law mandates that private health insurance companies offer and pay for dialysis, private insurance companies have little ability to bargain with the two multinational dialysis corporations on behalf of their customers.

(5) Thus, for-profit dialysis corporations charge patients with private health insurance four times as much as they charge Medicare for the very same dialysis treatment, resulting in vast profits.

(6) In a market dominated by just two multinational corporations, California must ensure that dialysis is fairly priced and affordable.

(7) Other states have taken steps to protect these very vulnerable patients from these two multinational corporations.

(8) Efforts to enact protections for kidney dialysis patients in California have been stymied in Sacramento by the dialysis corporations, which spent over \$600,000 in just the first six months of 2017 to influence the California Legislature.

(b) Purposes:

(1) It is the purpose of this act to ensure that outpatient kidney dialysis clinics provide quality and affordable patient care to people suffering from end stage renal disease.

(2) This act is intended to be budget neutral for the state to implement and administer.

SEC. 3. Section 1226.7 is added to the Health and Safety Code, to read:

1226.7. (a) Reasonable limits on charges for patient care by chronic dialysis clinics; rebates of amounts charged in excess of fair treatment payment amount.

(1) For purposes of this section, the "fair treatment payment amount" shall be an amount equal to 115 percent of the sum of all direct patient care services costs and all health care quality improvement costs incurred by a governing entity and its chronic dialysis clinics.

(2) For each fiscal year starting on or after January 1, 2019, a governing entity or its chronic dialysis clinics shall annually issue rebates to payers as follows:

(A) The governing entity shall calculate the "unfair excess charged amount," which shall be the amount, if any, by which treatment revenue from treatments provided by all of the governing entity's chronic dialysis clinics exceeds the fair treatment payment amount.

(B) The governing entity or its chronic dialysis clinics shall, on a pro rata basis based on the amounts paid and reasonably estimated to be paid, as those amounts are included in treatment revenue, issue rebates to payers (other than Medicare or other federal, state, county, city, or local government payers) in amounts that total the unfair excess charged amount.

(C) The governing entity or chronic dialysis clinic shall issue any rebates required by this section no less than 90 days and no more than 210 days after the end of its fiscal year to which the rebate relates.

(D) If, in any fiscal year, the rebate the governing entity or chronic dialysis clinic must issue to a single payer is less than twenty dollars (\$20), the governing entity or chronic dialysis clinic shall not issue that rebate and shall provide to other payers in accordance with subparagraph (B) the total amount of rebates not issued pursuant to this subparagraph.

(E) For each fiscal year starting on or after January 1, 2020, any rebate issued to a payer shall be issued together with interest thereon at the rate of interest specified in subdivision (b)

of Section 3289 of the Civil Code, which shall accrue from the date of payment by the payer.

(3) For each fiscal year starting on or after January 1, 2019, a governing entity shall maintain and provide to the department, on a form and schedule prescribed by the department, a report of all rebates issued under paragraph (2), including a description of each instance during the period covered by the submission when the rebate required under paragraph (2) was not timely issued in full, and the reasons and circumstances therefor. The chief executive officer or principal officer of the governing entity shall certify under penalty of perjury that he or she is satisfied, after review, that all information submitted to the department under this paragraph is accurate and complete.

(4) In the event a governing entity or its chronic dialysis clinic is required to issue a rebate under this section, no later than 210 days after the end of its fiscal year the governing entity shall pay a penalty to the department in an amount equal to 5 percent of the unfair excess charged amount, provided that the penalty shall not exceed one hundred thousand dollars (\$100,000). Penalties collected pursuant to this paragraph shall be used by the department to implement and enforce laws governing chronic dialysis clinics.

(5) If a chronic dialysis clinic or governing entity disputes a determination by the department to assess a penalty pursuant to this subdivision or subdivision (b), or the amount of an administrative penalty, the chronic dialysis clinic or governing entity may, within 10 working days, request a hearing pursuant to Section 131071. A chronic dialysis clinic or governing entity shall pay all administrative penalties when all appeals have been exhausted and the department's position has been upheld.

(6) If a governing entity or chronic dialysis clinic proves in any court action that application of this section to the chronic dialysis clinic or governing entity will, in any particular fiscal year, violate due process or effect a taking of private property requiring just compensation under the Constitution of this state or the Constitution of the United States, the provision at issue shall apply to the governing entity or chronic dialysis clinic, except that as to the fiscal year in question the number "115" whenever it appears in the provision at issue

shall be replaced by the lowest possible whole number such that application of the provision to the governing entity or chronic dialysis clinic will not violate due process or effect a taking of private property requiring just compensation. In any civil action, the burden shall be on the governing entity or chronic dialysis clinic to propose a replacement number and to prove that replacing "115" with any whole number lower than the proposed replacement number would, for the fiscal year in question, violate due process or effect a taking of private property requiring just compensation.

(b) Compliance reporting by chronic dialysis clinics.

(1) For each fiscal year starting on or after January 1, 2019, a governing entity shall maintain and submit to the department a report concerning all of the following information for all of the chronic dialysis clinics the governing entity owns or operates in California:

(A) The number of treatments performed.

(B) Direct patient care services costs.

(C) Health care quality improvement costs.

(D) Treatment revenue, including the difference between amounts billed but not yet paid and estimated realizable revenue.

(E) The fair treatment payment amount.

(F) The unfair excess charged amount.

(G) The amount, if any, of each payer's rebate, provided that any individual patient shall be identified using only a unique identifier that does not reveal the patient's name or identity.

(H) A list of payers to whom no rebate was issued pursuant to subparagraph (D) of paragraph (2) of subdivision (a) and the amount not issued, provided that any individual patient shall be identified using only a unique identifier that does not reveal the patient's name or identity.

(2) The information required to be maintained and the report required to be submitted by this subdivision shall each be independently audited by a certified public accountant in accordance with the standards of the Auditing Standards Board of the American Institute of Certified Public Accountants and shall include the opinion of that certified public accountant as to whether the information contained in the report fully and accurately describes, in accordance

with generally accepted accounting principles in the United States, the information required to be reported under paragraph (1).

(3) The governing entity shall annually submit the report required by this subdivision to the department on a schedule, in a format, and on a form prescribed by the department, provided that the governing entity shall submit the information no later than 210 days after the end of its fiscal year. The chief executive officer or other principal officer of the governing entity shall certify under penalty of perjury that he or she is satisfied, after review, that the report submitted to the department under paragraph (1) is accurate and complete.

(4) In the event the department determines that a chronic dialysis clinic or governing entity failed to maintain the information or timely submit a report required under paragraph (1) of this subdivision or paragraph (3) of subdivision (a), that the amounts or percentages reported by the chronic dialysis clinic or governing entity under paragraph (1) of this subdivision were inaccurate or incomplete, or that any failure by a chronic dialysis clinic or governing entity to timely issue in full a rebate required by subdivision (a) was not substantially justified, the department shall assess a penalty against the chronic dialysis clinic or governing entity not to exceed one hundred thousand dollars (\$100,000). The department shall determine the amount of the penalty based on the severity of the violation, the materiality of the inaccuracy or omitted information, and the strength of the explanation, if any, for the violation. Penalties collected pursuant to this paragraph shall be used by the department to implement and enforce laws governing chronic dialysis clinics.

(c) Definitions. For purposes of this section:

(1) "Direct patient care services costs" means those costs directly associated with operating a chronic dialysis clinic in California and providing care to patients in California. Direct patient care services costs shall include, regardless of the location where each patient undergoes dialysis, only (i) salaries, wages, and benefits of nonmanagerial chronic dialysis clinic staff, including all clinic personnel who furnish direct care to dialysis patients, regardless of whether the salaries, wages, or benefits are paid directly by the chronic dialysis clinic or indirectly through an arrangement with an affiliated or

unaffiliated third party, including but not limited to a governing entity, an independent staffing agency, a physician group, or a joint venture between a chronic dialysis clinic and a physician group; (ii) staff training and development; (iii) pharmaceuticals and medical supplies; (iv) facility costs, including rent, maintenance, and utilities; (v) laboratory testing; and (vi) depreciation and amortization of buildings, leasehold improvements, patient supplies, equipment, and information systems. For purposes of this section, "nonmanagerial chronic dialysis clinic staff" includes all clinic personnel who furnish direct care to dialysis patients, including nurses, technicians and trainees, social workers, registered dietitians, and nonmanagerial administrative staff, but excludes managerial staff such as facility administrators. Categories of direct patient care services costs may be further prescribed by the department through regulation.

(2) "Governing entity" means a person, firm, association, partnership, corporation, or other entity that owns or operates a chronic dialysis clinic for which a license has been issued, without respect to whether the person or entity itself directly holds that license.

(3) "Health care quality improvement costs" means costs, other than direct patient care services costs, that are related to the provision of care to chronic dialysis patients and that are actually expended for goods or services in California that are required to maintain, access, or exchange electronic health information, to support health information technologies, to train nonmanagerial chronic dialysis clinic staff engaged in direct patient care, and to provide patient-centered education and counseling. Additional costs may be identified by the department through regulation, provided that such costs are actually spent on services offered at the chronic dialysis clinic to chronic dialysis patients and are spent on activities that are designed to improve health quality and to increase the likelihood of desired health outcomes in ways that are capable of being objectively measured and of producing verifiable results and achievements.

(4) "Payer" means the person or persons who paid or are financially responsible for payments for a treatment provided to a particular patient and may include the patient or other individuals, primary insurers, secondary insurers, and other

entities, including Medicare and any other federal, state, county, city, or other local government payer.

(5) "Treatment" means each instance when the chronic dialysis clinic provides services to a patient.

(6) "Treatment revenue" for a particular fiscal year means all amounts actually received and estimated realizable revenue for treatments provided in that fiscal year. Estimated realizable revenue shall be calculated in accordance with generally accepted accounting principles and shall be a reasonable estimate based on (i) contractual terms for patients covered under commercial healthcare plans with which the governing entity or clinics have formal agreements; (ii) revenue from Medicare, Medicaid, and Medi-Cal based on rates set by statute or regulation and estimates of amounts ultimately collectible from government payers, commercial healthcare plan secondary coverage, patients, and other payers; and (iii) historical collection experience.

SEC. 4. Section 1226.8 is added to the Health and Safety Code, to read:

1226.8. (a) A chronic dialysis clinic shall not discriminate with respect to offering or providing care, and shall not refuse to offer or provide care, to patients on the basis of the payer for treatment provided to a patient, including but not limited to on the basis that the payer is a patient, private payer or insurer, Medi-Cal, Medicaid, or Medicare.

(b) A chronic dialysis clinic shall not terminate, abridge, modify, or fail to perform under any agreement to provide services to patients covered by Medi-Cal, Medicaid, or Medicare on the basis of requirements imposed by this chapter.

SEC. 5. Section 1266.3 is added to the Health and Safety Code, to read:

1266.3. It is the intent of the people that California taxpayers not be financially responsible for implementation and enforcement of the Fair Pricing for Dialysis Act. In order to effectuate that intent, when calculating, assessing, and collecting fees imposed on chronic dialysis clinics pursuant to Section 1266, the department shall take into account all costs associated with implementing and enforcing Sections 1226.7 and 1226.8.

SEC. 6. Nothing in this act is intended to affect health facilities licensed pursuant to subdivision (a), (b), or (f) of Section 1250 of the Health and Safety Code.

SEC. 7. The State Department of Public Health shall issue regulations necessary to implement this act no later than 180 days following its effective date.

SEC. 8. Pursuant to subdivision (c) of Section 10 of Article II of the California Constitution, this act may be amended either by a subsequent measure submitted to a vote of the people at a statewide election, or by a statute validly passed by the Legislature and signed by the Governor, but only to further the purposes of the act.

SEC. 9. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

PROPOSITION 10

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure repeals and adds sections to the Civil Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

The Affordable Housing Act

The people of the State of California do hereby ordain as follows:

SECTION 1. Title.

This act shall be known, and may be cited, as the "Affordable Housing Act."

SEC. 2. Findings and Declarations.

The people of the State of California hereby find and declare all of the following:

(a) Rents for housing have skyrocketed in recent years. Median rents are higher in California than any other state in the country, and among all 50 states, California has the fourth highest increase in rents.

(b) Research by Apartment List indicates that the median rent for a one-bedroom apartment in California is \$1,410, an increase of 4.5% in just one year. A one-bedroom apartment in Los Angeles costs \$1,350 per month. In San Francisco, it costs \$2,450. In San Diego, the cost is \$1,560.

(c) The federal government has concluded that rent is not affordable if renters spend more than 30% of their income on housing costs. The State of California has found that more than half of California renter households (3 million) pay more than 30% and one-third of renter households (over 1.5 million) pay more than 50% of their income toward rent.

(d) According to the National Low Income Housing Coalition, a Californian earning minimum wage would have to work 92 hours per week in order to afford to rent an average one-bedroom apartment.

(e) More Californians (5.8 million households) are renting than ever before, because overall home ownership rates in California have fallen to their lowest level since the 1940s, according to the state. One quarter of older millennials (25–34 years of age) still live with their parents. (U.S. Census Bureau)

(f) Statewide labor unions, such as California Nurses Association, Service Employees International Union, and the California Teachers Association, have made affordable housing a priority for their members. For example, teachers in California's urban centers are paying 40% to 70% of their salaries on housing and many are being forced to live an hour or more from their jobs in order to afford a home.

(g) Three times as many Californians are living in overcrowded apartments as compared to the U.S. as a whole. (U.S. Census Bureau)

(h) Even though the state represents only 12% of the total U.S. population, California is home to 22% of the nation's homeless population. (Department of Housing and Community Development)

(i) Homelessness is a major public health issue. People who are homeless are three to four times more likely to die prematurely and are more likely to have a communicable disease, according to the National Health Care for the Homeless Council.

(j) The federal Centers for Disease Control and Prevention warn that vulnerable populations face lower life expectancy, higher cancer rates, and more birth defects when their homes are displaced due to the gentrification of their neighborhoods.

(k) The increased cost of housing is worsening traffic congestion and harming the environment by forcing commuters to live farther away from their places of employment and increasing commute times. A report by the Pew Charitable Trusts noted that the number of Californians who commute more than 90 minutes each way increased by 40% between 2010 and 2015; the increase is a direct result of the dearth of affordable housing near jobs.

(l) A major factor in California's housing crisis is a 20-year-old law known as the Costa-Hawkins Rental Housing Act (Costa-Hawkins). Costa-Hawkins gives permission to landlords of residential apartments and houses to raise rents as much as they want in buildings built after 1995; despite local laws that would otherwise prohibit such increases, landlords in Los Angeles can raise rents as much as they want on buildings built after 1978, and in San Francisco, on buildings built after 1979.

(m) Costa-Hawkins also allows a landlord to raise the rent in any building built before 1995 to the market value when it becomes vacant, and lets the landlord decide what market value is.

(n) Costa-Hawkins prevents cities from implementing laws that keep rents affordable for their residents.

SEC. 3. Purposes and Intent.

The people of the State of California hereby declare the following purposes and intent in enacting this act:

(a) To restore authority to California's cities and counties to develop and implement local policies that ensure renters are able to find and afford decent housing in their jurisdictions.

(b) To improve the quality of life for millions of California renters and reduce the number of Californians who face critical housing challenges and homelessness.

(c) To repeal the Costa-Hawkins Rental Housing Act.

SEC. 4. The Affordable Housing Act shall be codified by repealing Sections 1954.50, 1954.51, 1954.52, and 1954.53 of the Civil Code.

SEC. 4.1. Section 1954.50 of the Civil Code is repealed.

~~1954.50. This chapter shall be known and may be cited as the Costa-Hawkins Rental Housing Act.~~

SEC. 4.2. Section 1954.51 of the Civil Code is repealed.

~~1954.51. As used in this chapter, the following terms have the following meanings:~~

~~(a) "Comparable units" means rental units that have approximately the same living space, have the same number of bedrooms, are located in the same or similar neighborhoods, and feature the same, similar, or equal amenities and housing services.~~

~~(b) "Owner" includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner, except that this term does not include the owner or operator of a mobilehome park, or the owner of a mobilehome or his or her agent.~~

~~(c) "Prevailing market rent" means the rental rate that would be authorized pursuant to 42 U.S.C.A. 1437 (f), as calculated by the United States Department of Housing and Urban Development pursuant to Part 888 of Title 24 of the Code of Federal Regulations.~~

~~(d) "Public entity" has the same meaning as set forth in Section 811.2 of the Government Code.~~

~~(e) "Residential real property" includes any dwelling or unit that is intended for human habitation.~~

~~(f) "Tenancy" includes the lawful occupation of property and includes a lease or sublease.~~

SEC. 4.3. Section 1954.52 of the Civil Code is repealed.

~~1954.52. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial and all subsequent rental rates for a dwelling or a unit about which any of the following is true:~~

~~(1) It has a certificate of occupancy issued after February 1, 1995.~~

~~(2) It has already been exempt from the residential rent control ordinance of a public entity on or before February 1, 1995, pursuant to a local exemption for newly constructed units.~~

~~(3) (A) It is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code.~~

~~(B) This paragraph does not apply to either of the following:~~

~~(i) A dwelling or unit where the preceding tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827.~~

~~(ii) A condominium dwelling or unit that has not been sold separately by the subdivider to a bona fide purchaser for value. The initial rent amount of the unit for purposes of this chapter shall be the lawful rent in effect on May 7, 2001, unless the rent amount is governed by a different provision of this chapter. However, if a condominium dwelling or unit meets the criteria of paragraph (1) or (2) of subdivision (a), or if all the dwellings or units except one have been sold separately by the subdivider to bona fide purchasers for value, and the subdivider has occupied that remaining unsold condominium dwelling or unit as his or her principal residence for at least one year after the subdivision occurred, then subparagraph (A) of paragraph (3) shall apply to that unsold condominium dwelling or unit.~~

~~(C) Where a dwelling or unit in which the initial or subsequent rental rates are controlled by an ordinance or charter provision in effect on January 1, 1995, the following shall apply:~~

~~(i) An owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all existing and new tenancies in effect on or after January 1, 1999, if the tenancy in effect on or after January 1, 1999, was created between January 1, 1996, and December 31, 1998.~~

~~(ii) Commencing on January 1, 1999, an owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all new tenancies if the previous tenancy was in effect on December 31, 1995.~~

(iii) ~~The initial rental rate for a dwelling or unit as described in this paragraph in which the initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not, until January 1, 1999, exceed the amount calculated pursuant to subdivision (c) of Section 1954.53. An owner of residential real property as described in this paragraph may, until January 1, 1999, establish the initial rental rate for a dwelling or unit only where the tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of the Code of Civil Procedure.~~

~~(b) Subdivision (a) does not apply where the owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.~~

~~(c) Nothing in this section shall be construed to affect the authority of a public entity that may otherwise exist to regulate or monitor the basis for eviction.~~

~~(d) This section does not apply to any dwelling or unit that contains serious health, safety, fire, or building code violations, excluding those caused by disasters for which a citation has been issued by the appropriate governmental agency and which has remained unabated for six months or longer preceding the vacancy.~~

SEC. 4.4. Section 1954.53 of the Civil Code is repealed.

1954.53. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial rental rate for a dwelling or unit, except where any of the following applies:

~~(1) The previous tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827, except a change permitted by law in the amount of rent or fees. For the purpose of this paragraph, the owner's termination or nonrenewal of a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, shall be construed as a change in the terms of the tenancy pursuant to Section 827.~~

~~(A) In a jurisdiction that controls by ordinance or charter provision the rental rate for a dwelling or unit, an owner who terminates or fails to renew a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant may not set an initial rent for three years following the date of the termination or nonrenewal of the contract or agreement. For any new tenancy established during the three-year period, the rental rate for a new tenancy established in that vacated dwelling or unit shall be at the same rate as the rent under the terminated or nonrenewed contract or recorded agreement with a governmental agency that provided for a rent limitation to a qualified tenant, plus any increases authorized after the termination or cancellation of the contract or recorded agreement.~~

~~(B) Subparagraph (A) does not apply to any new tenancy of 12 months or more duration established after January 1, 2000, pursuant to the owner's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, unless the prior vacancy in that dwelling or unit was pursuant to a nonrenewed or canceled contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant as set forth in that subparagraph.~~

~~(2) The owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.~~

~~(3) The initial rental rate for a dwelling or unit whose initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not until January 1, 1999, exceed the amount calculated pursuant to subdivision (c).~~

~~(b) Subdivision (a) applies to, and includes, renewal of the initial hiring by the same tenant, lessee, authorized subtenant, or authorized sublessee for the entire period of his or her occupancy at the rental rate established for the initial hiring.~~

~~(c) The rental rate of a dwelling or unit whose initial rental rate is controlled by ordinance or charter provision in effect on January 1, 1995, shall, until January 1, 1999, be established in~~

accordance with this subdivision. Where the previous tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of Code of Civil Procedure, an owner of residential real property may, no more than twice, establish the initial rental rate for a dwelling or unit in an amount that is no greater than 15 percent more than the rental rate in effect for the immediately preceding tenancy or in an amount that is 70 percent of the prevailing market rent for comparable units, whichever amount is greater.

The initial rental rate established pursuant to this subdivision may not substitute for or replace increases in rental rates otherwise authorized pursuant to law:

(d) (1) Nothing in this section or any other provision of law shall be construed to preclude express establishment in a lease or rental agreement of the rental rates to be applicable in the event the rental unit subject thereto is sublet. Nothing in this section shall be construed to impair the obligations of contracts entered into prior to January 1, 1996.

(2) If the original occupant or occupants who took possession of the dwelling or unit pursuant to the rental agreement with the owner no longer permanently reside there, an owner may increase the rent by any amount allowed by this section to a lawful sublessee or assignee who did not reside at the dwelling or unit prior to January 1, 1996.

(3) This subdivision does not apply to partial changes in occupancy of a dwelling or unit where one or more of the occupants of the premises, pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, or where a lawful sublessee or assignee who resided at the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit. Nothing contained in this section shall be construed to enlarge or diminish an owner's right to withhold consent to a sublease or assignment.

(4) Acceptance of rent by the owner does not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an owner's rights to establish the initial rental rate, unless the owner has received written notice from the

tenant that is party to the agreement and thereafter accepted rent.

(e) Nothing in this section shall be construed to affect any authority of a public entity that may otherwise exist to regulate or monitor the grounds for eviction.

(f) This section does not apply to any dwelling or unit if all the following conditions are met:

(1) The dwelling or unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations, as defined by Section 17920.3 of the Health and Safety Code, excluding any violation caused by a disaster.

(2) The citation was issued at least 60 days prior to the date of the vacancy.

(3) The cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time. However, the 60-day time period may be extended by the appropriate governmental agency that issued the citation.

SEC. 5. The Affordable Housing Act shall be further codified by adding Section 1954.54 to the Civil Code.

SEC. 5.1. Section 1954.54 is added to the Civil Code, to read:

1954.54. (a) A city, county, or city and county shall have the authority to adopt a local charter provision, ordinance, or regulation that governs a landlord's right to establish and increase rental rates on a dwelling or housing unit.

(b) In accordance with California law, a landlord's right to a fair rate of return on a property shall not be abridged by a city, county, or city and county.

SEC. 6. Liberal Construction.

This act shall be broadly construed to accomplish its purposes.

SEC. 7. Amendment and Repeal.

Pursuant to subdivision (c) of Section 10 of Article II of the California Constitution, the Legislature may amend this act to further its purposes by a statute passed in each house by rollcall vote entered in the Journal, two-thirds of the membership concurring, signed by the Governor. No statute restricting or eliminating the powers that have been restored by this act

to a city, county, or city and county to establish residential rental rates shall become effective unless approved by a majority of the electorate.

SEC. 8. Severability.

If any provision of this act or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 9. Conflicting Measures.

In the event that this act and any other measure addressing the authority of local government agencies to establish residential rental rates shall appear on the same statewide election ballot, the provision of the other measure or measures shall be deemed to be in conflict with this act. In the event that this act receives a greater number of affirmative votes than another measure deemed to be in conflict with it, the provisions of this act shall prevail in their entirety, and the other measure or measures shall be null and void.

SEC. 10. Legal Defense.

Notwithstanding any other law, if the state, a government agency, or any of its officials fail to defend the constitutionality of this act, following its approval by the voters, the proponents shall have the authority to intervene in any court action challenging the constitutionality of this act for the purpose of defending its constitutionality, whether in state or federal court, and whether the action is in any trial court, on appeal, or on discretionary review by the Supreme Court of California or the Supreme Court of the United States. The reasonable fees and costs of defending the action shall be a charge on funds appropriated to the California Department of Justice, which shall be satisfied promptly.

SEC. 11. Effective Date.

Except as otherwise provided herein, this act shall become effective the day after its approval by the voters.

PROPOSITION 11

This initiative measure is submitted to the people in accordance with the provisions of

Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Labor Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Chapter 7 (commencing with Section 880) is added to Part 2 of Division 2 of the Labor Code, to read:

CHAPTER 7. EMERGENCY AMBULANCE SERVICES

Article 1. Title

880. This act shall be known, and may be cited, as the Emergency Ambulance Employee Safety and Preparedness Act.

Article 2. Findings and Declarations

881. The people of the State of California find and declare the following:

(a) California has the nation's largest population, third largest landmass, and is prone to natural disasters such as earthquakes, wildfires, and floods. These circumstances demand a well-trained emergency ambulance workforce.

(b) In California, private companies provide the primary emergency medical technician (EMT) and paramedic services for 74 percent of state residents. Unfortunately, catastrophes like natural disasters, active shooters, and mass casualty incidents occur far too frequently throughout the state and nation. Like all other first responders, emergency ambulance employees such as EMTs and paramedics must be adequately trained and available to respond to all types of crises and pleas for help.

(c) Private companies that employ emergency ambulance employees such as EMTs and paramedics should be required to provide compensated yearly training to prepare them to handle active shooter and mass casualty incidents, in addition to natural disasters.

(d) It takes a special type of person to be an emergency ambulance employee like an EMT or paramedic dedicated to serve, protect, and provide lifesaving services for their fellow neighbors around the clock. Emergency ambulance employees such as EMTs and paramedics often witness traumatic events.

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Employers should provide mental health services to emergency ambulance employees.

(e) Emergency ambulance employees such as EMTs and paramedics work hard and can be called into action at any time during their work shift to provide lifesaving care. Therefore, it is important that they receive adequate meal and rest time to remain at their peak performance.

Article 3. Statement of Purpose

882. The purpose of the Emergency Ambulance Employee Safety and Preparedness Act is to enhance public health and safety by ensuring that emergency ambulance employees such as EMTs and paramedics receive adequate training, meal and rest time, and mental health benefits and are available to respond to 911 emergency-type requests for medical assistance at all times.

Article 4. Emergency Ambulance Employee Safety and Preparedness

883. Training.

(a) In addition to other minimum employment qualifications and certifications, every emergency ambulance employee shall annually receive employer-paid training in each of the following areas:

(1) Responding to active shooter and mass casualty incidents.

(2) Responding to natural disasters.

(3) Preventing violence against emergency ambulance employees and patients.

(b) The training required by subdivision (a) shall be provided free of charge to emergency ambulance employees. Emergency ambulance employees shall be compensated at their regular hourly rate of pay while participating in training required by subdivision (a).

(c) The training required to be provided pursuant to this section shall be generally comparable in content, scope, and quality to courses offered by the Federal Emergency Management Agency's Emergency Management Institute or National Training and Education Division, or both.

884. Mental Health.

(a) Every emergency ambulance employee shall receive employer-paid mental health and wellness education within 30 days of being hired and shall receive employer-paid mental

health and wellness education each calendar year thereafter. Mental health and wellness education shall inform emergency ambulance employees of available mental health treatments and support services and provide general information regarding common mental health illnesses.

(b) Every emergency ambulance employee shall be entitled to employer-paid mental health services through an employee assistance program (EAP). The EAP coverage shall provide up to 10 mental health treatments per issue, per calendar year.

(c) Every emergency ambulance employee that qualifies for or is eligible to receive employer-provided health insurance shall have access to health insurance plans that offer long-term mental health treatment services.

(d) For purposes of this section, "issue" means episodes of mental health conditions such as stress, depression, grief, loss, relationship struggles, substance abuse, parenting challenges, and other mental health conditions as described within the EAP.

885. Meal and Rest Periods.

(a) All emergency ambulance employees are hereby entitled to meal and rest periods as prescribed elsewhere by the Industrial Welfare Commission.

(b) Emergency ambulance employees shall be compensated at their regular hourly rate of pay during meal and rest periods.

886. Staffing for Meal Periods.

(a) (1) An emergency ambulance provider shall not require an emergency ambulance employee to take a meal period during the first or last hour of a work shift and must allow an emergency ambulance employee to space multiple meal periods during a work shift at least two hours apart.

(2) An emergency ambulance provider shall manage staffing at levels sufficient to provide enough inactivity in a work shift for emergency ambulance employees to meet the requirements of this subdivision.

(b) Any meal period that does not comply with paragraph (1) of subdivision (a) shall not be counted towards the meal periods an employee is entitled to during his or her work shift.

887. Communication to Protect Public Health and Safety.

Notwithstanding any provision of law to the contrary:

(a) In order to maximize protection of public health and safety, emergency ambulance employees shall remain reachable by a portable communications device throughout the entirety of each work shift.

(b) If an emergency ambulance employee is contacted during a meal or rest period, that particular meal or rest period shall not be counted towards the meal and rest periods the employee is entitled to during his or her work shift.

(c) If an emergency ambulance employee is not contacted during a meal or rest period, that particular meal or rest period shall be counted towards the meal and rest periods the employee is entitled to during his or her work shift.

888. Definitions.

As used in this chapter, all of the following definitions apply:

(a) "Emergency ambulance employee" means a person who meets both of the following requirements:

(1) Is an emergency medical technician (EMT), dispatcher, paramedic, or other licensed or certified ambulance transport personnel who contributes to the delivery of ambulance services.

(2) Is employed by an emergency ambulance provider.

(b) "Emergency ambulance provider" means an employer that provides ambulance services, but not including the state, or any political subdivision thereof, in its capacity as the direct employer of a person meeting the description contained in paragraph (1) of subdivision (a).

(c) "Contacted" means receiving a message or directive over a portable communications device that requires a response. A bare requirement to carry a portable communications device and remain reachable does not constitute being "contacted."

(d) "Portable communications device" means a pager, radio, station alert box, intercom, cellular telephone, or other communications method.

(e) "Work shift" means designated hours of work by an emergency ambulance employee, with a designated beginning time and quitting time, including any periods for meals or rest.

889. Notwithstanding any other provision of law to the contrary, Sections 887 and 888 are declaratory of, and do not alter or amend, existing California law and shall apply to any and all actions pending on, or commenced after, October 25, 2017, alleging a violation of Section 11090 of Title 8 of the California Code of Regulations (Industrial Welfare Commission (IWC) Order No. 9-2001) or any amended, successor, or replacement law, regulation, or IWC order.

Article 5. Amendment

890. The Legislature may amend this chapter by a statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, provided that the statute is consistent with, and furthers the purposes of, this chapter. No bill seeking to amend this chapter may be passed or become a statute unless the bill has been printed and distributed to the Members of the Legislature, and published on the Internet, in its final form, for at least 12 business days prior to its passage in either house of the Legislature.

SEC. 2. Liberal Construction.

This act shall be liberally construed in order to effectuate its purposes.

SEC. 3. Conflicting Measures.

(a) In the event that this initiative measure and another initiative measure or measures relating to working conditions of emergency ambulance employees shall appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(b) If this initiative measure is approved by the voters but is superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting initiative is later held invalid, this

measure shall be self-executing and given full force and effect.

SEC. 4. Severability.

The provisions of this act are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this act. The people of the State of California hereby declare that they would have adopted this act and each and every portion, section, subdivision, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any portion of this act or application thereof would be subsequently declared invalid.

SEC. 5. Legal Defense.

If this act is approved by the voters of the State of California and thereafter subjected to a legal challenge alleging a violation of state or federal law, and both the Governor and Attorney General refuse to defend this act, then the following actions shall be taken:

(a) Notwithstanding anything to the contrary contained in Chapter 6 (commencing with Section 12500) of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this act on behalf of the State of California.

(b) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this act. The written affirmation shall be made publicly available upon request.

(c) A continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this act on behalf of the State of California.

PROPOSITION 12

This initiative measure is submitted to the people in accordance with the provisions of

Section 8 of Article II of the California Constitution.

This initiative measure amends and adds sections to the Health and Safety Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

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

SECTION 1. This act shall be known, and may be cited, as the Prevention of Cruelty to Farm Animals Act.

SEC. 2. The purpose of this act is to prevent animal cruelty by phasing out extreme methods of farm animal confinement, which also threaten the health and safety of California consumers, and increase the risk of foodborne illness and associated negative fiscal impacts on the State of California.

SEC. 3. Section 25990 of the Health and Safety Code is amended to read:

25990. PROHIBITIONS. In addition to other applicable provisions of law:

~~(a) a person A farm owner or operator within the state shall not tether or confine knowingly cause any covered animal; to be confined in a cruel manner. on a farm, for all or the majority of any day, in a manner that prevents such animal from:~~

~~(a) Lying down, standing up, and fully extending his or her limbs; and~~

~~(b) Turning around freely.~~

(b) A business owner or operator shall not knowingly engage in the sale within the state of any of the following:

(1) Whole veal meat that the business owner or operator knows or should know is the meat of a covered animal who was confined in a cruel manner.

(2) Whole pork meat that the business owner or operator knows or should know is the meat of a covered animal who was confined in a cruel manner, or is the meat of immediate offspring of a covered animal who was confined in a cruel manner.

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(3) Shell egg that the business owner or operator knows or should know is the product of a covered animal who was confined in a cruel manner.

(4) Liquid eggs that the business owner or operator knows or should know are the product of a covered animal who was confined in a cruel manner.

SEC. 4. Section 25991 of the Health and Safety Code is amended to read:

25991. DEFINITIONS. For the purposes of this chapter, the following terms have the following meanings:

(a) "Breeding pig" means any female pig of the porcine species kept for the purpose of commercial breeding who is six months or older or pregnant.

(b) "Business owner or operator" means any person who owns or controls the operations of a business.

(c) "Cage-free housing system" means an indoor or outdoor controlled environment for egg-laying hens within which hens are free to roam unrestricted; are provided enrichments that allow them to exhibit natural behaviors, including, at a minimum, scratch areas, perches, nest boxes, and dust bathing areas; and within which farm employees can provide care while standing within the hens' usable floorspace. Cage-free housing systems include, to the extent they comply with the requirements of this subdivision, the following:

(1) Multitiered aviaries, in which hens have access to multiple elevated platforms that provide hens with usable floorspace both on top of and underneath the platforms.

(2) Partially slatted systems, in which hens have access to elevated flat platforms under which manure drops through the flooring to a pit or litter removal belt below.

(3) Single-level all-litter floor systems bedded with litter, in which hens have limited or no access to elevated flat platforms.

(4) Any future systems that comply with the requirements of this subdivision.

~~(a)~~(d) "Calf raised for veal" means any calf of the bovine species kept for the purpose of producing the food product described as veal.

(e) "Confined in a cruel manner" means any one of the following acts:

(1) Confining a covered animal in a manner that prevents the animal from lying down, standing up, fully extending the animal's limbs, or turning around freely.

(2) After December 31, 2019, confining a calf raised for veal with less than 43 square feet of usable floorspace per calf.

(3) After December 31, 2021, confining a breeding pig with less than 24 square feet of usable floorspace per pig.

(4) After December 31, 2019, confining an egg-laying hen with less than 144 square inches of usable floorspace per hen.

(5) After December 31, 2021, confining an egg-laying hen with less than the amount of usable floorspace per hen required by the 2017 edition of the 'United Egg Producers' Animal Husbandry Guidelines for U.S. Egg-Laying Flocks: Guidelines for Cage-Free Housing or in an enclosure other than a cage-free housing system.

~~(b)~~(f) "Covered animal" means any pig ~~during pregnancy~~, calf raised for veal, breeding pig, or egg-laying hen who is kept on a farm.

~~(c)~~(g) "Egg-laying hen" means any female domesticated chicken, turkey, duck, goose, or guinea-fowl ~~guineafowl~~ kept for the purpose of egg production.

~~(d)~~(h) "Enclosure" means any cage, crate, or other a structure ~~(including what is commonly described as a "gestation crate" for pigs, a "veal crate" for calves, or a "battery cage" for egg-laying hens)~~ used to confine a covered animal or animals.

~~(e)~~(i) "Farm" means the land, building, support facilities, and other equipment that are wholly or partially used for the commercial production of animals or animal products used for food or fiber; and does not include live animal markets, establishments at which mandatory inspection is provided under the Federal Meat Inspection Act (21 U.S.C. Sec. 601 et seq.), or official plants at which mandatory inspection is maintained under the federal Egg Products Inspection Act (21 U.S.C. Sec. 1031 et seq.).

(j) "Farm owner or operator" means any person who owns or controls the operations of a farm.

~~(f)~~(k) "Fully extending his or her the animal's limbs" means fully extending all limbs without touching the side of an enclosure, ~~including, in~~

the case of egg-laying hens, fully spreading both wings without touching the side of an enclosure or other egg-laying hens or another animal.

(l) "Liquid eggs" means eggs of an egg-laying hen broken from the shells, intended for human food, with the yolks and whites in their natural proportions, or with the yolks and whites separated, mixed, or mixed and strained. Liquid eggs do not include combination food products, including pancake mixes, cake mixes, cookies, pizzas, cookie dough, ice cream, or similar processed or prepared food products, that are comprised of more than liquid eggs, sugar, salt, water, seasoning, coloring, flavoring, preservatives, stabilizers, and similar food additives.

~~(g)~~(m) "Person" means any individual, firm, partnership, joint venture, association, limited liability company, corporation, estate, trust, receiver, or syndicate.

~~(h)~~ "Pig during pregnancy" means any pregnant pig of the porcine species kept for the primary purpose of breeding. ~~(n)~~ "Pork meat" means meat, as defined in Section 900 of Title 3 of the California Code of Regulations as of August 2017, of a pig of the porcine species, intended for use as human food.

(o) "Sale" means a commercial sale by a business that sells any item covered by this chapter, but does not include any sale undertaken at an establishment at which mandatory inspection is provided under the Federal Meat Inspection Act (21 U.S.C. Sec. 601 et seq.), or any sale undertaken at an official plant at which mandatory inspection is maintained under the federal Egg Products Inspection Act (21 U.S.C. Sec. 1031 et seq.). For purposes of this section, a sale shall be deemed to occur at the location where the buyer takes physical possession of an item covered by Section 25990.

(p) "Shell egg" means a whole egg of an egg-laying hen in its shell form, intended for use as human food.

~~(i)~~(q) "Turning around freely" means turning in a complete circle without any impediment, including a tether, and without touching the side of an enclosure or another animal.

(r) "Uncooked" means requiring cooking prior to human consumption.

(s) "Usable floorspace" means the total square footage of floorspace provided to each covered animal, as calculated by dividing the total square footage of floorspace provided to the animals in an enclosure by the number of animals in that enclosure. In the case of egg-laying hens, usable floorspace shall include both groundspace and elevated level flat platforms upon which hens can roost, but shall not include perches or ramps.

(t) "Veal meat" means meat, as defined in Section 900 of Title 3 of the California Code of Regulations as of August 2017, of a calf raised for veal intended for use as human food.

(u) "Whole pork meat" means any uncooked cut of pork, including bacon, ham, chop, ribs, riblet, loin, shank, leg, roast, brisket, steak, sirloin, or cutlet, that is comprised entirely of pork meat, except for seasoning, curing agents, coloring, flavoring, preservatives, and similar meat additives. Whole pork meat does not include combination food products, including soups, sandwiches, pizzas, hotdogs, or similar processed or prepared food products, that are comprised of more than pork meat, seasoning, curing agents, coloring, flavoring, preservatives, and similar meat additives.

(v) "Whole veal meat" means any uncooked cut of veal, including chop, ribs, riblet, loin, shank, leg, roast, brisket, steak, sirloin, or cutlet, that is comprised entirely of veal meat, except for seasoning, curing agents, coloring, flavoring, preservatives, and similar meat additives. Whole veal meat does not include combination food products, including soups, sandwiches, pizzas, hotdogs, or similar processed or prepared food products, that are comprised of more than veal meat, seasoning, curing agents, coloring, flavoring, preservatives, and similar meat additives.

SEC. 5. Section 25992 of the Health and Safety Code is amended to read:

25992. EXCEPTIONS. This chapter shall not apply:

(a) During ~~scientific or agricultural~~ medical research.

(b) During examination, testing, individual treatment, or operation for veterinary purposes.

(c) During transportation.

(d) During rodeo exhibitions, state or county fair exhibitions, 4-H programs, and similar exhibitions.

(e) During the slaughter of a covered animal in accordance with the provisions of Chapter 6 (commencing with Section 19501) of Part 3 of Division 9 of the Food and Agricultural Code, relating to humane methods of slaughter, and other applicable law and regulations.

(f) To a *breeding* pig during the ~~seven-day~~ five-day period prior to the *breeding* pig's expected date of giving birth, and any day that the *breeding* pig is nursing piglets.

(g) During temporary periods for animal husbandry purposes for no more than six hours in any 24-hour period, and no more than 24 hours total in any 30-day period.

SEC. 6. Section 25993 of the Health and Safety Code is amended to read:

25993. ENFORCEMENT. (a) *The Department of Food and Agriculture and the State Department of Public Health shall jointly promulgate rules and regulations for the implementation of this act by September 1, 2019.*

(b) Any person who violates any of the provisions of this chapter is guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed 180 days or by both such fine and imprisonment. *In addition, a violation of subdivision (b) of Section 25990 constitutes unfair competition, as defined in Section 17200 of the Business and Professions Code, and is punishable as prescribed in Chapter 5*

(commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code.

(c) *The provisions of this chapter relating to cruel confinement of covered animals and sale of products shall supersede any conflicting regulations, including conflicting regulations in Chapter 6 (commencing with Section 40601) of Subdivision 6 of Division 2 of Title 22 of the California Code of Regulations.*

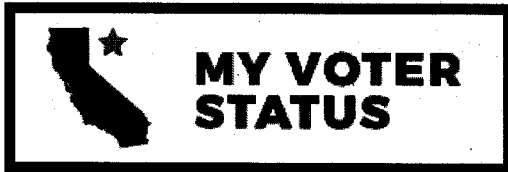
SEC. 7. Section 25993.1 is added to the Health and Safety Code, to read:

25993.1. *It shall be a defense to any action to enforce subdivision (b) of Section 25990 that a business owner or operator relied in good faith upon a written certification by the supplier that the whole veal meat, whole pork meat, shell egg, or liquid eggs at issue was not derived from a covered animal who was confined in a cruel manner, or from the immediate offspring of a breeding pig who was confined in a cruel manner.*

SEC. 8. This act shall be amended only by a statute approved by a vote of four-fifths of the members of both houses of the Legislature. Any amendment of this act shall be consistent with and further the purposes of this act.

SEC. 9. If any provision of this act, or the application thereof to any person or circumstances, is held invalid or unconstitutional, that invalidity or unconstitutionality shall not affect other provisions or applications of this act that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this act are severable.

Check Your Voter Status Online



Visit the Secretary of State's My Voter Status page at VoterStatus.sos.ca.gov, where you can check your voter status, find your polling place or a vote center, and much more.

Use **My Voter Status** to:

- See if you are registered to vote and, if so, in what county
- Check your political party preference
- Find your polling place
- Find a vote center (for voters living in Madera, Napa, Nevada, Sacramento, and San Mateo counties)
- Find upcoming elections in your area
- Receive your state Voter Information Guide (VIG) by email before each statewide election
- Find contact information for your county elections office
- Check the status of your vote-by-mail ballot or provisional ballot

Election Day Information

Polls and vote centers are open from 7:00 a.m. to 8:00 p.m. on Tuesday, November 6. If you are in line before 8:00 p.m., you can still vote. To find your polling place or a vote center:



Check the county Voter Information Guide your county elections official mailed to you



Call (800) 345-VOTE (8683)



Online at www.sos.ca.gov/elections/polling-place or VoterStatus.sos.ca.gov



Text *Vote* to GOVOTE (468683)



Download the "Vote California" mobile app (available at the iOS and Android stores)

Top Contributors to Statewide Candidates and Ballot Measures

When a committee (a person or group of people who receives or spends money for the purpose of influencing voters to support or oppose candidates or ballot measures) supports or opposes a ballot measure or candidate and raises at least \$1 million, the committee must report its top 10 contributors to the California Fair Political Practices Commission (FPPC). The committee must update the top 10 list when there is any change.

These lists are available on the FPPC website at <http://www.fppc.ca.gov/transparency/top-contributors.html>



Voter Registration

If you have already registered to vote, you do not need to reregister *unless* you change your name, home address, mailing address or if you want to change or select a political party.

You can register to vote online at *RegisterToVote.ca.gov*, or call the Secretary of State's toll-free Voter Hotline at (800) 345-VOTE (8683) to get a form mailed to you.

Voter registration forms can be found at most post offices, libraries, city and county government offices, county elections offices, and the California Secretary of State's Office.

Conditional Voter Registration

Did you forget to register? No problem! Did you know that during the period of 14 days prior to Election Day through and including Election Day, you can go to the office of your county elections official or a vote center to conditionally register to vote and vote? This process is called Conditional Voter Registration (CVR). Here's how it works:

1. Visit your county elections office or a vote center—a full list of county contact information can be found here:
<http://www.sos.ca.gov/elections/voting-resources/county-elections-offices/>
2. Complete a voter registration card or register online at *RegisterToVote.ca.gov*
3. Vote your CVR provisional ballot at your county elections office or vote center

Once the county elections official processes the affidavit of registration, determines that you're eligible to register, and validates your information, the registration becomes permanent and your CVR provisional ballot will be counted.

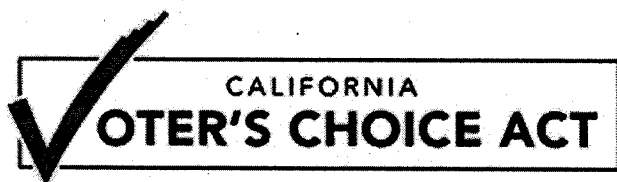
To learn more visit <http://www.sos.ca.gov/elections/voter-registration/conditional-voter-reg/>

Vote Centers are available for voters living in Madera, Napa, Nevada, Sacramento, and San Mateo counties. Visit *VotersChoice.sos.ca.gov* or see page 93 for more information on the Voter's Choice Act and vote centers.

Voter Registration Privacy Information

Safe at Home Confidential Voter Registration Program: Certain voters facing life-threatening situations (i.e., domestic violence, stalking victims) may qualify for confidential voter status. For more information, contact the Secretary of State's Safe at Home program toll-free at (877) 322-5227 or visit www.sos.ca.gov/registries/safe-home/.

Voter Information Privacy: Information on your voter registration affidavit will be used by elections officials to send you official information on the voting process, such as the location of your polling place and the issues and candidates that will appear on the ballot. Commercial use of voter registration information is prohibited by law and is a misdemeanor. Voter information may be provided to a candidate for office, a ballot measure committee, or other person for election, scholarly, journalistic, political, or governmental purposes, as determined by the Secretary of State. Driver license and social security numbers, or your signature as shown on your voter registration card, cannot be released for these purposes. If you have any questions about the use of voter information or wish to report suspected misuse of such information, please call the Secretary of State's Voter Hotline at (800) 345-VOTE (8683).



The Future of Voting in California

Starting in 2018, all registered voters in Madera, Napa, Nevada, Sacramento, and San Mateo counties will receive their ballot in the mail weeks before the election. Voters in participating counties will have 3 choices for how to vote:

Vote by Mail: You can mail your completed ballot as soon as you receive it.

Drop Box: You can drop off your completed ballot at any county drop box as soon as you receive it. No postage is required at drop boxes.

Vote Center: Voter centers will replace polling places. You can vote in person at any vote center in your county. Vote centers will be open for a minimum of 11 days, up to and including Election Day.

At every vote center you can:

- Vote in person
- Register to vote or update your registration
- Drop off your completed ballot
- Get a replacement ballot
- Vote using an accessible voting machine
- Get help and voting materials in multiple languages

Why the Change?

The California Voter's Choice Act became law in 2016 to make voting more convenient and accessible. You can choose how, when, and where you vote.

When do I vote?

You will receive your ballot in the mail weeks before the election. After completing your ballot, you may return it by mail or at any county drop box or vote center. Vote centers will be open for in-person voting for 11 days, up to and including Election Day.

Where do I find a drop box or vote center?

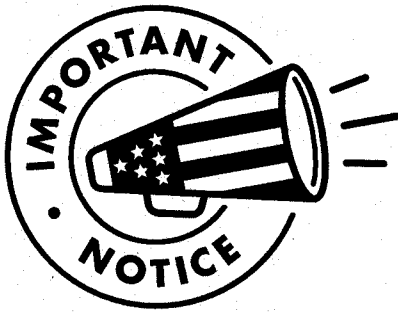
VotersChoice.sos.ca.gov

What if I don't receive my ballot?

Visit any vote center in your county or call your county elections official to request a replacement.

What if I'm not in a participating county?

If you live in a county that's not currently participating in the Voter's Choice Act, you will continue to vote either by mail or at a polling place. Contact the Secretary of State's toll-free voter hotline at (800) 345-VOTE (8683) for more information.



The text of proposed laws is also available online at <http://voterguide.sos.ca.gov>.

If you would like an additional printed copy of the text:



Email the Secretary of State at vigfeedback@sos.ca.gov



Contact the Secretary of State's toll-free voter hotline at (800) 345-VOTE (8683).

Assistance for Voters with Disabilities

Check your county Voter Information Guide

Your county Voter Information Guide will:



- Describe how persons with disabilities can vote privately and independently
- Display a wheelchair symbol if your polling place is accessible to voters with disabilities

Audio and large print Voter Information Guides

These guides are available at no cost in English, Chinese, Hindi, Japanese, Khmer, Korean, Spanish, Tagalog, Thai, and Vietnamese. To order:



Call the Secretary of State's toll-free voter hotline at (800) 345-VOTE (8683)



Download an audio MP3 version at <http://voterguide.sos.ca.gov/en/audio>



Visit <http://voterguide.sos.ca.gov>

State Election Results Website

Want to see the November 6, 2018, General Election results after the polls close at 8:00 p.m.? Visit the California Secretary of State's Election Results website at <https://vote.sos.ca.gov/>.

The Election Results website is updated every five minutes on Election Night as counties report results to the Secretary of State. County elections officials send semi-official election results to the Secretary of State's website after the polls close at 8:00 p.m. and continue to send updates at least every two hours until all Election Day ballots are counted.

Beginning on November 8 through December 6, 2018, the Election Results website will update every day by 5:00 p.m. as counties count the remaining ballots.

The official results of the election will be posted by December 14, 2018, at www.sos.ca.gov/elections/

DATES TO REMEMBER!



REMEMBER TO VOTE!

Polls are open from 7:00 a.m. to 8:00 p.m. on Election Day!

OCTOBER

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

October 8, 2018

First day to vote-by-mail.

October 22, 2018

Last day to register to vote. You can "Conditionally" register and vote at your county elections office after the 15-day voter registration deadline.

October 30, 2018

Last day that county elections officials will accept any voter's application for a vote-by-mail ballot.

NOVEMBER

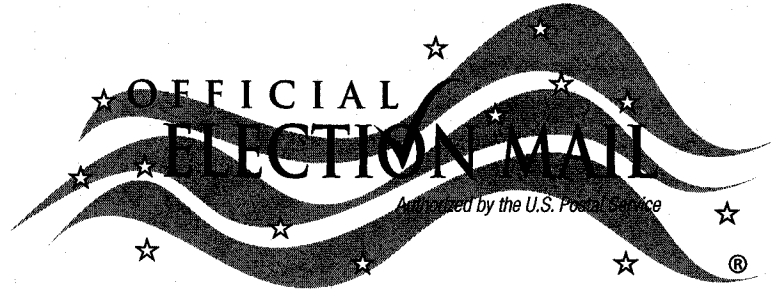
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

November 6, 2018

Election Day!

California Secretary of State
Elections Division
1500 11th Street
Sacramento, CA 95814

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SECRETARY
OF STATE



CALIFORNIA

GENERAL ELECTION

Check your voter registration status online at voterstatus.sos.ca.gov

TEXT OF PROPOSED LAWS

Tuesday, November 6, 2018

Remember to Vote!

Polls are open from 7:00 a.m. to 8:00 p.m.

October 8

First day to vote-by-mail.

October 22*

Last day to register to vote.

October 30

Last day that county elections officials will accept any voter's application for a vote-by-mail ballot.

For additional copies of the Voter Information Guide or the Text of Proposed Laws in any of the following languages, please call:

English: (800) 345-VOTE (8683)

TTY/TDD: (800) 833-8683

Español/Spanish: (800) 232-VOTA (8682)

中文/Chinese: (800) 339-2857

हिन्दी/Hindi: (888) 345-2692

日本語/Japanese: (800) 339-2865

ខ្មែរ/Khmer: (888) 345-4917

한국어/Korean: (866) 575-1558

Tagalog: (800) 339-2957

ภาษาไทย/Thai: (855) 345-3933

Việt ngữ/Vietnamese: (800) 339-8163



Text Vote to GOVOTE (468683) to find the location of your polling place.

* You can still "conditionally" register and vote at your county elections office after the 15-day voter registration deadline.

In an effort to reduce election costs, the State Legislature has authorized the State and counties to mail only one Voter Information Guide to each voting household and to provide a copy of the Text of Proposed Laws upon request.

You may obtain additional copies by contacting your county elections official or by calling (800) 345-VOTE.

OSP 18 145822

