

**Highlights of the
Legislative Accomplishments of 2004**



California Senate Office of Research

October 2004

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**Significant Legislation Sent to the Desk of
Governor Schwarzenegger in 2004**

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Introduction

“Highlights of the Legislative Accomplishments of 2004” summarizes measures in 30 public-policy areas from aging to water that won legislative passage this year. Of those signed into law by Governor Arnold Schwarzenegger, most will take effect on January 1, 2005.¹

Schwarzenegger, who in November 2003 replaced the recalled Gray Davis, signed 959 measures and vetoed 311 between taking office and the September 30, 2004, deadline for acting on the bills sent to him at the end of the 2003-04 session.

Texts of the measures highlighted here, as well as committee staff analyses and governor’s veto messages, may be found at www.leginfo.ca.gov.

For details of the budget package enacted in 2004, see “California Spending Plan 2004-05: The Budget Act and Related Legislation,” prepared by the Legislative Analyst’s Office. It’s available on the LAO’s Web site at www.lao.ca.gov or by calling 916-445-4656.

¹ State constitutional amendments, which must go on the statewide ballot, and resolutions, which do not carry the force of law, do not go to the governor.

Aging and Long-Term Care

Legislation on aging and long-term care issues in 2004 focused on several themes: strategic planning for the anticipated expansion of the population of elderly persons in California, protections for seniors and dependent adults who are residing in residential care facilities and protections against financial abuse. For example, **SB 1845 (Perata), Chapter 797, Statutes of 2004**, reforms and modernizes the Adult Day Health Care program that provides health, therapeutic and social services to frail elderly and disabled adults living at home. **AB 2791 (Simitian), Chapter 270, Statutes of 2004**, authorizes a fee to support the civil prosecution costs of financial abuse of elder and dependent adults in real estate transactions. Taken together, the bills deliberated upon and passed in 2004 will significantly increase protections for seniors and disabled adults and help California prepare for the coming demographic changes in the population.

SB 1475 (Vasconcellos) – Would have required the attorney general and the California District Attorney’s Association, in consultation with the Health and Human Services Agency, to convene an Elder and Dependent Adult Abuse Prevention and Prosecution Coordinating Council. Would have required the council to submit to the Legislature by November 1, 2006, a strategic master plan to establish a central registry of statistical data on elder and dependent adult abuse; provide training to law enforcement, social services and first-responder agencies on the detection, investigation and prosecution of such abuse; and increase resources for criminal investigation and prosecution of elder and dependent adult abuse. **Vetoed.**

SB 1644 (Romero) – Would have required local registrars of births and deaths that elect to participate in an existing Internet-based electronic death registration system to provide specified information to a county elder death-review team, upon request, including place, date and cause of death and the name of the deceased. Would have permitted an organization represented by an elder death-review team to obtain copies of death certificates from local registrars, subject to confidentiality and other requirements. **Vetoed.**

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SB 1662 (Soto) – Requires residential care facilities for the elderly to provide a resident, or his or her representative, with written notice of a rate increase attributed to a change in the level of care. Requires the notice be provided within two days after the change in the level of care occurs. **Signed – Chapter 401, Statutes of 2004.**

SB 1845 (Perata) – Reforms the Adult Day Health Care program that provides health, therapeutic and social services to frail elderly and disabled adults living at home. Revises the Adult Day Health Care eligibility certification standards under the Medi-Cal program, permits a provider to serve participants not living within its service area and eliminates the requirement that the state Department of Health Services conduct special reviews prior to renewing Medi-Cal certifications. **Signed – Chapter 797, Statutes of 2004.**

AB 691 (Daucher) – Requires skilled nursing facilities, intermediate care facilities and other nursing facilities to offer annual immunizations for influenza and pneumococcal disease to residents age 65 and over. Provides that reimbursement under Medi-Cal be provided for the immunizations, except under specified circumstances. **Signed – Chapter 36, Statutes of 2004.**

AB 824 (Matthews) – Would have extended to counties administering the In-Home Supportive Services program under the individual provider mode similar fiscal provisions of law applicable to other provider modes. Would have extended to these counties the requirement that the state pay 65 percent of the nonfederal share of wage and benefit increases, in accordance with certain conditions. **Vetoed.**

AB 1373 (Daucher) – Revises current law to allow, in addition to U.S. citizens, persons who are legal residents of the United States to become licensed to be nursing home administrators. **Signed – Chapter 320, Statutes of 2004.**

AB 1470 (Ridley-Thomas) – Allows an In-Home Supportive Services provider to authorize payments for his or her services to be paid through electronic direct deposit into a bank account, under a program established by the state controller. **Signed – Chapter 826, Statutes of 2004.**

AB 1629 (Frommer) – Permits imposition of a quality assurance fee on each skilled nursing facility, with specified exemptions, and provides that the funds be used to draw down additional federal Medi-Cal funds by matching those funds to support quality improvement in facilities. Requires skilled nursing facilities to meet additional standards, such as requiring the resident's initial assessment to include projected length of stay and discharge potential, as well as an indication of what care the resident needs to return to a community placement. **Signed – Chapter 875, Statutes of 2004.**

AB 1821 (Cohn) – Would have established a state nursing contract program with accredited schools and programs that educate and train licensed vocational nurses and registered nurses in order to increase the supply of nurses in California. **Vetoed.**

AB 2127 (Levine) – Requires that a direct services contractor operating an Alzheimer's day care resource center be licensed as either an adult day program or as an adult day health-care center. Requires Alzheimer's day care resource centers not licensed as either an adult day care or adult day health care centers to become licensed by January 1, 2008. **Signed – Chapter 636, Statutes of 2004.**

AB 2783 (Simitian) – Would have authorized imposition of a fee to fund programs to deter, investigate and civilly prosecute real-estate fraud against elders or dependent adults. **Vetoed.**

AB 2791 (Simitian) – Requires skilled nursing and intermediate care facility personnel employed as certified nursing assistants to receive an additional hour of pre-certification training in addressing the prevention, recognition and reporting of violations of facility residents' rights. **Signed – Chapter 270, Statutes of 2004.**

AB 2816 (Daucher) – Requires the California Health and Human Services Agency to determine the appropriate single state entity to provide oversight of the waiver standards for adult day health care centers. Also, requires the Department of Health Services to make a determination regarding surveys of the Multipurpose Senior Services Program. **Signed – Chapter 455, Statutes of 2004.**

AB 2820 (Daucher) – Requires the California Department of Aging to conduct a grants-in-aid program to assist in the start up of new adult day health-care centers and to expand operations of existing centers. Requires the department to give special consideration of applications from rural areas. Revises the criteria used for planning and development grants for new centers. Requires the director of the department to temporarily suspend a license of a center, prior to a hearing, when necessary to protect the health and safety of participants. **Signed – Chapter 632, Statutes of 2004.**

AB 3056 (Vargas) – Would have prohibited certain counties, that now provide In-Home Supportive Services through two or more modes of service delivery, from ceasing to use one or more of those modes of service until certain conditions are met. Specified these conditions as receiving input from an advisory committee, determining that eliminating a mode of service delivery will not harm clients, and requiring that the county board of supervisors make a prior determination that the gains to be realized from canceling a mode of service will outweigh any negative consequences. **Vetoed.**

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AB 3095 (Assembly Committee on Aging and Long-Term Care) – Expands provisions of current law defining crimes against an elder or dependent adult to include situations in which the person accused of the crime should have known that the victim was an elder or dependent adult. Provides that, as a condition of probation, a court may order a person convicted of violating these provisions to attend a counseling program and pay the cost of the counseling. **Signed – Chapter 893, Statutes of 2004.**

Agriculture

Pesticide applicators will help pay the medical bills of Californians sickened by sloppy sprays under **SB 391 (Florez), Chapter 913, Statutes of 2004**. Among the other key pieces of agricultural legislation were bills on the humane treatment of animals, specifically ducks, and the continued response to Pierce's Disease, which threatens the state's winegrape industry.

SB 391 (Florez) – Makes liable for medical costs any person who is found in violation of laws that result in illness or injury requiring emergency medical care of someone from any pesticide used in production of an agricultural commodity. The illness or injury would have to occur in a non-occupational setting. **Signed – Chapter 913, Statutes of 2004**

SB 1520 (Burton) – Prohibits, commencing July 1, 2012, a person from force-feeding a bird for the purpose of enlarging the bird's liver beyond normal size and prohibits a product from being sold in California if it is the result of force-feeding a bird. **Signed – Chapter 904, Statutes of 2004.**

SB 1604 (Ashburn) – Makes various technical and clarifying changes to the Table Grape Pest and Disease Control District Act enacted last year. **Signed – Chapter 400, Statutes of 2004.**

SB 1650 (Chesbro) – Extends the sunset date to March 1, 2011, for the Pierce's Disease Control Program, the Pierce's Disease Management Account and the Pierce's Disease and Glassy Winged Sharpshooter Board. Also adds a referendum process to allow producers and processors to vote on future program activities and assessments. **Signed – Chapter 485, Statutes of 2004.**

SB 1840 (Denham) – Changes state law applicable to the control of bovine tuberculosis to conform to changes recently made to federal regulations and standards governing the disease. In particular, this bill transfers several bovine tuberculosis-related powers from the secretary of

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Food and Agriculture to the state veterinarian. **Signed – Chapter 246, Statutes of 2004.**

SB 1901 (Alarcón) – Would have protected non-supervisory farm workers from being unnecessarily exposed to pesticides and chemicals by an agricultural employer's requirement to taste-test table grapes in the field or prior to processing, while allowing supervisory employees to taste-test table grapes under specified health and safety conditions. **Vetoed.**

AB 1725 (Matthews) – Provides for administrative fines of up to \$5,000 for any violation of laws governing pest-control licenses, creates new deadlines for parties to appeal suspension of fines and clarifies that structural pest control operators may perform repairs allowed within the scope of their license. **Signed – Chapter 443, Statutes of 2004.**

AB 2054 (Wolk) – Extends from December 31, 2005, to December 31, 2010, the time period during which the University of California's Sustainable Agriculture Research and Education Program is authorized to provide grant funds for new pilot demonstration projects for integrated biological pest-control techniques. **Signed – Chapter 446, Statutes of 2004.**

AB 2633 (Frommer) – Would have established a transportation, recycling and disposal program for managing and disposing of grease. **Vetoed.**

AB 3045 (Assembly Committee on Agriculture) – Authorizes the secretary of the state Department of Food and Agriculture to charge dairy farms follow-up inspection fees for facilities found to be out of compliance in an initial inspection. **Signed – Chapter 352, Statutes of 2004.**

AB 3046 (Assembly Committee on Agriculture) – Provides that, in addition to civil penalties, a dairy producer in violation of drug-residue provisions shall also be liable for reasonable investigation and enforcement costs, including customary fees. **Signed – Chapter 436, Statutes of 2004.**

AJR 69 (Matthews and Maldonado) – Requests the U.S. Congress to support the passage of HR 3242, the Specialty Crop Competitiveness Act, and makes legislative findings that recognize the importance of partnering between federal and state governments to protect California's food and fiber from exotic pests and diseases. **Resolution Chapter 104, Statutes of 2004.**

Banking and Finance

Privacy in the realm of financial institutions continued to be an important issue in 2004.

SB 1451 (Figueroa) – Would have required a person who has access to information protected under specified privacy laws and who is not subject to any of those laws to treat the information with the same care as would be required of a person who is subject to the provisions. **Vetoed.**

SJR 20 (Florez) – Asks Congress to consider legislation to prevent the unilateral expansion of jurisdiction over financial institutions by federal regulators without the endorsement of Congress. **Resolution Chapter 107, Statutes of 2004.**

AB 1776 (Assembly Committee on Banking and Finance) – Requires foreign corporations to produce records when a subpoena is properly served by law enforcement. Expands law enforcement's ability to obtain certain consumer records from out-of-state financial institutions without a search warrant, but only with the consent of the consumer. **Signed – Chapter 629, Statutes of 2004.**

AB 1810 (Frommer) – Would have required automated teller machines that are not owned by financial institutions to be registered with an electronic funds transfer network. Would have established civil penalties for failing to register and violating the requirements of the agreement. **Vetoed.**

AB 1859 (Nakano) – Provides a process of dissolution for domestic limited-liability companies that have not conducted any business and dissolve within one year of formation. Companies meeting the criteria for this process of dissolution are not subject to additional minimum franchise taxes, but are not entitled to a refund of any taxes or fees already paid. **Signed – Chapter 416, Statutes of 2004.**

AB 2312 (Dutra) – Requires that when a point-of-sale system is upgraded to include a video touch screen or keypad the device must also be equipped with a tactually discernible numerical keypad. A

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manufacturer or distributor must offer touch screen devices that satisfy tactually discernible requirements as of January 1, 2006. **Signed – Chapter 760, Statutes of 2004.**

AB 2693 (Wiggins) – Requires real estate brokers who meet all the qualifications of a residential mortgage licensee to notify the Department of Real Estate. Prohibits licensees from failing to disburse funds and intentionally delaying the closing of mortgage loans for the sole purpose of increasing interest, costs, fees or charges payable by the borrower. **Signed – Chapter 940, Statutes of 2004.**

AB 2752 (Chu) – Would have required publicly traded corporations to have a process in place for shareholders to recommend a candidate for election as director. That process would have been filed with the secretary of state and made available to shareholders. **Vetoed.**

AB 2868 (Nuñez) – Would have established the Refund Anticipation Loan Act, requiring persons who facilitate refund anticipation loans to register with the Department of Corporations and provide specific disclosures to applicants. **Vetoed.**

AB 3016 (Pavley) – Deletes an exception in law that allows a person or business to use a consumer's Social Security number as an identification or account number when the number has been in continuous use since July 2002. Becomes effective on July 1, 2006. **Signed – Chapter 282, Statutes of 2004.**

Civil Rights

Stopping discrimination and protecting the civil rights of Californians involves so much more than passing a law saying it must be so. Many of the measures that passed the Legislature in 2004 speak to the ongoing story of civil rights reforms. The question of whether universities may consider someone's race or gender in making admission decisions has continued to evolve since the U. S. Supreme Court ruled in the 1978 case, *Regents of the University of California v. Bakke*, that race could be a consideration. **AB 2387 (Firebaugh)**, which was **vetoed**, would have crafted a way to consider race, ethnicity and gender consistent with a 2003 U.S. Supreme Court decision and California's Proposition 209, which bans discrimination or preferential treatment in public education, contracting or employment.

Girls who want as many athletic outlets as boys may find some new opportunities as a result of the passage of **AB 2404 (Steinberg), Chapter 852, Statutes of 2004**. The civil rights of Native Americans will be aided by passage of **SB 18 (Burton), Chapter 904, Statutes of 2004**, giving them a voice in the local land-use planning process when cultural sites are affected.

University Admissions

AB 2387 (Firebaugh) – Would have allowed the consideration of culture, race, gender, ethnicity, national origin, geographic origin and household income in public university admissions consistent with a 2003 U.S. Supreme Court decision and not in conflict with Proposition 209. The court opinion, *Grutter v. Bollinger*, said student body diversity is a compelling governmental interest and that colleges and universities may pursue this goal by considering race and ethnicity in admissions in a “narrowly tailored” way. **Vetoed**.

Disabilities

SB 1760 (Perata) – Would have expressly stated that the state of California consents to be sued in state or federal court by any person seeking to enforce rights under the federal Americans with Disabilities Act of 1990 (ADA). The bill also sought to expressly prohibit the state from asserting immunity under the 11th Amendment of the U.S.

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Constitution and would have waived the state's right to immunity under that amendment for lawsuits under the ADA. **Vetoed.**

Domestic Partners

AB 2208 (Kehoe) – Enacts the California Insurance Equality Act, which requires group health plans, health insurance and all forms of insurance to provide equal coverage to registered domestic partners. **Signed – Chapter 488, Statutes of 2004.**

Gender

AB 358 (Jackson) – Sought to make sure the state is in compliance with the United Nations' Convention on the Elimination of All Forms of Discrimination Against Women. Would have required the state Department of Corrections, the state Department of Education and the state Department of Health Services, in consultation with the state Commission on the Status of Women, to evaluate their own departments to ensure that the state does not discriminate against women. **Vetoed.**

AB 2240 (Oropeza) – Would have required that a poster titled "Equity in Athletics Bill of Rights," articulating students' rights with regard to equal treatment in athletics, be posted at the entrance of every gymnasium and in the male and female locker rooms in each school of a district that offers competitive or club sports to pupils. This information also would have been posted on the Web site of the state Department of Education in both English and Spanish. **Vetoed.**

AB 2317 (Oropeza) – Would have increased the damages required for violating state law prohibiting gender-based pay discrimination. Under AB 2317, a harmed worker could collect the balance of the underpaid lost wages with interest, an equal amount as liquidated damages and an amount equal to double the balance of the wages as a civil penalty. The bill also would have imposed greater penalties for employers who are "willful" violators under the law; for instance, employers who have been caught violating the law before. **Vetoed.**

AB 2404 (Steinberg) – Prohibits cities, counties and special districts from gender discrimination in the operation, conduct or administration of community youth athletic programs or in the allocation of parks and recreation facilities and resources that support these programs. Creates an independent right to bring a civil action for equitable and monetary relief. **Signed – Chapter 852, Statutes of 2004.**

Housing

In 1999, legislation passed to amend the Fair Employment and Housing Act to prohibit landlords from discriminating by source of income (SB 1098, Burton, Chapter 590, Statutes of 1999). This law took effect January 1, 2000, and is set to expire on January 1, 2005. **SB 1145**

(Burton) erases this January 1, 2005, sunset provision, making the law permanent. SB 1145 also removes the expiration date for the law that requires landlords to give a tenant a 60-day notice when raising rents by 10 percent or more. **Signed – Chapter 568, Statutes of 2004.**

Ethnicity

SB 18 (Burton) – Requires a city or county to consult with local Native American tribes prior to adopting or amending a general plan that could affect sites sacred to Native Americans. Directs the Governor’s Office of Planning and Research to include provisions on consulting tribes in its guidelines that local governments are asked to follow when adopting or amending mandatory elements of general plans. **Signed – Chapter 905, Statutes of 2004.**

SB 37 (Dunn) – Would have created a two-year window during which surviving victims of a 1930s repatriation of Mexican-Americans could have filed claims for damages from responsible parties in California. The repatriation program involved the deportation to Mexico of persons of Mexican descent between 1929 and 1944. **Vetoed.**

SB 301 (Alarcón) – Would have established the Commission on Latino/Latina Affairs consisting of 15 members to advise the governor, Legislature, state agencies, departments and commissions on issues relating to the social and economic development of Latino/Latina communities. **Vetoed.**

SB 427 (Dunn and Escutia) – Would have established a 16-member Commission on the 1930s “Repatriation” Program to make recommendations regarding the deportation of persons of Mexican descent. The commission would have been required to hold public hearings and submit a report of findings to the governor and the Legislature. **Vetoed.**

SB 1643 (Murray and Vincent) – Requires the governor to proclaim February as Black History Month each year. **Signed – Chapter 256, Statutes of 2004.**

AB 59 (Dymally) – Would have established a California Commission for the Preservation of African-American History, Culture and Institutions. It would have been convened upon a determination by the state Department of Finance that private donations to fully support the activities of the commission had been deposited with the state. **Vetoed.**

Sexual Harassment

AB 1825 (Reyes) – Requires employers with 50 or more employees to provide training on sexual harassment to supervisors once every two years, and the state to provide the same. **Signed – Chapter 933, Statutes of 2004.**

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Consumers

The Legislature approved a number of measures aimed at protecting consumers in the marketplace. Several measures focused attention on mail-in rebates, time-share vacation properties, car purchases and hotel rates. Measures also were directed at unscrupulous licensees in accounting and home-improvement businesses. In addition, the Legislature approved bills expanding state programs that provide assistance to consumers with vehicles that do not meet emission standards.

SB 30 (Figueroa) – Requires that home improvement contracts be in writing, legible, easy to understand and inform consumers of their right to cancel or rescind the contract within three days. The bill makes violations of these provisions a misdemeanor. **Signed – Chapter 566, Statutes of 2004.**

SB 1107 (Senate Budget and Fiscal Review Committee) – Extends the number of years a new car is exempt from smog check requirements and exempts vehicles less than five years of age from the change-of-ownership smog inspection requirement. It also increases funding for the Air Resources Board's programs for clean air and for smog-check-related vehicle repairs for low-income persons. **Signed – Chapter 230, Statutes of 2004.**

SB 1154 (Figueroa) – Would have required companies offering mail-in consumer rebates to do the following: allow consumers 30 days to submit their rebate requests, mail the rebate check within 60 days and provide consumers with a customer service telephone number. Also would have limited the personal information that companies could require from consumers in return for rebates. **Vetoed.**

SB 1173 (Ortiz) – Makes it unlawful for a retailer of tobacco products to sell, offer for sale or display for sale specified tobacco products or tobacco paraphernalia in self-service displays. Exempts pipe tobacco, snuff, chewing tobacco, dipping tobacco and specified packages of cigars. **Signed – Chapter 812, Statutes of 2004.**

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SB 1363 (Ducheny) – Makes it a misdemeanor for the owner of a hotel or motel to raise room rates by more than 10 percent during the month following a natural disaster that prompted the declaration of a state of emergency. **Signed – Chapter 492, Statutes of 2004.**

SB 1543 (Figueroa) – Prohibits a licensed accountant from disclosing confidential information concerning a client or a prospective client without obtaining the client’s written permission, except in certain circumstances. Provides for a two-tiered structure for imposing fines for violations of the Accountancy Act, based on the severity of the violation. Also requires the Department of Finance to authorize up to \$2 million in additional expenditures for the accountancy board’s enforcement and litigation activities. **Signed – Chapter 921, Statutes of 2004.**

AB 320 (Correa) – Would have banned licensees from including “gag clauses” – language prohibiting consumers from filing (or withdrawing) a complaint or cooperating with regulatory investigations by the Department of Consumer Affairs or any of its boards, bureaus or programs – in civil settlement agreements. Also would have authorized the appropriate board or bureau to discipline a licensee who was party to such an agreement. **Vetoed.**

AB 371 (La Suer) – Allows a certified phlebotomy technician to withdraw blood under certain circumstances at the direction and in the presence of a peace officer to determine its alcoholic content. **Signed – Chapter 14, Statutes of 2004.**

AB 1721 (Koretz) – Clarifies that retailers must honor the expired sale signs they have not removed. The measure is designed to require merchants to charge the lowest price posted for the item. **Signed – Chapter 752, Statutes of 2004.**

AB 1793 (Yee) – Requires video game retailers to post signs and provide brochures about the industry’s game-rating system. **Signed – Chapter 630, Statutes of 2004.**

AB 1839 (Montañez) – Would have limited the amount car dealers could charge consumers for arranging car loans and would have required dealers to disclose the cost of add-on equipment and services included in the loans. Would have limited the conditions under which car dealers could advertise and sell vehicles as “certified.” **Vetoed.**

AB 2128 (Jackson) – Reallocates a greater portion of smog-abatement fees paid by owners of newer motor vehicles to the Bureau of Automotive Repair’s Consumer Assistance Program, which helps low-income consumers with smog check repairs to bring their vehicles into compliance with emissions standards. The program pays any consumer to scrap a polluting vehicle. **Signed – Chapter 703, Statutes of 2004.**

AB 2150 (Levine) – Permits the California Board of Accountancy to recoup the cost of investigating and prosecuting all violations of the Accountancy Act. This cost recovery will provide monetary support for the board’s enforcement program. **Signed – Chapter 583, Statutes of 2004.**

AB 2252 (Montañez) – Increases consumer protections for the sale and marketing of vacation time-shares by, among other things, extending the “cooling off” period from three to seven days, expanding the Department of Real Estate’s enforcement authority and strengthening financial responsibility standards for owners’ associations. Also consolidates and revises the entire body of time-share vacation property law and streamlines the time-share regulatory approval process. **Signed – Chapter 697, Statutes of 2004.**

AB 2503 (Liu) – Requires a rental car company to provide a renter of a 15-passenger van with a copy of the Department of Transportation, National Highway Traffic Safety Administration’s warning and safety recommendations for 15-passenger vans. **Signed – Chapter 883, Statutes of 2004.**

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Disabilities

Several successful bills in 2004 took into account the needs of persons with disabilities to have access to facilities and services that others take for granted. For instance, **AB 2312 (Dutra), Chapter 760, Statutes of 2004**, would require that all the numerical keypads used by customers to make purchases at sales check-out counters be equipped with tactile features by the year 2010 so they can be used by the blind.

Access for Persons with Disabilities

SB 1725 (Knight) – Requires the state Department of Motor Vehicles to provide local or state law enforcement or parking agencies with information about a physician’s certificate submitted as part of an application for a disability license plate. Authorizes local authorities to establish boards to review the information and channel fraudulent or improper applications to the department. Allows a local authority to prohibit or restrict parking for improper placards; prohibits the department from charging a fee for issuing temporary placards. **Signed – Chapter 404, Statutes of 2004.**

SB 1775 (Ortiz) – Requires the regulations and building standards developed and submitted by the state architect to be consistent with the standards for buildings and structures in the latest edition of the selected model code adopted by the California Building Standards Commission. Reauthorizes the expenditure of funds from the Disability Access Account, which is funded by specified fees, to implement standards for public access for persons with disabilities. **Signed – Chapter 252, Statutes of 2004.**

AB 1707 (Assembly Committee on Judiciary) – Would have increased the minimum amount of damages that may be assessed against a person who interferes with enjoyment of public facilities, or otherwise interferes with the rights of a person with a disability, to \$4,000. **Vetoed.**

AB 2312 (Dutra) – Requires that when a point-of-sale system is upgraded to include a video touch screen, the device also must be equipped with a tactually discernible numerical keypad. All devices must be upgraded by January 1, 2010. A manufacturer or distributor must

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offer touch screen devices that satisfy tactually discernible requirements as of January 1, 2006. **Signed – Chapter 760, Statutes of 2004.**

Developmental Disabilities

SB 1364 (Chesbro) – Revises the qualification of members appointed to the state Council on Developmental Disabilities from “sibling” to “immediate relatives,” and revises the qualifications of the chair and vice chair. **Signed – Chapter 68, Statutes of 2004.**

SB 1365 (Chesbro) – Would have required the California Health and Human Services Agency to establish an advisory council to provide advice and recommendations to place individuals in non-institutional settings in accord with the U.S. Supreme Court’s Olmstead decision. **Vetoed.**

SB 1819 (Ashburn) – Authorizes the disclosure of confidential information obtained during an intake assessment for persons with developmental disabilities or mental illness. Allows this information to be disclosed to a state civil service employee who is the subject of an adverse action. **Signed – Chapter 406, Statutes of 2004.**

AB 649 (Wiggins) – Would have stipulated that the system of providing community services and supports for persons with developmental disabilities is chronically underfunded and recommended that future increases in federal funding be directed to such services. **Vetoed.**

AB 857 (Frommer) – Would have established an Autism Information Resource Center within the state Department of Developmental Services to provide a central source of information for autism treatment and support services. **Vetoed.**

AB 2100 (Steinberg and Richman) – Establishes “family teaching homes,” a new class of facility for adults with developmental disabilities, in anticipation of the closure of the Agnews Developmental Center. Authorizes the state Department of Developmental Services to approve proposals to purchase such facilities as permanent housing for clients of Regional Centers. **Signed – Chapter 831, Statutes of 2004.**

Education: Early Childhood through 12th Grade

Legislation in the education arena focused on examining needs and costs of providing child care and preschool for all Californians, on improving the quality of child care and on consolidating a complicated mix of categorical funding for schools into block grants. A package of legislation also implemented the settlement of a *Williams* lawsuit filed by the American Civil Liberties Union that contended students were not getting the instructional materials they needed.

Child Care and Preschool

SB 1343 (Escutia) – Would have required the superintendent of public instruction to establish a task force to develop recommendations for a master plan for infant and toddler care by December 1, 2005. **Vetoed.**

SB 1897 (Burton) – Would have required the superintendent of public instruction to provide the Legislature with an assessment and recommendations concerning the supply and demand for subsidized and unsubsidized child care in California. Would have required the Department of Education to biennially assess the reimbursement rate system for subsidized child care and by July 1, 2008, to develop criteria for enhancements to the rates for demonstrated quality components. Would have established the Option for Expanded Business Opportunities for the purpose of authorizing family child-care providers to select agents to represent them to act collectively on specified matters. **Vetoed.**

AB 379 (Mullin) – Requires the superintendent of public instruction to contract for networks to support educational objectives for children in licensed family child-care homes that serve those eligible for subsidized care. Requires the networks to provide parenting education and developmentally appropriate activities for children. **Signed – Chapter 897, Statutes of 2004.**

AB 712 (Steinberg) – Would have required the California Children and Families Commission to submit to the Legislature and governor by November 1, 2005, an estimate of the cost of a voluntary program providing preschool for any child. **Vetoed.**

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AB 2205 (Oropeza) – Provides child care to families with one or more parents deployed in Iraq by the armed forces, subject to the availability of federal funding. Eligible families include those with adjusted incomes at or below 75 percent of the state median income. **Signed – Chapter 555, Statutes of 2004.**

Williams v. State of California Settlement

The Williams Settlement became a major focus of the 2004 session. The American Civil Liberties Union filed a class action suit in May 2000 on behalf of children in 18 school districts. A settlement with the Schwarzenegger Administration requires that all students have books and that schools will be clean and safe. It provides nearly \$1 billion to the schools and holds them accountable for ensuring that every student has the basic necessities to learn.

SB 6 (Alpert) – Establishes the School Facilities Needs Assessment Grant Program and the School Facilities Emergency Repair Account. **Signed – Chapter 899, Statutes of 2004.**

SB 550 (Vasconcellos) – Requires county superintendents to annually review the sufficiency of instructional material, the assignment of teachers and the condition of school facilities of schools ranked in the lower deciles of the 2003 Academic Performance Index. This information will be added to the School Accountability Report Card. Additionally, the bill establishes a uniform complaint process for inadequate instructional materials. **Signed – Chapter 900, Statutes of 2004.**

AB 1550 (Daucher) – Prohibits operation after 2012 of a Concept 6 program, which allows a school to operate on a three-track year-round calendar in which each track provides fewer than 180 but no fewer than 163 days of instruction per school year. Expresses legislative intent to eliminate the Concept 6 program as soon as practical. Also requires the state Board of Education to intervene if it believes a district will not eliminate Concept 6 by 2012. **Signed – Chapter 901, Statutes of 2004.**

AB 2727 (Daucher) – Revises the language in SB 550 (Vasconcellos) to clarify that only emergency or urgent facility conditions that threaten health or safety are subject to correction under the uniform complaint process. **Signed – Chapter 903, Statutes of 2004.**

AB 3001 (Dymally) – Requires the Fiscal Crisis and Management Assistance Team to review teacher hiring practices, teacher retention rates, the percentage of highly qualified teachers and teacher misassignments in school districts. This information will be reported to the Commission on Teacher Credentialing, which will make it available to the public in its annual report. Additionally, the bill allows out-of-state teachers who meet certain requirements to teach in California. **Signed – Chapter 902, Statutes of 2004.**

Adult Education

SB 1309 (Karnette) – Would have modified growth caps on adult education programs operated by K-12 districts. Unused units of attendance could have been reallocated to districts that fully utilize their allowances. **Vetoed.**

Assessment and Accountability

SB 1384 (Scott) – Requires the California Learning Resource Network to establish review criteria and a process for the identification and review of electronic learning assessment resources by December 31, 2004. **Signed – Chapter 397, Statutes of 2004.**

SB 1419 (Vasconcellos) – Would have developed an Opportunities for Teaching and Learning Index as a component of the Public School Accountability Program to measure learning opportunities for K-12 pupils. **Vetoed.**

SB 1448 (Alpert) – Reauthorizes the Standardized Testing and Reporting (STAR) program until January 1, 2011, and makes various changes to the provisions of existing laws governing the program. **Signed – Chapter 233, Statutes of 2004.**

AB 2413 (Diaz) – Would have required the state Department of Education to use specified federal funds to develop or adopt primary language assessments for reading/language arts and mathematics. **Vetoed.**

AB 2744 (Goldberg) – Would have established a process for periodic review and revision of the state academic content standards. **Vetoed.**

Budget

SB 1101 (Senate Budget and Fiscal Review Committee) – Suspends the Proposition 98 minimum guarantee by \$2 billion for fiscal year 2004-05. **Signed – Chapter 213, Statutes of 2004.**

SB 1108 (Senate Budget and Fiscal Review Committee) – Implements the education provisions of the 2004-05 Budget Act. **Signed – Chapter 216, Statutes of 2004.**

Charter Schools

AB 1860 (Reyes) – Would have added a compliance requirement to charter-school annual audits, prohibited charter schools from expelling a pupil solely on academic performance and required charter schools to notify the appropriate school district governing board and county office of education when a pupil is expelled or leaves school without completing

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the school year. Would have required charter schools to comply with the Public Records Act. **Vetoed.**

Class Size Reduction

SB 311 (Sher) – Establishes a deduction schedule that the state controller would follow if a school district failed to maintain the maximum pupil-to-teacher ratio under the Class Size Reduction program. Provides relief for districts affected by fires in 2003. **Signed – Chapter 910, Statutes of 2004.**

AB 1670 (Kehoe) – Would have authorized any school district located in Los Angeles, Riverside, San Bernardino, San Diego or Ventura counties to receive Class Size Reduction funding for 2003-04 based on enrollment counts taken before the October 2003 fires if the district lost enrollment. **Vetoed.**

Finance

SB 1645 (Escutia) – Would have established a task force to develop options for restructuring the funding formula for the Economic Impact Aid program. **Vetoed.**

AB 825 (Firebaugh) – Consolidates numerous K-12 categorical funding programs into five block grants beginning with the 2006-07 fiscal year. **Signed – Chapter 871, Statutes of 2004.**

AB 2152 (Goldberg) – Would have granted school districts flexibility in the use of certain categorical programs and required a school district receiving those funds to assure that a percentage of funds were spent for direct services to students enrolled in schools ranked in deciles 1-3 on the Academic Performance Index. **Vetoed.**

AB 2373 (Goldberg) – Would have required the California Quality Education Commission to examine the advantages and disadvantages of allowing a school district to allocate funds based on a weighted per-pupil formula. **Vetoed.**

Instructional Materials

SB 651 (McPherson) – Would have required school districts that receive funding for supplemental instruction in reading to convene a study team for each pupil recommended for retention because of unsatisfactory reading skills at the end of second grade. **Vetoed.**

SB 1380 (Escutia) – Would have required the state Board of Education to solicit and adopt recommendations from school districts and county offices of education regarding the adoption of basic instructional materials in certain subject areas. **Vetoed.**

AB 2455 (Canciamilla) – Would have required the state Board of Education to review whether instructional materials for K-8 are offered at fair cost. **Vetoed.**

No Child Left Behind

SB 722 (McPherson) – Amends existing law relating to the Academic Performance Index to conform with requirements of the federal No Child Left Behind Act of 2001. Amends the definition of annual yearly progress for the purpose of assessing progress toward meeting federal improvement targets. **Signed – Chapter 915, Statutes of 2004.**

AB 1846 (Goldberg) – Would have designated the superintendent of public instruction as the state education official responsible for carrying out provisions of the No Child Left Behind Act of 2001. **Vetoed.**

School Facilities

AB 736 (Hancock) – Would have required the State Allocation Board to adopt regulations to implement design standards for school facilities in accord with guidelines established by the Collaborative for High Performance Schools. **Vetoed.**

School Health and Safety

SB 1386 (Vasconcellos) – Would have specified that random drug or alcohol testing of pupils by a school district is permitted only under certain conditions and non-random drug or alcohol testing is permitted only upon a reasonable suspicion of the unlawful use of a controlled substance or alcohol by a student. **Vetoed.**

SB 1692 (Vasconcellos) – Would have required school districts to provide each pupil a notice and questionnaire regarding their vision at the time of school vision appraisals. **Vetoed.**

AB 2485 (Chan) – Allows the governing board of a school district to make a written request upon any person, corporation, local publicly owned utility or government agency for information to assess and determine the safety of a proposed school site or an addition to an existing school site. **Signed – Chapter 578, Statutes of 2004.**

School Mandates

AB 2851 (Laird) – Suspends mandates that require school districts to submit investment reports if funding is not appropriated, requires the Commission on State Mandates to review certain mandates to determine if they are reimbursable and identifies certain mandates that have been repealed. **Signed – Chapter 316, Statutes of 2004.**

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AB 2855 (Laird) – Modifies or repeals certain state-mandated local programs administered by school districts. **Signed – Chapter 895, Statutes of 2004.**

Special Education

SB 1895 (Burton) – Modifies the delivery of mental health services for students with special needs. **Signed – Chapter 493, Statutes of 2004.**

AB 1858 (Steinberg) – Places new requirements on nonpublic schools that provide special education to foster youth who reside in licensed children’s institutions and foster family homes. **Signed – Chapter 914, Statutes of 2004.**

AB 2909 (Salinas) – Requires the state Department of Education to conduct a study of the current methods of providing special instruction and other services to infants and toddlers who are deaf and hard of hearing and report to the Legislature by January 1, 2006. **Signed – Chapter 456, Statutes of 2004.**

Other

SB 1161 (Alpert) – Establishes the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006, which authorizes the issuance of \$600 million in bonds to finance library construction and renovation. **Signed – Chapter 698, Statutes of 2004.**

SB 1254 (Soto) – Extends from January 2005 to January 2009 the sunset on the California Technology Assistance Project as administered by the state Department of Education. **Signed – Chapter 482, Statutes of 2004.**

AB 164 (Wolk) – Revises the existing Principal Training Program to include high school administrators. **Signed – Chapter 673, Statutes of 2004.**

AB 1554 (Keene) – Authorizes the state to make interim emergency loans, and then transfer those loans to lease financing made available by the California Infrastructure and Economic Development Bank, which will be authorized to issue revenue bonds for this purpose. **Signed – Chapter 263, Statutes of 2004.**

AB 2080 (Firebaugh) – Would have appropriated \$5 million from the General Fund to the state Department of Education to fund the Academic Improvement Act. **Vetoed.**

AB 2756 (Daucher) – Makes substantive changes to the oversight process of a school district’s fiscal condition and changes procedures

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following a school district's receipt of an emergency loan. **Signed – Chapter 52, Statutes of 2004.**

AB 3017 (Firebaugh) – Would have appropriated funding for the Advancement through Individual Determination program. **Vetoed.**

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Higher Education

The 2004-05 Budget Act resulted in student fee increases, maintained last year's funding for outreach programs and rejected Governor Schwarzenegger's proposal to redirect students from the University of California (UC) and California State University (CSU) to the community colleges. A budget trailer bill, **SB 1108 (Senate Committee on Budget and Fiscal Review), Chapter 216, Statutes of 2004**, increased community college fees from \$18 per unit to \$26 per unit and approved system-wide fee increases at UC and CSU. Undergraduate student fees increased by 14 percent at both UC and CSU. At CSU, graduate fees increased by 25 percent and post-graduate fees for nursing and education increased by 20 percent. Graduate fees increased by 20 percent at UC, while professional school fees increased by 30 percent.

The governor's proposed budget in January would have reduced the number of new freshmen enrolling at UC and CSU by 10 percent and redirected them to local community colleges using "dual admissions" programs. Under those programs, UC and CSU would guarantee admission to students, contingent upon the completion of specific academic requirements while at the community college. Instead, **SB 1108** requested the UC Regents and required the CSU Trustees to establish voluntary dual admissions programs for eligible freshmen applicants who choose to do their lower division coursework at community colleges.

Admissions

AB 2387 (Firebaugh) – Would have authorized the UC and the CSU to consider factors other than grade point average and test scores in admissions. **Vetoed.**

Governance

SB 1331 (Alpert) – Would have established a California Postsecondary Education Accountability structure that provided an annual assessment of how the state is meeting statewide public policy goals in higher education. **Vetoed.**

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SB 1817 (Scott) – Would have granted authority to the Board of Governors and the California Community Colleges to appoint up to six deputy and vice chancellors who would be exempted from state civil service requirements. **Vetoed.**

AB 61 (Dymally) – Authorizes the chancellor of the California Community Colleges to appoint a special trustee to administer and oversee the Compton Community College District's operations. **Signed – Chapter 139, Statutes of 2004.**

AB 2849 (Lowenthal) – Would have increased the membership of the CSU Board of Trustees by adding one additional non-faculty employee representative for a two-year term. **Vetoed.**

AB 2923 (Liu) – Would have revised provisions relating to the California Postsecondary Education Commission's duties, membership, priorities and policy responsibilities. **Vetoed.**

Transfer

SB 1415 (Brulte) – Requires postsecondary education institutions to adopt a specified common courses numbering system to facilitate student transfers. **Signed – Chapter 737, Statutes of 2004.**

SB 1785 (Scott) – Establishes a transfer program aimed at ensuring that California Community College students who wish to earn a CSU baccalaureate degree are able to do so. **Signed – Chapter 743, Statutes of 2004.**

Student Fees and Financial Aid

SB 279 (Chesbro) – Eliminates the sunset date for waiving UC and CSU undergraduate fees and tuition for any spouse or child of a contractor, or employee of a contractor, who was killed in the performance of law enforcement or fire suppression. **Signed – Chapter 32, Statutes of 2004.**

SB 1322 (Denham) – Extends the APLE-National Guard program sunset from January 1, 2007, to January 1, 2012, and provides other academic-related benefits. **Signed – Chapter 554, Statutes of 2004.**

AB 2122 (Steinberg) – Authorizes EdFund to participate in activities approved by the Student Aid Commission that are related to student financial aid. **Signed – Chapter 657, Statutes of 2004.**

AB 2710 (Liu) – Would have established state policies for mandatory system-wide student fees and financial aid for undergraduate students at public universities. **Vetoed.**

Teacher Credentialing

AB 242 (Liu) – Would have made changes to emergency permits. **Vetoed.**

Other Legislation

SB 1245 (Kuehl) – Establishes a new program that allocates supplemental funding, if provided in the annual Budget Act, to create four new entry-level master's nursing programs in eligible CSU campuses. Requires the CSU Chancellor, in consultation with the Board of Registered Nursing, to allocate the supplemental funding according to prescribed conditions of eligibility and preference.

Signed - Chapter 718, Statutes of 2004.

SB 1442 (Ducheny) – Would have established a Joint Commission on Adult Education to make recommendations on coordinating adult education and noncredit community college programs to improve adult education services. **Vetoed.**

SB 1544 (Figueroa) – Extends the repeal date of the Private Postsecondary and Vocational Education Reform Act of 1989 to January 1, 2008. **Signed - Chapter 263, Statutes of 2004.**

AB 2477 (Liu) – Urges textbook publishers to take specified action to reduce the cost of college textbooks. **Signed - Chapter 556, Statutes of 2004.**

AB 2678 (Koretz) – Would have authorized postsecondary education institutions to establish textbook rental services for students. **Vetoed.**

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Elections and Political Reform

After 50 years of June primary balloting in California, the Legislature and Governor Pete Wilson moved the state's presidential primary to March in 1996. It was teamed with the primary elections for state offices and propositions in 2000. The goal of the earlier primary election was to give Californians more clout in presidential politics; however, other states kept moving ahead of California. Twenty had held their presidential contests by the time Californians voted last March 2, once again rendering Californians' votes essentially moot in deciding the presidential nominees. **SB 1730 (Johnson), Chapter 817, Statutes of 2004**, returns California's primary election to the first Tuesday after the first Monday in June beginning in 2006.

SB 604 (Perata) – Revises the Political Reform Act in ways governing methods for filing various documents and the definition of cumulative contributions. **Signed – Chapter 478, Statutes of 2004.**

SB 1376 (Perata) – Enacts the Voting System Security Act of 2004. Authorizes the secretary of state, attorney general and local elections officials to bring a civil action against an individual, business or other legal entity that commits acts of tampering before, during or after an election. Allows the secretary of state to seek injunctive relief and monetary damages for an unauthorized change in hardware or software to a voting system. **Signed – Chapter 813, Statutes of 2004.**

SB 1438 (Johnson and Perata) – Requires a voter-verified paper-audit trail when electronic voting systems are used as of January 1, 2006. **Signed – Chapter 814, Statutes of 2004.**

SB 1670 (Romero) – Requires that uniform standards for the training of precinct board members address procedures concerning the opening and closing of polling locations on election day so that all eligible voters who arrive at the polling location prior to closing time are permitted to cast a ballot. **Signed – Chapter 382, Statutes of 2004.**

SB 1849 (Karnette) – Would have lowered the monetary thresholds that trigger mandatory online or electronic reporting of contributions and

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expenditures from \$50,000 to \$10,000 or \$25,000 as of July 1, 2006.
Vetoed.

SCA 18 (Johnson and Alpert) – States that a political party that participated in a primary election for a partisan office has the right to participate in the general election for that office. States that a party shall not be denied the ability to place on the general election ballot the candidate who received, at the primary election, the highest vote among that party's candidates. **Appears on the November 2, 2004, general election ballot as Proposition 60.**

AB 890 (Levine) – Defines "late contribution" to include any contribution, including a loan, that totals \$1,000 or more and is made to, or received by, a political-party committee before any state election but after the closing date of the last campaign statement required for that election. **Signed – Chapter 623, Statutes of 2004.**

AB 2079 (Oropeza) – Would have enacted recommendations of the secretary of state's task force standards for safeguarding voter registration information, authorizing the use of the last four digits of a Social Security number on the affidavit of voter registration and requiring the affidavit to include a privacy notice relating to the confidentiality of the personal information. **Vetoed.**

AB 2941 (Bates) – Permits a special absentee voter who is temporarily living outside of the United States to return his/her ballot by facsimile transmission. The bill sunsets January 1, 2009. **Signed – Chapter 821, Statutes of 2004.**

Energy and Utilities

One of the major issues before the Legislature in 2004 was the partial re-regulation of the electric industry in California. The Legislature passed a bill, **AB 2006 (Nuñez)**, to partially re-regulate the industry but it was vetoed.

SB 1276 (Bowen) – Extends an existing program that assures that rural telephone rates are affordable. Provides \$18 million to fund the California Teleconnect Fund, a program to bridge the digital divide by providing telephone discounts to schools, libraries, health care institutions and nonprofit organizations. **Signed – Chapter 847, Statutes of 2004.**

SB 1478 (Sher) – Expressed legislative intent to increase renewable electricity to 17 percent of consumption in the state by 2006. **Vetoed.**

SB 1776 (Bowen) – Extends a program that facilitates fast-track siting of clean power plants. **Signed – Chapter 245, Statutes of 2004.**

AB 2006 (Nuñez) – Would have enacted the Reliable Electric Service Act of 2004. Specified that investor-owned utilities (IOUs) have an obligation to plan for and provide reliable electric service. Required the Public Utilities Commission (PUC) to maintain rates sufficient to ensure an IOU fully recovered its initial capital investment in resources approved and found reasonable by the PUC and the full costs of contracting for generation resources with another entity. **Vetoed.**

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Environmental Quality

The Legislature sent the governor measures to deal with redevelopment of brownfields in inner cities, promote the use of recycled tires for highway construction and require retailers to develop methods for collecting and recycling cell phones.

SB 805 (Escutia) – Excludes infill sites from the general five-acre size limit under the California Land Environmental Restoration and Reuse Act, thus allowing cities and counties to address these sites through the streamlined process and providing property owners and other site cleanup participants with limited immunity from liability. **Signed – Chapter 245, Statutes of 2004.**

SB 1381 (Kuehl) – Would have required the director of the state Department of Transportation to work with a task force to make recommendations to ensure policies that enhance bicycling and walking and seek adequate funding for those policies. Required the department to maintain its database of rail rights-of-way and to document how each district office considers the needs of non-motorized travelers. **Vetoed.**

SB 1729 (Chesbro) – Revises the definition of “recycling rate” by repealing the two methods that allow certain exempt rigid plastic packaging containers to be included in calculations. **Signed – Chapter 561, Statutes of 2004.**

SB 1749 (Karnette) – Prohibits the sale of plastic bags in the state that are labeled with the terms “compostable,” “degradable” or “biodegradable” or any forms of those words, unless the bags, at the time of sale, meet an American Society of Testing Materials standard. **Signed – Chapter 619, Statutes of 2004.**

AB 338 (Levine) – Would have required the state Department of Transportation to annually phase in the use of crumb rubber asphalt on state highway construction and repair projects, to the extent feasible. This would have been not less than 20 percent, by ton, by January 1, 2006; not less than 25 percent, by ton, by January 1, 2009; and not less than 35 percent, by ton, by January 1, 2012. **Vetoed.**

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AB 389 (Montañez) – Enacts the California Land Reuse and Revitalization Act of 2004, which provides that an innocent landowner, a bona fide purchaser or a contiguous property owner qualifies for immunity from liability for response costs or damage claims for pollution caused by a release of a hazardous material. **Signed – Chapter 705, Statutes of 2004.**

AB 923 (Firebaugh) – Authorizes an increase in the surcharge that air quality management districts may levy on motor vehicle registrations from \$4 to \$6. Increases the California tire fee by \$0.75 to fund programs under the Air Resources Board. **Signed – Chapter 707, Statutes of 2004.**

AB 1906 (Lowenthal) – Increases the petroleum storage fee from \$0.012 per gallon to \$0.013 per gallon beginning January 1, 2005, and to \$0.014 per gallon beginning January 1, 2006. Requires \$10 million to be annually transferred from the Underground Storage Tank Cleanup Fund into an account for calendar years 2005-07 to remediate petroleum contamination. **Signed – Chapter 774, Statutes of 2004.**

AB 2093 (Nakano) – Prohibits large passenger vessels from releasing any graywater from the vessel into the marine waters of the state. Requires a large passenger vessel to immediately notify the State Water Resources Control Board of a release of graywater from the vessel into the marine waters. **Signed – Chapter 710, Statutes of 2004.**

AB 2176 (Montañez) – Requires the California Integrated Waste Management Board to provide model ordinances, collect and evaluate data from local governments regarding large events and provide recommendations to the Legislature to assist with higher levels of waste diversion. **Signed – Chapter 879, Statutes of 2004.**

AB 2901 (Pavley) – Enacts the Cell Phone Recycling Act of 2004. Requires all retailers of cellular telephones to have in place a system for the collection, reuse and recycling of cell phones. Requires the Department of Toxic Substances Control to provide information on cell phone recycling and to adopt regulations to prohibit a cell phone from being sold in California, if the cell phone is prohibited from sale in the European Union. **Signed – Chapter 891, Statutes of 2004.**

Family Law

New ways to enter into marriage, new procedures to keep financial information shielded from the public and the media when dissolving a marriage and new steps to prove a person is not the father of a child are among the high-profile family-law changes approved by the Legislature in the 2004 legislative session.

Abandoned Newborns

SB 1413 (Brulte) – Immunizes from civil damages a person who assists another in the voluntary surrender of a newborn child under the “Safe Surrender Law,” provided that person is not compensated, the person believes in good faith that the person he or she is assisting is a parent or individual having lawful custody of the newborn child and in good faith renders the assistance. The immunity would not apply to acts or omissions constituting gross negligence. **Signed – Chapter 103, Statutes of 2004.**

Adoption

SB 1357 (Scott) – Makes numerous changes to adoption procedures and foster care designed to expedite the adoption of children currently in foster care. For instance, provides that the notice to and the consent of the presumed father to an adoption is not required if he waives the right to notice in a notarized written document. Also contains provisions related to adoptions that involve a child of Native-American ancestry. **Signed – Chapter 858, Statutes of 2004.**

Child Custody, Visitation and Support

SB 339 (Alpert) – Would have created a regulatory scheme for private child-support collection agencies. Among other things, this bill capped at 30 percent of the collections the amount that these agencies can retain, required the collection agency fees to be paid by the support obligor and not the obligee, provided much greater ability for an obligee to terminate a contract for services and laid out a variety of required disclosures to potential clients. **Vetoed.**

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SB 1287 (Kuehl) – Would have required a criminal court to inform a custodial parent accused of a crime that could result in imprisonment for six months or more that conviction could negatively affect the defendant’s parental rights. Directed the Department of Corrections to help the families of prisoners by maintaining a Web site with useful information such as regularly updated alerts about the cancellation or modification of inmate visiting hours at each institution. **Vetoed.**

Domestic Violence

AB 2010 (Hancock) – Allows Alameda and Solano counties to collect an extra \$2 fee when a marriage license, birth certificate or death certificate is issued to fund domestic violence services. Additional increases are permitted in subsequent years, through January 1, 2010, based on the consumer price index for the San Francisco metropolitan area. Existing law attaches a \$23 fee to every standard marriage license issued and the fees generated in each county are placed in the county’s domestic violence program special fund. **Signed – Chapter 830, Statutes of 2004.**

AB 2148 (Diaz) – Puts in place a number of strategies designed to help victims of domestic violence whose ex-partners are continuing to harass them through family law litigation tactics that are very costly and sometimes result in unfavorable child custody, visitation and support decisions. Changes the rules on attorney’s fees for the partner with less financial resources, so that he or she may hire an attorney before the family law proceedings begin in court. Allows a court to order spousal support and to consider ordering child support to the battered partner when requested by the petitioner during a hearing for a domestic violence restraining order. **Signed – Chapter 472, Statutes of 2004.**

Marriage and Dissolution

SB 7 (Brulte and Burton) – Creates a military active-duty exception to the rule that a man and a woman must be present at the marriage ceremony for a marriage to take place. Under this measure, if a member of the Armed Forces is overseas in a conflict or war and is unable to appear in person, then he or she may have an “attorney-in-fact” as his or her proxy at the ceremony. **Signed – Chapter 476, Statutes of 2004.**

SB 1284 (Morrow) – Makes reports containing psychological evaluations of a child, recommendations regarding custody of and visitation with a child and written statements of issues and contentions submitted by a child’s court-appointed attorney confidential when submitted to the court. Under current law, court files related to dissolution, annulment or separation of marriage are available for inspection by the public in the county court clerk’s office, unless a specific exception applies. **Signed – Chapter 102, Statutes of 2004.**

SB 1407 (Kuehl) – Provides that a party shall be reimbursed for specified separate property contributions made to the separate property estate of the other spouse during the marriage, unless there is a writing to support that the contribution was a gift. When couples dissolve their marriage, existing law regulates the division of property into community and separate property. **Signed – Chapter 119, Statutes of 2004.**

AB 782 (Kehoe) – Establishes procedures for sealing the location or identifying information about the assets and liabilities of the parties in court files. The bill also changes the method used to keep the Social Security number private by repealing the provision that it be kept in the confidential portion of the court files and instead providing a way to shield the Social Security number. **Signed – Chapter 45, Statutes of 2004.**

AB 2018 (Chu) – Provides, in any proceeding for dissolution of marriage, that if there is a judgment for civil damages for an act of domestic violence perpetrated by one spouse against the other spouse, the court may enforce that judgment against the abusive spouse's share of community property. **Signed – Chapter 299, Statutes of 2004.**

Paternity

An on-going debate in the family arena has centered around the appropriate balance between finality of judgments, preserving a child's belief in who his or her father is and giving individuals an adequate opportunity to challenge a judgment of paternity for children they later learn are not biologically their own.

AB 252 (Jackson) – Creates new procedures for challenging paternity judgments based upon genetic testing. The bill includes provisions to ensure that finality is reached in paternity actions within a reasonable period of time and to protect the interests of a child who may suffer a loss of support or of a relationship with the man the child believed to be its father. This bill does not apply to children born to or adopted by married couples. **Signed – Chapter 849, Statutes of 2004.**

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Gambling

SB 1117, Chapter 856, Statutes of 2004, by **Senator President pro Tempore John Burton** ratifies new and amended compacts with four California Indian tribes to allow gambling on their lands with a percentage of winnings going to the state. Under provisions of the bill:

- *Coyote Valley Band of Pomo Indians* – If the tribe’s net winnings from slot machines exceed \$30 million or if it operates more than 750 machines, the state will receive a percentage of the tribe’s net win on a sliding scale starting at 12 percent and reaching 25 percent at \$200 million.
- *Fort Mojave Indian Tribe* – The state will receive a percentage of the tribe’s net-win from slot machines based on a sliding scale that starts at 10 percent and reaches 25 percent at \$200 million. The percentages would increase if the tribe’s membership fell below 1,000 and again if below 500.
- *Buena Vista Rancheria of Me-Wuk Indians and Ewiiapaayp Band of Kumeyaay Indians* – The state will receive 15 percent of the net winnings on slot machines up to \$200 million and 25 percent of the net winnings over \$200 million.

AB 687 (Nuñez) – Ratifies amendments to the Tribal-State Gaming Compacts renegotiated by Governor Schwarzenegger and five gaming tribes. Authorizes bonds secured by Indian gaming revenue for up to \$1.5 billion for transportation improvements. Provides the tribes with the authority to seek injunctive relief if their exclusive right to conduct Class III games in this state is ever breached. **Signed – Chapter 91, Statutes of 2004.**

Horse Racing

SB 1183 (Margett) – Authorizes the California Horse Racing Board to permit a harness racing association to accept wagers on races on the same days as the Meadowlands Pace, the Hambletonian and the North American Cup. **Signed – Chapter 232, Statutes of 2004.**

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SB 1227 (Soto) – Prohibits the California Horse Racing Board from allocating racing dates to a private thoroughbred association in the central or southern zone if a fair racing association is conducting racing in the central zone on the same dates and has an obligation on a capital expense loan. **Signed – Chapter 918, Statutes of 2004.**

AB 701 (J. Horton) – Revises the law governing the amount deducted from pari-mutuel pools in order to reduce workers' compensation costs within the horse racing industry. **Signed – Chapter 40, Statutes of 2004.**

AB 900 (Assembly Governmental Organization Committee) – Would have revised the amount deducted from pari-mutuel pools to address an increase in workers' compensation costs within the California horse racing industry. **Vetoed.**

Other

SB 1812 (Vincent) – Authorizes an administrative law judge to order a licensee or license applicant to pay the Division of Gambling Control the reasonable costs of investigating and prosecuting cases in which the judge has recommended that the California Gambling Control Commission revoke, suspend or deny a gaming license. **Signed – Chapter 487, Statutes of 2004.**

General Government

Voters will be asked in the November 2, 2004, general election to amend the state Constitution to give Californians a right of access to government information. **SCA 1, Resolution Chapter 1, Statutes of 2004**, by **Senate President pro Tempore John Burton** and **Senator Bruce McPherson**, will appear on the ballot as Proposition 59. If approved, the burden of proof would be on a government entity to demonstrate why information requested by the public should be kept private.

SB 605 (McPherson) – Would have required a state agency that purchases public safety radio communication equipment to comply with recommendations of the Public Safety Radio Strategic Planning Committee, which includes the Governor’s Office of Homeland Security. **Vetoed.**

SB 1437 (Speier) – Establishes a program to audit and issue reports on state agencies identified by the auditor as being at high risk for waste, fraud, abuse and mismanagement. **Signed – Chapter 251, Statutes of 2004.**

SB 1873 (Burton) – Authorizes the State Lands Commission to free portions of Treasure Island from the public trust and allow sale to private parties. Imposes a public trust on portions of Yerba Buena Island. **Signed – Chapter 543, Statutes of 2004.**

AB 1510 (Kehoe) – Adds the Southern California wildfires of October and November 2003 and the San Simeon earthquake of December 2003 to the list of disasters eligible for full state reimbursement of local agency costs under the Disaster Assistance Act. **Signed – Chapter 772, Statutes of 2004.**

AB 1829 (Liu) – Would have prohibited a state agency or local government from using state funds for employment training for employees located in foreign countries or for contracting for services performed by workers outside the United States. **Vetoed.**

AB 2713 (Pavley) – Would have created a limited exception to an attorney’s duty of confidentiality. Would have permitted an attorney who learned of improper governmental activity in the course of representing a

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governmental organization to refer the matter to the law enforcement agency or official charged with oversight of the governmental organization. **Vetoed.**

Health Care

Dramatic cost increases for prescription medications generated significant legislation intended to permit access to lower-cost drugs. The Legislature sought to permit some public purchases of Canadian and other foreign drugs and to realize cost savings for both public programs and private companies.

Due to budget constraints, there were no bills expanding access to state-funded health insurance programs. In fact, the state budget trailer bill in the area of health care increased the premiums for some families participating in the Healthy Families Program. Instead, legislation focused on additional requirements on health plans, hospital practices and anti-fraud activities in the Medi-Cal program.

Health Insurance

SB 1158 (Scott) – Would have required group health-care plans and health insurance policies to cover one claim for hearing aids in a 36-month period for all enrollees under 18 years of age. **Vetoed.**

SB 1196 (Cedillo) – Authorizes the sharing of the National School Lunch Program application for determining eligibility for the Healthy Families Program and any other county- or local-sponsored health insurance program when a child does not meet eligibility requirements for Medi-Cal. **Signed – Chapter 729, Statutes of 2004.**

SB 1359 (Brulte and Escutia) – Requires the Department of Health Services to do one or both of the following: (a) request confirmation of service from Medi-Cal beneficiaries that services or goods were actually received, and/or (b) request confirmation of service from referring and rendering providers that the referring providers actually authorized, and the rendering providers actually delivered, services or goods underlying claims for reimbursement. **Signed – Chapter 394, Statutes of 2004.**

SB 1555 (Speier) – Would have required health insurers to cover maternity services in all health insurance products sold in California. Currently, excluding maternity coverage is prohibited for Knox-Keene health plans and group purchasers, but is permitted in the Insurance

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Department-regulated individual market, where individuals and families purchase their own insurance because they do not have employer group coverage. The bill would have meant health insurance products in the individual market also must cover maternity services. **Vetoed.**

AB 1881 (Berg) – Allows Humboldt, Mendocino and Alameda counties to continue implementing a program for the funding and delivery of services and benefits through an integrated and comprehensive county health and human services system. Allows any additional county, as determined by the secretary of the state Health and Human Services Agency, to implement an integrated county health and human services system. **Signed – Chapter 655, Statutes of 2004.**

AB 2086 (Lieber) – Would have exempted certain federally qualified health centers and pharmacies and county-employed health-care providers from the Medi-Cal requirement to submit an application for provider continuing enrollment. **Vetoed.**

AB 2307 (Richman) – Requires the state Department of Health Services to allow an applicant for licensure of a primary care clinic to apply for participation as a provider in other specified programs at the same time the clinic is becoming certified and enrolled as a Medi-Cal provider. **Signed – Chapter 449, Statutes of 2004.**

Hypodermic Needles

SB 1159 (Vasconcellos) – Authorizes cities and counties to permit the sale of 10 or fewer hypodermic needles to individuals without prescriptions. Requires the state to participate in a demonstration pilot program. **Signed – Chapter 608, Statutes of 2004.**

AB 2871 (Berg) – Would have eliminated a requirement that local jurisdictions that declare public health emergencies in order to permit needle exchange programs must restate the emergency every 14 days. **Vetoed.**

Public Health

AB 1876 (Chan) – Adds heavily used public beaches along the bays of San Francisco and San Pablo to the coastal beaches that local agencies are conditionally required to monitor for microbiological contamination. If sufficient contamination is discovered, warning signs must be posted or the beach closed. **Signed – Chapter 709, Statutes of 2004.**

AB 2049 (Nakanishi) – Requires a person or facility that offers fetal ultrasound, or a similar procedure, for keepsake or entertainment purposes to disclose in writing that the Food and Drug Administration does not approve the use of ultrasound equipment for these purposes. **Signed – Chapter 78, Statutes of 2004.**

AB 2504 (Maldonado) – Would have required the state Department of Health Services to administer a two-year pilot program to make available free fresh and dried fruits and vegetables to pupils in 25 eligible elementary and secondary schools throughout the state. **Vetoed.**

AB 2943 (Pavley) – Prohibits, beginning July 1, 2006, a person who is knowingly pregnant or who is under three years of age from being injected with a vaccine that contains more than 0.5 micrograms of mercury per 0.5 milliliter dose. The bill provides exemptions for an actual or potential bioterrorist incident or other public health emergency. **Signed – Chapter 837, Statutes of 2004.**

Pharmaceutical Legislation

SB 1144 (Burton) – Would have permitted the Department of General Services to contract with Canadian pharmacies for the purchase of prescription drugs to serve state agencies. Would have specified that the department may seek discounts and rebates as permitted by federal law, and required an evaluation of the economic benefits and any savings realized by the state in such contracts. **Vetoed.**

SB 1149 (Ortiz) – Would have required the Board of Pharmacy to develop and disseminate information on pharmacies in Canada that meet recognized safety standards for dispensing prescription drugs. Would have required the board to publish and post on the Internet information on qualified pharmacies. Would have created a fund to support access to lower-cost drugs for low-income individuals. **Vetoed.**

SB 1333 (Perata) – Would have authorized Medi-Cal reimbursement for Canadian drugs. Would have required pharmacies to register with the state and specified the Medi-Cal payment must be less than one half of the U.S. wholesale price. Would have authorized the purchase of AIDS treatment drugs under the same conditions as Medi-Cal. **Vetoed.**

SB 1765 (Sher) – Requires pharmaceutical manufacturers to establish limits on incentives and gifts provided to physicians or other health professionals. Requires companies to annually declare their compliance with such limits and to publicly disclose their gifts. **Signed – Chapter 927, Statutes of 2004.**

AB 1957 (Frommer) – Would have required the Department of Health Services to establish a Web site to provide information and access to lower-cost prescription drugs in Canada and elsewhere, including cost comparisons for foreign and domestic products and a liability disclaimer. **Vetoed.**

AB 1958 (Frommer) – Would have permitted the Public Employee Retirement System (PERS) to establish a consortium of its membership to collectively purchase prescription drugs. Would have expanded the capacity of PERS to enter into joint purchasing arrangements and to

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mutually negotiate drug purchases for all participating members.

Vetoed.

AB 1960 (Pavley) – Would have required pharmacy benefits managers to disclose to prospective purchasers information pertaining to rebates and discounts. Required certain provisions to be included in contracts between a pharmacy benefits manager and a purchaser. Prohibited pharmacy and therapeutics committee members, working for a pharmacy benefits manager, from working for a pharmaceutical company or having more than a nominal financial interest in a pharmaceutical company. Required pharmacy benefits managers to meet certain conditions prior to switching a patient from one drug to another. **Vetoed.**

Health Care Changes Enacted in the State Budget Process

Among the items in **SB 1103 (Senate Committee on Budget and Fiscal Review), Chapter 228, Statutes of 2004**, the state budget trailer bill in health care:

- Implements a quality improvement fee for managed care plans participating in the Medi-Cal program. Mandates that the state Department of Health Services assess a fee of 6 percent applied to the plan's gross Medi-Cal revenue and mandates that the plans receive a rate increase of about 3 percent.
- Increases the premiums charged to families participating in the Healthy Families Program beginning July 1, 2005. Children in families with incomes between 201 percent and 250 percent of the federal poverty level will have their premiums increased from \$9 per child per month to \$15, and from \$27 per month for three or more children to \$45 per month.
- Extends the sunset for a Medi-Cal program for the working disabled from April 1, 2005, to September 1, 2008.
- Expands statewide screening of newborns to include tandem mass spectrometry screening for fatty acid oxidation, amino acid, organic acid disorders and congenital adrenal hyperplasia.
- Eliminates a 5 percent rate reduction contained in the Budget Act of 2003 for the California Children's Services, Genetically Handicapped Persons, Multipurpose Senior Services and the Breast Cancer Early Detection programs.
- Makes a reduction of \$7 million from the General Fund appropriation for the purchase of services for the Regional Centers that serve those with developmental disabilities.

- Enacts a new Family Cost Participation Program for families who are not eligible for Medi-Cal with children aged 3 through 17 years who live at home and receive services through a Regional Center. These families have annual gross incomes of at least 400 percent of the poverty level. The Department of Developmental Services must develop a sliding fee scale to assess the parents' cost for three services – respite, day care and camp. The new program becomes effective January 1, 2005, and sunsets July 1, 2009.
- Requires the Department of Mental Health, in collaboration with the Departments of Managed Care and Insurance, and applicable representatives from the California public and private mental health systems, to identify core reasons for why mental health parity has not been achieved and the potential barriers to it. The Department of Mental Health is required to identify a comprehensive mental health system and submit a report to the Legislature by March 1, 2005.

Other

SB 379 (Ortiz) – Would have required all hospitals to develop a charity care and reduced-payment plan for services provided to low-income uninsured individuals. Would have required that hospitals specify eligibility for charity care in policies available to the public. **Vetoed.**

SB 419 (Scott) – Allows the consolidation of biohazardous waste into a common container, provided that the waste is treated by an extremely high heat technology approved by the Department of Health Services. **Signed – Chapter 477, Statutes of 2004.**

SB 1336 (Burton) – Would have permitted oral surgeons to perform elective facial cosmetic procedures. The measure also would have created a credentialing committee. **Vetoed.**

SB 1487 (Speier) – Would have required hospitals to have a written infection-control plan for the surveillance, prevention and control of hospital-borne infections. Would have required hospitals to report infection-rate data to the state and public. **Vetoed.**

AB 1629 (Frommer) – Imposes a quality-assurance fee on skilled nursing facilities to generate matching federal funds. Permits increased reimbursements to nursing homes and requires establishment of a cost-based, facility-specific reimbursement rate. **Signed – Chapter 875, Statutes of 2004.**

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Mental Health and Substance Abuse

Major accomplishments in behavioral health this year included legislation to fund school-based mental health services for children as required by the federal government. Other priorities included implementing a Supreme Court decision preventing unnecessary institutionalization and improving the quality of care in adult residential facilities. The safety of psychotropic medication for children also was a legislative concern. Lawmakers further stipulated that removing an incarcerated person from drug treatment is a medical decision to be made by treatment providers rather than correctional officials.

SB 1365 (Chesbro) – Would have required the California Health and Human Services Agency to establish an Olmstead Advisory Council to provide advice and recommendations to place individuals in non-institutional settings and to review actions and legislation intended to implement the Supreme Court’s Olmstead decision. **Vetoed.**

SB 1745 (Perata) – Changes licensing requirements for Mental Health Rehabilitation Centers, a special type of facility licensed by the Department of Mental Health and intended to provide vocational rehabilitation, work programs and psychosocial and life skills for persons with mental illness. Imposes an annual licensing renewal fee on such facilities and authorizes a facility to voluntarily suspend all or part of its bed capacity or to suspend its license for the purpose of converting the facility to a Mental Health Rehabilitation Center. **Signed – Chapter 509, Statutes of 2004.**

SB 1794 (Perata) – Requires court-ordered mental health professionals evaluating the mental competence of a person in a criminal proceeding to inform the court of their opinions regarding the potential side effects of anti-psychotic medications for defendants. Also requires that a court hear and determine whether antipsychotic medication should be administered. **Signed – Chapter 486, Statutes of 2004.**

SB 1819 (Ashburn) – Authorizes the disclosure of confidential information obtained during an intake assessment for persons with developmental disabilities or mental illness. Allows this information to be disclosed to a state civil service employee who is the subject of an adverse action. **Signed – Chapter 406, Statutes of 2004.**

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SB 1838 (Chesbro) – Makes technical and conforming changes recommended by the state Department of Alcohol and Drug Programs to update and streamline the delivery of substance abuse treatment programs. **Signed – Chapter 862, Statutes of 2004.**

SB 1895 (Burton) – Provides funding for federally mandated children’s mental health services sought by schools. Directs certain federal special education funds to that purpose. Requires the superintendent of public instruction and the director of the Department of Mental Health to collaborate in preparing a report on the delivery of the mental health services. Also requires the Commission on State Mandates to reconsider its previous decisions with regard to funding school-based mental health services. **Signed – Chapter 493, Statutes of 2004.**

AB 939 (Yee) – Authorizes a mental health plan to contract for Medi-Cal mental health services with a hospital that is reimbursed through the fee-for-service payment program. **Signed – Chapter 748, Statutes of 2004.**

AB 1042 (Parra) – Would have required the state Department of Mental Health to issue pepper spray to medical technical assistants while on duty in Department of Mental Health facilities located within state prisons. **Vetoed.**

AB 2136 (Goldberg) – Stated that medical treatment for indigent patients who are not eligible for Medi-Cal is essential to protect public health. Encouraged narcotics treatment providers to treat such patients and to develop a “therapeutic fee” that complies with state and federal law. Also stated that removing a person from drug treatment is a medical decision and placed the decision to discontinue treatment for a defendant or probationer with the treatment provider. **Vetoed.**

AB 2502 (Keene) – Requires that a juvenile court judicial officer must approve or deny in writing any request for authorization to administer psychotropic medications for a dependent child who has been removed from the physical custody of his or her parent, or set the matter for hearing within seven court days. **Signed – Chapter 329, Statutes of 2004.**

AB 2629 (Salinas) – Requires the state Department of Social Services’ Division of Community Care Licensing to enter into memoranda of understanding with up to 10 local mental health departments that voluntarily agree to address shared responsibilities to improve quality of care in adult residential facilities and social rehabilitation facilities. **Signed – Chapter 660, Statutes of 2004.**

AJR 21 (Yee) – Commends the Congress and the president of the United States for recognizing the importance of testing the safety and effectiveness of drugs for pediatric use through the enactment of the

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Pediatric Research Equity Act of 2003. **Resolution Chapter 68, Statutes of 2004.**

ACR 158 (Yee) – Recognizes January 2004, as Mental Wellness Month in California. **Resolution Chapter 6, Statutes of 2004.**

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Housing and Urban Growth

California's burgeoning population creates a need for continually increasing housing, businesses and schools and imposes countless other urban uses on its expansive but nevertheless finite land surfaces. Failure of housing supply to meet demand, among other reasons, has caused housing prices to explode. At the same time, suburban housing growth can decrease farm land and other resource-rich land, increase transportation time and cost taxpayers increasing amounts to extend public infrastructure farther beyond urban cores. In recent years, the Legislature and a series of governors have made efforts to provide more housing that is affordable to households of every income level and direct more growth into existing urban areas.

Affordable Housing

SB 492 (Ducheny) – Extends by one year a pilot program by the San Diego Association of Governments permitting local governments in the region to self-certify their housing elements if they meet established affordable-housing production goals. **Signed – Chapter 387, Statutes of 2004.**

SB 1328 (Torlakson) – Expands the types of assisted projects that are subject to existing requirements for owners to provide notice of any termination of affordability restrictions and applies sale restrictions to all developments for five years before any potential conversion. **Signed – Chapter 110, Statutes of 2004.**

AB 421 (Steinberg) – Requires the insurance commissioner to study the market for property and liability insurance for corporations that provide subsidized low- and moderate-income rental housing. The results of the study will be provided to the Legislature by July 1, 2005. **Signed – Chapter 771, Statutes of 2004.**

AB 2838 (Salinas) – Allows the California Housing Finance Agency, at its discretion, to continue offering down-payment assistance of up to 6 percent to low-income first-time homebuyers who buy homes in revitalization areas. Requires school districts to notify public agencies and non-profit corporations, including non-profit housing developers, of

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the opportunity to purchase surplus properties at market value if the agencies request the notice. **Signed – Chapter 683, Statutes of 2004.**

Disaster Relief

SB 64 (Speier) – Establishes a program for voluntary mediation of residential-property insurance disputes arising from the fall 2003 Southern California fires. The bill is modeled on earlier legislation that established a mediation program for policyholders with disputed claims following the 1994 Northridge earthquake. This bill is intended to expedite claims and avoid additional court costs. **Signed – Chapter 357, Statutes of 2004.**

SB 1228 (Perata) – Makes various changes to the California Natural Disaster Assistance Program, managed by the Department of Housing and Community Development, to assist homeowners with loans issued after the Loma Prieta earthquake. The changes include allowing a loan to be transferred to another borrower and allowing loans to be subordinated to subsequent refinancing of the properties. **Signed – Chapter 569, Statutes of 2004.**

Farm-Labor Housing

AB 32 (Salinas) – Authorizes local governments or nonprofit organizations that build farm-worker housing using public funds to lease that housing to agricultural employers who agree to rent it to their employees on the same terms as would the local agencies. **Signed – Chapter 866, Statutes of 2004.**

AB 868 (Parra) – Allows migrant farm-labor centers to open earlier than previously allowed. Requires that existing required notices to migrant farm workers regarding the extended operation of migrant farm-labor centers include the beginning dates of the extended occupancy periods. Makes occupants and operators of centers eligible for specific energy rate or grant programs. Allows these centers to open earlier or remain open later to accommodate the shifts in growing seasons **Signed – Chapter 671, Statutes of 2004.**

AB 1462 (Salinas) – Allows the Department of Housing and Community Development to waive the requirement that applicants to the Joe Serna Jr. Farm Worker Housing Grant Program provide matching funds if the applicants can demonstrate an inability to match state funds. Usually these recipients are small cities with no redevelopment agencies or with little or no resources to match state funds. Authorizes use of CalHome Program funds to provide grants to individual households to repair specified manufactured housing. **Signed – Chapter 672, Statutes of 2004.**

Homelessness

SB 1113 (Senate Committee on Budget and Fiscal Review) – The 2004-05 budget bill, as passed by the Legislature, would have provided \$5.3 million for the Emergency Housing Assistance Program, which makes operating grants to local agencies for homeless shelters. The governor reduced this item by \$1.3 million. **Signed – Chapter 208, Statutes of 2004.**

Homeowners Associations

AB 1836 (Harman) – Reorganizes the alternative-dispute-resolution processes in the Davis-Stirling Common Interest Development Act and expands the scope of the common-interest-development homeowner-association disputes to which the processes must or can be applied. **Signed – Chapter 754, Statutes of 2004.**

AB 2376 (Bates) – Creates statewide architectural-review standards for homeowners associations. Requires a homeowners association to provide a fair and reasonable process for reviewing a request by a homeowner for a physical alteration to the homeowner's unit or the association's common area. **Signed – Chapter 346, Statutes of 2004.**

AB 2598 (Steinberg) – Would have prevented homeowners associations from foreclosing on unpaid assessments under \$2,500 and provided homeowners with procedural protections in foreclosures for unpaid assessments of larger amounts. **Vetoed.**

AB 2718 (Laird) – Creates a standardized reserve-account disclosure form to inform homeowners and prospective buyers of their homeowners associations' current and anticipated assessments and reserve-accounts status. **Signed – Chapter 766, Statutes of 2004**

Land Use and Urban Growth

Community colleges and nonprofit agencies will have authority to acquire property to replace dwellings displaced by school construction in areas where there are extreme shortages of affordable housing under **SB 898 (Burton)**. Displaced persons will be given a right of first refusal to purchase or rent the replacement units. The Community College of San Francisco sponsored the bill to allow it to replace the housing that its new Chinatown campus will displace. This bill mirrors the provisions of AB 1309 (Goldberg), Chapter 574, Statutes of 2003, which gave the same authority to school districts. **Signed – Chapter 495, Statutes of 2004.**

SB 1596 (Ducheny) – Allows a local government to ask the county tax collector to auction off any residential property that isn't owner-occupied if the taxes have been delinquent for at least three years and requires the tax collector to include it in the next scheduled auction. This change is intended to allow communities to more quickly transform abandoned and

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neglected tax-delinquent properties into affordable housing or other services for low-income persons. **Signed – Chapter 923, Statutes of 2004.**

SB 1777 (Ducheny) – Requires the Department of Housing and Community Development to update the Statewide Housing Plan every four years instead of every two. **Signed – Chapter 818, Statutes of 2004.**

SB 1818 (Hollingsworth) – Strengthens the law that requires a local government to grant a density bonus or other incentive of equivalent value to a developer who agrees to construct housing that is affordable for persons of low income. Reduces the minimum percentage of affordable units needed to obtain a density bonus. Makes other changes to encourage affordable-housing construction. **Signed – Chapter 928, Statutes of 2004.**

AB 672 (Montañez) – Raises the limits on down-payment assistance available to home buyers through the California Homebuyers Downpayment Assistance Program from 3 percent to 5 percent for the purchase of a new home in an in-fill zone or a transit-oriented development. **Signed – Chapter 674 , Statutes of 2004.**

AB 1268 (Wiggins) – Authorizes the text and diagrams in a local general plan’s land-use element that address the location and extent of land uses, and the zoning ordinances that implement those provisions, to express community intentions regarding urban form and design. **Signed – Chapter 179, Statutes of 2004.**

AB 1320 (Dutra) – Requires a transit-village plan to include any five of demonstrable public benefits from the statutory list of 13 public benefits, instead of all 13 as in the past. Deletes the requirement that a rail-transit station be at the core of a transit-village development, instead allowing a transit village to center on a transit station that could be a rail or light-rail station, a ferry terminal, a bus hub or a bus-transfer station. Amends the Transit Village Development Planning Act, which allows local governments to plan more intense development within a quarter-mile of transit stations. **Signed – Chapter 42, Statutes of 2004.**

AB 1426 (Steinberg) – Would have dedicated \$1 million of Proposition 46 housing-bond funds for communities in El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties, except for the Tahoe basin, that meet the standards of the voluntary Regional Compact for the Production of Affordable Housing. Under the compact, participating local governments agreed they would try to ensure that at least 10 percent of all new housing construction in their respective communities are affordable to very-low, low- and moderate-income families. The bill was intended to test whether increased local-regional-state collaboration can significantly increase the supply of affordable housing. **Vetoed.**

AB 2158 (Lowenthal) – Revises the regional housing-needs assessment process, which state and local governments use to determine and distribute local governments’ responsibilities for meeting their shares of the state’s needs. Establishes overall policy objectives, including increasing the housing supply and the mix of housing types, promoting in-fill development and socioeconomic equity, protecting environmental and agricultural resources and promoting better jobs-housing balance within a region. Requires that each local government receive an allocation of housing units for low- and very-low-income households. This bill and AB 2348 (Mullin) were developed as a consensus package by the Housing Element Working Group that was convened over the last year by the Department of Housing and Community Development. These bills are contingent upon each other for passage. **Signed – Chapter 696, Statutes of 2004.**

AB 2348 (Mullin) – Makes numerous changes to the provisions of housing-element law pertaining to land inventory, adequate sites and permitted uses. The bill is intended to facilitate development of affordable housing by making planning more meaningful, limiting excessive parking requirements for density-bonus developments and strengthening protections against arbitrary project denials. **Signed – Chapter 724, Statutes of 2004.**

AB 2702 (Steinberg) – Would have restricted local governments’ ability to deny or place restrictions on the development of second-unit housing, sometimes called “granny flats.” Would have established more detailed standards for local second-unit ordinances and specified what densities were to be allowed on school sites when housing and schools are built on the same site. **Vetoed.**

Renter Protection

SB 115 (Torlakson) – Prevents a landlord from requiring cash as the exclusive form of payment of rent or security deposits, with some exceptions. **Signed – Chapter 76, Statutes of 2004.**

SB 1145 (Burton) – Eliminates the sunset dates of two tenant-protection laws: the requirement that a landlord must give an additional 30 days’ notice of a rent increase (for a total of 60 days’ notice) when the increase is in excess of 10 percent of the rent, and the prohibition on a landlord making a decision to rent to a tenant based on the prospective tenant’s source of income. **Signed – Chapter 568, Statutes of 2004.**

SB 1328 (Torlakson) – Expands the types of assisted projects that are subject to requirements for owners to provide notice of any termination of affordability restrictions. Seeks to clarify existing law requiring owners of assisted housing to provide “qualified entities” the opportunity to purchase the property before selling projects to buyers who intend to charge market rates. **Signed – Chapter 110, Statutes of 2004.**

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SB 1508 (Ducheny) – Would have prohibited the making of a loan secured by a deed of trust or mortgage on renter property if a local-code-enforcement agency had recorded a notice of action against the property, with certain exceptions. The bill was aimed at stopping “flipping and equity stripping” by unscrupulous landlords. **Vetoed.**

AB 2867 (Nuñez) – Creates a rebuttable presumption that a residential hotel that requires an occupant to check out and reregister does so for the purpose of having that occupant maintain transient status and not acquire any rights of tenancy. **Signed – Chapter 950, Statutes of 2004.**

Taxes and Fees

SB 451 (Ducheny) – Clarifies that on-base military housing doesn’t constitute interests subject to property tax. The bill is intended to promote the development of on-base housing. **Signed – Chapter 853, Statutes of 2004.**

SB 1404 (Soto) – Allows owners of two-thirds of the affected properties to assess residential rental properties to pay for services and improvements. **Signed – Chapter 526, Statutes of 2004.**

SB 1815 (Johnson) – Provides that a person who is issued a building permit is entitled to reimbursement of the permit fees if the local enforcement agency does not conduct an inspection of the permitted work within 60 days of receiving notice that the work is completed. **Signed – Chapter 144, Statutes of 2004.**

AB 2846 (Salinas) – Prohibits a county assessor from including the value of low-income housing tax credits authorized under federal and California law in calculating income. **Signed – Chapter 786, Statutes of 2004.**

Human Services

CalWORKs and Food Stamps

The primary focus of legislation on the CalWORKs and Food Stamp programs in 2004 was to increase program flexibility and to allow both counties and program participants more options to tailor a program to the needs of an individual or family. Another goal of the 2004 legislation was to focus CalWORKs training in areas of need to the public, such as training for nurses and English-language vocational education. **SB 1639 (Alarcón), Chapter 668, Statutes of 2004**, permits community college vocational education programs, developed specifically for CalWORKs, to include English-language proficiency and intensive English-language immersion training. Another bill, **AB 2989 (Corbett)**, aimed at increasing the supply of registered nurses in California through the CalWORKs program, was vetoed.

SB 1639 (Alarcón) – Makes changes to the CalWORKs program – which provides employment services, child care, cash aid and other services to low-income families with children – and makes changes to the state’s foster care program. Permits the community colleges vocational education curriculum, designed for CalWORKs participants, to include English-language proficiency and include intensive English-language immersion in short-term intensive vocational-education programs. **Signed – Chapter 668, Statutes of 2004.**

AB 1796 (Leno) – Provides that persons convicted of certain drug-related felonies, such as possession of limited amounts of a controlled substance, shall be eligible for aid under the federally funded Food Stamp program. Requires that to be eligible, persons must not have been convicted of transport, sale, possession or manufacturing of controlled substances, among other specified offenses. Further requires that to be eligible for Food Stamps the person must have proof of completion of or affiliation with a government-recognized drug treatment program or provide other evidence that illegal use of controlled substances has ceased. **Signed – Chapter 932, Statutes of 2004.**

AB 2989 (Corbett) – Would have provided that a parent who signs a welfare-to-work plan under the CalWORKs program, and who is

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continually enrolled in an approved training program to become a registered nurse, shall be eligible to receive CalWORKs for a cumulative period of up to 48 months, instead of 24 months, prior to moving to a community service work experience program. Would have established this provision only in Alameda County and only if that county certified that certain conditions were met. **Vetoed.**

Child Welfare Services, Foster Care and Other Children's Programs

A number of important bills passed the Legislature in 2004 that will strengthen protections and enhance the quality of life for children in foster care or children at risk of abuse or neglect. **SB 855 (Machado), Chapter 664, Statutes of 2004**, for example, will license crisis nurseries to allow parents under severe stress to place their children in care before child abuse or neglect occurs. **SB 1612 (Speier) Chapter 845, Statutes of 2004**, restores approximately \$17 million in child welfare services funding that initially was vetoed from the 2004 Budget Act. **AB 1858 (Steinberg), Chapter 914, Statutes of 2004**, improves educational outcomes for children in foster care by enhancing accountability measures for public and nonpublic schools serving those children. Also, **SB 1178 (Kuehl), Chapter 841, Statutes of 2004**, enhances services for teens in foster care who become parents. Along with the other measures that passed the Legislature in 2004, these bills will provide stronger licensing and other protections for these vulnerable children.

SB 215 (Alpert) – Would have enacted a Youth Policy Act that, among other things, would have created within the Governor's Office a California Youth Policy Council to coordinate state policy regarding youth development. Provided that the council would sunset on January 1, 2011, and would be supported with donations from non-state government sources. **Vetoed.**

SB 855 (Machado) – Provides for the licensing of "crisis nurseries" to allow parents under stress to seek help and respite child care before child abuse or neglect occurs. Requires state group home licensing regulations to include specified crisis nurseries, defined as nonprofit facilities providing child care for children voluntarily placed by their parents for no more than 30 days. Permits parents to place children in a crisis nursery when faced with a family crisis, illness or hospitalization that might otherwise make the child vulnerable to abuse or neglect. **Signed – Chapter 664, Statutes of 2004.**

SB 1178 (Kuehl) – Enacts the Teen Parent in Foster Care Act and makes statutory changes regarding child protective services, especially statutes affecting teens who become parents while in foster care. Revises provisions determining when a child may be removed from a home based on serious physical harm inflicted non-accidentally by a parent or guardian or serious physical harm or illness due to failure or inability of

the parent or guardian to adequately supervise or protect a child. Requires whenever possible that agencies serve a teen in foster care and his or her minor child as a “family unit.” **Signed – Chapter 841, Statutes of 2004.**

SB 1313 (Kuehl) – Implements the unanimous recommendations for statutory revisions made by the Child Abuse and Neglect Reporting Act Task Force. Revisions include clarifying actions that constitute reportable child abuse, the responsibilities of mandated reporters of child abuse or neglect, and when (and to whom) access to the Child Abuse Central Index should be granted. **Signed – Chapter 842, Statutes of 2004.**

SB 1612 (Speier) – Restores \$17 million in child welfare services funding that was vetoed by the governor in the 2004 Budget Act. Allows county human services departments to use the restored funds to protect the health and safety of abused and neglected children and protect and assist children in foster care. Helps counties avoid federal fiscal penalties that otherwise would be imposed due to failure to provide services to children. Also, directs the state Department of Social Services to amend the state plan for use of federal child welfare services funds, in order to allow counties to draw down federal funds to match county funds for child care for foster parents. **Signed – Chapter 845, Statutes of 2004.**

AB 129 (Cohn) – Allows county child welfare agencies and probation departments to develop a written protocol to designate as a “dual status” child a minor who is both a dependent child of the child welfare program (i.e., has been subject to abuse and neglect by parents or guardians) and a ward of the juvenile court (due to committing acts of juvenile delinquency). Allows counties to choose an “on hold” or “lead court/lead agency” status for the child to prevent duplication of case management or other services provided by the county probation department and the county child welfare services department. **Signed – Chapter 129, Statutes of 2004.**

AB 1858 (Steinberg) – Implements recommendations of a major state-financed study to improve educational outcomes by increasing accountability for children in foster care who have special needs and are served in “nonpublic schools” (typically residential schools funded through public education funds). Requires that children in nonpublic schools be included in statewide student achievement testing and requires academic achievement data for children in foster care be reported in a manner that permits tracking of educational progress. Prohibits a licensed children’s institution (a private residential facility for children in foster care) from requiring that a child have a special education individual education plan prior to placement in the facility (though allows facilities to specialize in serving children with specific disabilities). **Signed – Chapter 914, Statutes of 2004.**

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AB 1895 (Nation) – Would have required that a child who is a dependent of the court due to risk of abuse or neglect, and who is not a citizen of the United States and for whom reunion with his or her parents is no longer an option, be provided with an immigration attorney who may pursue special immigration status for the child. **Vetoed.**

AB 2005 (Aghazarian) – Authorizes the state Department of Social Services to establish a payment rate for existing foster care group homes that offer a previously established program at a new location. Requires the group home to submit recommendations and information from the host county or other counties stating the need for the program and the capacity and ability of the provider to serve children in foster care.

Signed – Chapter 656, Statutes of 2004.

AB 2149 (Longville) – Requires certain group home facilities to establish, by July 1, 2005, a procedure approved by the licensing agency for immediate response to incidents and complaints. Authorizes a county to develop an agreement with the state Department of Social Services for access to certain disclosable records of substantiated complaints regarding group home facilities. Also, requires group homes, on specified dates and upon request, to transmit for review by a county welfare department copies of group home facility incident reports that involved law enforcement or emergency services personnel. **Signed – Chapter 833, Statutes of 2004.**

AB 2496 (S. Horton) – Establishes a Child Welfare Services Program Improvement Fund consisting of private grants, gifts or bequests made to the state. Permits the funds, when appropriated by the Legislature, to be used to enhance a comprehensive system of services to those children (and their families) with an active child protective services case or who are placed in foster care. Specifies legislative intent regarding uses of the funds and requires the state Department of Social Services to use the funds to match federal funds and to augment federal, state or county funds for child welfare services. **Signed – Chapter 168, Statutes of 2004.**

AB 2661 (Steinberg) – Requires an applicant for a license to operate a foster family home to declare the truth of information submitted on the application regarding any previous certification or decertification history and provides that making a false statement is a misdemeanor. Requires a foster family agency, prior to certifying a foster family home operator to care for children, to conduct reference checks with any other agency or state or county licensing office that previously certified that family home operator. **Signed – Chapter 643, Statutes of 2004.**

AB 2749 (Dutton) – Requires an investigator looking into suspected child abuse or neglect to advise the person who is the subject of the investigation of the allegations against him or her. Requires the person under investigation be given this information in a manner that protects

the identity of the mandated reporter who made the complaint. **Signed – Chapter 292, Statutes of 2004.**

AB 2795 (Wolk) – Extends from 30 days to 60 days the maximum time allowed for a county child welfare services department to complete a written case plan, after removing a child from a home due to abuse or neglect or after an in-person emergency response by the child welfare services department. Makes the extension contingent upon completion of an upgrade of the state’s child welfare services automation system. Authorizes multiple six-month extensions of a family maintenance services plan. **Signed – Chapter 332, Statutes of 2004.**

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Immigration

Driver's Licenses

The U.S. Bureau of Citizenship and Immigration Services estimates there may be 2.5 million undocumented immigrants residing in California, and approximately 2 million are of driving age. SB 60 (Cedillo), Chapter 362, Statutes of 2003, would have allowed many of them to obtain driver's licenses. Governor Schwarzenegger objected to that law, stating that it failed to:

- Address "law enforcement concerns or federal guidelines regarding the use of taxpayer identification numbers," which SB 60 required in place of Social Security numbers.
- Allow for the gathering and comparison of fingerprints and their sharing with prosecutors.
- Allow record-sharing to assure that non-citizens weren't called for jury duty.

SB3X 1 (Oller), Chapter 1, Statutes of 2003 (Third Extraordinary Session), repealed SB 60.

AB 2895 (Nuñez), the Immigrant Responsibility and Security Act of 2005, which was **vetoed** by Governor Schwarzenegger, would have allowed persons without legal presence in the United States to be eligible to apply for driver's licenses and would have imposed security and verification requirements on the process. The bill would have:

- Required the Department of Motor Vehicles to require an applicant for an original driver's license to present an identification document acceptable to the department.
- Required an applicant who furnished the department with his or her information that the department deemed appropriate (in place of a Social Security number) to present a passport or a specified identification card issued by the consulate of the applicant's country of origin.

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- Required these applicants to submit to the state Department of Justice a full set of fingerprints for state and federal criminal background checks.

The bill also would have prohibited the Department of Motor Vehicles from issuing a driver's license to a person on whom it received a report indicating that the applicant had been convicted of a public offense, other than driving without a driver's license, insurance or registration.

English-Language Instruction

SB 1639 (Alarcón) – Includes intensive English-language proficiency training and immersion among programs that community colleges offer to CalWORKS participants, to the extent funding is provided in the annual Budget Act. The bill finds that high-quality, language-accessible training and education increase employment rates and earnings for low-income, immigrant parents. **Signed – Chapter 668, Statutes of 2004.**

Hate Crimes

SB 1234 (Kuehl) – Provides that when a hate-crime victim or witness isn't charged with any crime under state law, a peace officer may not detain the person exclusively for any suspected immigration violation or report or turn the individual over to federal immigration authorities. (Undocumented immigration isn't a crime under state law.) Also enacts a uniform definition of "hate crime" as a criminal act committed wholly or partly because of a legally protected characteristic of the victim, including nationality, citizenship or country of origin. Mandates law-enforcement training concerning the special problems inherent in some categories of hate crimes, including those against immigrants. **Signed – Chapter 700, Statutes of 2004.**

Immigrant Children

AB 1895 (Nation) – Would have required a juvenile court to appoint immigration counsel for a minor ward or dependent of the court who is neither a legal permanent resident nor a U.S. citizen but who may be eligible for adjustment of immigrant status under a special provision of the federal Immigration and Nationality Act. **Vetoed**

Immigration Consultants

AB 2189 (Chu) – Would have required a corporate surety who issues a required immigration-consultant bond to notify the district attorney if the bond is cancelled or if the amount of the bond is reduced below the \$50,000 legal minimum. Would have allowed suits against any person, rather than just an immigration consultant, who violates laws governing immigration consultants. **Vetoed.**

AB 2691 (Correa) – Restricts the use of an immigration-consultant bond to only the consultant or his or her employee. Requires the secretary of state to maintain a Web site with immigration consultants' bonds.
Signed – Chapter 557, Statutes of 2004.

Immigrant Workers

SB 1347 (Ducheny) – Requires that a Mexican prepaid health plan provide benefits for Mexican nationals legally employed in San Diego and Imperial counties. Suspends a requirement that the medical director be licensed in California. **Signed – Chapter 491, Statutes of 2004.**

Mexican-American “Repatriation”

From 1929 to 1944, government authorities and some private entities in California and throughout the United States carried out an aggressive program to forcibly remove persons of Mexican descent from the United States. It is estimated that 2 million people of Mexican descent were relocated to Mexico, including approximately 1.2 million U.S. citizens and legal residents of California.

SB 37 (Dunn) – Would have allowed U.S. citizens and legal residents of Mexican descent who were illegally deported or coerced to emigrate to Mexico from 1929 to 1944, or their heirs, to sue prior to 2007 for damages caused by the forced “repatriation.” **Vetoed.**

SB 427 (Dunn) – Would have created the Commission on the 1930s “Repatriation” Program to study, hold public hearings on and make recommendations to the Legislature and governor. Private donations would have supported the commission’s work. **Vetoed.**

Naturalization Services

SB 1113 (Senate Committee on Budget and Fiscal Review) – Restores to the 2004-05 state budget \$1.5 million for the Naturalization Services program, which funds local governments and community-based organizations to assist immigrants in earning U.S. citizenship. Requires counties with 70 or more recipients of the Cash Assistance Program for Immigrants to establish a Supplemental Security Income (SSI) advocacy program and help needy immigrants apply for SSI aid, which is expected to save the state about \$3 million. **Signed – Chapter 208, Statutes of 2004.**

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Information Technology

Please also see "Privacy," page 89.

California, the home of Silicon Valley, leads the world in the development and implementation of new information technology (IT). Ironically, state government for years has been plagued by expensive delays and failures in its own IT projects, leading to abolition of the Department of Information Technology. The 2004 California Performance Review proposes still another restructuring of state IT functions and other reforms.

State Information Technology

SB 1113 (Senate Committee on Budget and Fiscal Review) –

Authorizes consolidation of the state government's data centers as part of the state Budget Act. **Signed – Chapter 208, Statutes of 2004.**

AB 2738 (Nation) – Would have required the state controller to prepare an annual long-range plan for moving state government payment systems from paper payments to electronic payments. **Vetoed.**

Spam and Internet Piracy

SB 1457 (Murray) – Modifies SB 186 (Murray), Chapter 487, Statutes of 2003, which banned unsolicited electronic-mail advertising ("spam"). To avoid confusion as to what parts of state law are preempted by federal law and what parts remain in force, SB 1457 conforms the earlier legislation with later federal law, which allows some spam. The bill allows an e-mail service provider, the state attorney general or a spam recipient to sue to recover damages of \$1,000 for each banned e-mail, up to \$1 million per incident. It authorizes a court to award reasonable attorney's fees and costs to a prevailing plaintiff. **Signed – Chapter 571, Statutes of 2004.**

SB 1506 (Murray) – Requires a person who disseminates a commercial recording or audiovisual work through the Internet to include his or her true e-mail address. Violation will be punishable by up to one year in jail and a \$2,500 fine. **Signed – Chapter 617, Statutes of 2004.**

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Insurance

Please also see “Health Insurance,” page 45.

Largely in response to the insurance issues associated with the destruction of homes during the October 2003 wildfires in Southern California, the Legislature passed a number of bills regarding homeowners’ insurance coverage. This includes legislation to require insurers to better inform policyholders about the limits of their policies and to renew homeowners’ policies when homes are destroyed by catastrophes. Other insurance-related measures include those addressing uninsured motorists, information available to consumers regarding lower-cost auto insurance and practices of unscrupulous insurance agents.

SB 64 (Speier) – Establishes a mediation program in the state Department of Insurance to resolve disputes between homeowners and insurance companies over claims related to the October 2003 wildfires in Southern California. **Signed – Chapter 357, Statutes of 2004.**

SB 1088 (Scott) – Eases restrictions on the issuance of charitable gift annuities in California by giving charities greater flexibility in their investment choices. **Signed – Chapter 381, Statutes of 2004.**

SB 1273 (Scott) – Increases the criminal penalties for the crime of “twisting,” or “churning” – when an insurance agent or broker misrepresents the terms or conditions of an insurance policy to induce a person to take out a policy of insurance, choose one policy over another, or lapse, forfeit or surrender a policy. **Signed – Chapter 730, Statutes of 2004.**

SB 1369 (Kuehl) – Requires homeowners in high fire-risk areas to create a 100-foot firebreak around their properties and to provide proof of building certification to their insurance carriers. **Signed – Chapter 720, Statutes of 2004.**

SB 1500 (Speier) – Requires the Department of Motor Vehicles (DMV) to revoke the vehicle registration of Californians who let their car insurance policies lapse. The measure requires insurance companies to notify the

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DMV of lapsed or canceled policies and to submit insurance data electronically to the DMV by January 1, 2006. In addition, for the duration of the low-cost automobile insurance pilot programs in Los Angeles County and San Francisco, it requires the DMV to provide residents of those areas with information regarding affordable automobile insurance on its suspension, cancellation or revocation notices. See a related measure, AB 2709, below. **Signed – Chapter 920, Statutes of 2004.**

SB 1855 (Alpert) – Requires homeowners’ insurance companies to better inform policyholders about their homeowners’ insurance policy limits. Among other things, insurers would have to disclose the additional costs of obtaining greater coverage than the customer currently has and to alert homeowners that the cost to rebuild a home may be more than its market value. **Signed – Chapter 385, Statutes of 2004.**

AB 321 (Cogdill) – Requires full health-care service plans to provide, upon the request of a group subscriber, the contract termination dates for major contracts in the group subscribers’ geographic area. **Signed – Chapter 411, Statutes of 2004.**

AB 2199 (Kehoe) – Allows an insured homeowner to rebuild or replace property at a location other than the original insured premise. **Signed – Chapter 311, Statutes of 2004.**

AB 2208 (Kehoe) – Requires insurance companies to treat registered domestic partners the same as they treat married spouses when selling them car, health, homeowners and other insurance coverage. **Signed – Chapter 488, Statutes of 2004.**

AB 2677 (Ridley-Thomas) – Requires automobile insurers to provide consumers with the price of their lowest-cost available auto-insurance policy at the limits the consumer has requested. Insurance companies must make this information available to consumers via a toll-free telephone number or a Web site. **Signed – Chapter 765, Statutes of 2004.**

AB 2709 (Levine) – Requires the DMV to develop an electronic method for law enforcement officers to verify that drivers have valid auto-insurance policies. **Signed – Chapter 948, Statutes of 2004.**

AB 2962 (Pavley) – Requires insurers to renew homeowners’ policies when homes are destroyed by catastrophes and clarifies the measurement of “actual cash value” under an open fire policy covering residences. **Signed – Chapter 605, Statutes of 2004.**

Judiciary

Among issues considered in 2004 was whether health-care providers have a right to share in damages awarded to Medi-Cal recipients when the providers have not recovered the full cost of their services to those recipients. **SB 494 (Escutia)**, which was **vetoed**, would have restored a right to impose a lien against a Medi-Cal beneficiary's recovery of past medical expenses for the reasonable value of services to that beneficiary to treat injuries caused by a third party.

SB 1376 (Perata) – Enacts the Voting System Security Act of 2004 in an attempt to provide greater security to the election process and to provide remedies to prevent vote tampering. Authorizes the secretary of state, attorney general and local election officials to bring a civil lawsuit against individuals, businesses or others who tamper or interfere with the correct operation of, or willfully damage, any voting devices or systems before, during or after an election. **Signed – Chapter 813, Statutes of 2004.**

SB 1490 (Senate Committee on Judiciary) – Authorizes the State Bar to collect up to a total of \$390 for membership dues for 2005 in order to fund disciplinary and other activities of the State Bar of California. **Signed – Chapter 384, Statutes of 2004.**

SB 1569 (Dunn) – Would have allowed a doctor or other aggrieved health-care provider to bring an action against a health-care service plan to recover contract damages and statutory interest and penalties if a health-care plan violated any provision of the Knox-Keene Act relating to claims processing or payment. **Vetoed.**

SB 1590 (Dunn) – Seeks to reduce the potential for harm or harassment of individuals associated with reproductive health facilities by providing specified government agencies with the discretion to refuse public records requests for personal information relating to these individuals. **Signed – Chapter 922, Statutes of 2004.**

SCA 1 (Burton) – Confers to the people a right of access to information concerning the conduct of the people's business if approved by voters on the November 2, 2004, ballot. Requires meetings of public bodies and the

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writings of public officials and agencies to be open to public scrutiny.

Resolution Chapter 1, Statutes of 2004.

AB 2598 (Steinberg) – Would have restricted the ability of a homeowner’s association to foreclose on an individual’s property when the individual failed to pay association assessments of less than \$2,500. The association would be prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution if requested by the owner. **Vetoed.**

AB 1155 (Liu) – Requires the Judicial Council to establish education and training requirements for persons appointed by the court as private professional conservators or guardians and requires these individuals to complete at least 15 hours of training annually and to self-certify the completion of the training to the Statewide Registry of Private Professional Conservators and Guardians and Trustees. **Signed – Chapter 625, Statutes of 2004.**

AB 1910 (Harman) – Provides that a child of the decedent conceived after the decedent’s death will inherit as if born in the decedent’s lifetime if it is proved by clear and convincing evidence that certain conditions were satisfied, including that the decedent intended his or her genetic material to be used for posthumous conception of a child of the decedent. **Signed – Chapter 775, Statutes of 2004.**

AB 2713 (Pavley) – Would have created a limited exception to an attorney’s duty of confidentiality. Would have permitted an attorney who learns of improper governmental activity in the course of representing a governmental organization to refer the matter to the law enforcement agency or official charged with oversight of the governmental organization. **Vetoed.**

AB 2867 (Nuñez) – Creates a rebuttable presumption, affecting the burden of producing evidence, that a residential hotel which requires an occupant to check out and reregister does so for the purpose of having that occupant maintain transient status and not acquire any rights of tenancy. **Signed – Chapter 950, Statutes of 2004.**

Labor and Employment

Workers' Compensation

Following significant reform in 2002 and 2003 that raised benefit levels and focused attention on rising medical care costs, workers' compensation became the first major policy issue of the 2004 legislative year. Confronting a deadline for a governor-supported initiative that threatened to radically scale back the scope of, and access to, benefits for cumulative injuries and pain-related disability, the Legislature and Governor Schwarzenegger negotiated **SB 899 (Poochigian), Chapter 34, Statutes of 2004**. It requires revision of the permanent disability rating schedule and factors in evaluating disability, increases permanent disability benefits for workers who become severely disabled and reduces benefits for lower ratings. It allows full employer control of medical care through establishment of medical provider networks, establishes an independent medical review process to handle disputes over treatment, provides that treatment decisions be based on nationally recognized medical guidelines and gives injured workers the right to immediate medical care after filing a claim. It also caps temporary disability payments at two years and creates incentives for return to work after an injury. Finally, the bill re-establishes full user funding for the Division of Workers' Compensation to improve capabilities for full implementation of the program and changes.

Other workers' compensation legislation addressed fraud, subsidies for horse racing and unique injury situations. These measures include:

SBX4 2 (Speier) – Substantially increases the penalties for workers' compensation fraud, other forms of insurance fraud and money laundering. Increases incentives to secure the payment of workers' compensation benefits by raising penalties against uninsured employers and providing reimbursement of investigation costs. **Signed – Chapter 2, Fourth Extraordinary Session, Statutes of 2004.**

AB 701 (J. Horton) – Changes existing Horse Racing Law to increase the amount deducted from the pari-mutuel pools to offset workers' compensation costs within the California horse racing industry. **Signed – Chapter 40, Statutes of 2004.**

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AB 1324 (Steinberg) – Would have provided workers' compensation benefits to a dependent of a state worker in a case where the worker sustained an injury as the result of a work-related, blood-borne infectious disease and the dependent contracted the disease. Allowed the dependent to receive compensation under the workers' compensation law, for the duration of the disease, for all medically necessary health care costs associated with the disease. If the dependent elected to receive such compensation, the bill would have barred the dependent from bringing a civil action against the employer for damages. **Vetoed.**

AB 1840 (Frommer) – Institutes a retroactive adjustment to existing law that provides for payment of death benefits in the amount of \$250,000 to the estate of a deceased employee who has no total dependents and no partial dependents. Existing law applied for injuries occurring on or after January 1, 2004; this law allows those benefits for the estate of a deceased police officer killed during 2003. **Signed – Chapter 92, Statutes of 2004.**

AB 2649 (Salinas) – Excludes from the definition of employee for workers' compensation purposes any person who is an owner-builder participating in a mutual self-help housing program sponsored by a nonprofit corporation. **Signed – Chapter 83, Statutes of 2004.**

AB 2866 (Frommer) – Requires the Department of Insurance to post on its Internet Web site information on each person convicted of violating any fraud provision involving workers' compensation insurance, services or benefits. **Signed – Chapter 281, Statutes of 2004.**

AB 2919 (Ridley-Thomas) – Eliminates a previous sunset date of January 1, 2006, authorizing medical treatment of a work-related injury to be provided by a state licensed physician assistant or nurse practitioner, acting under the review or supervision of a physician pursuant to standardized procedures or protocols within their lawfully authorized scope of practice. **Signed – Chapter 100, Statutes of 2004.**

AB 3051 (Nation) – Would have required that a proceeding to collect benefits for the death of a firefighter from various medical conditions or diseases be commenced within one year from the date of death. This would have eliminated a provision that these proceedings be commenced within 240 weeks from the date of injury. **Vetoed.**

ABX4 13 (Firebaugh) – Requires an insurer to add any city attorney whose duties include criminal prosecutions and any law enforcement agency investigating workers' compensation fraud to the list of authorized governmental agencies receiving relevant information relating to a workers' compensation insurance fraud investigation. **Signed – Chapter 1, Fourth Extraordinary Session, Statutes of 2004.**

Outsourcing

AB 1829 (Liu) – Would have prohibited a state agency or local government from using state funds for employment training for employees located in foreign countries or for contracting for services unless those services will be performed solely with workers within the United States. **Vetoed.**

AB 3021 (Assembly Committee on Labor and Employment) – Would have required an employer with more than 250 employees to furnish information beginning in 2006 on the number of individuals employed in California, elsewhere in the United States and outside the United States. **Vetoed.**

Janitorial Services

SB 1521 (Alarcón) – Would have extended from 60 days to 90 days the period that contractors who provide janitorial or building maintenance services must retain certain employees who were employed at a job site by a previous janitorial contractor. **Vetoed.**

AB 2213 (Goldberg) – Would have regulated, until January 1, 2010, the employment of workers in the janitorial service industry by providing registration and record-keeping requirements for wages, hours and working conditions. **Vetoed.**

Other

SB 1618 (Battin) – Requires that checks and drafts for wages by January 1, 2008, contain only the last four digits of an employee's Social Security number. **Signed – Chapter 860, Statutes of 2004.**

SB 1538 (Alarcón) – Would have required employers to pay employees for any rest break mandated by statute, regulation or order of the Industrial Wage Commission and would have established the formula by which the rate of pay for piece-rate workers' rest breaks should be determined. **Vetoed.**

SB 1809 (Dunn) – Authorizes a court to award a lesser amount than the maximum civil penalty specified under certain conditions in the Labor Code Private Attorneys General Act of 2004 (SB 796 [Dunn], Chapter 906, Statutes of 2003). Provides that a civil penalty for any violation of a posting or notice requirement of the Labor Code may be recovered only by the enforcing agency or its subdivisions. **Signed – Chapter 221, Statutes of 2004.**

SB 1841 (Bowen) – Would have prohibited employers from engaging in electronic monitoring of employees without first providing notice to the employees, except in certain specified circumstances. **Vetoed.**

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SB 1901 (Alarcón) – Would have protected non-supervisory farm workers from being unnecessarily exposed to pesticides and chemicals by an agricultural employer’s requirement to taste-test table grapes in the field or prior to processing, while allowing supervisory employees to taste-test them under specified health and safety conditions. **Vetoed.**

AB 1845 (Lowenthal) – Extends the expiration date from January 1, 2005, to January 1, 2010, for the California Benefits Training program, which provides job training to eligible persons while they receive unemployment insurance benefits. **Signed – Chapter 800, Statutes of 2004.**

AB 1885 (Corbett) – Would have made legislative findings and declarations that the East Bay biotechnology industry increasingly needs more biotechnology professionals of all levels who are familiar with industry-like conditions for basic and applied research, training and production. Stated legislative findings and declarations that the East Bay Biotechnology Center would be established on the campus of the California State University at Hayward as an anchor and catalyst for the growth of biotechnology enterprise. **Vetoed.**

AB 2317 (Oropeza) – Would have increased the amount of damages due to employees who are paid unfairly and mandates the types of damages those employees should recover if successful in bringing a civil action against their employers. **Vetoed.**

AB 2532 (Hancock) – Would have required hospitals to train health-care workers on the appropriate use of lifting devices and equipment. Would have required lift team members to receive specialized training and to demonstrate proficiency in safe techniques for lifting or transferring patients. Would have provided that a health-care worker who refuses to lift a patient would not be disciplined, unless the worker had been trained on appropriate patient and equipment-lifting procedures and had appropriate, functional lifting devices and equipment available to perform the requested lift. **Vetoed.**

AB 2545 (Koretz) – Would have prohibited employers from physically preventing an employee from exiting a place of employment by locking the doors, windows or other exits of the place of employment. Would have provided that it is insufficient for an employer to provide only fire or similar emergency exits for use by its employees. Would have established a penalty on employers for any rule or practice that results in a serious and willful violation of any regulation regarding the maintenance and access to exits that results in death or serious bodily injury to an employee. **Vetoed.**

AB 2690 (Hancock) – Exempts from the provisions of “public works” any work that is performed by a volunteer, a volunteer coordinator, members of the California Conservation Corps or by members of a certified Community Conservation Corps. The bill would apply this exemption

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retroactively to work concluded on or after January 1, 2002. This bill would sunset on January 1, 2009. **Signed – Chapter 330, Statutes of 2004.**

AB 2832 (Lieber) – Would have set the minimum wage at \$7.25 as of January 1, 2005, and \$7.75 as of January 1, 2006. **Vetoed.**

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Local Government

Lawmakers passed legislation to better direct planning and development by requiring that Native American cultural places be explicitly included in a local General Plan and authorizing expedited incorporations for larger county “islands.”

The Legislature also considered major revisions to the state and local fiscal relationship. One of those revisions, which the Legislature placed on the November ballot for consideration by the voters, would prevent the Legislature from shifting property tax revenue from local governments to school districts, beginning with the 2006-07 school year.

Land Use Planning and Development

SB 18 (Burton) – Requires that information gathered from California Native Americans be added to requirements for General Plans promulgated by the Governor’s Office of Planning and Research and to General Plans’ open space elements. **Signed – Chapter 905, Statutes of 2004.**

SB 1266 (Torlakson) – Expands from 75 acres to 150 acres the size of county “islands” – unincorporated areas that are surrounded by a city – eligible for expedited city annexations. **Signed – Chapter 96, Statutes of 2004.**

SB 1820 (Machado) – Changes the method for determining property values when canceling a Williamson Act contract. **Signed – Chapter 794, Statutes of 2004.**

Budget Trailer Bills

SB 1096 (Senate Budget and Fiscal Review) – Shifts \$1.3 billion in property tax revenue from cities, counties and special districts to schools for 2004-05 and 2005-06. **Signed – Chapter 211, Statutes of 2004.**

SB 1102 (Senate Budget and Fiscal Review) – Provides that the state General Fund will receive 75 percent of punitive damages awarded in the state. This provision expires on June 30, 2006. **Signed – Chapter 227, Statutes of 2004.**

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SB 1770 (Senate Local Government Committee) – Authorizes special districts to borrow against future revenue streams by issuing securitized obligation notes. **Signed – Chapter 114, Statutes of 2004.**

SCA 4 (Torlakson) – Limits the amount of property tax the Legislature can shift from cities, counties and special districts to schools. This will appear on the statewide ballot on November 2, 2004, as Proposition 1A and if approved, will take effect January 1, 2005. **Signed – Chapter 133, Statutes of 2004.**

AB 2851 (Laird) – Repeals questionable mandates and reforms the process for identifying and reimbursing the costs for state-mandated programs. **Signed – Chapter 316, Statutes of 2004.**

Military and Veterans

Key legislation in this area primarily concerned California's attempts to deal with the aftereffects of base closures and the role of state government in respect to retired veterans.

SB 451 (Ducheny) – Clarifies that on-base military housing doesn't constitute interests subject to property tax. The bill is intended to promote the development of on-base housing. **Signed – Chapter 853, Statutes of 2004.**

SB 926 (Knight) – Renames the Office of Military Base Retention the Office of Military and Aerospace Support and consolidates all military-base retention and conversion programs in this single office within state government. Directs the office to seek grants and private donations to fund the retention campaign, encourages affected local governments to work together to retain military installations in California and allows local governments, in partnership with local military bases, to request funding from the California Infrastructure Bank for projects that enhance or improve the mission of the base. **Signed – Chapter 907, Statutes of 2004.**

SB 1193 (Soto) – Requires payment of a \$10,000 death benefit to the surviving spouse or beneficiary of members of the California National Guard, the state military reserve or the Naval Militia who died in the line of duty, whether in foreign or domestic deployments, after March 1, 2003. The benefit will not be considered taxable income and is in addition to burial and other survivor benefits paid by the federal government for death during federal military operations. **Signed – Chapter 547, Statutes of 2004.**

SB 1435 (Perata) – Would have resolved public-trust title uncertainties in the lands comprising the Oakland Army Base. Would have facilitated their reuse to further the purposes of the public trust. **Vetoed.**

AB 1073 (Dutton) – Exempts the military death benefit from taxation for those who received it after September 10, 2001. **Signed – Chapter 261, Statutes of 2004.**

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AB 1077 (Wesson) – Provides \$100 million for veterans' homes. **Signed – Chapter 824, Statutes of 2004.**

AB 1520 (Kehoe) – Would have transferred authority for the establishment of veterans' memorials from the purview of elected representatives to an unelected board of commissioners. **Vetoed.**

AB 1592 (Assembly Committee on Veterans Affairs) – Would have established the Department of General Services as the administrator of the Disabled Veterans Business Program except in bond cases. The department would have been responsible for setting standards to meet participation goals. **Vetoed.**

Natural Resources and Wildlife

Legislators agreed to create a new Sierra Nevada Conservancy and an Ocean Protection Council, adopt requirements for mitigating the conversion of oak woodlands and require tugboat escorts for tankers that carry hazardous material in ports and harbors.

SB 89 (Alpert) – Would have eased restrictions on possession of domestic ferrets by allowing ferret owners to apply to the state Department of Fish and Game for a “certificate of amnesty” that allows ferrets to be legally owned in California. **Vetoed.**

SB 976 (Ducheny) – Transfers funds from the Beach Erosion Account to the Beach Restoration Account, which requires 80-20 matching funds from locals. **Signed – Chapter 15, Statutes of 2004.**

SB 1319 (Burton) – Enacts the California Ocean Protection Act, creates the Ocean Protection Council and authorizes the council to carry out programs protecting coastal waters and ocean ecosystems. **Signed – Chapter 719, Statutes of 2004.**

SB 1334 (Kuehl) – Requires counties with oak woodlands to consider certain oak conservation mitigation alternatives for oak woodlands that are proposed to be converted to other uses. **Signed – Chapter 732, Statutes of 2004.**

SB 1369 (Kuehl) – Requires a person who owns property within either state fire prevention and suppression responsibility areas, or local responsibility areas where the homes are in very high fire hazard severity zones, to create a firebreak of 100 feet around any structures on his/her property. **Signed – Chapter 842, Statutes of 2004.**

SB 1459 (Alpert) – Regulates the conditions under which bottom trawl fishing may take place off the coast of California. **Signed – Chapter 721, Statutes of 2004.**

SB 1480 (Sher) – Would have authorized regulations governing tugboat escorts for vessels carrying hazardous materials when entering, leaving or navigating in the harbors of California. **Vetoed.**

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SB 1611 (Ducheny) – Would have required fire season to remain open year-round in Southern California and required the California Department of Forestry to staff its engines during fire season with four firefighters instead of three. **Vetoed.**

AB 2420 (LaMalfa) – Creates a timber-harvest plan exemption for harvest activities related to fuel reduction and timber thinning that are intended to reduce the threat of wildfire and to lessen the intensity of wildfires in high fire hazard areas. **Signed – Chapter 712, Statutes of 2004.**

AB 2600 (Leslie) – Establishes the Sierra Nevada Conservancy and creates the Sierra Nevada Conservancy Fund in the state treasury. **Signed – Chapter 726, Statutes of 2004.**

Privacy

Modern technology has brought new threats to privacy. **SB 1436 (Murray), Chapter 843, Statutes of 2004**, will prohibit unauthorized persons from installing software on a consumer's computer capable of taking over control of the computer and obtaining personal information. Such "spyware" is capable of interfering with attempts to remove it. SB 1436 creates the "Consumer Protection Against Spyware Act" to guard against such breaches.

SB 1633 (Figueroa) – Prohibits any business from seeking to obtain medical information directly from an individual for direct marketing purposes without clearly and conspicuously disclosing how it will use and share that information and obtaining the consumer's consent to that use and sharing. **Signed – Chapter 861, Statutes of 2004.**

SB 1841 (Bowen) – Would have required employers to give clear and conspicuous notice to employees prior to engaging in electronic monitoring of their activities. **Vetoed.**

AB 1950 (Wiggins) – Requires businesses that are not subject to an existing privacy law, and that own or license personal information about a California resident, to maintain reasonable security practices to protect the information from unauthorized access, destruction, use, modification or disclosure. **Signed – Chapter 877, Statutes of 2004.**

AB 2840 (Corbett) – Prohibits rental car companies from using, accessing or obtaining information about a renter's use of a vehicle that was obtained using electronic surveillance technology unless the information is used to locate a lost, stolen or abandoned vehicle and specified conditions are satisfied. **Signed – Chapter 317, Statutes of 2004.**

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Public Employment and Retirement

A trailer bill to the 2004-05 state budget created an alternate retirement plan for new employees that defers the accrual of service credits for a two-year period. **SB 1105 (Senate Budget and Fiscal Review Committee), Chapter 214, Statutes of 2004**, modifies the existing retirement program for new miscellaneous and industrial state employees. For the initial two-year period of employment, neither the employee nor employer will contribute to the California Public Employment Retirement System (CalPERS) and employees will not accrue service credit. Instead, a new employee will contribute to a 401(a) savings program under the Internal Revenue Code. After 48 months of employment, the employee can then convert these contributions from the first 24 months of employment for up to two years of CalPERS service credit, convert the funds into a 401(k) investment or withdraw the funds from the 401(a) program.

Also, as part of the Schwarzenegger Administration's efforts to reduce employee compensation costs, an addendum of a memorandum of understanding between the state and the California Correctional Peace Officers' Association (Bargaining Unit #6) was negotiated. **SB 1110 (Cedillo) Chapter 217, Statutes of 2004**, ratifies the addendum, which defers a portion of the salary increase scheduled on July 1, 2004, until January 1, 2005, and June 30, 2006.

Other bills relating to public employment and retirement include:

SB 437 (Burton) – Would have allowed the Senate and Assembly to establish the rate for employee contributions to CalPERS for a 12-month period and to reduce the CalPERS contribution of their employees to zero percent for up to a 12-month period. **Vetoed.**

SB 1206 (Soto) – Allows the boards of retirement in the 20 counties participating in the County Employees Retirement Act of 1937 to reduce the monthly retirement benefits of members who fraudulently report compensation or overstate earnings for improper increases in their county pensions. **Signed – Chapter 466, Statutes of 2004.**

SB 1439 (Speier) – Prohibits a CalPERS retiree from being hired by a state agency if, during the 12-month period prior to the proposed

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appointment, the retired annuitant received any unemployment insurance payments arising out of prior employment with the same employer. **Signed – Chapter 398, Statutes of 2004.**

SB 1892 (Burton) – Would have made changes to the review requirements, and the dispute provisions, for certain personal services contracts entered into by state agencies. **Vetoed.**

AB 1362 (Wiggins) – Would have provided for binding arbitration for members of State Bargaining Unit 8 in the Department of Forestry and Fire Protection. **Vetoed.**

AB 1852 (Mullin) – Authorizes a member of the California State Teachers Retirement System (STRS) to earn a longevity bonus and makes various changes to the early retirement incentive program. **Signed – Chapter 935, Statutes of 2004.**

AB 1958 (Frommer) – Would have authorized the Board of Administration of CalPERS to enter into a pharmaceutical purchasing consortium with private or public entities. **Vetoed.**

AB 2103 (Negrete McLeod) – Ratifies a Memorandum of Understanding Addendum for State Bargaining Unit 5 (the California Highway Patrol) that provides for 52 additional hours of holiday leave in exchange for terminating premium compensation. Extends a mandatory personal leave program through December 31, 2004, and continues a 5 percent reduction in pay in exchange for the extra day of leave each month. **Signed – Chapter 635, Statutes of 2004.**

AB 2364 (Correa) – Authorizes all state pension systems to establish credit enhancement programs to assist issuers of municipal and public finance debt. Credit enhancement programs allow the substitution of CalPERS' credit rating for that of a lower-rated public or private entity to assist entities to secure more favorable financing terms by a variety of types of credit enhancement. **Signed – Chapter 266, Statutes of 2004.**

AB 2750 (Steinberg) – Would have required that state employees be paid in accordance with current memoranda of understanding if the Budget Act has not been enacted on July 1 of a fiscal year. **Vetoed.**

AB 3076 (Mullin) – Prohibits part-time community college faculty from being mandated into the STRS program when they have an occasional full-time assignment. **Signed – Chapter 474, Statutes of 2004.**

AB 3094 (Assembly Public Employment, Retirement and Social Security Committee) – Requires retirement benefit payments from CalPERS, STRS or county retirement systems that are deposited by electronic transfer following the death of a pensioner to be refunded to the retirement system. **Signed – Chapter 506, Statutes of 2004.**

Public Safety

The Legislature in 2004 addressed issues of capital punishment, domestic violence, hate crimes, firearms, drugs, driving under the influence, victim concerns and homeland security. In addition, bills were approved pertaining to problems characteristic of issues that have only recently emerged on the national scene, including a bill that seeks added controls on private parties using computers to disseminate music and other entertainment content in violation of copyrights.

Death Penalty

SR 44 (Burton) – Establishes the California Commission on the Fair Administration of Justice to study and review and, by December 31, 2007, report on the state’s criminal justice practices including its death penalty system. The resolution notes that the advent of post-conviction DNA testing has resulted in the exoneration of several inmates in California as well as more than 100 Death-Row inmates outside California. The resolution states that California can benefit from a study by its own independent commission, charged with examining the death penalty in California as well as other aspects of the justice system.

Adopted.

Domestic Violence

SB 914 (Bowen) – Reforms the application, administration and program monitoring process for grants awarded to domestic violence and sexual assault/rape victim services providers. Shifts administration of these grant programs from the Office of Criminal Justice Planning and the Department of Health Services to the Office for Victim Services. The bill sets forth the Legislature’s intent that these programs be permanently consolidated within one office, branch or department within one state agency. **Signed – Chapter 840, Statutes of 2004.**

SB 1385 (Burton) – Replaces the term “battered women’s syndrome” in the codes with the more comprehensive phrase “intimate partner battering and its effects.” In 1991, California was the first state to pass legislation allowing the admission of “battered women’s syndrome” as

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evidence in a criminal trial when a defendant who has been battered is accused of committing violence against the batterer. SB 1385 also limits the ability to bring writ of habeas corpus to violent felonies committed before August 29, 1996, that resulted in judgments of conviction after a plea or trial where expert testimony regarding battering and its effects may be probative on the issue of culpability. **Signed – Chapter 609, Statutes of 2004.**

SB 1391 (Romero) – Specifies that a person subject to a domestic violence protective order must relinquish any gun in his or her possession or control within 24 hours of the service of a restraining order, rather than within 48 hours, if the person was not present at the hearing. Includes peace officers of the Department of General Services of the City of Los Angeles within the definition of law enforcement officers authorized to request or enforce an emergency protective order. Similarly expands the definition of officers with regard to required law enforcement response to domestic violence calls. **Signed – Chapter 250, Statutes of 2004.**

AB 141 (Cohn) – Expands the definition of prior acts of domestic violence which may be used as evidence in a criminal trial to include child abuse. This will allow in evidence some prior incidents of child abuse in the prosecution of domestic violence and child abuse cases. **Signed – Chapter 116, Statutes of 2004.**

Firearms

SB 231 (Scott and Murray) – Authorizes the Department of Justice to establish and issue “entertainment firearms permits” that designate a person who may possess firearms as props in motion picture, television, video, theatrical or other entertainment productions. **Signed – Chapter 606, Statutes of 2004.**

SB 1140 (Scott) – Would have made it a misdemeanor for gun owners to leave a loaded firearm in places where a child can and does gain access to it, whether or not someone was killed or injured. The bill also added new liability for storage of an unloaded gun if ammunition is nearby and removed from law the provision allowing access to guns by children with parental permission. **Vetoed.**

SB 1152 (Scott) – Would have strengthened the prohibition on selling handgun ammunition to persons under 21, and selling other ammunition to persons under 18. Would have required all retail sellers of ammunition to record the following information at the time of purchase: the date of the transaction, the name, address, date of birth and thumbprint of the transferee, the transferee's driver's license or other identification number and the state in which it was issued, the brand, type, and amount of ammunition transferred, the transferee's signature and the name of the salesperson who processed the transaction. **Vetoed.**

SB 1858 (Dunn) – Includes BB and pellet guns in new restrictions governing imitation firearms. Often hard to distinguish on sight from firearms, “BB devices” under this bill will be subject to a number of controls, including a prohibition against displaying the guns in public places. The bill also makes it unlawful to remove markings on some imitation firearms that, in compliance with federal law, are intended to identify the guns as non-firearms. **Signed – Chapter 607, Statutes of 2004.**

AB 50 (Koretz) – Prohibits the manufacture, sale, importation or ownership of the gun known as the “50-caliber BMG” rifle, considered more powerful than most sporting firearms. Allows owners of legally owned 50-caliber BMG rifles to register the guns with the Department of Justice until April 30, 2006, and, upon registration, for the department to issue the owners a dangerous weapons permit. **Signed – Chapter 494, Statutes of 2004.**

AB 2431 (Steinberg) – Makes changes in procedures requiring law enforcement agencies to return firearms seized as evidence once the owners show they are the legal and law-abiding owners of the weapons. **Signed – Chapter 602, Statutes of 2004.**

Hate Crimes

SB 1234 (Kuehl) – Clarifies the definition of hate crimes and directs that all state and local agencies use the new simplified definition. It stipulates that the list of characteristics identifying victims as targets of hate crimes includes gender and disability or association with persons who are targeted because of their nationality, race, ethnicity, religion or sexual orientation. The bill provides for better police training concerning hate crimes, crimes against victims with disabilities and crimes against homeless victims, and includes prison guards and parole officers in the hate-crime training requirements. **Signed – Chapter 700, Statutes of 2004.**

AB 2191 (Chu) – Would have required victims or kin of victims to be notified of hearings to decide on the conditional release of persons found not guilty by reason of insanity. The bill was prompted by a hate-crime murder in which the defendant was found innocent by reason of insanity. It would have allowed victims or their kin to state whether they believe a person found not guilty by reason of insanity should remain confined in a mental hospital or be released into the community as an outpatient. **Vetoed.**

AB 2428 (Chu) – Requires a court to issue a protective order for the victim of a hate crime as a condition of granting parole or probation to the defendant. A similar stay-away order is required as a condition for the release from custody of defendants found innocent of a hate crime by reason of insanity. The bill also requires defendants in hate-crime cases to receive sensitivity training as a condition of probation, parole or

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release from commitment to a mental institution. **Signed – Chapter 809, Statutes of 2004.**

Homeland Security

SB 1193 (Soto) – Requires payment of a \$10,000 death benefit to the surviving spouse or beneficiary of members of California National Guard, the state military reserve or the Naval Militia who died in the line of duty, whether in foreign or domestic deployments, after March 1, 2003. The benefit will not be considered taxable income and is in addition to burial and other survivor benefits paid by the federal government for death during federal military operations. **Signed – Chapter 547, Statutes of 2004.**

SB 1768 (Romero) – Authorizes railroad police officers who have met specified requirements of the Commission on Peace Officer Standards and Training to apply for access to the California Law Enforcement Telecommunications System. **Signed – Chapter 510, Statutes of 2004.**

Inspector General

The Legislature approved several bills revising the rights and responsibilities of the Office of the Inspector General (OIG) and expanding access to information for both the inspector general and the public.

SB 1342 (Speier and Romero) – Fixes the term of the inspector general at six years and establishes basic requirements and protocols for the investigations conducted by the OIG. **Signed – Chapter 733, Statutes of 2004.**

SB 1352 (Romero and Speier) – Broadens the OIG's right to access documents and materials pertaining to Youth and Adult Correctional Agency personnel and internal investigations, authorizes the OIG to redact certain personal or identifying information in those documents and requires the OIG to make reports of investigations and audits available to the public. **Signed – Chapter 734, Statutes of 2004.**

SB 1399 (Vasconcellos) – Would have set forth the intent of the Legislature to profoundly reform the correctional system pertaining to the return of inmates to society. In achieving this goal, the bill would have required that the California Department of Corrections evaluate each inmate who becomes subject to its jurisdiction on or after January 1, 2006, to determine the inmate's educational and vocational level of development and capacity and his/her psychosocial level of development and ability to lead a constructive life. The department would have been required to implement a comprehensive rehabilitation program that addressed the inmate's deficient levels of educational, vocational, and psychosocial development, so as to better equip him/her to lead a constructive, safe life upon his/her release from prison. **Vetoed.**

SB 1400 (Romero and Speier) – Creates the Bureau of Independent Review within the OIG and specifies reporting requirements on matters pertaining to internal affairs investigations conducted by the California Department of Corrections and the California Youth Authority. **Signed – Chapter 736, Statutes of 2004.**

SB 1426 (Ducheny) – Requires the Department of Corrections to identify best-management practices and protocols for medical and generic substitutes and report to the Legislature on cost savings. **Signed – Chapter 383, Statutes of 2004.**

SB 1431 (Speier and Romero) – Imposes identical requirements on the directors of the Department of Corrections and the Department of the Youth Authority to take specific actions to eliminate the code of silence, enhance protections for whistleblowers and ensure uniform and fair application of discipline. The directors are required to adopt a code of conduct for all employees of the department, implement a disciplinary matrix identifying offenses and associated punishments that would apply to all employees statewide and notify all employees by electronic mail of the code of conduct, the duty to report misconduct and how to do so. **Signed – Chapter 738, Statutes of 2004.**

SB 1676 (Romero) – Would have required the Department of Corrections and the Department of the Youth Authority to collect specified data regarding lockdowns of more than 15 days in duration, post this data on their Web sites and update it quarterly. **Vetoed.**

AB 1914 (Montañez) – Would have enacted the Prison Education Reform Act, creating a 15-member Robert E. Burton Correctional Education Committee to develop a plan to provide prison inmates who have reasonable expectations of release with access to enhanced educational and vocational programs. **Vetoed.**

Juveniles

SB 1151 (Kuehl) – Would have provided that, before prosecuting juveniles in adult court for certain violent offenses as presently prescribed, mitigating factors should be considered. Among criteria to be evaluated would have been the actual alleged behavior of the minor, the minor's degree of involvement in the crime, the level of harm actually caused by the minor and other factors affecting the gravity of the offense. **Vetoed.**

SB 1313 (Kuehl) – Implements the unanimous recommendations for statutory revisions made by the Child Abuse and Neglect Reporting Act Task Force. These include clarifying actions that constitute reportable child abuse, the responsibilities of mandated reporters of child abuse or neglect and when (and to whom) access to the Child Abuse Central Index should be granted. **Signed – Chapter 842, Statutes of 2004.**

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AB 129 (Cohn) – Authorizes the probation department and the child welfare department in any county, with the approval of the presiding judge of the juvenile court, to create a protocol to permit a minor to be designated as both a dependent child and a ward of the court, to be termed a “dual status child.” The measure prescribes required elements of this protocol to improve the processes of dealing with children who fit this definition. **Signed – Chapter 468, Statutes of 2004.**

AB 1012 (Steinberg) – Would have required school principals to immediately seek the consent of a parent or guardian before the principal made an elementary school student available to a police officer for questioning. Further, the bill would have prohibited making the student available for questioning if the parent requested that the student not be questioned until he or she could be present. In the case of a high school student, the bill would have required the principal to inform the student of his or her right to select a person from the school to be present during the questioning. **Vetoed.**

Prisons

The primary focus of corrections-related bills approved by the Legislature this year included those addressing the purposes of imprisonment, and seeking to make education and programming more central to incarceration so that individuals would be better able to rejoin society upon release. Additionally, bills were approved to examine, create and revise audit and disciplinary procedures and practices, establish a code of conduct for employees and improve inmate access to health care.

SB 260 (Romero) – Enacts the California Prison Inmate Health Service Reform Act, which authorizes the Department of Corrections to establish regional inmate health service joint-powers authorities by entering into joint-powers agreements with health-care districts. Permits these authorities to be used for any purpose related to the provision, acquisition, or coordination of inmate health-care services. **Signed – Chapter 510, Statutes of 2004.**

SB 1164 (Romero) – Would have required the Department of Corrections to allow the news media to interview prisoners in person, including prearranged interviews with specified prisoners or random interviews of prisoners. An interview could have been denied if the department determined that it posed a direct threat to the security of the institution or the physical safety of a member of the public. **Vetoed.**

Sex Offenses

Whether to make personal data such as the names and home addresses of registered sex offenders available on the Internet was one of the highest-profile sex-offender measures before the Legislature in 2004. Early in the year, news media reported that California’s registered sex-

offender data was filled with errors and seldom used. The Legislature responded by authoring a number of reforms in the system, including AB 1937 to keep the data current and AB 488 to make the data more accessible.

SB 1678 (Dunn) – Creates a one-year window beginning January 1, 2005, to revive a civil cause of action for child sexual abuse against the perpetrator, if a criminal case filed against the perpetrator was dismissed due to the 2003 U.S. Supreme Court decision in *Stogner v. California*. This decision said California could not pass a new criminal “statute of limitations” that permits prosecution for sex-related child abuse where the prior three-year limitations period had expired. **Signed – Chapter 741, Statutes of 2004.** In a related matter, **AB 1667 (Kehoe)** repeals provisions of law regarding time limits on prosecuting child sex abuse and provides that prosecution of felony sex offenses shall be commenced within 10 years. **Signed – Chapter 368, Statutes of 2004.**

AB 488 (Parra and Spitzer) – Makes the “Megan’s Law” database on sex offenders available on the Internet. This database includes a registered sex offender’s name, home address, photograph, physical description and list of related offenses committed. Based upon the offense committed, the individual’s complete home address or community of residence and zip code would be posted. **Signed – Chapter 745, Statutes of 2004.**

AB 493 (Salinas) – Requires a person released from a state hospital’s Sexually Violent Predator program to be returned to the county where he or she last lived unless extraordinary circumstances are shown. **Signed – Chapter 222, Statutes of 2004.**

AB 891 (Runner) – Amends the definition of “sex offense” that applies to statutory limits on people who can work at schools to include continuing sexual abuse of a child. **Signed – Chapter 124, Statutes of 2004.**

AB 1937 (Corbett) – Requires any state or local government agency, if requested in writing, to provide the Department of Justice with the address of any person identified by the Department of Justice as someone who is required to register as a sex offender. This bill was introduced to help the Department of Justice keep its database on sex offenders up to date. **Signed – Chapter 127, Statutes of 2004.**

AB 2395 (Correa) – Requires a person who was convicted of a sex offense in another state, upon moving to California, to register as a sex offender if the offense would have required registration if committed in California. **Signed – Chapter 761, Statutes of 2004.**

AB 2527 (Frommer) – Simplifies and clarifies registration requirements for sex offenders who do not have a fixed residence. The bill responds to problems identified in a 2003 California appellate case. **Signed – Chapter 429, Statutes of 2004.**

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Victims of Crime

SB 58 (Johnson) – Requires district attorneys to work out procedures with the courts and law enforcement to protect confidential personal information of witnesses and victims in criminal proceedings. Personal information from police reports, such as driver's license data, Social Security numbers, date of birth and home addresses, would be among the types of information kept confidential by the court under this bill. **Signed – Chapter 507, Statutes of 2004.**

SB 631 (McPherson) – With the intent of collecting more restitution funds for the state Victim Compensation Program, this bill creates new requirements for those owing restitution funds. Among other things, it requires defendants to file formal statements with the court assuring payment of restitution fines within given periods. **Signed – Chapter 223, Statutes of 2004.**

AB 20 (Lieber) – Applies the same rules of court to witnesses at criminal trials who are mentally impaired dependent persons as those that apply to witnesses in criminal trials who are children or, in some instances, elderly persons. For example, leading questions permitted to be asked of children in eliciting information on sexual, physical or mental abuse may, under this bill, be asked of mentally impaired persons. Among other provisions, the bill also adds penalties when dependent persons of *any age* are subjected to lewd and lascivious acts by their caregivers. **Signed – Chapter 823, Statutes of 2004.**

Other

SB 1110 (Cedillo) – Ratifies the addendum to the memorandum of understanding relating to Bargaining Unit 6 in an attempt to find additional savings to address the budget shortfall. This addendum makes changes to previously negotiated salary increases and includes provisions relating to the transfer and assignment of correctional officers, psychological screening requirements, training and seniority calculations. **Signed – Chapter 217, Statutes of 2004.**

SB 1506 (Murray) – Prohibits the surreptitious dissemination over the Internet of any commercial recording or audiovisual work protected by copyright. Makes it a crime to disseminate such works as music, drama or games without disclosing the e-mail address of the sender and the identities of the artists creating the disseminated content. Transmissions of the data are allowed without penalty to small groups of friends and family. Violations can incur fines and jail time, increasing in severity depending on the volume of material transmitted. **Signed – Chapter 617, Statutes of 2004.**

SB 1694 (Torlakson) – Extends the period triggering increased sanctions for driving under the influence (DUI) from seven to 10 years from the time of a prior conviction. Requires treatment not only for DUI offenders

but for others found drunk and disorderly in public. If granted probation, the DUI offender is subject to higher fines, is restricted to driving only to and from work and must enter an 18- or 30-month treatment program.

Signed – Chapter 550, Statutes of 2004.

SB 1794 (Perata) – Sets standards for the administration of antipsychotic medication to persons found mentally incompetent to stand trial. **Signed – Chapter 486, Statutes of 2004.**

AB 1432 (Firebaugh) – Repeals California’s statutory double-jeopardy provision. Allows a person who commits a crime in California, flees to another country, fights extradition and is prosecuted in that other country for the crime to be prosecuted again in California, upon return. Certain credits for time served in the other jurisdiction apply. **Signed – Chapter 511, Statutes of 2004.**

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Revenue and Taxation

The Legislature adopted several measures to improve tax administration, including a bill authorizing a major tax-amnesty program. Legislation also required the state Board of Equalization to improve disclosure in its administration of the tobacco tax.

To assist taxpayers, the Legislature adopted several measures to reduce taxes and ease compliance, including legislation to authorize higher-income taxpayers to file their income taxes using the 540 EZ form.

In other fiscal policy areas, lawmakers passed legislation to finance the natural heritage investment tax with bond proceeds.

Tax Administration

SB 246 (Escutia) – Authorizes the Franchise Tax Board to collect court-ordered debt, provided that the debt has been referred by a superior court. **Signed – Chapter 380, Statutes of 2004.**

SB 1100 (Senate Committee on Budget and Fiscal Review) – Authorizes a tax amnesty program and imposes new penalties for miscreants. **Signed – Chapter 226, Statutes of 2004.**

AB 1260 (Matthews) – Revises the penalties imposed on people counseling taxpayers to file fraudulent claims. **Signed – Chapter 163, Statutes of 2004.**

AB 2491 (J. Horton) – Requires the state Board of Equalization to post on its Web site the names of tobacco sellers whose tobacco tax license has been revoked. Also requires the board to post a notice of seized tobacco products. **Signed – Chapter 82, Statutes of 2004.**

Tax Exemptions, Credits and Checkoffs

SB 1147 (Hollingsworth) – Extends the homeowner's property-tax exemption to homeowners whose principal residence has been destroyed in a natural disaster. **Signed – Chapter 792, Statutes of 2004.**

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SB 1162 (Machado) – Authorizes an income-tax check-off contribution to a military family-relief fund. **Signed – Chapter 546, Statutes of 2004.**

SB 1534 (Johnson) – Authorizes persons with incomes of up to \$100,000 (single) and \$200,000 (joint) to use a 540 EZ form. **Signed – Chapter 844, Statutes of 2004.**

AB 1073 (Dutton) – Exempts from the personal income tax any income derived from the death gratuity paid by the federal government to survivors of military personnel. **Signed – Chapter 261, Statutes of 2004.**

AB 1799 (Mullin) – Extends, until 2010, the sunset on the Alzheimer's income-tax contribution check-off. **Signed – Chapter 370, Statutes of 2004.**

AB 1916 (Maddox) – Requires that local transient occupancy taxes (sometimes referred to as "TOTs" or "hotel-motel taxes") exempt government employees from the tax. **Signed – Chapter 936, Statutes of 2004.**

AB 2722 (Laird) - Allows use of bond funds to pay the amount of the natural heritage tax credit. **Signed – Chapter 715, Statutes of 2004.**

Other

SB 615 (Cedillo) – Conforms California tax law with federal filing requirements for active duty military. **Signed – Chapter 388, Statutes of 2004.**

SB 764 (Morrow) – Indexes the disabled veteran exemption for inflation. **Signed – Chapter 544, Statutes of 2004.**

SB 1596 (Ducheny) – Allows a local government or nonprofit organization to request the tax collector to bring any residential real estate to the next scheduled public auction if the taxes on it are at least three years delinquent. **Signed – Chapter 923, Statutes of 2004.**

SB 1713 (Machado) – Conforms state tax law with the federal Military Family Relief Act of 2003. **Signed – Chapter 522, Statutes of 2004.**

AB 263 (Oropeza) – Resolves a *Ceridian* court case involving the deduction of dividends paid by insurance company subsidiaries. **Signed – Chapter 868, Statutes of 2004.**

AB 382 (Correa) – Exempts interest from bonds issued by Indian tribes. **Signed – Chapter 355, Statutes of 2004.**

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AB 1297 (Frommer) – Would have prohibited writing insurance on tax shelters. **Vetoed.**

AB 1457 (Assembly Budget Committee) – Appropriates funds to reimburse local governments for the revenue losses they sustained when Governor Schwarzenegger reduced the vehicle license fee in 2003. **Signed – Chapter 37, Statutes of 2004.**

AB 2466 (Yee) – Would have stipulated that local use taxes for the sale of jet fuel are allocated in the same manner as local sales taxes on jet fuel. **Vetoed.**

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Transportation

The California Transportation Commission reports that transportation spending has been more than \$5 billion less than anticipated this fiscal year and in the prior two fiscal years due to budget-adjusting loans, transfers, diversions and lower-than-expected federal reimbursements. Gasoline sales-tax revenues of \$3.3 billion that were dedicated to transportation with the enactment of Proposition 42, approved by California voters in March 2002, have not been made available due to state budget needs elsewhere. Proposition 42, a constitutional amendment, requires that revenues derived from the sales tax on motor vehicle fuel be transferred from the General Fund to the Transportation Investment Fund. Projected Proposition 42 revenues are \$1.2 billion for 2004-2005.

Regular gas-tax (ad valorem) funds of \$1.4 billion from the State Highway Account have been used to continue construction on traffic-congestion relief projects that were to be funded with gas sales-tax revenues. The latest cash forecast from the state Department of Transportation (Caltrans) indicates that federal reimbursements will be running approximately \$300 million less in fiscal year 2004-05 than previously expected.

Given this stark transportation investment picture, the Legislature did address some transportation financing issues with regard to updating and correcting the backfill funding gap of the Vehicle License Fee and assuring that Proposition 42 sales-tax revenue will be repaid to the Traffic Investment Fund for financing traffic congestion relief projects. Legislation also passed on safety issues, auto insurance, hybrid vehicles and goods movement. A statewide vote to authorize bonds for constructing a high-speed rail system was postponed from this November until November 2006.

SB 924 (Karnette) – Would have established an eight-member Global Gateways Development Council in the Business, Transportation and Housing Agency to advise on the needs of commercial transportation in California. **Vetoed.**

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SB 1057 (Senate Committee on Budget and Fiscal Review) – Updates and corrects the definition of the Vehicle License Fee backfill funding gap for local government and appropriates funds for hardship allocations. **Signed – Chapter 24, Statutes of 2004.**

SB 1085 (Murray) – Prohibits the purchase, possession, manufacture, installation and distribution of electronic devices for vehicles that are designed to interrupt, pre-empt or override traffic signal lights. Police, fire, other emergency and transit agencies and their vehicles would be exempt from the prohibitions. **Signed – Chapter 391, Statutes of 2004.**

SB 1087 (Soto) – Extends the January 1, 2005, sunset date on the Safe Routes to School Program until January 1, 2008, and also extends the grant program until January 1, 2008. **Signed – Chapter 392, Statutes of 2004.**

SB 1098 (Senate Committee on Budget and Fiscal Review) – Transfers \$140 million in “spillover” to the Traffic Congestion Relief Fund rather than the Public Transportation Account. Spillover occurs when revenue from gasoline sales is greater than 0.25 percent of all other sales; the additional revenue goes to the to Public Transportation Account. Requires the California Transportation Commission to annually report by October 1 to the governor, Legislative Analyst’s Office, the Department of Finance and the Legislature the amount of grant-anticipation revenue bonds it intends to issue in the next fiscal year. Requires a five-year maintenance plan every two years, concurrent with the State Highway Operation and Protection Program. **Signed – Chapter 212, Statutes of 2004.**

SB 1099 (Senate Committee on Budget and Fiscal Review) – Authorizes Proposition 42-related sales-tax funds to remain in the General Fund. **Signed – Chapter 210, Statutes of 2004.**

SB 1169 (Murray) – Postpones for two years the scheduled November 2, 2004, vote on the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. The bond act instead will be submitted to the state’s voters at the November 7, 2006, general election. **Signed – Chapter 71, Statutes of 2004.**

SB 1189 (Chesbro) – Authorizes Caltrans to contract with federally recognized Indian tribes for some transportation duties. **Signed – Chapter 274, Statutes of 2004.**

SB 1210 (Torlakson) – Extends Caltrans’ design sequencing pilot program to 2010. The current program allows design sequencing for 12 projects and sunsets January 1, 2005. Requires annual status reports on projects, as well as a final report from a peer review committee to be established by January 1, 2010. **Signed – Chapter 795, Statutes of 2004.**

SB 1500 (Speier) – Requires all insurers to report electronically to the Department of Motor Vehicles (DMV) by 2006, the DMV to suspend registration if insurance is fraudulent or cancelled, and the Department of Insurance to report on the effectiveness of the low-cost auto insurance program. **Signed – Chapter 920, Statutes of 2004.**

SB 1507 (Burton) – Places in statute the adopted policy and guidelines of the California Transportation Commission regarding the issuance of federal grant-anticipation revenue bonds for financing state transportation projects. Prohibits the treasurer from authorizing the issuance of the notes if the annual repayment obligations of all outstanding notes in any fiscal year would exceed 15 percent of the total amount of federal transportation funds deposited in the account in a year. **Signed – Chapter 793, Statutes of 2004.**

AB 338 (Levine) – Would have required Caltrans to annually phase in the use of crumb rubber asphalt on state highway construction and repair projects, to the extent feasible. **Vetoed.**

AB 687 (Nuñez and McCarthy) – Ratifies and enacts amended compacts with five California Indian tribes to allow gambling to be conducted on their lands. Provides for a \$1.2 billion bond based on these revenues to be used to pay back transportation loans due in 2005-06. **Signed – Chapter 91, Statutes of 2004.**

AB 1663 (Dutra) – Extends the authority until January 1, 2010, for a county to impose a \$1 additional fee on vehicle registrations to fund local vehicle-theft abatement programs. **Signed - Chapter 514, Statutes of 2004.**

AB 1847 (Koretz) – Authorizes, under specified circumstances, a volunteer for a law enforcement agency to remove an illegally parked vehicle. **Signed – Chapter 371, Statutes of 2004.**

AB 1874 (Cohn) – Would have required Caltrans to grant encroachment permits to phone and cable companies within 45 (rather than 60) days. Would have entitled such companies to an annual permit that would have allowed them to maintain and make minor adjustments to their encroachments without getting a new permit from Caltrans. **Vetoed.**

AB 2024 (Bermúdez) – Requires the ports of Los Angeles and Long Beach to measure their performance related to moving traffic to off-peak hours and to be funded from private sources. Requires the Business, Transportation and Housing Agency to recommend statutory changes related to those two ports, including incentives and disincentives to move port-related traffic to off-peak hours as well as port operations and technology upgrades. **Signed – Chapter 941, Statutes of 2004.**

***Highlights of the Legislative Accomplishments
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AB 2032 (Dutra and Kehoe) – Authorizes the operation of demonstration programs on specified highways; single-occupant motorists would be allowed to access high-occupancy vehicle lanes by paying a toll. Authorizes pilot programs run by the San Diego Association of Governments, the Sunol Smart Carpool Lane Joint Powers Authority and Santa Clara Valley Transportation Association for four years. Reports must be made to the Legislature within three years of the first revenue collection. **Signed – Chapter 418, Statutes of 2004.**

AB 2043 (Lowenthal) – Requests the California Marine and Intermodal Transportation System Advisory Council to meet, hold hearings and compile data on port congestion and growth. Requests a report to the Legislature by January 1, 2006, on the improved management of port growth and related environmental impacts of goods movement through state ports. **Signed – Chapter 942, Statutes of 2004.**

AB 2128 (Jackson) – Increases funding for a program to provide incentives for the retirement of high-emitting vehicles. **Signed - Chapter 703, Statutes of 2004.**

AB 2377 (Longville) – Would have provided for the licensing of home-study schools for traffic violators. **Vetoed.**

AB 2498 (Longville) – Provides that any local or regional agency that meets the minimum eligibility requirements for the Freeway Service Patrol program and has its application approved shall receive a formula-based portion of baseline funding for the program. **Signed – Chapter 638, Statutes of 2004.**

AB 2628 (Pavley) – Allows up to 75,000 hybrid vehicles to use high-occupancy vehicle lanes through 2008, dependent on the federal government granting California a waiver. **Signed – Chapter 725, Statutes of 2004.**

AB 2644 (Oropeza) – Would have prohibited excessive engine idling by school buses during their operation and by other vehicles at school sites. **Vetoed.**

AB 2683 (Lieber) – Repeals the rolling exemption from Smog Check and Smog Check II requirements for vehicles more than 30 years old and replaces it with an exemption for vehicles manufactured prior to the 1976 model year. **Signed – Chapter 704, Statutes of 2004.**

AB 2823 (Benoit) – Codifies policies of Caltrans controlling the establishment of highway signs providing directional information to culturally unique and historically important communities. **Signed – Chapter 238, Statutes of 2004.**

Highlights of the Legislative Accomplishments
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AJR 63 (Maze) – Requests the president and Congress to enact legislation to include state Highway Route 99 in the interstate highway system. **Signed – Resolution Chapter 153, Statutes of 2004.**

***Highlights of the Legislative Accomplishments
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Water

The state Department of Water Resources, in collaboration with the U.S. Department of the Interior, must prepare a plan to meet water quality standards and objectives for which the State Water Project has some responsibility under requirements of **SB 1155 (Machado), Chapter 612, Statutes of 2004**. The deadline for developing the plan is January 1, 2006.

SB 1280 (Ortiz) – Authorizes a project for flood control damage reduction and environmental restoration on the American River Watershed in Sacramento County. **Signed – Chapter 616, Statutes of 2004.**

AB 2141 (Longville) – Requires the state Department of Water Resources to establish an Alluvial Fan Task Force by June 2005. The task force is to develop a model ordinance and make recommendations related to alluvial fan flood plan management issues by June 30, 2006. The bill is contingent on federal and private funding. **Signed – Chapter 878, Statutes of 2004.**

AB 2197 (Aghazarian) – Would have stated the intent of the Legislature that the secretary of the Resources Agency consult with interested parties by February 1, 2005, to evaluate whether the Department of Water Resources should continue periodic safety inspections of dams licensed by the Federal Energy Regulation Commission and subject to the commission's annual inspections. **Vetoed.**

AB 2470 (Kehoe) – Authorizes a public entity to undertake water conservation and public education programs in connection with the use or transfer of real estate containing up to four residential units. **Signed – Chapter 111, Statutes of 2004.**

AB 2476 (Wolk) – Would have expanded duties of the Delta Protection Commission regarding the protection of agricultural, environmental, recreational and historical resources in the Delta. **Vetoed.**

***Highlights of the Legislative Accomplishments
October 2004***

AB 2572 (Kehoe) – Requires all intra-water suppliers by January 1, 2025, to install water meters on all municipal and industrial services. **Signed – Chapter 884, Statutes of 2004.**

AB 2717 (Laird) – Declares the intent of the Legislature that the California Urban Water Conservation Council convene a stakeholder workgroup to prepare a report by December 31, 2005, that includes recommendations for improving efficient use of urban water. **Signed – Chapter 682, Statutes of 2004.**

