

Senate Bill No. 272

CHAPTER 133

An act to amend Sections 1635, 1638, 1638.5, 1639.1, 1651, 1652, 1666, 1666.5, 1678, 1679, 1681, 1683, 1693, 1708, 1718, 1724.5, 1725, 1725.5, 1729, 1730, 1733, 1734, 1734.5, 1735.5, 1738, 1741, 1747, 1748.5, 1749.1, 1749.6, 1751.7, 1758.65, 1758.692, 1758.7, 1758.74, 1758.76, 1758.92, and 1758.95 of the Insurance Code, to amend Sections 737, 752, 757, 764, 765, 774, 777, 778, 781, 783, 4033, 4114.5, 4136, 4142.1, 4151, 4152, 4153, 4156, 4157, 4165, 4166, 4172, 4175, 4176, 4179.5, 4181, 4253, 4255, 4256, 4291.3, 4295.5, 4297, 4331, 4416, 4421, 4422, 4423.1, 4432, 4433, 4436, 4582, 4582.6, 4582.7, 4586, 4588, 4593.3, 4594.4, 4602.5, 4608, 4625, 4646, 4648, 4674, 4703, 4714, 4718, 4854, 4855, 12260, 14000, 14300, 14302, 14304, and 14507.5 of the Public Resources Code, and to amend Sections 2107, 2259.5, 2262, 2403, and 2404 of the Vehicle Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 23, 2021. Filed with Secretary of State July 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 272, Laird. State government: gender-neutral terms: California Conservation Corps.

(1) Existing law establishes the California Conservation Corps in the Natural Resources Agency and requires the corps to implement and administer the conservation corps program. Under existing law, the California Conservation Corps is authorized to certify nonprofit community conservation corps if they meet specified criteria, including, but not limited to, the requirement that the community conservation corps consists of an average annual enrollment of not less than 50 corpsmembers between 18 and 25 years of age.

This bill would instead require a community conservation corps to consist of corpsmembers who are between 18 and 26 years of age in order to be certified.

(2) Existing law regulates the business of insurance in this state. Existing law enacts provisions related to public resources, including forestry. Existing law places the Department of the California Highway Patrol under the control of a civil executive officer known as the Commissioner of the California Highway Patrol who is appointed by the Governor with the advice and consent of the Senate, as specified. Existing law directs the commissioner to take specified actions, including establishing a school for the training and education of members of the California Highway Patrol and creating

districts for the administration and enforcement of laws regarding the use of highways, as specified.

This bill would make technical, nonsubstantive changes to these provisions to use gender-neutral language.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 1635 of the Insurance Code is amended to read:

1635. A license is not required under the provisions of this chapter for a person to act in the following capacities or to engage in the following activities, providing a commission is not paid or allowed, directly or indirectly, by the insurer, creditor, retailer, or other person for acting in those capacities or engaging in those activities:

(a) The business of examining, certifying, or abstracting titles to real property.

(b) The solicitation for membership in a fraternal benefit society and other activities to the extent and as described in Sections 11013 and 11102 of this code.

(c) As a salaried representative of a reciprocal or interinsurance exchange or of its attorney-in-fact.

(d) Employment that does not include the solicitation, negotiation, or effecting of contracts of insurance and the signing of policies or other evidences of insurance.

(e) As an officer of an insurer or a salaried traveling employee of the type commonly known as a special agent or as an agency supervisor, while performing duties and exercising functions that are commonly performed by a special agent or agency supervisor, if the person engaging in the activity does not do either of the following:

(1) Effect insurance.

(2) Solicit or negotiate insurance except as a part of and in connection with the business of a property broker-agent, casualty broker-agent, or life agent licensed under this chapter.

(f) As an officer or salaried representative of a life insurer if the activities of the officer or salaried representative are limited to direct technical advice and assistance to a properly licensed person and the officer or salaried representative's activities do not include effecting, soliciting, or negotiating insurance except as a part of and in connection with the business of a property broker-agent, casualty broker-agent, or life agent licensed under this chapter.

(g) Employment by an insurer at its home or branch office that does not include the solicitation, negotiation, or effecting of contracts of insurance, and that may as part thereof include the signing of policies or other evidences of insurance.

(h) The completion or delivery of a declaration or certificate of coverage under a running inland marine insurance contract evidencing coverage thereunder and including only those negotiations as are necessary to the completion or delivery if the person performing those acts or the person's employer has an insurable interest in the risk covered by the certificate or declaration.

(i) As an employee of a licensed property broker-agent or casualty broker-agent, whose employment is one or more of the following:

(1) That of a regularly salaried administrative or clerical employee whose activities do not include the solicitation, negotiation, or effecting of contracts of insurance from the insuring public.

(2) That of a salesperson who devotes substantially all of that salesperson's activities to selling merchandise and whose solicitation of insurance is limited only to the quoting of a premium for insurance to be included in the purchase price covering the interest retained in the merchandise by the seller.

(j) The solicitation, negotiation, or effectuation of home protection contracts by a person licensed pursuant to Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code in connection with the person's licensed function authorized by Section 10131 or 10131.6 of the Business and Professions Code. The receipt of a payment permitted by Section 12760 shall not disqualify the recipient from the licensing exemption provided by this chapter.

(k) Employees of an insurer whose duties are the inspection, processing, adjusting, investigation, settling of claims, conducting safety inspections, or accepting or rejecting business from licensed insurance agents or brokers.

(l) Officers, directors, or employees of an insurer or producer whose executive, administrative, managerial, or clerical activities are only indirectly related to solicitation, negotiation, or effecting the sale of insurance, provided those persons do not have direct contact with consumers in a sales or service capacity except as otherwise provided by this section.

(m) Employees whose activities are limited to making clerical changes in existing policies or providing indirect marketing and servicing support for the purpose of determining general interest in insurance products.

SEC. 2. Section 1638 of the Insurance Code is amended to read:

1638. (a) A nonresident license is a license issued to a person not a resident of this state.

A person is a resident of this state if either of the following applies:

(1) A person occupies a dwelling in this state and intends this state to be that person's domicile.

(2) A person maintains that person's principal place of business in this state.

(b) A person licensed under this chapter may designate only one state as that person's resident state.

SEC. 3. Section 1638.5 of the Insurance Code is amended to read:

1638.5. Unless denied licensure pursuant to Article 6 (commencing with Section 1666), a nonresident person shall receive a production agency license if that nonresident person meets the following requirements:

(a) The person is currently licensed and in good standing in the state, territory of the United States, or province of Canada in which the person is licensed as a resident producer.

(b) The person has submitted the proper request for licensure and has paid the fees required by Section 1750.5.

(c) The person has submitted or transmitted to the Insurance Commissioner the application for licensure that the person submitted to the state, territory of the United States, or province of Canada in which the person is licensed as a resident, or submitted or transmitted to the commissioner, a completed National Association of Insurance Commissioners (NAIC) Uniform Nonresident Application.

(d) The state, territory of the United States, or province of Canada in which the person holds a resident producer license awards nonresident producer licenses to residents of this state on the same basis.

SEC. 4. Section 1639.1 of the Insurance Code is amended to read:

1639.1. (a) The class or classes of insurance which a nonresident person is licensed to transact under that nonresident person's resident license shall be determined according to the definitions of classes of insurance in Sections 101 to 120, inclusive. A certificate from the insurance regulatory authority of the nonresident's home state may be accepted as evidence of the applicant's license status and the capacity or capacities in which that nonresident person is licensed. The Insurance Commissioner may also verify the producer's licensing status through the Producer Database maintained by the National Association of Insurance Commissioners, its affiliates or subsidiaries.

(b) A nonresident producer who moves from one state to another state or a resident producer who moves from this state to another state shall file a change of address and provide certification from the new resident state within 30 days of the change of legal residence. No fee or license application is required.

(c) The license authority granted to the nonresident shall not exceed the class or classes of insurance granted by the license issued under the laws of the state, territory of the United States, or province of Canada where the resident license is maintained.

SEC. 5. Section 1651 of the Insurance Code is amended to read:

1651. The commissioner shall at all times retain full property rights in any document evidencing any license issued pursuant to Chapters 5, 6, 7, and 8 of this part. The commissioner may require the surrender of said document for any proper reason.

SEC. 6. Section 1652 of the Insurance Code is amended to read:

1652. (a) A license under this chapter, Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), Chapter 7 (commencing with Section 1800), and Chapter 8 (commencing with Section 1831), of Part 2 of Division 1, and Chapter 1 (commencing with Section

14000) and Chapter 2 (commencing with Section 15000) of Division 5 shall be applied for, and renewed by the filing with the commissioner of a written application therefor. The application shall be on a form prescribed by the commissioner, which form shall prescribe the disclosure of information that will aid the commissioner in determining whether the prerequisites for the license sought have been met. The applicant shall declare, under penalty of perjury, that the contents of the application are true and correct.

(b) The forms prescribed by the commissioner other than for renewal applications may require authenticated fingerprints of any of the following:

- (1) Individual applicants.
- (2) Specified partners or officers of organization applicants.
- (3) The individuals who are to transact insurance for an organization applicant.

(c) The forms may require the fingerprints to be affixed to the application or to an attachment to be affixed to the application. The commissioner, in the commissioner's discretion, may require the fingerprints on applications for any, some, or all of the licenses issued pursuant to this chapter or Chapter 6 (commencing with Section 1760), Chapter 7 (commencing with Section 1800), or Chapter 8 (commencing with Section 1831), provided that as to any one such type of license the requirement is applied without discrimination to all applicants within specified classifications. The classifications may be made upon any or all of the following bases:

- (1) Length of continuous residence in this state.
- (2) Whether or not previously or currently licensed by the commissioner.
- (3) Whether or not currently licensed by specified regulatory agencies of the State of California which require fingerprints on applications for licenses and routinely process the fingerprints for positive identification.
- (4) Other reasonable criteria.

(d) The commissioner may decline to act on an incomplete or defective application until an amended application which completes the prescribed form is filed with the commissioner.

SEC. 7. Section 1666 of the Insurance Code is amended to read:

1666. Upon the filing of an application for a license in accordance with Article 4 of this chapter, the commissioner may make an investigation and require the filing of supplementary documents, affidavits, and statements as may be necessary to obtain a full disclosure of information as will aid the commissioner in determining whether the prerequisites for the license have been met. If the applicant makes a showing satisfactory to the commissioner that the applicant meets all prerequisites, the commissioner, if the applicant is eligible, may issue a certificate of convenience, and upon the applicant meeting any applicable examination requirements may issue a permanent license.

SEC. 8. Section 1666.5 of the Insurance Code is amended to read:

1666.5. (a) (1) Notwithstanding any other provision of law, the commissioner shall at the time of issuance or renewal of any license under this chapter or Chapter 6 (commencing with Section 1760), Chapter 7 (commencing with Section 1800), or Chapter 8 (commencing with Section

1831) require that any license applicant or licensee provide its federal employer identification number if the license applicant or licensee is a partnership, or the social security number of the license applicant or licensee for all others, except as provided in paragraph (2).

(2) The commissioner shall require either a social security number or an individual taxpayer identification number if the license applicant or licensee is an individual applying for or renewing a license under this chapter.

(b) A license applicant or licensee failing to provide the federal identification number, social security number, or individual taxpayer identification number shall be reported by the commissioner to the Franchise Tax Board and, if failing to provide after notification pursuant to paragraph (1) of subdivision (b) of Section 19528 of the Revenue and Taxation Code, shall be subject to the penalty provided in paragraph (2) of subdivision (b) of Section 19528 of the Revenue and Taxation Code.

(c) (1) The commissioner shall, upon request of the Franchise Tax Board, furnish to the board all of the following information with respect to every license applicant or licensee:

(A) License applicant's or licensee's name.

(B) Address or addresses of record.

(C) Federal employer identification number if the entity is a partnership or owner's name and social security number for all others.

(D) Type of license.

(E) Effective date of license or renewal.

(F) Expiration date of license.

(G) Whether license is active or inactive, if known.

(H) Whether license is new or a renewal.

(2) Notwithstanding paragraph (1), the commissioner shall, upon request of the Franchise Tax Board, furnish to the board either a social security number or an individual taxpayer identification number for individuals licensed under this chapter.

(d) For the purposes of this section:

(1) "License" includes a certificate, registration, or any other authorization needed to engage in the insurance business regulated by this code.

(2) "License applicant" means any individual or entity, other than a corporation, in the process of obtaining a license, certificate, registration, or other means to engage in the insurance business regulated by this code.

(3) "Licensee" means any individual or entity, other than a corporation, authorized by a license, certificate, registration, or other means to engage in the insurance business regulated by this code.

(e) The reports required under this section shall be filed on magnetic media or in other machine-readable form, according to standards furnished by the Franchise Tax Board.

(f) The commissioner shall begin providing to the Franchise Tax Board the information required by this section as soon as economically feasible, but no later than July 1, 1987. The information shall be furnished at a time that the Franchise Tax Board may require.

(g) Notwithstanding Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, the information furnished pursuant to subdivision (a) and subparagraph (C) of paragraph (1) of, and paragraph (2) of, subdivision (c) shall not be deemed to be a public record and shall not be open to the public for inspection.

(h) A deputy, agent, clerk, officer, or employee of the commissioner, or any former officer or employee or other individual, hereinafter “employees,” who in the course of the employees’ employment or duty has or has had access to the information required to be furnished under this section, shall not disclose or make known in any manner that information, except as provided in this section.

(1) This section shall not prevent an agency from disclosing or making known in any manner that information when the transfer is necessary for the transferee agency to perform its constitutional or statutory duties, and the use is compatible with a purpose for which the information was collected and the use or transfer is accounted for in accordance with Section 1798.25 of the Civil Code.

(2) With respect to information transferred from a law enforcement or regulatory agency, or information transferred to another law enforcement or regulatory agency, a use is compatible if the use of the information requested is needed in an investigation of unlawful activity under the jurisdiction of the requesting agency or for licensing, certification, or regulatory purposes by that agency and on the condition that the law enforcement or regulatory agency requesting the information needed agrees to keep that information confidential in accordance with Section 1798.25 of the Civil Code.

(3) A law enforcement or regulatory agency that requests information from the commissioner shall, upon request, identify for the commissioner the intended use for the information. The commissioner shall have the discretion to determine whether to transfer the information to the law enforcement or regulatory agency and shall not transfer the information if the commissioner determines that the information will be used for an improper purpose.

(i) It is the intent of the Legislature in enacting this section to utilize the social security account number, individual taxpayer identification number, or federal employer identification number for the purpose of establishing the identification of persons affected by state tax laws and, to that end, the information furnished pursuant to this section shall be used exclusively for an agency to perform its constitutional or statutory duties.

(j) This section shall become operative on July 1, 2018.

SEC. 9. Section 1678 of the Insurance Code is amended to read:

1678. The commissioner shall, at least once each month, give in each of the cities in which the commissioner has an office qualifying examinations under this chapter. The commissioner may give the examinations at more frequent intervals or in other places throughout the state.

SEC. 10. Section 1679 of the Insurance Code is amended to read:

1679. (a) A nonresident applicant for a license shall be subject to the same qualifying examination as is required of a resident applicant. The examination may be administered to an eligible nonresident applicant through the insurance authority of the state, territory of the United States, or province of Canada of the applicant's residence; provided, however, that the commissioner may, in the commissioner's discretion, enter into a reciprocal arrangement with the officer having supervision of the insurance business in any other state, territory of the United States, or province of Canada whose qualification standards for the applicant to be examined are substantially the same as or in excess of those of this state, to accept, in lieu of the examination of an applicant residing therein, a certificate of the officer to the effect that the applicant is licensed in that state, territory of the United States, or province of Canada in a capacity similar to that for which a license is sought in this state and has complied with its qualification standards in respect to all of the following:

(1) Experience or training.

(2) Reasonable familiarity with the broad principles of insurance licensing and regulatory laws and with the provisions, terms, and conditions of the insurance which the applicant proposes to transact.

(3) A fair and general understanding of the obligations and duties of a holder of the license sought.

(b) The provisions of this section shall not apply to a nonresident applicant who maintains a license in a jurisdiction that grants reciprocity to California residents in accordance with Section 1638.5.

(c) A nonresident applicant for an organizational license shall name at least one person from a state other than California who may exercise the power and perform the duties under their license. Additional persons endorsed to that license may be residents of other states, including California.

SEC. 11. Section 1681 of the Insurance Code is amended to read:

1681. If an applicant fails the qualifying examination, that applicant may, subject to the provisions of Section 1682, retake a qualifying examination.

SEC. 12. Section 1683 of the Insurance Code is amended to read:

1683. An applicant shall schedule or reschedule the applicant's qualifying examination using an electronic service approved by the commissioner. If an applicant fails to appear at the time and place set for the examination, the applicant shall be deemed to have failed the examination. If the applicant fails the qualifying examination, the commissioner shall give the applicant written notice thereof.

SEC. 13. Section 1693 of the Insurance Code is amended to read:

1693. An estate certificate of convenience expires upon the happening of any of the following events, whichever occurs first:

(a) Upon the filing with the commissioner of a certified copy of an order appointing an executor or administrator, if the certificate of convenience has been issued to a person other than the person so appointed executor or administrator.

(b) Upon the filing with the commissioner of a certified copy of an order appointing a new conservator of the estate of a property broker-agent, casualty broker-agent, or life agent.

(c) Upon the disposal of the business of the property broker-agent, casualty broker-agent, or life agent who is deceased or for whom a conservator of the estate has been appointed.

(d) Upon the expiration of one year after the death of the deceased property broker-agent, casualty broker-agent, or life agent; provided, however, that if during the said year the holder of the certificate of convenience files an application for a license to act as a property broker-agent, casualty broker-agent, or life agent in the individual capacity of the holder, then the certificate of convenience may remain in force until the holder thereof has been given an opportunity to take the qualifying examination for the license.

(e) Upon the termination of the conservatorship of the estate of the property broker-agent, casualty broker-agent, or life agent.

SEC. 14. Section 1708 of the Insurance Code is amended to read:

1708. A licensee may at any time surrender for cancellation any license under which that licensee is permitted to act in any of the capacities specified in this chapter. The licensee may make that surrender by written notice thereof delivered to the commissioner.

SEC. 15. Section 1718 of the Insurance Code is amended to read:

1718. (a) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including email or other similar electronic method of delivery, to deliver, or may mail, to the latest email or mailing address appearing on the commissioner's records, an application to the licensee to renew the license for the appropriate succeeding license term. It is the licensee's responsibility to renew whether or not a renewal notice is received. The commissioner may accept a late renewal, provided the licensee's failure to comply is due to clerical error or inadvertence on the part of the department.

(b) Application for renewal of a license may be filed on or before the expiration date. When filed under this subdivision, the fee for filing shall be as specified in Section 1750.

(c) The application for renewal of an expired license may be filed after the expiration date and until that same month and day of the next succeeding year. The fee for a renewal application under this subdivision shall be the fee specified in subdivision (b) and a delinquent fee in the amount specified for a one-year period in Section 1750 for the filing. Each licensee shall be subject to payment of delinquent fees under this section.

SEC. 16. Section 1724.5 of the Insurance Code is amended to read:

1724.5. Every individual and organization licensee and every applicant for a license shall file with the commissioner in writing the true name of the individual or organization and also all fictitious names under which an individual or organization conducts or intends to conduct business and after licensing shall file with the commissioner any change in or discontinuance of those names. The commissioner may in writing disapprove the use of

any true or fictitious name (other than the bona fide natural name of an individual) by any licensee on any of the following grounds:

(a) The name is an interference with or is too similar to a name already filed and in use by another licensee;

(b) The use of the name may mislead the public in any respect;

(c) The name states, infers or implies that the licensee is an insurer, motor club, hospital service plan or entitled to engage in insurance activities not permitted under licenses held or applied for;

(d) The name states or implies that the licensee is an underwriter. This subdivision shall not prevent natural persons who are life licensees from describing themselves as an “underwriter” or from using the designation “Chartered Life Underwriter” if entitled thereto nor shall it prevent a natural person who is a fire and casualty licensee from using the designation “Chartered Property and Casualty Underwriter” if entitled thereto nor a producers trade association each member of which is also separately licensed from having a name containing the word underwriter; or

(e) The licensee has already filed and not discontinued the use of more than two names including the true name. This subdivision shall not prevent a licensee who has lawfully purchased or succeeded to the business or businesses of other licensees from using for each business not more than two additional names, true or fictitious, consisting of names used by the licensee’s predecessors in the conduct of those businesses.

A licensee may not use a true or fictitious name after being notified by the commissioner in writing that the use is contrary to this section. If the commissioner determines that there are facts in mitigation in connection with the continued use of the name the commissioner may permit its use for a specified reasonable period of time if in connection therewith the commissioner imposes conditions that will protect the public and achieve the purposes of this section. The permission and conditions shall be written.

The grounds specified in subdivisions (a), (c), and (d) shall not be applicable to the true name of any organization licensee that on October 1, 1961, holds under that name any type of license issued under this chapter (commencing with Section 1621) or Chapter 8 (commencing with Section 1831) of this part nor to any fictitious name in use on October 1, 1961, by any individual or organization holding any type of license issued under this chapter or Chapter 8 of this part on that date, provided the fictitious name is filed with the commissioner on or before January 2, 1962.

The ground specified in subdivisions (b) and (e) shall not be applicable to any licensee who, or which, on October 1, 1961, holds a license issued under this chapter or Chapter 8 of this part until on and after January 2, 1964.

SEC. 17. Section 1725 of the Insurance Code is amended to read:

1725. A license to act as a resident property broker-agent, casualty broker-agent, personal lines broker-agent, and limited lines automobile insurance agent shall be prominently displayed by the holder thereof in the license holder’s office in a manner whereby anyone may readily inspect it

and ascertain both its currency and the capacity in which its holder is licensed to act.

SEC. 18. Section 1725.5 of the Insurance Code is amended to read:

1725.5. (a) A person licensed under Sections 1625, 1625.5, 1625.55, 1626, 1758.1, 1765, 1800, 14020, and 15006, and Chapter 8 (commencing with Section 1831), shall affix, type, or print on business cards, written price quotations for insurance products, and print advertisements distributed exclusively in this state for insurance products, its license number in a type size that is at least as large as any indicated telephone number, address, or fax number or in 12-point type, or in 8-point type for business cards, whichever is larger. If a licensee includes the names of multiple licensed organizations on a business card, written price quotation, or print advertisement distributed exclusively in this state, affixing, typing, or printing the license number of any one of the organizations complies with the requirements of this section.

(b) A person licensed under Sections 1625, 1625.5, 1625.55, 1626, 1758.1, 1765, 14020, and 15006, and Chapter 8 (commencing with Section 1831), shall affix, type, or print on business cards, written price quotations for insurance products, and print advertisements distributed in this state for insurance products, the word “Insurance” in a type size that is at least as large as the smallest telephone number or in 12-point type, or in 8-point type for business cards, whichever is larger.

(c) A natural person who is a solicitor, as defined in Section 1624, working exclusively as an employee of a motor club agent, or working exclusively for a property broker-agent or casualty broker-agent on behalf of a motor club, shall use the organizational licensee number of that person’s employer.

(d) A person in violation of this section shall be subject to a fine levied by the commissioner in the amount of two hundred dollars (\$200) for the first offense, five hundred dollars (\$500) for the second offense, and one thousand dollars (\$1,000) for the third and subsequent offenses. The penalty shall not exceed one thousand dollars (\$1,000) for any one offense. These fines shall be deposited into the Insurance Fund.

(e) A separate penalty shall not be imposed upon each piece of printed material that fails to conform to the requirements of this section.

(f) If the commissioner finds that the failure of a licensee to comply with the provisions of subdivision (a) or (b) is due to reasonable cause or circumstance beyond the licensee’s control, and occurred notwithstanding the exercise of ordinary care and in the absence of willful neglect, the licensee may be relieved of the penalty in subdivision (d).

(g) A licensee seeking to be relieved of the penalty in subdivision (d) shall file with the department a statement with supporting documents setting forth the facts upon which the licensee bases its claims for relief.

(h) This section does not apply to a person or entity that is not currently required to be licensed by the department or that is exempted from licensure.

(i) This section does not apply to general advertisements of motor clubs that merely list insurance products as one of several services offered by the motor club, and do not provide any details of the insurance products.

(j) This section does not apply to life insurance policy illustrations required by Chapter 5.5 (commencing with Section 10509.950) of Part 2 of Division 2 or to life insurance cost indexes required by Chapter 5.6 (commencing with Section 10509.970) of Part 2 of Division 2.

(k) This section shall become operative on January 1, 2019.

SEC. 19. Section 1729 of the Insurance Code is amended to read:

1729. Every licensee and every applicant for a license shall immediately notify the commissioner using an electronic service approved by the commissioner of any change in that licensee or applicant's email, residence, principal business, or mailing address as given to the commissioner pursuant to Sections 1658 and 1728.

SEC. 20. Section 1730 of the Insurance Code is amended to read:

1730. A licensee shall not misrepresent the type of license under which that licensee is transacting insurance, nor shall that licensee engage in transactions not authorized by the licenses held by that licensee.

SEC. 21. Section 1733 of the Insurance Code is amended to read:

1733. All funds received by any person acting as a licensee under this chapter, Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), or Chapter 7 (commencing with Section 1800), as premium or return premium on or under any policy of insurance or undertaking of bail, are received and held by that person in that person's fiduciary capacity. A person who diverts or appropriates those fiduciary funds to that person's own use is guilty of theft and punishable for theft as provided by law. Any premium that a premium financier agrees to advance pursuant to the terms of a premium finance agreement shall constitute fiduciary funds as defined in this section only if actually received by a person licensed in one or more of the capacities herein specified.

SEC. 22. Section 1734 of the Insurance Code is amended to read:

1734. This section applies to a person licensed, hereinafter "licensee," whether under a permanent license, restricted license, temporary license, or certificate of convenience, to act in any of the capacities specified in Section 1733. If fiduciary funds, as defined in Section 1733, are received by the licensee, the licensee shall do one of the following:

(a) Remit premiums, less commissions, and return premiums received or held by the licensee to the insurer or the person entitled thereto.

(b) Maintain those fiduciary funds at all times in a trust account in a bank or savings and loan association, within any state of the United States, which account is insured by the Federal Deposit Insurance Corporation (FDIC), and is licensed by any state government within the United States or by the United States government, separate from any other account, in an amount at least equal to the premiums and return premiums, net of commissions, received by the licensee and unpaid to the persons entitled thereto or, at their direction or pursuant to written contract, for the account of those persons. However, that person may commingle with those fiduciary funds

in the account those additional funds as the licensee may deem prudent for the purpose of advancing premiums, establishing reserves for the paying of return commissions, or for those contingencies as may arise in the licensee's business of receiving and transmitting premium or return premium funds.

(c) Maintain those fiduciary funds pursuant to Section 1734.5.

SEC. 23. Section 1734.5 of the Insurance Code is amended to read:

1734.5. (a) (1) If fiduciary funds, as defined in Section 1733, are received by any person licensed, hereinafter the "licensee," whether under a permanent license, restricted license, temporary license, or certificate of convenience, to act in any of the capacities specified in Section 1733, and the funds are not remitted, or maintained pursuant to subdivisions (a) and (b) of Section 1734, except as provided in subdivision (f), the funds shall be maintained in any of the following:

(A) United States government bonds and treasury certificates or other obligations for which the full faith and credit of the United States are pledged for payment of principal and interest.

(B) Certificates of deposit of banks or savings and loan associations, which are insured by the Federal Deposit Insurance Corporation (FDIC) and licensed by any state government within the United States or by the United States government.

(C) Repurchase agreements collateralized by securities issued by the United States government.

(D) Either of the following:

(i) Bonds and other obligations of this state or of any local agency or district of the State of California having the power, without limit as to rate or amount, to levy taxes or assessments upon all property within its boundaries subject to taxation or assessment by the local agency or district to pay the principal and interest of the obligations.

(ii) Revenue bonds and other obligations payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by this state, or a local agency or district, or by a department, board, agency, or authority thereof.

(2) The bonds and obligations described in subparagraph (D) of paragraph (1) shall either have maturities of not more than one year or afford the holder of the obligation the unilateral right to redeem the obligation from its issuer within one year from date of purchase at an amount equal to, or greater than, its par value, and the bonds and obligations shall be required to be rated at least Aa1, MIG-1/VMIG-1, or Prime-1 by Moody's Investor Service, Inc., or AA, SP-1, or A-1 by Standard and Poor's Corporation.

(3) For the fiduciary funds maintained as provided in paragraph (1), the bonds, certificates, obligations, certificates of deposit, and repurchase agreements shall be valued on the basis of their acquisition cost.

(b) As a condition to maintaining the fiduciary funds pursuant to this section, a written agreement shall be obtained from each and every insurer or person entitled thereto authorizing the maintenance and the retention of any earnings accruing on the funds.

(c) Except as provided in subdivision (f), evidence of the funds shall be maintained at all times in a trust account in a bank or savings and loan association within any state of the United States, which account is insured by the FDIC and which institution is licensed by any state government within the United States or by the United States government, separate from any other funds, in an amount at least equal to the premiums and return premiums, net of commissions received by the licensee and unpaid to the persons entitled thereto, or, at their discretion or pursuant to a written contract, for the account of these persons. However, the person may commingle with the fiduciary funds any additional funds as the licensee may deem prudent for the purpose of advancing premiums, establishing reserves for the paying of return premiums, or for any contingencies that may arise in the business of receiving and transmitting premium or return premium funds by the licensee.

(d) All administrative actions involving trust accounts shall be subject to the jurisdiction of the commissioner. All suits involving trust accounts shall be subject to the jurisdiction of the courts of the State of California and the federal courts located within the State of California.

(1) Any licensee specified in Section 1733 utilizing a trust account located outside of the State of California shall be required to file and maintain in the commissioner's office, as a condition of maintaining a license, a written designation identifying the agent for service of process in this state for the bank or savings and loan association located outside the State of California being utilized by the licensee. The designated agent shall be a person residing in this state. The writing shall state the name of the agent and the agent's place of business in this state with sufficient particularity so that the agent can readily be found by peace officers or process servers. Appointment of an agent reasonably available for service of papers, notice, proof of loss, summons, or other process during business hours shall be continuously maintained by every licensee subject to this article while the licensee holds a valid and unrevoked license.

(2) The commissioner shall not have jurisdiction over any disputes arising between parties concerning the maintenance of fiduciary funds pursuant to this section. However, this subdivision shall not otherwise affect the authority granted to the commissioner over fiduciary funds by other provisions of this code, or regulations adopted pursuant thereto. As used in this subdivision, "parties" shall not include the commissioner.

(e) Investment losses to the principal of fiduciary funds maintained pursuant to this section are the responsibility of the person licensed, whether under a permanent license, restricted license, temporary license, or certificate of convenience, to act in any of the capacities specified in Section 1733, and any obligation to insurers or other persons entitled to the fiduciary funds shall in no way be diminished due to any loss in the value to the principal of the fiduciary funds held pursuant to this section.

(f) Any fiduciary funds, as defined in Section 1733, received as cash, lawful money of the United States, or freely tradeable currency of any foreign government, by any person licensed, whether under a permanent

license, restricted license, temporary license, or certificate of convenience, to act in any of the capacities specified in Section 1733, shall comply with Section 1734, but shall initially be maintained in a trust account in a bank or savings and loan association in California, licensed by the State of California or the United States government and insured by the FDIC.

SEC. 24. Section 1735.5 of the Insurance Code is amended to read:

1735.5. A property broker-agent, casualty broker-agent, or surplus line broker, hereinafter the “licensee,” may offset funds due an insured for return premiums on any policy against amounts due the licensee from the same insured for unpaid premiums on the same or any other policy. Any insurer may pay return premiums to any property broker-agent or any casualty broker-agent for that purpose. This section shall not invalidate an assignment of return premium made concurrently with policy issuance as security for financing that premium, nor the right of the assignee, or the assignee’s assign, to enforce the assignment as a prior claim.

SEC. 25. Section 1738 of the Insurance Code is amended to read:

1738. The commissioner may suspend or revoke a permanent license issued pursuant to this chapter on any of the grounds set forth in Article 6 hereof on which the commissioner may deny an application. When the word “applicant” is used in those grounds, the word shall for the application of this section be the words “the holder of a permanent license.” A suspension or revocation based upon a ground set forth in Section 1669 may be without notice or hearing. Suspension or revocation of any permanent license, except a restricted license, on a ground other than that set forth in Section 1669 shall be after notice and hearing conducted in accordance with Chapter 5 of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner has all of the powers granted therein.

SEC. 26. Section 1741 of the Insurance Code is amended to read:

1741. If the commissioner finds, after a hearing, that there are grounds for the denial of an application for a license to act in any capacity set forth in Article 1 of this chapter or if the commissioner finds, after a hearing, that any licensee has violated the provisions of this code and that the violation would justify the suspension or revocation of any license held by the person, the commissioner may order the licensee to prove the licensee’s qualifications by taking and passing the qualifying examination for any license held or applied for. The commissioner shall set the time for the taking of the examination. Failure thereof by any licensee shall result in the termination of all licenses of the licensee to which the examination is applicable. An order to take the examination may be in lieu of any other action in respect to the application or the license, or, except in the case of revocation, may be in addition to any other action.

SEC. 27. Section 1747 of the Insurance Code is amended to read:

1747. When the commissioner may determine or have good cause to believe that any property broker-agent or casualty broker-agent has failed to keep or maintain the records required by Section 1727, in connection with or in lieu of any other disciplinary action against the license of the licensee, the commissioner may issue the commissioner’s order requiring

the licensee to establish and currently complete those records within 60 days from the date of the order. When the order is given in lieu of other disciplinary action, notice of the order may be given by certified mail addressed to the office of the licensee. Failure of the licensee to comply with the order within the time specified therein shall be grounds for the suspension or revocation of the license or licenses of the licensee, and the proceeding shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 28. Section 1748.5 of the Insurance Code is amended to read:

1748.5. (a) For the purposes of this section, the following definitions are applicable:

(1) "Production agency" means any person or organization licensed under Chapter 5 (commencing with Section 1621), Chapter 5A (commencing with Section 1759), Chapter 6 (commencing with Section 1760), Chapter 7 (commencing with Section 1800), or Chapter 8 (commencing with Section 1831).

(2) "Subject person" means any person who has participated or may participate in any manner in the business of a production agency, or any person licensed as a producer.

(3) "Insurer" means any domestic insurer, and any insurer that is admitted to transact insurance in this state, provided that if a subject person of an insurer is not a resident of California, or operating out of a place of business within California, then the subject person shall be engaged in direct management, direction, or conduct of the business of insurance in California in order to come within the provisions of this section.

(b) If, after notice and a hearing, the commissioner finds all of the following, the commissioner may issue an order removing a subject person from the subject person's office or employment with the production agency and prohibiting the subject person from participating in any manner in the conduct of the business of an insurer or production agency, except with the prior consent of the commissioner:

(1) (A) The subject person has engaged in misconduct with respect to the business of insurance that has caused financial or other injury to any person, or

(B) The subject person has engaged in fraud, or willful acts or omissions involving dishonesty that exposed a person to financial or other injury; and

(2) The subject person's conduct or practice demonstrates unfitness to continue as a subject person.

(c) (1) If the commissioner gives written notice pursuant to subdivision (b) to a subject person, the commissioner shall immediately issue an order prohibiting the subject person from participating in any manner in the business of insurance, except with the prior consent of the commissioner, if the commissioner: (A) finds that failure to immediately issue the order threatens the financial solvency of an insurer or may reasonably be expected to cause irreparable injury to any person; (B) serves that subject person and the production agency with written notice of the suspension order; and (C)

finds that all of the necessary factors are present which would permit the commissioner, after notice and a hearing, to issue an order pursuant to subdivision (b) removing a subject person from the subject person's office or employment with the production agency and prohibiting the subject person from participating in any manner in the business of an insurer or production agency.

(2) Any suspension order issued pursuant to paragraph (1) of this subdivision shall be effective until the date the commissioner dismisses the charges contained in the notice served under subdivision (b) or paragraph (1) of this subdivision, the effective date of an order issued by the commissioner pursuant to subdivision (b), or a court issues a stay of the order pursuant to subdivision (d).

(d) Within 10 days after a subject person has been served with an order of suspension pursuant to subdivision (c), the person may apply to the superior court of the county in which the principal office of the production agency is located for a stay of the order pending completion of the proceedings pursuant to subdivision (b), and the court shall have jurisdiction to issue an order staying the suspension. Nothing in this subdivision shall be deemed to authorize the court to issue a stay order on an ex parte basis.

(e) (1) If the commissioner finds both of the following, the commissioner shall immediately issue an order suspending a subject person from the subject person's office or employment with a production agency and prohibiting the subject person from participating in any manner in the conduct of the business of an insurer or production agency, except with the prior consent of the commissioner: (A) the subject person has been charged in an indictment issued by a grand jury, or in an information, complaint, or similar pleading issued by a United States Attorney, district attorney, or other governmental official or agency authorized to prosecute crimes, with a crime punishable by imprisonment for a term exceeding one year and which involves as one of its necessary elements a fraudulent act or an act of dishonesty in the acceptance, custody, or payment of money or property; and (B) that a failure to immediately issue the order threatens the financial solvency of an insurer or may cause financial or other injury to any person.

In the event the criminal proceedings are terminated other than by judgment of conviction, an order issued pursuant to paragraph (1) of this subdivision shall be deemed rescinded as if it had not been issued.

(2) If the commissioner finds both of the following, the commissioner may immediately issue an order removing a subject person from the subject person's office or employment with a production agency and prohibiting the subject person from participating in any manner in the business of an insurer or production agency, except with the prior consent of the commissioner: (A) the person has during the preceding five years been convicted of a crime that is punishable by imprisonment for a term exceeding one year and has as one of its necessary elements a fraudulent act or an act of dishonesty in the accepting, custody, or payment of money or property; and (B) that a failure to immediately issue the order threatens the financial solvency of an insurer or may cause financial or other injury to any person.

(3) The fact that any subject person charged with a crime involving as one of its necessary elements a fraudulent act or any act of dishonesty in the acceptance, custody, or payment of money or property is not convicted of that crime shall not preclude the commissioner from issuing an order regarding the subject person pursuant to other provisions of this code.

(f) (1) Within 30 days after an order is issued pursuant to subdivision (c) or (e), the subject person to whom the order is issued may choose to do either of the following: (A) file with the commissioner an application for a hearing on the order. The commissioner shall, upon the written request of the subject person, extend the 30-day period by an additional 30 days provided the request is filed with the commissioner within 30 days after the order is issued. If the commissioner fails to commence the hearing within 15 business days after the application is filed, or within a longer period of time to which the subject person consents, the order shall be deemed rescinded as if it had not been issued. Within 30 days after the hearing, the commissioner shall affirm, modify, or rescind the order; otherwise, the order shall be deemed rescinded as if it had not been issued, or (B) petition for judicial review of the order pursuant to Section 1085 of the Code of Civil Procedure, where the court shall exercise its independent judgment on the evidence.

(2) The right of any subject person to whom an order is issued pursuant to subdivision (c) or (e) to petition for judicial review of the order shall not be affected by the failure of that subject person to apply to the commissioner for a hearing on the order as provided by this subdivision.

(g) (1) Any person to whom an order is issued pursuant to subdivision (b), (c), or (e) may apply to the commissioner to modify or rescind the order. The commissioner shall not grant the application unless the commissioner finds that it is reasonable to believe that the person will, if and when the person becomes a subject person, comply with all of the applicable provisions of this code and of any regulation or order issued thereunder.

(2) The right of any subject person to whom an order is issued pursuant to subdivision (b), (c), or (e) to petition for judicial review of the order shall not be affected by the failure of that subject person to apply to the commissioner pursuant to paragraph (1).

(h) (1) It is unlawful for any subject person or former subject person to whom an order is issued pursuant to subdivision (b), (c), or (e) to do any of the following as long as the order is in effect, except with the prior consent of the commissioner: (A) to serve or act as a subject person for any insurer or production agency; or (B) to directly or indirectly vote any shares or other securities of an insurer or production agency.

(2) If, after notice and a hearing, the commissioner finds that any subject person has violated paragraph (1) of this subdivision, the commissioner may order that subject person to pay to the commissioner a civil penalty, which may be recovered in a civil action, in an amount the commissioner may specify; provided however, that the amount of the civil penalty shall not exceed one thousand dollars (\$1,000) for each day for which the violation continues.

In determining the amount of civil penalty to be paid to the commissioner under this paragraph, the commissioner shall consider the financial resources and good faith of the subject person charged, the gravity of the violation, the history of previous violations by the person, and other factors as in the opinion of the commissioner may be relevant.

(3) If, after notice and a hearing, the commissioner finds that any production agency has knowingly aided and abetted a subject person in a violation of paragraph (1) of this subdivision, or subdivision (h) of Section 728, the commissioner may order that production agency to pay to the commissioner a civil penalty in an amount the commissioner may specify; provided however, that the amount of the civil penalty shall not exceed one thousand dollars (\$1,000) for each violation or in the case of a continuing violation, one thousand dollars (\$1,000) for each day for which the violation continues, up to a maximum of fifty thousand dollars (\$50,000). Continuation of the subject person's salary or other employee benefits pending final disposition shall not be considered aiding and abetting a subject person.

In determining the amount of civil penalty to be paid to the commissioner under this paragraph, the commissioner shall consider the financial resources and good faith of the subject person charged, the gravity of the violation, the history of previous violations by the person, and other factors as in the opinion of the commissioner may be relevant.

(i) Except as otherwise provided by this section, any hearing required by this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, subject to the following:

(1) At the option of the subject person, all hearings shall be a closed session and private, and the records of the hearings shall not be made public unless the hearing results in a final order adverse to the subject person.

(2) Where judicial review is sought by the subject person pursuant to Section 1085 of the Code of Civil Procedure, the court shall exercise its independent judgment upon the evidence.

(3) When a subject person to whom an order has been issued pursuant to subdivision (c) or (e) applies to the commissioner for a hearing pursuant to subparagraph (A) of paragraph (1) of subdivision (f), the Office of Administrative Hearings shall schedule the hearing on a priority basis at the earliest possible time and once the hearing is commenced, it shall not be continued for more than three business days without the consent of the subject person.

(4) If the Office of Administrative Hearings cannot schedule the commencement of a hearing within 15 business days as provided by paragraph (1) of subdivision (f), and the subject person does not waive the person's right to a hearing commencing within 15 days, the hearings may be conducted by administrative law judges appointed by the commissioner; the hearing shall be completed within 45 days of commencement, unless additional time is requested by the subject person. If the hearing is not completed within the 45 days, the order shall be deemed rescinded as if it had not been issued. The scheduling of other hearings before the

administrative law judge shall not be considered good cause for purposes of this paragraph.

(j) Nothing in this section is intended to or shall be construed to create a private cause of action against an offending subject person or insurer or production agency that aids and abets a subject person, based on the standards established by this section or the commissioner's findings or orders pursuant to this section.

SEC. 29. Section 1749.1 of the Insurance Code is amended to read:

1749.1. (a) The commissioner shall appoint a curriculum board consisting of representatives of insurance agents, brokers, and life agents trade associations, representatives of insurance companies, consumer groups, bail agents, and insurance adjusters to develop the prelicensing and continuing education curriculum, including a list of preapproved courses of study, including courses of study for professional designations that would satisfy the requirements of this article, subdivision (a) of Section 1810.7, and Sections 14090.1 and 15059.1. The curriculum board shall develop or recommend courses of study covering all lines of insurance to be sold under each license, including, but not limited to, any special products such as long-term care insurance, Medi-gap policies, disability insurance products, and course study on ethics and pertinent sections of this code. The curriculum board shall also develop or recommend courses of study on commercial earthquake risk management, including courses relating to understanding risk zones, options for insurance coverage to cover potential loss, mitigation strategies, and postevent recovery. The curriculum developed and the courses of study approved by the board shall be submitted to the commissioner for final approval.

(b) The curriculum board shall also develop standards for providers and instructors of prelicensing and continuing education courses, programs, and seminars, which standards shall be approved by the board and submitted to the commissioner for final approval. The curriculum board may approve standards for courses in business management practices that may consist of up to 25 percent of the agent or broker requirements for license renewal. A prelicensing or continuing education course shall not include sales training, motivational training, self-improvement training, or training offered by insurers or agents regarding new products or programs.

(c) For purposes of applying subdivision (b), courses in "business management practices" shall consist of the following subject matter:

(1) Accounting and financial management, including trust account maintenance, reconciliation and auditing, financial statements, business budgeting, income and expense ratios, banking and investment practices, and business perpetuation and planning.

(2) Information and database management, including recordkeeping, privacy law, and other legal requirements covering the use of information.

(3) Human resource management, including employee compliance supervision, recruitment, training, and licensing.

(4) Customer service management, consisting of methods to improve handling of consumer inquiries and complaints.

(5) Communication skills, consisting of methods to improve writing and verbal skills for communication with clients, employees, insurance carriers, claims departments, and regulators.

(d) Whenever the commissioner has reasonable cause to believe, and determines after public hearing, that any approved course, program of instruction, or seminar is being conducted so as to fail to meet the commissioner's prelicensing or continuing education curriculum, or any provider or instructor for any course, program, or seminar has failed to comply with the commissioner's standards, the commissioner may make and serve upon the provider or instructor of that course, program, or seminar an order or orders rescinding approval for that provider, course, program, or seminar, or imposing fines and penalties on that provider, or both. The amount of any fines and penalties shall not exceed the amounts set forth in Section 1748, and shall be based on the criteria for assessing penalties specified in that section. No credit towards meeting the requirements of this article shall be granted any applicant or licensee for completion of a course, program, or seminar after the effective date of any order rescinding approval for that course, program, or seminar. The commissioner shall serve notice of hearing required by this section upon the provider or instructor of the course, program, or seminar, stating the time and place therefor, and the grounds upon which the commissioner's order is made. The hearing shall occur not less than 30 nor more than 60 days after notice is served.

(e) The commissioner may impose monetary penalties for minor instances of noncompliance with the standards established pursuant to this article, such as late course roster submissions and late course presentation schedules. The monetary penalties shall not exceed the amounts of the fees established pursuant to Section 1751.1. The commissioner shall adopt regulations to establish the monetary penalties to be levied against providers for late filings and other minor instances of noncompliance with this article and Article 6.5 (commencing with Section 2186) of Subchapter 1 of Chapter 5 of Title 10 of the California Code of Regulations.

SEC. 30. Section 1749.6 of the Insurance Code is amended to read:

1749.6. A person failing to meet the requirements imposed by Section 1749.3 or 1749.31, and who has not been granted an extension of time within which to comply by the commissioner shall have that individual's license automatically terminated until the time that the person demonstrates to the satisfaction of the commissioner that that individual has complied with all of the requirements of this article and all other laws applicable thereto. Where a person cannot perform the requirements of this article due to a disability or inactivity due to special circumstances, the commissioner shall provide a procedure for the person to place that individual's license on inactive status until the time that the person demonstrates to the satisfaction of the commissioner that that individual has complied with or made up all of the requirements of this article for the period of disability or inactivity.

SEC. 31. Section 1751.7 of the Insurance Code is amended to read:

1751.7. The commissioner may periodically publish a newsletter containing summaries of rules, regulations, interpretative opinions, and

other information as the commissioner deems important to the proper conduct of the insurance business in this state by persons and organizations licensed under this chapter. All costs of the publication shall be covered by and included in license fees paid by persons licensed under this chapter. The fees shall be reviewed annually for sufficiency for this purpose, and shall be increased or decreased as necessary. The amount of the fees to be utilized for this purpose shall be set forth as a separate line item in the department's annual budget.

SEC. 32. Section 1758.65 of the Insurance Code is amended to read:

1758.65. (a) If a licensee or endorsee violates any provision of this article or any other provision of this code, the commissioner may do any of the following:

(1) After notice and hearing, suspend or revoke the license of the portable electronics insurance agent.

(2) After notice and hearing, impose fines on the portable electronics insurance agent for its conduct or that of its endorsees.

(3) After notice and hearing, impose other penalties that the commissioner deems necessary and convenient to carry out the purpose of this code, including suspending the privilege of transacting portable electronics insurance pursuant to this article at specific business locations where violations have occurred, imposing fines on the portable electronics insurance agent, and suspending or revoking the ability of individual endorsees to act under the vendor's license.

(b) If any person or persons sell insurance in connection with, or incidental to, the sale of portable electronics or the sale or provision of accessories or services related thereto, or hold themselves or an organization out as a portable electronics insurance agent without obtaining the license required by this article, or as being licensed pursuant to Chapter 5 (commencing with Section 1621) without obtaining that license, the commissioner may issue a cease and desist order pursuant to Section 12921.8.

(c) Notwithstanding any other provision of law to the contrary, the provisions of Section 1748.5 are applicable to both the organization issued a license pursuant to this article and any endorsee to that license.

SEC. 33. Section 1758.692 of the Insurance Code is amended to read:

1758.692. (a) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including email or other similar electronic method of delivery, to deliver, or may mail, to the latest email or mailing address appearing on the commissioner's records, an application to the licensee to renew the license of a portable electronics insurance agent for the appropriate succeeding license term. It is the licensee's responsibility to renew, whether or not a renewal notice is received.

(b) The commissioner may accept a late renewal without penalty, provided that the licensee's failure to comply is due to a clerical error or inadvertence.

(c) An application for renewal of a license may be filed on or before the expiration date. An application for renewal of an expired license may be filed after the expiration date and until that same month and date of the next succeeding year.

(d) The commissioner shall impose a penalty fee equal to one-half of the renewal fee for the portable electronics insurance agent license for any renewal that is filed after the expiration date of the license.

SEC. 34. Section 1758.7 of the Insurance Code is amended to read:

1758.7. (a) A self-service storage facility, or franchisee of a self-service storage facility, shall not offer or sell insurance unless it has complied with the requirements of this article and has been issued a license by the commissioner as provided in this article.

(b) The commissioner may issue to a self-service storage facility, or its franchisee, that has complied with the requirements of this article, a license that authorizes the self-service storage facility or its franchisee to offer or sell the types of insurance specified in Section 1758.75 in connection with and incidental to rental agreements on behalf of any insurer authorized to write those types of insurance policies in this state.

(c) (1) The license period shall be a two-year period beginning as described in subparagraph (A) or (B) of paragraph (2), as applicable, and ending on the second succeeding year on the last calendar day of the month in which the initial license was issued.

(2) The commencement of a license period shall be determined for each self-service storage facility or franchisee of a self-service storage facility, as follows:

(A) Upon initial licensing, the license period begins on the date the license is issued.

(B) Upon license renewal, the license period begins on the first day of the month following the month in which the initial license was issued.

(3) (A) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including email or other similar electronic method of delivery, to deliver, or may mail, to the latest email or mailing address appearing on the commissioner's records, an application to the licensee to renew the license for the appropriate succeeding license period. It is the licensee's responsibility to renew whether or not a renewal application is received. The commissioner may accept a late renewal without penalty, provided that the licensee's failure to comply is due to clerical error or inadvertence on the part of the department.

(B) The application for renewal of a license shall be filed on or before the expiration date.

(C) The application for renewal of an expired license may be filed after the expiration date and until the same month and day of the next succeeding year. A licensee who files the renewal application after the license has expired shall be charged, in addition to the renewal fee, a penalty of 50 percent of the renewal fee.

(d) The applicant for a license pursuant to this section shall submit an application fee upon initial application and upon renewal application of two hundred ninety-four dollars (\$294).

(e) Costs associated with any enforcement action or investigation shall be paid for by the person or organization licensed pursuant to this article.

SEC. 35. Section 1758.74 of the Insurance Code is amended to read:

1758.74. (a) If a licensee violates any provision of this article, the commissioner may do any of the following:

(1) After notice and hearing, revoke or suspend the self-service storage facility's license.

(2) After notice and hearing, impose other penalties, including suspending the transaction of insurance at specific self-service storage facilities where violations of this article have occurred.

(3) Impose fines and penalties on the self-service storage agent for its conduct or that of its employees.

(b) If any person or persons sell insurance in connection with, or incidental to, self-service storage rental agreements, or hold themselves or an organization out as a self-service storage agent without obtaining the license required by this article, the commissioner may issue a cease and desist order pursuant to Section 12921.8.

(c) Notwithstanding any other provision of law, the provisions of Section 1748.5 are applicable to a self-service storage facility or its franchisee issued a license pursuant to this article.

SEC. 36. Section 1758.76 of the Insurance Code is amended to read:

1758.76. A licensee shall not sell insurance pursuant to this article unless all of the following conditions are satisfied:

(a) The self-service storage agent provides brochures or other written material to the prospective renter that does all of the following:

(1) Summarizes the material terms and conditions of coverage offered to renters, including the identity of the insurer.

(2) Describes the process for filing a claim, including a toll-free telephone number to report a claim.

(3) Discloses any additional information on the price, benefits, exclusions, conditions, or other limitations of the types of insurance specified in Section 1758.75 that the commissioner may by rule prescribe.

(4) Provide the licensee's name, address, telephone number, and license number and the availability of the department's toll-free consumer hotline.

(b) The self-service storage agent makes all of the following disclosures to the renter, which shall be acknowledged in writing by the renter, or displayed by clear and conspicuous signs that are posted at every location where rental agreements are executed, such as the counter where a renter would sign a rental agreement:

(1) That the purchase by the renter of the insurance is not required in order to rent storage space. However, the licensee's employees may advise the renter that the self-service storage facility's rental agreement may contain provisions requiring the renter to provide insurance on that renter's property in the storage unit.

(2) That the insurance policies offered by the self-service storage agent may provide a duplication of coverage already provided by a renter's homeowners insurance policy or by another source of coverage.

(3) That the self-service storage facility and its employees are not qualified or authorized to evaluate the adequacy of the purchaser's existing insurance coverage.

(c) If a renter elects to purchase the coverage, evidence of coverage is stated on the face of the rental agreement or is provided to the renter.

(d) The insurance is provided under an individual, a group, or a master policy issued to the self-service storage agent by an insurer authorized to write the types of insurance specified in Section 1758.75 in this state.

SEC. 37. Section 1758.92 of the Insurance Code is amended to read:

1758.92. (a) An applicant for a credit insurance agent license under this article shall submit each of the following to the commissioner:

(1) A written application for licensure signed by the applicant or an officer of the applicant, in the form prescribed by the commissioner.

(2) A certificate by the insurer that is to be named in the credit insurance agent license, stating that the insurer has satisfied itself that the named applicant is trustworthy and competent to act as its insurance agent limited to this purpose and that the insurer will appoint the applicant to act as its agent in reference to selling or soliciting the kind or kinds of insurance that are permitted by this article, if the credit insurance agent license applied for is issued by the commissioner. The certification shall be subscribed by an officer or managing agent of the insurer on a form prescribed by the commissioner.

(3) An application fee, and, for each license period thereafter, a renewal fee, of four hundred eight dollars (\$408).

(b) Notwithstanding any other law to the contrary, the provisions set forth in Sections 1667, 1668, 1668.5, 1669, 1670, 1720, 1738, and 1739 apply to any application for or issuance of a license, or any application for or approval of an endorsee, pursuant to this article.

(c) (1) Not less than 60 days before a permanent license will expire, the commissioner may use an electronic delivery method, including email or other similar electronic method of delivery, to deliver, or may mail, to the latest email or mailing address appearing on the commissioner's records, an application to the licensee to renew the license for the appropriate succeeding license period. It is the licensee's responsibility to renew whether or not a renewal application is received. The commissioner may accept a late renewal without penalty, provided the licensee's failure to comply is due to a clerical error or inadvertence on the part of the department.

(2) An application for renewal shall be filed on or before the expiration date.

(3) The application for renewal of an expired license may be filed after the expiration date and until that same month and date of the next succeeding year. A licensee who files a renewal application after the license has expired shall be charged, in addition to the renewal fee, a penalty of 50 percent of the renewal fee for the credit insurance agent license and all endorsees.

(d) Costs associated with any enforcement action or investigation shall be paid for by the person or organization licensed pursuant to this article.

SEC. 38. Section 1758.95 of the Insurance Code is amended to read:

1758.95. (a) If a licensee or endorsee violates any provision of this article or any other provision of this code, the commissioner may do either of the following:

(1) After notice and hearing, suspend or revoke the license of the credit insurance agent.

(2) After notice and hearing, impose other penalties that the commissioner deems necessary and convenient to carry out the purposes of this code, including suspending the privilege of transacting credit insurance pursuant to this article at specific business locations where violations have occurred, imposing fines on the credit insurance agent, individual endorsees or endorsee managers, and suspending or revoking the endorsement of a named endorsee or endorsee manager.

(b) If any person or persons sell insurance in connection with or incidental to a loan or other extension of credit or hold themselves or an organization out as a credit insurance agent without obtaining the license required by this article, as being an endorsee when that person is not an endorsee, or as being licensed pursuant to Chapter 5 (commencing with Section 1631) without obtaining that license, the commissioner may issue a cease and desist order pursuant to Section 12921.8.

(c) Notwithstanding any other provision of law to the contrary, the provisions of Section 1748.5 are applicable to both the organization issued a license pursuant to this article and any endorsee to that license.

SEC. 39. Section 737 of the Public Resources Code is amended to read:

737. (a) A member of the board shall not participate in a board action pursuant to Article 8 (commencing with Section 4601) or Article 9 (commencing with Section 4621) of Chapter 8 of Part 2 of Division 4 that involves the board member or a person with whom the board member is connected as a director, officer, or employee, or in which the board member has a direct personal financial interest within the meaning of Section 1120 of the Government Code.

(b) Upon request of a person or on the Attorney General's own initiative, the Attorney General may file a complaint in the superior court for the county in which the board has its principal office alleging that a board member has knowingly violated this section and the facts upon which the allegation is based and asking that the member be removed from office. Further proceedings shall be in accordance as near as may be with rules governing civil actions. If after trial the court finds that the board member has knowingly violated this section it shall pronounce judgment that the board member be removed from office.

SEC. 40. Section 752 of the Public Resources Code is amended to read:

752. (a) "Professional forester," as used in this article, means a person who, by reason of their knowledge of the natural sciences, mathematics, and the principles of forestry, acquired by forestry education and experience, performs services, including, but not limited to, consultation, investigation,

evaluation, planning, or responsible supervision of forestry activities when those professional services require the application of forestry principles and techniques.

(b) A professional forester is licensed to perform forestry services only in those areas of expertise in which the person is fully competent as a result of training or experience. In order for a professional forester to fulfill all of their responsibilities with regard to a particular activity on a site, if the expertise that is prudently required exceeds the expertise possessed by the professional forester in that regard, the professional forester may need to utilize the services of other qualified experts, including, but not limited to, archaeologists, botanists, civil engineers, ecologists, fisheries biologists, geologists, hydrologists, land surveyors, landscape architects, range scientists, soil scientists, or wildlife biologists. This article shall not preclude those other environmental professionals from the application of their knowledge in their field of expertise outside the practice of forestry, as defined in Section 753.

SEC. 41. Section 757 of the Public Resources Code is amended to read:
757. This article does not apply to a landowner who is a natural person and who personally performs services of a professional forester, when those services are personally performed on lands owned by that person.

SEC. 42. Section 764 of the Public Resources Code is amended to read:
764. A person appointed to serve upon the examining committee shall receive, if requested, one hundred dollars (\$100) for each day during which that person is engaged in the performance of their official duties, except that the compensation of each member shall not exceed in any one fiscal year the sum of one thousand dollars (\$1,000). In addition, each member shall be reimbursed for necessary expenses incurred in the performance of their duties, including travel, at state rates.

SEC. 43. Section 765 of the Public Resources Code is amended to read:
765. The examining committee shall adhere to the rules and regulations of the board. An applicant for a license pursuant to this article who contends that they have been aggrieved by an action taken by the examining committee with respect to their qualifications may appeal to the board in accordance with rules or regulations prescribed by the board. The board upon the appeal may administer an oral or written examination to the applicant as an aid in determining whether the applicant is qualified under this article.

SEC. 44. Section 774 of the Public Resources Code is amended to read:
774. (a) Issuance of a license may be denied if sufficient evidence is received by the board of the commission or doing by the applicant of an act that, if committed or done by a licensee, would be grounds for the suspension or revocation of the licensee's license.

(b) In a decision denying an application, the board may provide that it will accept no future application from the applicant until the applicant complies with specified conditions. The board shall not require a condition that is not just and reasonable.

SEC. 45. Section 777 of the Public Resources Code is amended to read:

777. (a) If the board finds against the registrant, the board, in its decision, may terminate all operations of the registrant during the period fixed by the decision, except those operations the board determines that the person may complete. The board may impose upon the registrant compliance with specific conditions as may be just in connection with the registrant's operations, and may further provide that, until the conditions are complied with, no application for restoration of the suspended or revoked registration shall be accepted by the board.

(b) The board shall provide public notice of the suspension or revocation pursuant to this section.

(c) The board may issue a private reprimand when a registrant commits a failure of responsibility that warrants a lesser level of discipline than suspension. The issuance of a private reprimand does not prohibit the board from using the subject of the private reprimand in an accusation, within the statute of limitations, seeking suspension or revocation resulting from a subsequent complaint, to establish a pattern of lesser failures of professional responsibility. If the evidence is insufficient to support a private reprimand or an accusation, the executive officer for registration may send a letter expressing the examining committee's concerns.

SEC. 46. Section 778 of the Public Resources Code is amended to read:

778. A registrant or certificant is subject to disciplinary action who:

(a) Has been convicted of a felony substantially related to the qualifications, functions, or duties of a registered professional forester. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the board is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code.

(b) Has been found guilty by the board of any deceit, misrepresentation, fraud, material misstatement of fact, incompetence, or gross negligence in their practice.

(c) Has been guilty of fraud or deceit in obtaining their registration or certification.

(d) Aids or abets a person in the violation of this article.

(e) Fails in any material respect to comply with this article.

SEC. 47. Section 781 of the Public Resources Code is amended to read:

781. All fees received pursuant to this article shall be available, when appropriated by the Legislature, for the administration of this article; provided, that in the event that moneys need to be expended from the Professional Forester Registration Fund for emergencies for which no appropriation, or an insufficient appropriation, has been made by law, and which in the judgment of the Director of Finance constitutes a case of actual necessity, but limited to purposes of administration of this article that have been specifically approved by the Legislature in budget acts or other legislation, the Director of Finance may authorize an emergency expenditure in an amount determined by the Director of Finance from the fund; provided,

further, that the Director of Finance shall file with the Joint Legislative Budget Committee within 10 days after approval of the emergency expenditure, copies of all executive orders, expenditure authorizations, and allotments made pursuant to this section, and stating the reasons for, and the amount of, those expenditures.

SEC. 48. Section 783 of the Public Resources Code is amended to read:

783. In case a person defaults in payment of the renewal fee, the person's registration may be revoked by the board on 60 days' notice in writing from the board, unless within this time the fee is paid, together with penalty, not exceeding the amount fixed by this article. Upon payment of the fee and penalty within one year, the board shall reinstate the person's registration.

SEC. 49. Section 4033 of the Public Resources Code is amended to read:

4033. (a) The department may provide permits for temporary means of ingress to, egress from, and movement across all property under the jurisdiction of the department in order to provide ready access for the purposes of harvesting timber, conducting studies, and passing and placing equipment upon the department's lands.

(b) The department may grant a permit for a right-of-way across the department's lands over that route and subject to those conditions and construction and maintenance specifications as the department may determine that will cause minimum alteration to the physical features of the department's lands and minimum interference with the use of the forests by the public.

(c) The permittee shall, at the permittee's own expense, construct and maintain the means of ingress and egress, in accordance with the terms and conditions set forth in the permit, noncompliance with which in any part shall be due cause for revocation of that permit.

(d) The department may require a permittee or permittees to allow the use of those temporary means of ingress and egress by any other applicant whose lands are similarly situated.

(e) The department may, at its discretion, charge a reasonable fee for access to its lands.

(f) (1) A permit granted for passage pursuant to this section is temporary and does not imply consent to a permanent easement, and the permit shall include language stating this.

(2) The permits are and shall be revocable at any time.

SEC. 50. Section 4114.5 of the Public Resources Code is amended to read:

4114.5. (a) A contract with a nonpublic entity entered into by the department that includes a provision for the services of pilots to fly firefighting aircraft owned by, or on loan to, the department for the purpose of fighting fire shall expressly provide that, if the pilot dies while performing the duties specified in the contract, eligible survivors, if any, of the pilot shall be paid a one-time death benefit by the department equal to the sum of the following:

(1) The amount of the one-time benefit that the eligible survivors of the pilot would receive if the pilot were subject to the federal Public Safety

Officers' Death Benefits Act (42 U.S.C. Sec. 3796 et seq.). This paragraph shall not be applicable if, at the time of the pilot's death, the eligible survivors of the pilot are entitled to benefits under that act.

(2) An amount, as determined by the department, that would be commensurate with the death benefit payable to a mid-career firefighter employed by the department who died in the line of duty.

(b) The benefits payable pursuant to any contract subject to this section shall be paid to eligible survivors in a lump sum as follows:

(1) If there is no eligible child, to the surviving spouse.

(2) If there is an eligible child or children and a surviving spouse, one-half to the child or to the children in equal shares and one-half to the surviving spouse.

(3) If there is no surviving spouse and there is an eligible child or children, to the eligible child or in equal shares to the eligible children.

(4) If there is no surviving spouse nor any eligible child or children, to the surviving parent or in equal shares to the surviving parents.

(c) If there are no eligible survivors, no benefit shall be payable and a pilot may not otherwise designate a beneficiary to receive the benefits under the contract.

(d) (1) As used in this section, an "eligible survivor" means the surviving spouse, eligible children, or surviving parents of the deceased pilot.

(2) "Surviving spouse" means a spouse who was married to the pilot at the time of the pilot's death.

(3) "Eligible child" means an unmarried, natural child of the deceased pilot who (A) was born before or after the death of the pilot or is an adopted child or stepchild of the pilot, and (B) is 18 years of age or younger at the time of the pilot's death, or over the age of 18 years and incapable of self-support due to a physical or mental disability, or between 18 and 22 years of age and pursuing a full-time course of study or training, if the child has not already completed four years of education beyond high school.

(e) This section shall be applicable irrespective of whether the department contracts directly with the pilot or contracts with a third party that employs or contracts with pilots.

(f) Nothing in this section relieves the pilot's employer from the obligation to secure coverage for workers' compensation; eliminates or reduces any workers' compensation benefits otherwise available; or affects, alters, or eliminates any other remedy otherwise available at law.

(g) This section does not apply to a pilot who dies while performing duties in a firefighting aircraft that is owned by the pilot or another entity other than the department pursuant to a contract or agreement with the department, except for a firefighting aircraft on loan to the department pursuant to subdivision (a).

SEC. 51. Section 4136 of the Public Resources Code is amended to read:

4136. (a) A transferor of real property that is located within a state responsibility area determined by the board, pursuant to Section 4125, shall disclose to a prospective transferee the fact that the property is located within

a wildland area that may contain substantial forest fire risks and hazards and is subject to the requirements of Section 4291.

(b) Except for property located within a county that has assumed responsibility for prevention and suppression of all fires pursuant to Section 4129, the transferor shall also disclose to a prospective transferee that it is not the state's responsibility to provide fire protection services to a building or structure located within the wildlands unless the department has entered into a cooperative agreement with a local agency for those purposes pursuant to Section 4142.

(c) Disclosure is required pursuant to this section only when one of the following conditions is met:

(1) The transferor, or the transferor's agent, has actual knowledge that the property is within a wildland fire zone.

(2) A map that includes the property has been provided to the city or county pursuant to Section 4125, and a notice has been posted at the offices of the county recorder, county assessor, and county planning agency that identifies the location of the map and any information regarding changes to the map received by the county.

(d) In all transactions that are subject to Section 1103 of the Civil Code, the disclosures required by this section shall be provided by either of the following means:

(1) The Local Option Real Estate Disclosure Statement as provided in Section 1102.6a of the Civil Code.

(2) The Natural Hazard Disclosure Statement as provided in Section 1103.2 of the Civil Code.

(e) If the map or accompanying information is not of sufficient accuracy or scale that a reasonable person can determine if the subject real property is included in a wildland fire zone, the agent shall mark "Yes" on the Natural Hazard Disclosure Statement. The agent may mark "No" on the Natural Hazard Disclosure Statement if the agent attaches a report prepared pursuant to subdivision (c) of Section 1103.4 of the Civil Code that verifies the property is not in the hazard zone. This subdivision does not limit or abridge any existing duty of the transferor or the transferor's agents to exercise reasonable care in making a determination under this subdivision.

(f) For purposes of this section, Section 1103.13 of the Civil Code applies.

(g) The specification of items for disclosure in this section does not limit or abridge any obligation for disclosure created by any other law or that may exist in order to avoid fraud, misrepresentation, or deceit in the transfer transaction.

SEC. 52. Section 4142.1 of the Public Resources Code is amended to read:

4142.1. When a county, city, or district considers entering into a cooperative agreement pursuant to subdivision (a) of Section 4142 under which the state would assume personnel from the county, city, or district, the county, city or district shall, prior to the execution of the cooperative agreement, give written notice to each affected employee of how the transfer of functions would affect their health benefits upon their retirement.

SEC. 53. Section 4151 of the Public Resources Code is amended to read: 4151. (a) The director shall appoint, in a number and localities as the director deems wise, public-spirited citizens to act as voluntary firewardens, who may receive payment for their services from the counties or from private sources. They shall promptly report all fires and take immediate and active steps toward their extinguishment, report any violation of forest fire laws, assist in apprehending and convicting offenders, and perform other duties as the director may direct. A United States Forest Service employee within this state, if the employee accepts the duties and responsibilities of a firewarden, may be appointed a voluntary firewarden, and shall have all the powers given to firewardens by this article.

(b) The firewardens do not have authority to obligate the state for the payment of money, unless specifically authorized by the director.

SEC. 54. Section 4152 of the Public Resources Code is amended to read: 4152. If a fire patrol for the prevention and suppression of forest fires is maintained by owners of land or by any organization, the director may designate each patrol person as a voluntary firewarden and, for the protection of lands patrolled by them or adjacent to those lands, may give them all the rights and powers of a voluntary firewarden. Voluntary firewardens shall be paid by the owners or organizations or as provided for by Section 4151. The firewardens do not have authority to obligate the state for the payment of money, unless specifically authorized by the director.

SEC. 55. Section 4153 of the Public Resources Code is amended to read: 4153. The department or its duly authorized agent may summon an able-bodied person to assist in suppressing a forest fire and may authorize an officer of the state, who is charged with the prevention and suppression of fire or the enforcement of the state fire laws, to summon an able-bodied person to assist in suppressing a forest fire within their respective jurisdictions. An able-bodied person who is engaged in the harvest of perishable agricultural crops shall not, however, be summoned to assist in suppressing a forest fire until all other available workpower has been exhausted within the respective jurisdiction of the officer issuing the summons. A member in good standing of a regularly organized fire department shall not be summoned if the member is available and subject to call for duty with a firefighting unit.

SEC. 56. Section 4156 of the Public Resources Code is amended to read: 4156. (a) The director and employees or classes of employees of the department designated by the director have the powers conferred by law upon peace officers listed in Section 830.2 of the Penal Code, and voluntary firewardens designated by the director have the powers conferred by law upon peace officers listed in Section 830.37 of the Penal Code; provided, however, that the primary duty of the peace officer shall be the enforcement of forest laws and regulations, state and county fire laws and regulations, and the laws relating to explosives as set forth in Part 1 (commencing with Section 12000) of Division 11 of the Health and Safety Code, other than laws the enforcement of which is primarily the responsibility of the State Fire Marshal. Officers, employees, and voluntary firewardens, upon request

pursuant to Section 8597 of the Government Code, shall have the full powers and duties of peace officers for all purposes as provided by the Penal Code and are not liable to civil action for trespass committed in the discharge of their duties.

(b) A peace officer may enforce federal fire laws to the extent that the peace officer is authorized to do so.

SEC. 57. Section 4157 of the Public Resources Code is amended to read:

4157. When the director or any of the employees or voluntary firewardens who are designated as peace officers pursuant to Section 4156 arrests a person for a violation of this article or for a violation of a law relating to forest or fire protection that is not a felony, the director or any of the employees or voluntary firewardens who are designated as peace officers may immediately release the arrested person from their custody in the manner and under the conditions that are set forth in Section 853.6 of the Penal Code.

SEC. 58. Section 4165 of the Public Resources Code is amended to read:

4165. Every person is guilty of a misdemeanor who, at a forest fire, does any of the following:

- (a) Disobeys the lawful orders of a public officer or firefighter.
- (b) Offers resistance to, or interference with, the lawful efforts of a firefighter or company of firefighters to extinguish the fire.
- (c) Engages in any disorderly conduct which is calculated to prevent the fire from being extinguished.
- (d) Forbids, prevents, or dissuades others from assisting to extinguish the fire.
- (e) Rides, drives, or propels any vehicle or conveyance upon, over, or across any firehose or chemical hose that is used by, or in charge of, a public officer or firefighter or injures or damages in any manner any hose or apparatus of any kind that is in use by, or in charge of, a public officer or firefighter.

SEC. 59. Section 4166 of the Public Resources Code is amended to read:

4166. A person who violates this article is guilty of a misdemeanor, which is punishable by a fine of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000). If the defendant refuses, on conviction, to pay the fine, the defendant shall be confined in the county jail of the county in which conviction is had for a period not to exceed one day for every five dollars (\$5) of the fine imposed, or may be subject to both the fine and imprisonment.

SEC. 60. Section 4172 of the Public Resources Code is amended to read:

4172. If the director determines that a public nuisance, as defined in Section 4171, exists, the director shall notify the owner of the property to abate the public nuisance. If the owner is unknown, a copy of the notice shall be posted upon the property.

SEC. 61. Section 4175 of the Public Resources Code is amended to read:

4175. If a property owner requests a hearing, the director shall fix a time and a place for the hearing and notify the property owner. At the time and place of the hearing, the property owner may appear and be heard upon the

question of whether or not a public nuisance actually exists upon property that the property owner owns. The hearing shall be conducted in accordance with Chapter 2 (commencing with Section 11180) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 62. Section 4176 of the Public Resources Code is amended to read:

4176. If the director determines, at the conclusion of the hearing, that a public nuisance actually exists upon property owned by the property owner, the director shall order the property owner to abate the public nuisance within a specified time.

SEC. 63. Section 4179.5 of the Public Resources Code is amended to read:

4179.5. The Attorney General may at any time release all or any portion of the property subject to a lien imposed pursuant to Sections 4178 and 4179 from the lien or subordinate the lien to other liens and encumbrances if the Attorney General determines that the amount owed is sufficiently secured by a lien on other property or that the release or subordination of the lien will not jeopardize the collection of the amount owed. A certificate by the Attorney General to the effect that any property has been released from the lien or that the lien has been subordinated to other liens and encumbrances shall be conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

SEC. 64. Section 4181 of the Public Resources Code is amended to read:

4181. When the property is sold, enough of the proceeds to satisfy the lien and the costs of the foreclosure shall be paid to the state. The surplus, if any, shall be paid to the owner of the property, if known, or if the property owner is not known, shall be paid into the court in which the lien was foreclosed for the use of the owner when the property owner is ascertained.

SEC. 65. Section 4253 of the Public Resources Code is amended to read:

4253. When the director determines that a fire hazard exists in any other area due to the presence of flammable material or cover, the director may by regulation designate the area to be a hazardous fire area. The regulation shall declare the period of time during which the area shall be designated.

SEC. 66. Section 4255 of the Public Resources Code is amended to read:

4255. (a) Except as provided in this section, a person shall not smoke or build a campfire or other open fire within a hazardous fire area.

(b) The board may designate by regulation campgrounds or campsites within hazardous fire areas where smoking and the building of campfires are allowed. However, no campground or campsite shall be designated without the consent of the owner, or the owner's authorized agent, of the land upon which it is located.

SEC. 67. Section 4256 of the Public Resources Code is amended to read:

4256. When it is necessary in the interest of public peace or safety, the director, with the consent of the owner of any lands designated as a hazardous fire area, may declare those lands closed to entry by any person. Any public highway traversing the hazardous fire area, shall, however, be excluded from the order of closure, and the closure to entry does not prohibit or curtail the entry or use of the lands by the owner of the lands or the

owner's agent, nor the entry by a federal, state or county officer upon the closed area in the performance of their official duties. All state and county law enforcement officers shall enforce the order of closure.

SEC. 68. Section 4291.3 of the Public Resources Code is amended to read:

4291.3. (a) Subject to any other applicable law, a state or local fire official, at their discretion, may authorize an owner of property, or the owner's agent, to construct a firebreak, or implement appropriate vegetation management techniques, to ensure that defensible space is adequate for the protection of a hospital, adult residential care facility, school, aboveground storage tank, hazardous materials facility, or similar facility on the property. The firebreak may be for a radius of up to 300 feet from the facility, or to the property line, whichever distance is shorter.

(b) The director may authorize an owner of a property not listed in subdivision (a) to construct a firebreak, or implement appropriate vegetation management techniques, within a radius of up to 300 feet from a structure, or to the property line, whichever distance is shorter, if it is determined by the director as necessary to protect life, property, and natural resources from unreasonable risks associated with wildland fires.

SEC. 69. Section 4295.5 of the Public Resources Code is amended to read:

4295.5. (a) Notwithstanding any other law, including Section 4295, a person who owns, controls, operates, or maintains an electrical transmission or distribution line may traverse land as necessary, regardless of land ownership or express permission to traverse land from the landowner, after providing notice and an opportunity to be heard to the landowner, to prune trees to maintain clearances pursuant to Section 4293, and to abate, by pruning or removal, any hazardous, dead, rotten, diseased, or structurally defective live trees. The clearances obtained when the pruning is performed shall be at the full discretion of the person that owns, controls, operates, or maintains any electrical transmission or distribution line, but shall be no less than what is required in Section 4293. This section shall apply to both high fire threat districts, as determined by the California Public Utilities Commission pursuant to its rulemaking authority, and to state responsibility areas.

(b) Subdivision (a) does not exempt a person who owns, controls, operates, or maintains an electrical transmission or distribution line from liability for damages for the removal of vegetation that is not covered by an easement granted to the person for the electrical transmission or distribution line.

SEC. 70. Section 4297 of the Public Resources Code is amended to read:

4297. Upon the showing of the director that the unrestricted use of any grass-covered land, grain-covered land, brush-covered land, or forest-covered land is, in the judgment of the director, a menace to life or property due to conditions tending to cause or allow the rapid spread of fires that may occur on the lands or because of the inaccessible character of the lands, the Governor through the director, may, by a proclamation, which declares that

condition and designates the area to which, and the period during which the proclamation shall apply, require that the area be closed to hunting and fishing and to entry by a person except a person that is within one of the following classes:

- (a) Owners and lessees of land in the area.
- (b) Bona fide residents in the area.
- (c) Persons engaged in some bona fide business, trade, occupation, or calling in the area and persons employed by them in connection with that business, trade, occupation, or calling.
- (d) Authorized agents or employees of a public utility entering the area for the purpose of operating or maintaining public utility works or equipment within the area.
- (e) Members of an organized firefighting force.
- (f) A federal, state or local officer in the performance of their duties.
- (g) Persons traveling on public roads or highways through the area.

SEC. 71. Section 4331 of the Public Resources Code is amended to read: 4331. Except at the places or during the period of time designated by regulations adopted pursuant to the authority of the Secretary of Agriculture of the United States, a person shall not smoke or build a campfire upon national forest land unless the person has a written permit to do so issued by an authorized agent of the Secretary of Agriculture and possesses the firefighting tools that are required by the permit.

SEC. 72. Section 4416 of the Public Resources Code is amended to read: 4416. This chapter does not authorize a county firewarden, a firefighter, or a county officer to obligate the state for the payment of any money.

SEC. 73. Section 4421 of the Public Resources Code is amended to read: 4421. A person shall not set fire or cause fire to be set to a forest, brush, or other flammable material that is on land that is not the person's own land, or under the person's legal control, without the permission of the owner, lessee, or owner's agent or lessee of the land.

SEC. 74. Section 4422 of the Public Resources Code is amended to read: 4422. A person shall not do either of the following:

- (a) Willfully or knowingly allow fire to burn uncontrolled on land that the person owns or controls, or to escape to the lands of any person other than that of the owner.
- (b) Allow any fire kindled or attended by the person to escape from the person's control or to spread to the land of any person other than from the land from which the fire originated.

SEC. 75. Section 4423.1 of the Public Resources Code is amended to read:

4423.1. (a) Burning under permit by a person on public or private lands, except within incorporated cities, may be suspended, restricted, or otherwise prohibited by proclamation. Any of the following public officers may issue a proclamation, which shall be applicable within their respective jurisdictions:

- (1) The director or the director's designee.
- (2) Any county fire warden with the approval of the director.

(3) The federal officers directing activities within California of the United States Bureau of Land Management, the National Park Service, and the United States Forest Service.

(b) The proclamation may be issued when, in the judgment of the issuing public official, the menace of destruction by fire to life, improved property, or natural resources is, or is forecast to become, extreme due to critical fire weather, fire suppression forces being heavily committed to control fires already burning, acute dryness of the vegetation, or other factors that may cause the rapid spread of fire. A proclamation is effective on issuance or at a time specified therein and shall remain in effect until a proclamation removing the suspension, restriction, or prohibition is issued. The proclamation may be effective for a single day or longer. The proclamation shall declare the conditions that necessitate its issuance, designate the geographic area to which it applies, require that all or specified burning under permit be suspended, restricted, or prohibited until the conditions necessitating the proclamation abate, and identify the public official issuing the proclamation. The proclamation may be in the form of a verbal or audio recorded telephone message, a press release, or a posted order.

(c) The proclamation may be issued without complying with Chapter 3.5 (commencing with Section 11340) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 76. Section 4432 of the Public Resources Code is amended to read:

4432. (a) A person shall not leave a campfire, kindled or attended by that person, burning or unextinguished unless one of the following requirements is satisfied:

(1) The person leaves some other person in attendance.

(2) The fire is enclosed within a stove, oven, drum, or other nonflammable container, in such manner that the fire cannot escape from the container.

(b) A person shall not allow a campfire, kindled or attended by that person, to spread after it is built.

SEC. 77. Section 4433 of the Public Resources Code is amended to read:

4433. (a) A person shall not light, maintain, or use a campfire upon brush-covered land, grass-covered land, or forest-covered land that is the property of another person unless the person first obtains a written permit from the owner, lessee, or agent of the owner or lessee of the property.

(b) If, however, campsites and special areas have been established by the property owner and posted as areas for camping, a permit is not necessary.

(c) A written campfire permit duly issued by or under the authority of the United States Forest Service is necessary for use on land under the jurisdiction and control of the United States Forest Service.

SEC. 78. Section 4436 of the Public Resources Code is amended to read:

4436. A person shall not refuse or fail to render assistance in combating a forest, brush, or grass fire at the summons of the department, or its authorized agent who is charged with the prevention or suppression of fire or the enforcement of the state fire laws, or any county firewarden, firefighter, or county officer who is charged with the duty of preventing or

combating forest, brush, or grass fires, or any officer of a county fire protection district, unless prevented from so doing by sickness or physical disability.

SEC. 79. Section 4582 of the Public Resources Code is amended to read:

4582. The timber harvesting plan shall be filed with the department in writing by a person who owns, leases, or otherwise controls or operates on all or any portion of any timberland and who plans to harvest the timber on the timberland. If the person who files the timber harvesting plan is not the owner of the timberland, the person filing the plan shall notify the timberland owner by certified mail that the plan has been submitted and shall certify that mailing to the department. The timber harvesting plan shall be a public record and shall include all of the following information:

- (a) The name and address of the timber owner.
- (b) The name and address of the timber operator if known at the time of filing. If the timber operator is not known at the time of filing, the plan submitter shall notify the department as soon as the timber operator is known, but in any case before timber operations begin.
- (c) A description of the land on which the work is proposed to be done, including a United States Geological Survey quadrangle map or equivalent indicating the location of all streams, the location of all proposed and existing logging truck roads, and indicating boundaries of all site I classification timberlands to be stocked in accordance with subdivision (b) of Section 4561 and any other site classifications if the board establishes specific minimum stocking standards for other site classifications.
- (d) A description of the silvicultural methods to be applied, including the type of logging equipment to be used.
- (e) An outline of the methods to be used to avoid excessive accelerated erosion from timber operations to be conducted within the proximity of a stream.
- (f) Special provisions, if any, to protect any unique area within the area of timber operations.
- (g) The expected dates of commencement and completion of timber operations.
- (h) A certification by the registered professional forester preparing the plan that the registered professional forester or a designee has personally inspected the plan area.
- (i) Any other information the board provides by regulation to meet its rules and the standards of this chapter.

SEC. 80. Section 4582.6 of the Public Resources Code is amended to read:

4582.6. (a) Upon receipt of the timber harvesting plan, the department shall place it, or a true copy of the plan, in a file available for public inspection in the county in which timber operations are proposed under the plan, and, for the purpose of interdisciplinary review, shall transmit a copy to the Department of Fish and Wildlife, the appropriate California regional water quality control board, the county planning agency, and, if the area is within its jurisdiction, the Tahoe Regional Planning Agency, as the case

may be. The department shall invite, consider, and respond in writing to comments received from public agencies to which the plan has been transmitted and shall consult with those agencies at their request.

(b) Within the public comment period, any responsible agency, as defined in Section 21069, shall provide the department with specific comments or recommendations, or both, on any significant environmental issues and proposed mitigation measures raised by the timber harvesting plan. The responsible agency shall also identify its statutory authority for any requests for mitigation measures that it may determine to be necessary. If the responsible agency fails to respond by the end of the public comment period, the department may assume that the responsible agency has no comments or recommendations concerning the timber harvesting plan, but the failure of the responsible agency to make comments or recommendations shall not be used as the basis for a determination or presumption that the timber harvesting plan will have no significant effect on the environment. The department shall consider all comments and recommendations received from responsible agencies and from the public during the public comment period. If a responsible agency fails to respond within the public comment period, it may request additional time to respond. The director may grant an extension of the time to respond of up to 14 calendar days if the director determines, after consultation with the person submitting the timber harvesting plan, that an extension is necessary.

(c) To ensure that all public comments and concerns are considered by the department, each responsible agency shall maintain a list of written information it disseminates on the timber harvesting plan under review prior to the close of the public comment period.

(d) On and after July 1, 1983, the board of supervisors or planning commission of a county for which rules have been adopted pursuant to Section 4516.5 may request a public hearing on a timber harvesting plan submitted for lands within the county, and the department shall hold a hearing for the purpose of public comment, if requested, prior to taking any action on the timber harvesting plan pursuant to Section 4582.7. The hearing shall be held in the county in which the proposed harvest is located at a time and place convenient to the public. The hearing shall be held in county offices if made available by the county for that purpose. The chairperson of the hearing shall be a representative of the department, shall receive both oral and written testimony from members of the public, local government officials, persons submitting the plans, and others, and shall provide for the hearing to be electronically recorded. The department shall prepare and make available written responses to significant issues raised at the hearing. This subdivision does not extend the time within which an action is required to be taken pursuant to Section 4582.7.

SEC. 81. Section 4582.7 of the Public Resources Code is amended to read:

4582.7. (a) The director shall have 30 days from the date that the initial inspection is completed (10 of these days shall follow the date of final interagency review) or, if the director determines that the inspection need

not be made, 15 days from the date of filing, as specified in Section 4604, or a longer period mutually agreed upon by the director and the person submitting the timber harvesting plan, to review the plan and take public comments. After the final review and public comment period has ended, the director shall have up to 15 working days, or a longer period mutually agreed upon by the director and the person submitting the timber harvesting plan, to review the public input, to consider recommendations and mitigation measures of other agencies, to respond in writing to the issues raised, and to determine if the plan is in conformance with the rules and regulations of the board and with this chapter.

(b) If the director determines that the timber harvesting plan is not in conformance with the rules and regulations of the board or with this chapter, the director shall return the plan, stating the director's reasons in writing, and advising the person submitting the plan of the person's right to a hearing before the board, and timber operations may not commence.

(c) A person to whom a timber harvesting plan is returned may, within 10 days from the date of receipt of the plan, request of the board a public hearing before the board. The board shall schedule a public hearing to review the timber harvesting plan to determine if the plan is in conformance with the rules and regulations of the board and with this chapter. Timber operations shall await board approval of the timber harvesting plan. Board action shall occur within 30 days from the date of the filing of the appeal, or a longer period mutually agreed upon by the board and the person filing the appeal.

(d) If the timber harvesting plan is not approved on appeal to the board, the plan may be found to be in conformance by the director within 10 days from the date of the board action, provided that the plan is brought into full conformance with the rules and regulations of the board and with this chapter. If the director does not act within 25 days or a longer period mutually agreed upon by the director and the person submitting the timber harvesting plan, timber operations may commence pursuant to the plan, and all provisions of the plan shall be followed as provided in this chapter.

(e) Upon the request of a responsible agency, the director shall consult with that agency, pursuant to this chapter, but the director, or the director's designee within the department, shall have the final authority to determine whether a timber harvesting plan is in conformance with the rules and regulations of the board and with this chapter for purposes of approval by the department.

SEC. 82. Section 4586 of the Public Resources Code is amended to read:

4586. Within six months of the receipt of the work completion report specified in Section 4585, the director shall determine, by inspection, whether the work described in the report has been properly completed in conformity with the rules and regulations of the board and the standards of this chapter. If the work has been so completed, the director shall issue a report of satisfactory completion of the work. If not, the director shall take corrective action as the director determines to be appropriate in accordance with Article 8 (commencing with Section 4601).

SEC. 83. Section 4588 of the Public Resources Code is amended to read:
4588. Within six months of the receipt of the stocking report, the director shall determine, by inspection, whether the stocking has been properly completed. If the stocking is properly completed, the director shall issue a report of satisfactory completion of stocking. If the stocking is not properly completed, the director shall take corrective action as the director deems appropriate in accordance with Article 8 (commencing with Section 4601) of this chapter.

SEC. 84. Section 4593.3 of the Public Resources Code is amended to read:

4593.3. A nonindustrial timber management plan may be filed with the department in writing by a person who intends to become a nonindustrial tree farmer with the long-term objective of an uneven aged timber stand and sustained yield through the implementation of a nonindustrial timber management plan. The nonindustrial timber management plan shall be prepared by a registered professional forester. It shall be a public record and shall include all of the following information:

- (a) The name and address of the timberland owner.
- (b) A description of the land on which the nonindustrial timber management plan is proposed to be implemented, including a United States Geological Survey quadrangle map or equivalent indicating the location of all streams, the location of all proposed and existing logging truck roads, and indicating boundaries of all site I classification timberlands to be stocked in accordance with subdivision (b) of Section 4561 and any other site classifications if the board establishes specific minimum stocking standards for other site classifications.
- (c) A description of the silviculture methods to be applied and the type of yarding equipment to be used.
- (d) An outline of the methods to be used to avoid excessive accelerated erosion from timber operations to be conducted within the proximity of a stream.
- (e) Special provisions, if any, to protect any unique area within the boundaries of the proposed nonindustrial timber management plan.
- (f) A description of the existing stand, its current projected growth, alterations required to achieve the management objectives, the projected timber volumes and tree sizes to be available for harvest, and projected frequencies of harvest.
- (g) A certification by the registered professional forester preparing the nonindustrial timber management plan that the registered professional forester or a designee has personally inspected the plan area.
- (h) Any other information the board provides by regulation to meet its rules and the standards of this chapter.

SEC. 85. Section 4594.4 of the Public Resources Code is amended to read:

4594.4. If the board finds that a registered professional forester has made any material misstatement in any nonindustrial timber harvesting notice, nonindustrial timber management plan, or report under this chapter, the

board shall take disciplinary action against that registered professional forester as provided under Section 775.

SEC. 86. Section 4602.5 of the Public Resources Code is amended to read:

4602.5. (a) This section provides an administrative procedure to suspend timber operations temporarily while judicial remedies are pursued pursuant to this article.

(b) An inspecting forest officer may issue a written timber operations stop order if, upon reasonable cause, the officer determines that a timber operation is being conducted or is about to be conducted in violation of this chapter or of forest practice rules adopted by the board pursuant to this chapter and that the violation or threatened violation would result in imminent and substantial harm to soil, water, or timber resources, or to fish and wildlife habitat. A stop order shall apply only to those acts or omissions that are the proximate cause of the violation or threatened violation. The stop order shall be effective immediately and throughout the next day.

(c) A supervising forest officer may, after an onsite investigation, extend a stop order issued pursuant to subdivision (b) for up to five days, excluding Saturday and Sunday, provided that the supervising forest officer finds that the original stop order was issued upon reasonable cause. A stop order shall not be issued or extended for the same act or omission more than one time.

(d) (1) Each stop order shall identify the specific act or omission that constitutes the violation or threatened violation, any timber operation that is to be stopped, and any corrective or mitigative actions that may be required.

(2) The department may terminate the stop order if the responsible parties enter into a written agreement with the department assuring that the parties will resume operations in compliance with this chapter and the rules adopted by the board and will correct the violations. The department may require a reasonable cash deposit or bond payable to the department as a condition of compliance with the agreement.

(e) Notice of the issuance of a stop order or an extension of a stop order shall be deemed to have been made to all persons working on a timber operation when a copy of the written order is delivered to the person in charge of operations at the time the order is issued or, if no persons are present at that time, then by posting a copy of the order conspicuously on the yarder or log loading equipment at a currently active landing on the timber operations. If no persons are present at the site of the timber operation when the order is issued, the issuing officer shall deliver a copy of the order to the timber operator either in person or to the operator's address of record prior to the commencement of the next working day.

(f) As used in this section, "forest officer" means a registered professional forester employed by the department in a civil service classification of forester I or higher grade.

(g) (1) Failure of the timber operator or an employee of the timber operator, after receiving notice, to comply with a stop order is a violation of this chapter and is punishable as provided in Section 4601; provided,

however, that in all cases the timber operator, and not another person or the employee, shall be charged with this violation.

(2) In determining the penalty for any timber operator found guilty of violating a validly issued stop order, the court shall take into consideration all relevant circumstances, including, but not limited to, the following:

(A) The extent of harm to soil, water, or timber resources or to fish and wildlife habitat.

(B) Corrective action, if any, taken by the defendant.

(3) Each day or portion of the day that the violation continues shall constitute a new and separate offense.

(h) This section does not prevent a timber operator from seeking an alternative writ as prescribed in Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure, or as provided by any other law.

SEC. 87. Section 4608 of the Public Resources Code is amended to read:

4608. (a) Before taking any corrective action, other than under Section 4605, the department shall serve a written notice upon the person responsible for the violation. The notice shall include a statement of the corrective action to be taken, a date not less than 30 days from the date of service of the notice by which the corrective action is to be taken, and a statement that if the corrective action is not taken on or before the date specified the department may take corrective action and charge the person for the costs of the corrective action pursuant to Section 4610. The notice shall also include a statement that if the person disagrees for any reason with the proposed corrective action or with the charging of the person with the costs of the corrective action, the person may, within 10 days from the service of the notice, request of the board a public hearing before the board.

(b) The department may record the notice in each county where the land in violation is situated, together with a statement that any and all expenses incurred by the department in taking corrective action pursuant to this article shall be a lien against the land. Upon satisfactory proof that corrective action has been completed, the department shall record a notice to that effect.

(c) Any expenses incurred by the department in taking corrective action shall be a lien upon the real property upon which the action was taken when notice of the lien is recorded. Notice of the lien, particularly identifying the real property upon which the action was taken and the amount of the lien and naming the owner of the property, shall be recorded by the department, in the office of the county recorder of each county in which the property is situated within one year after the first item of expenditures by the department or within 90 days after the completion of the action, whichever first occurs. Upon the recording, the lien shall have the same force, effect, and priority as a judgment lien, except that it shall attach only to the real property described in the notice and shall continue for 10 years from the time of the recording of the notice, unless sooner released or otherwise discharged. The lien may, within 10 years of the time of the recording, or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by recording a new notice in the office of the county recorder

where the original notice is recorded, and from the time of the recording the lien shall be extended as to the real property for 10 years, unless sooner released or otherwise discharged. The department may at any time release all or any portion of the real property subject to the lien from the lien or subordinate it to other liens and encumbrances, if it determines that the amount owed is sufficiently secured by a lien on other property or that the release or subordination of the lien will not jeopardize the collection of the amount owed. A certificate by the department to the effect that any real property has been released from the lien or that the lien has been subordinated to other liens and encumbrances shall be conclusive evidence that the real property has been released or that the lien has been subordinated as provided in the certificate.

SEC. 88. Section 4625 of the Public Resources Code is amended to read:

4625. If the board finds the applicant does have a bona fide intention to convert the land, it shall approve the application, authorizing the applicant to cut and remove any and all trees, provided that the applicant otherwise complies with this chapter.

SEC. 89. Section 4646 of the Public Resources Code is amended to read:

4646. The director, acting in accordance with policies adopted by the board, shall administer this chapter. The director may exercise all powers necessary to accomplish its purposes and intent.

SEC. 90. Section 4648 of the Public Resources Code is amended to read:

4648. (a) Acquisition of forest land pursuant to this chapter shall be made only upon the approval of the director. Approval by the director shall be based on satisfactory evidence presented to the director by the board as to the suitability and desirability of lands under consideration for purchase for state forest purposes. This suitability and desirability shall be predicated on, but not limited to, all of the following factors:

- (1) That the lands are suited primarily to timber growing.
- (2) That the lands represent growing capacities not below the average for the timber region.
- (3) That they are favorably situated for multiple use and economical administration, management, and utilization.

(b) The director shall not approve the acquisition of any lands pursuant to this chapter unless the director receives a resolution recommending the action adopted by the board of supervisors of the county in which those lands are situated following a public hearing held by the board of supervisors on the proposed acquisition. Notice of the hearing shall be published pursuant to Section 6066 of the Government Code. The holding of a hearing shall be optional to the board of supervisors for areas of 2,000 acres or less. Upon approval of a purchase by the director, the department may negotiate for and consummate the purchase of the lands.

SEC. 91. Section 4674 of the Public Resources Code is amended to read:

4674. The department may, with the approval of the Department of General Services, enter into a cooperative agreement, upon the terms and under the conditions as the director deems wise, for either of the following

purposes, with any county, city, or district that makes an appropriation for any such purpose:

(a) The protection and forest management of any lands over which the county, city, or district has jurisdiction.

(b) The reforestation or afforestation on lands within the county, city, or district.

SEC. 92. Section 4703 of the Public Resources Code is amended to read:

4703. Before accepting conveyance of the land, the director shall have the title examined. The director shall not accept title unless a good and merchantable title free and clear of all taxes, liens, or other financial encumbrances is shown to be vested in the grantor or donor. The title shall be passed upon and approved by the Attorney General.

SEC. 93. Section 4714 of the Public Resources Code is amended to read:

4714. Every owner of timber or timberlands shall control or eradicate the insect pests or plant diseases on lands owned by the owner or under the owner's control. If the owner does not do so the work may be performed as provided in this article.

SEC. 94. Section 4718 of the Public Resources Code is amended to read:

4718. If the director determines that insect or disease control work within the designated zone of infestation or infection is no longer necessary or feasible the director shall, with the approval of the board, dissolve the zone.

SEC. 95. Section 4854 of the Public Resources Code is amended to read:

4854. When sold, the proceeds of the lumber shall be applied first to the payment of the charges of sale and in liquidation of the expenses and damages awarded to the claimant. The residue shall be paid to the county treasurer, to be by the county treasurer paid over to the former owner of the lumber, or the former owner's representatives, or assigns, on the production of proof of their former ownership satisfactory to the judge of the superior court of the county, and on the judge's order therefor, made within one year after its receipt.

SEC. 96. Section 4855 of the Public Resources Code is amended to read:

4855. The rejection by the judge of any claimant's right to the proceeds is conclusive, unless within six months thereafter the claimant commences action to obtain the proceeds. If no claim is made or sustained to the proceeds, the county treasurer shall place the proceeds in the county unapportioned elementary school fund.

SEC. 97. Section 12260 of the Public Resources Code is amended to read:

12260. If the department determines that the proposed conservation easement meets the eligibility criteria set forth in Section 12251, the application shall be reviewed based upon the extent to which it satisfies all of the following selection criteria:

(a) The nature of the environmental values proposed for protection, and whether they can be monitored efficiently and effectively.

(b) Whether the parcels are likely to become isolated from other areas maintained for key forest resources by development on adjacent parcels.

(c) Whether the landowner's management goal for the landowner's parcel is compatible with the resource protections the landowner is proposing.

(d) Whether the landowner has developed, or commits to developing by the time the easement is finalized, a management plan equivalent to, or better than, a forest stewardship plan that governs management on the parcel.

(e) Whether a nonprofit land trust organization, public agency, or other suitable organization has expressed an interest in working with the department and the landowner to establish, hold, and monitor the easement.

(f) Whether other sources of funding for easement acquisition, closing costs, monitoring, and other costs are available.

(g) Other relevant considerations established by the director.

SEC. 98. Section 14000 of the Public Resources Code is amended to read:

14000. (a) The Legislature hereby finds and declares that every California youth should be encouraged to reach their full potential, but that many youths require guidance and support to reach their goals and make positive changes in their lives.

(b) The Legislature finds and declares that conserving or developing natural resources, and enhancing and maintaining environmentally important lands and waters through the use of California's young adults, is beneficial not only to the youth of the state by providing them with educational and work opportunities, but also is beneficial for the state's economy and its environment.

(c) The Legislature further finds and declares that the California Conservation Corps continues to offer California a unique opportunity to meet both the goal of increasing understanding and appreciation of the environment and the goal of helping youths become productive adults.

(d) The Legislature therefore reaffirms its intent that the corps' mission includes increasing awareness of and improving our natural resources, but more importantly, includes instilling basic skills and a healthy work ethic in California youth, building their character, self-esteem, and self-discipline, and establishing within them a strong sense of civic responsibility and understanding of the value of a day's work for a day's wages.

(e) It is the further intent of the Legislature that corpsmembers graduate from the corps with good work habits, positive attitudes, and broadened professional horizons. It is the intent of the Legislature that the corps blend academic and job skills training with personal growth opportunities in order to develop productive youths who can make substantial contributions as California workers and citizens.

(f) It is the further intent of the Legislature, in memory of Brien Thomas "B.T." Collins and John E. "Jack" Dugan, and on behalf of their passion, support, and commitment to the mission of the corps, to ensure that the corps is an entrepreneurial and incentive-based program with stable and predictable funding. In pursuit of that goal, it is the intent of the Legislature that all state agencies look to the corps first to perform those projects that meet the mission of the corps.

SEC. 99. Section 14300 of the Public Resources Code is amended to read:

14300. Young adults participating in the corps program shall generally be engaged in projects that do the following:

(a) Preserve, maintain, and enhance environmentally important lands and waters.

(b) Accomplish useful and needed public works projects in both urban and rural areas.

(c) Conserve, maintain, improve, and develop natural resources in both urban and rural areas.

(d) Provide opportunities for public use of, or education in, the areas, projects, and resources described in subdivisions (a), (b), and (c).

(e) Assist in emergency operations, such as natural disaster relief and the rescue of lost and injured persons.

(f) Assist in fire prevention and suppression.

(g) Directly contribute to the conservation of energy.

(h) Contribute toward making public facilities accessible to persons with disabilities.

(i) Assist departments within the Resources Agency in developing, rehabilitating, and restoring parklands, recreational facilities, and historical resources; restoring salmon and steelhead spawning, nursery, and rearing habitat; restoring and preserving wildlife habitat; and enhancing reforestation in both urban and rural areas.

SEC. 100. Section 14302 of the Public Resources Code is amended to read:

14302. Young adults shall be selected for participation in the corps program on the basis of motivation for hard work, personal development, and public service, and without regard to their prior employment or educational background. Participation shall be for a period of one year, which may be extended.

The corps, in conjunction with the Employment Development Department, shall place an emphasis on developing and executing plans to assist corpsmembers in obtaining employment following their participation in the corps program.

SEC. 101. Section 14304 of the Public Resources Code is amended to read:

14304. Projects shall be directed toward providing opportunities to the public for their education or the use of these natural resources and environmentally important public lands and waters, while at the same time providing young adults with an opportunity for personal development in a variety of basic skills. Projects shall be undertaken in both urban and rural areas and shall be selected on the basis of the environmental and natural resource benefits each offers, the opportunities for public education or use each offers, and the on-the-job training value of each.

SEC. 102. Section 14507.5 of the Public Resources Code is amended to read:

14507.5. (a) “Community Conservation Corps” means a nonprofit public benefit corporation formed or operating pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, or an agency operated by a city, county, or city and county, that is certified by the California Conservation Corps as meeting all of the following criteria:

(1) The corps is organized in the form of supervised work crews and selects young adults for participation on the basis of motivation for hard work, personal development, and public service, without regard to their prior employment or educational background, and consistent with Section 14402. Participation shall be for a period of one year, and may be extended.

(2) The corps’ program is based upon a highly disciplined work experience, includes an educational component, and is designed to develop corpsmembers’ character and civic consciousness through rigorous work on public projects. The educational component of the corps’ program includes enrollment in a vocational education program, public or charter high school, or postsecondary community college.

(3) The corps compensates corpsmembers at not less than the federal minimum wage, and provides corpsmembers assistance in obtaining permanent employment following their participation in the corps program.

(4) The corps engages in recycling and litter abatement projects as well as projects that accomplish the conservationist and other purposes described in subdivisions (a) to (h), inclusive, of Section 14300, and that assist agencies of local government and other nonprofit community organizations in developing, rehabilitating, and restoring parklands, recreational facilities, and other community resources.

(5) The corps consists of an average annual enrollment of not less than 50 corpsmembers between 18 and 26 years of age. In determining the average annual enrollment of a community conservation corps for the purposes of Section 14581.1, the California Conservation Corps shall not include special corpsmembers, as described in Section 14303, who are employed by a community conservation corps.

(b) The California Conservation Corps shall evaluate a community conservation corps for the purpose of determining its eligibility for certification, pursuant to this section, after it has completed 12 months of continuous operation, and annually thereafter.

SEC. 103. Section 2107 of the Vehicle Code is amended to read:

2107. The department is under the control of a civil executive officer, known as the Commissioner of the California Highway Patrol. The commissioner shall be appointed by the Governor with the advice and consent of the Senate to serve at the pleasure of the Governor, and shall have resided within the state continuously for at least five years immediately preceding appointment.

SEC. 104. Section 2259.5 of the Vehicle Code is amended to read:

2259.5. The commissioner shall make certified bulletproof vests available to members of the California Highway Patrol while engaged in enforcement activities. The commissioner may make the equipment available to the remainder of the personnel of the California Highway Patrol. The equipment

shall remain the property of the Department of the California Highway Patrol and shall be returned upon request of the commissioner. This section shall not be construed to require that the commissioner provide one certified bulletproof vest for each member of the California Highway Patrol. It is the intent of this section that a sufficient number of vests be available for the use of members of the California Highway Patrol while engaged in enforcement activities. The vests may be passed from one shift to another in the interests of economy.

SEC. 105. Section 2262 of the Vehicle Code is amended to read:

2262. The commissioner shall establish a school for the training and education of the members of the California Highway Patrol, and for other employees of the department deemed necessary, in traffic regulation, in the performance of their duties, and in the proper enforcement of this code and laws respecting use of the highways. The commissioner may contract with any county, city, district, or other subdivision of the state for the use of school facilities in the training of enforcement officers.

SEC. 106. Section 2403 of the Vehicle Code is amended to read:

2403. The commissioner may create highway patrol districts for the efficient administration and enforcement of this code and the laws respecting the use of highways. The commissioner may establish branch offices where necessary.

SEC. 107. Section 2404 of the Vehicle Code is amended to read:

2404. The commissioner shall establish, in counties having charters, except in counties of the first or second class, headquarters or substations for the efficient performance of the duties of the department, and may establish, in other localities deemed most suitable, headquarters or substations.

SEC. 108. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to recognize the service and dedication of current leadership by updating outdated gender-specific language in statute, to appropriately modernize our laws to reflect gender neutral language, and to recognize the commitment and dedication of these individuals in serving the State of California at the earliest time possible, it is necessary for this act to take effect immediately.