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## **PROPOSITION 50**

SECTION 1. Division 26.5 (commencing with Section 79500) is added to the Water Code, to read:

### **Division 26.5. WATER SECURITY, CLEAN DRINKING WATER, COASTAL AND BEACH PROTECTION ACT OF 2002**

#### **Chapter 1. General Provisions**

79500. This division shall be known and may be cited as the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.

79501. The people of California find and declare that it is necessary and in the public interest to do all of the following:

(a) Secure and safeguard the integrity of the state's water supply from catastrophic damage or failure from terrorist acts or other deliberate acts of destruction.

(b) Provide a safe, clean, affordable, and sufficient water supply to meet the needs of California residents, farms, and businesses.

(c) Provide adequate financing for balanced implementation of the CALFED Bay-Delta Program to:

(1) Provide good water quality for all beneficial uses.

(2) Improve and increase aquatic and terrestrial habitats and improve ecological functions in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary to support sustainable populations of diverse plant and animal species.

(3) Reduce the mismatch between Bay-Delta water supplies and current and projected beneficial uses dependent on the Bay-Delta system.

(4) Reduce the risk to land uses and associated economic activities, water supply, infrastructure, and ecosystems from catastrophic breaching of Delta levees.

(d) Establish and facilitate integrated regional water management systems and procedures to meet increasing water demands due to significant population growth that is straining local infrastructure and water supplies.

(e) Improve practices within watersheds to improve water quality, reduce pollution, capture additional storm water runoff, protect and manage groundwater better, and increase water use efficiency.

(f) Protect urban communities from drought, increase supplies of clean drinking water, reduce dependence on imported water, reduce pollution of rivers, lakes, streams, and coastal waters, and provide habitat for fish and wildlife.

(g) Invest in projects that further the ability of all Californians to live within California's basic apportionment of 4.4 million acre-feet per year of Colorado River water pursuant to the Colorado River Water Use Plan.

(h) Protect, restore, and acquire beaches and coastal uplands, wetlands, and watershed lands along the coast and in San Francisco Bay to protect the quality of drinking water, to keep beaches and coastal waters safe from water pollution, and to provide the wildlife and plant habitat and riparian and wetlands areas needed to support functioning coastal and San Francisco Bay ecosystems for the benefit of the people of California.

79502. It is the intent of the people in enacting this division that it be administered and executed in the most expeditious manner possible, and that all state, regional and local officials implement this division to the fullest extent of their authority.

79503. It is the intent of the people that water facility projects financed pursuant to this division shall be designed and constructed so as to improve the security and safety of the state's drinking water system.

79504. It is the intent of the people that investment of public funds pursuant to this division should result in public benefits.

79505. As used in this division, the following terms shall have the following meanings:

(a) "Acquisition" means the acquisition of a fee interest or any other interest, including easements, leases, and development rights.

(b) "Board" means the State Water Resources Control Board.

(c) "CALFED" means the consortium of state and federal agencies with management and regulatory responsibilities in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

(d) "CALFED Bay-Delta Program" means the undertaking by CALFED to develop and implement, by means of the final programmatic environmental impact statement/environmental impact report, the preferred programs, actions, projects, and related activities that will provide solutions to identified problem areas related to the San Francisco Bay/Sacramento-San Joaquin Delta Estuary ecosystem, including but not limited to the Bay-Delta and its tributary watersheds.

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

(f) "Fund" means the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 created pursuant to Section 79510.

(g) "Nonprofit organization" means any nonprofit corporation formed pursuant to the Nonprofit Public Benefit Corporation Law (Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code) and qualified under Section 501(c)(3) of the United States Internal Revenue Code.

(h) "Secretary" means the Secretary of the Resources Agency.

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(i) "Wetlands" means lands that may be covered periodically or permanently with shallow water and include saltwater marshes, freshwater marshes, open or closed brackish water marshes, swamps, mudflats, fens, and vernal pools.

79506. Every proposed activity to be financed pursuant to this division shall be in compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000)) of the Public Resources Code.

79507. Watershed protection activities financed pursuant to this division shall be consistent with the applicable adopted local watershed management plan and the applicable regional water quality control plan adopted by the regional water quality control board.

79508. Watershed protection activities in the San Gabriel and Los Angeles River watersheds shall be consistent with the San Gabriel and Los Angeles River Watershed and Open Space Plan as adopted by the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy and the Santa Monica Mountains Conservancy. Notwithstanding any other provision of law, this plan shall be implemented pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code in the watershed of the Los Angeles River upstream of the northernmost boundary of the City of Vernon and pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code in the San Gabriel River and in the lower Los Angeles River watershed.

79509. Except for projects financed pursuant to Chapter 6 (commencing with Section 79545) or Chapter 10 (commencing with Section 79570), to be eligible to be financed pursuant to this division, any project that will wholly or partially assist in the fulfillment of one or more of the goals of the CALFED Bay-Delta Program shall be consistent with the CALFED Programmatic Record of Decision, and shall be implemented, to the maximum extent possible, through local and regional programs.

#### Chapter 2. The Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002

79510. The Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 is hereby created.

79511. All money deposited in the fund shall be used only for the purposes and in the amounts set forth in this division and for no other purpose.

79512. Except as otherwise expressly provided in this division, upon a finding by the agency authorized to administer or expend money appropriated from the fund that a particular project or program for which money has been allocated or granted cannot be completed, or that the amount that was appropriated, allocated, or granted is in excess of the total amount needed, the Legislature may reappropriate the money for other high priority needs consistent with this division.

#### Chapter 3. Water Security

79520. The sum of fifty million dollars (\$50,000,000) shall be available for appropriation by the Legislature from the fund for the purpose of protecting state, local, and regional drinking water systems from terrorist attack or deliberate acts of destruction or degradation. This money may be expended or granted for monitoring and early warning systems, fencing, protective structures,

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contamination treatment facilities, emergency interconnections, communications systems, and other projects designed to prevent damage to water treatment, distribution, and supply facilities, to prevent disruption of drinking water deliveries, and to protect drinking water supplies from intentional contamination.

79521. The Legislature may enact such legislation as is necessary to implement this chapter.

#### Chapter 4. Safe Drinking Water

79530. (a) The sum of four hundred thirty-five million dollars (\$435,000,000) shall be available for appropriation by the Legislature from the fund to the State Department of Health Services for grants and loans for infrastructure improvements and related actions to meet safe drinking water standards including, but not limited to, the following types of projects:

(1) Grants to small community drinking water systems to upgrade monitoring, treatment, or distribution infrastructure.

(2) Grants to finance development and demonstration of new technologies and related facilities for water contaminant removal and treatment.

(3) Grants for community water quality monitoring facilities and equipment.

(4) Grants for drinking water source protection.

(5) Grants for treatment facilities necessary to meet disinfectant by-product safe drinking water standards.

(6) Loans pursuant to the Safe Drinking Water State Revolving Fund Law of 1997 (Chapter 4.5 (commencing with Section 116760) of Part 12 of Division 104 of the Health and Safety Code).

(b) Not less than sixty percent (60%) of the money appropriated pursuant to this section shall be available for grants to Southern California water agencies to assist in meeting the state's commitment to reduce Colorado River water use to 4.4 million acre feet per year.

79531. The Legislature may enact such legislation as is necessary to implement this chapter.

#### Chapter 5. Clean Water and Water Quality

79540. (a) The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature from the fund to the board for competitive grants for the following purposes:

(1) Water pollution prevention.

(2) Water reclamation.

(3) Water quality improvement.

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(4) Water quality blending and exchange projects.

(5) Drinking water source protection projects.

(6) Projects to mitigate pathogen risk from recreational uses at drinking water storage facilities.

(b) Priority shall be given to projects that assist in meeting water quality standards established by the board.

(c) The Legislature may enact such legislation as is necessary to implement this section.

79541. The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature from the fund to the secretary for the acquisition from willing sellers, restoration, protection, and development of river parkways. The secretary shall allocate this money in accordance with Article 6 (commencing with Section 78682) of Chapter 6 of Division 24 or pursuant to any other statute that provides for the acquisition, restoration, protection, and development of river parkways. Priority shall be given to projects that are implemented pursuant to approved watershed plans and include water quality and watershed protection benefits. This money may also be used to acquire facilities necessary to provide flows to improve water quality downstream.

79542. The sum of forty million dollars (\$40,000,000) shall be available for appropriation by the Legislature from the fund to the California Tahoe Conservancy for acquisition from willing sellers, restoration, and protection of land and water resources to improve water quality in Lake Tahoe.

79543. The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature from the fund to the board for the purpose of financing projects that restore and protect the water quality and environment of coastal waters, estuaries, bays and near-shore waters, and groundwater. All expenditures, grants, and loans made pursuant to this section shall be consistent with the requirements of Article 5 (commencing with Section 79148) of Chapter 7 of Division 26. Not less than twenty million dollars (\$20,000,000) shall be expended to implement priority actions specified in the Santa Monica Bay Restoration Plan. Money made available pursuant to this section shall supplement, not supplant, money appropriated or available pursuant to that Article 5 (commencing with Section 79148), and no money appropriated pursuant to this section shall be used for a project for which an appropriation was made pursuant to that Article 5 (commencing with Section 79148).

79544. The sum of thirty million dollars (\$30,000,000) shall be available for appropriation by the Legislature from the fund to the secretary for the purpose of grants to local public agencies, local water districts, and nonprofit organizations for acquisition from willing sellers of land and water resources to protect water quality in lakes, reservoirs, rivers, streams and wetlands in the Sierra Nevada-Cascade Mountain Region as defined in Section 5096.347 of the Public Resources Code.

#### Chapter 6. Contaminant and Salt Removal Technologies.

79545. The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature from the fund to the department for grants for the following projects:

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(a) Desalination of ocean or brackish waters. Not less than fifty million dollars (\$50,000,000) of the money appropriated by this chapter shall be available for desalination projects. To be eligible to receive a grant, at least fifty percent (50%) of the total cost of the project shall be met by matching funds or donated services from non-state sources.

(b) Pilot and demonstration projects for treatment or removal of the following contaminants:

- (1) Petroleum products, such as MTBE and BTEX.
- (2) N-Nitrosodimethylamine (NDMA).
- (3) Perchlorate.
- (4) Radionuclides, such as radon, uranium, and radium.
- (5) Pesticides and herbicides.
- (6) Heavy metals, such as arsenic, mercury, and chromium.
- (7) Pharmaceuticals and endocrine disrupters.

(c) Drinking water disinfecting projects using ultraviolet technology and ozone treatment.

79546. The Legislature may enact such legislation as is necessary to implement this chapter.

#### Chapter 7. CALFED Bay-Delta Program

79550. The sum of eight hundred twenty five million dollars (\$825,000,000) shall be available for appropriation by the Legislature from the fund for the balanced implementation of the CALFED Bay-Delta Program. Expenditures and grants pursuant to this chapter shall be limited to the following :

- (a) Fifty million dollars (\$50,000,000) for surface water storage planning and feasibility studies.
- (b) Seventy-five million dollars (\$75,000,000) for the water conveyance facilities described in subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.
- (c) Seventy million dollars (\$70,000,000) for Delta levee restoration. Money expended pursuant to this subdivision shall be subject to Section 79050.
- (d) One hundred eighty million dollars (\$180,000,000) for water supply reliability projects that can be implemented expeditiously and thereby provide near-term benefits, including, but not limited to, projects that facilitate groundwater management and storage, water transfers, and acquisition of water for the CALFED environmental water account. In acquiring water, preference shall be given to long-term water purchase contracts and water rights. Money allocated pursuant to this subdivision shall be subject to Article 4 (commencing with Section 79205.2) of Chapter 9 of Division 26.

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(e) One hundred eighty million dollars (\$180,000,000) for ecosystem restoration program implementation of which not less than twenty million dollars (\$20,000,000) shall be allocated for projects that assist farmers in integrating agricultural activities with ecosystem restoration.

(f) Ninety million dollars (\$90,000,000) for watershed program implementation.

(g) One hundred eighty million dollars (\$180,000,000) for urban and agricultural water conservation, recycling, and other water use efficiency projects.

79551. All appropriations pursuant to this chapter shall include money for independent scientific review, monitoring, and assessment of the results or effectiveness of the project or program expenditure.

79552. All projects financed pursuant to this chapter shall be consistent with the CALFED Programmatic Record of Decision including its provisions regarding finance and balanced implementation.

79553. Consistent with the CALFED Programmatic Record of Decision, priority shall be given to projects that achieve multiple benefits across CALFED program elements. Not more than five percent (5%) of the money available pursuant to this chapter may be used for administrative costs.

79554. All real property acquired with money appropriated or granted pursuant to subdivision (e) or (f) of Section 79550 shall be acquired from willing sellers.

#### Chapter 8. Integrated Regional Water Management

79560. The sum of five hundred million dollars (\$500,000,000) shall be available for appropriation by the Legislature from the fund for competitive grants for projects set forth in this section to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. No project financed pursuant to this section shall include an on-stream surface water storage facility or an off-stream surface water storage facility other than percolation ponds for groundwater recharge in urban areas. No river or stream channel modification project whose construction or operation causes any negative environmental impacts may be financed pursuant to this chapter unless those impacts are fully mitigated.

79561. Money appropriated in Section 79560 shall be available for grants for water management projects that include one or more of the following elements:

(a) Programs for water supply reliability, water conservation, and water use efficiency.

(b) Storm water capture, storage, treatment, and management.

(c) Removal of invasive non-native plants, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands.

(d) Non-point source pollution reduction, management, and monitoring.

(e) Groundwater recharge and management projects.

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- (f) Contaminant and salt removal through reclamation, desalting, and other treatment technologies.
- (g) Water banking, exchange, reclamation, and improvement of water quality.
- (h) Planning and implementation of multipurpose flood control programs that protect property and improve water quality, storm water capture and percolation and protect or improve wildlife habitat.
- (i) Watershed management planning and implementation.
- (j) Demonstration projects to develop new drinking water treatment and distribution methods.

79562. An amount, not to exceed ten percent (10%) of the money available for appropriation in Section 79560, may be appropriated by the Legislature for facilities, equipment, and other expenses associated with the establishment of comprehensive statewide groundwater monitoring pursuant to Part 2.76 (commencing with Section 10780) of Division 6.

79563. At least fifty percent (50%) of the amount available for appropriation in Section 79560 shall be appropriated to the board. The board shall establish procedures for selecting among eligible projects specified in Section 79561 that use the procedures developed by the board for stakeholder-based accelerated selection and contracting pursuant to Section 79104.32 .

79564. To be eligible for financing pursuant to Section 79563, a project shall meet both of the following criteria:

- (a) The project is consistent with an adopted integrated water management plan designed to improve regional water supply reliability, water recycling, water conservation, water quality improvement, storm water capture and management, flood management, recreation and access, wetlands enhancement and creation, and environmental and habitat protection and improvement.
- (b) The project includes matching funds or donated services from non-state sources.

79565. Notwithstanding Section 13340 of the Government Code, the sum of one hundred forty million (\$140,000,000) is hereby continuously appropriated from the fund to the Wildlife Conservation Board, without regard to fiscal years, for expenditure by the board and for grants, for the acquisition from willing sellers of land and water resources, including the acquisition of conservation easements, to protect regional water quality, protect and enhance fish and wildlife habitat, and to assist local public agencies in improving regional water supply reliability.

#### Chapter 9. Colorado River

79567. The sum of twenty million dollars (\$20,000,000) shall be available for appropriation by the Legislature from the fund to the department for grants for canal lining and related projects necessary to reduce Colorado River water use pursuant to the California Colorado River Water Use Plan adopted by the Colorado River Board of California.

79568. (a) The sum of fifty million dollars (\$50,000,000) shall be available for appropriation by the Legislature from the fund to the Wildlife Conservation Board for the acquisition, protection, and restoration of land and water resources necessary to meet state obligations for regulatory requirements related to California's allocation of water supplies from the Colorado River. No

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money allocated pursuant to this section may be used to supplant or pay for the regulatory mitigation obligations of private parties under state or federal law.

(b) All real property acquired pursuant to this section shall be acquired from willing sellers.

#### Chapter 10. Coastal Watershed and Wetland Protection

79570. The sum of two hundred million dollars (\$200,000,000) shall be available for appropriation by the Legislature from the fund for expenditures and grants for the purpose of protecting coastal watersheds, including, but not limited to, acquisition, protection, and restoration of land and water resources and associated planning, permitting, and administrative costs, in accordance with the following schedule:

(a) The sum of one hundred twenty million dollars (\$120,000,000) to the State Coastal Conservancy for coastal watershed protection pursuant to Division 21 (commencing with Section 31000) of the Public Resources Code.

(b) The sum of twenty million dollars (\$20,000,000) to the State Coastal Conservancy for expenditure for the San Francisco Bay Conservancy Program for coastal watershed protection pursuant to Chapter 4.5 (commencing with Section 31160) of Division 21 of the Public Resources Code.

(c) The sum of forty million dollars (\$40,000,000) to the Santa Monica Mountains Conservancy. Twenty million dollars (\$20,000,000) of this sum shall be expended for protection of the Los Angeles River watershed upstream of the northernmost boundary of the City of Vernon, and twenty million dollars (\$20,000,000) shall be expended for protection of the Santa Monica Bay and Ventura County coastal watersheds, pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code.

(d) The sum of twenty million dollars (\$20,000,000) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for protection of the San Gabriel and lower Los Angeles River watersheds pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code.

79571. Ten percent (10%) of the money allocated in each of the categories in Section 79570 shall be used for grants for the acquisition and development of facilities to promote public access to and participation in the conservation of land, water, and wildlife resources. Eligible projects include, but are not limited to, the following:

(a) Training and research facilities for watershed protection and water conservation activities conducted by nonprofit organizations. Priority shall be given to projects operated by nonprofit organizations in collaboration with the University of California and public water agencies.

(b) Nature centers that are in or adjacent to watersheds and wetlands identified for protection pursuant to this chapter, that provide wildlife viewing, outdoor experiences, and conservation education programs to the public and to students. Priority shall be given to projects that are operated by or in cooperation with nonprofit organizations and are designed to serve children from urban areas that lack access to natural areas and outdoor education programs.

79572. (a) Notwithstanding Section 13340 of the Government Code, the sum of seven hundred fifty million dollars (\$750,000,000) is hereby continuously appropriated from the fund to the

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Wildlife Conservation Board, without regard to fiscal years, for the acquisition, protection, and restoration of coastal wetlands, upland areas adjacent to coastal wetlands, and coastal watershed lands. Money appropriated pursuant to this section shall be for the acquisition, protection, and restoration of lands in or adjacent to urban areas. Eligible projects shall be limited to the following:

- (1) Acquisition, protection, and restoration of coastal wetlands identified in the Southern California Coastal Wetlands Inventory as of January 1, 2001, published by the State Coastal Conservancy, located within the coastal zone, and other wetlands connected and proximate to such coastal wetlands, and upland areas adjacent and proximate to such coastal wetlands, or coastal wetlands identified for acquisition, protection, and restoration in the San Francisco Baylands Ecosystem Habitat Goals Report, and upland areas adjacent to the identified wetlands.
  - (2) Acquisition, protection, and restoration of coastal watershed and adjacent lands located in Los Angeles, Ventura, and Santa Barbara Counties. Any project financed pursuant to this paragraph within the Santa Monica Mountains Zone, as defined in Section 33105 of the Public Resources Code, shall be by grant from the Wildlife Conservation Board to the Santa Monica Mountains Conservancy. Any project financed pursuant to this paragraph within the Baldwin Hills area, as defined in Section 32553 of the Public Resources Code, shall be by grant from the Wildlife Conservation Board to the Baldwin Hills Conservancy.
- (b) Not less than three hundred million dollars (\$300,000,000) of the amount appropriated in this section shall be expended or granted for projects within Los Angeles and Ventura Counties. Of the remaining funds available pursuant to this section the Wildlife Conservation Board shall give priority to the acquisition of not less than 100 acres consisting of upland mesa areas, including wetlands therein, adjacent to the state ecological reserve in the Bolsa Chica wetlands in Orange County.
- (c) Not more than two hundred million dollars (\$200,000,000) of the amount appropriated in this section may be expended or granted for projects in the San Francisco Bay area, as described in Section 31162 of the Public Resources Code. Any project within the San Francisco Bay area may be by grant from the Wildlife Conservation Board to the State Coastal Conservancy.
79573. (a) The purchase price for each acquisition made pursuant to this Section 79572 shall not exceed the fair market value of the property as defined in Section 1263.320 of the Code of Civil Procedure. Fair market value shall be determined by an appraisal that is prepared by a licensed real estate appraiser and approved by the Wildlife Conservation Board and the Department of General Services.
- (b) All real property acquired pursuant to this chapter shall be acquired from willing sellers.

#### Chapter 11. Fiscal Provisions

79580. Bonds in the total amount of three billion four hundred forty million dollars(\$3,440,000,000), not including the amount of any refunding bonds issued in accordance with Section 79588, or so much thereof as is necessary, may be issued and sold to be used for carrying out the purposes set forth in this division and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

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The bond proceeds shall be deposited in the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 created by Section 79510. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of and interest on the bonds as they become due and payable.

79581. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all provisions of that law shall apply to the bonds and to this division and are hereby incorporated in this division by this reference as though fully set forth in this division.

79582. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 Finance Committee is hereby created. For purposes of this division, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 Finance Committee is "the committee" as that term is used by the State General Obligation Bond Law. The committee shall consist of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of this chapter and the State General Obligation Bond Law, the secretary is designated as "the board."

79583. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

79584. There shall be collected annually in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do so and perform each and every act that is necessary to collect that additional sum.

79585. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund, for purposes of this division, an amount that will equal the total of the following:

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

(b) The sum which is necessary to carry out the provisions of Section 79586, appropriated without regard to fiscal years.

79586. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized to be sold for the purpose of carrying out this division. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have

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earned in the Pooled Money Investment Account, from money received from the sale of bonds that would otherwise be deposited in that fund.

79587. All money derived from premium and accrued interest on bonds sold shall be reserved and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

79588. Any bonds issued or sold pursuant to this division may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of the bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

79589. The people of California hereby find and declare that inasmuch as the proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitation imposed by that article.

SEC. 2. If any provision of this act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

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