

1990

The Northern California Earthquake

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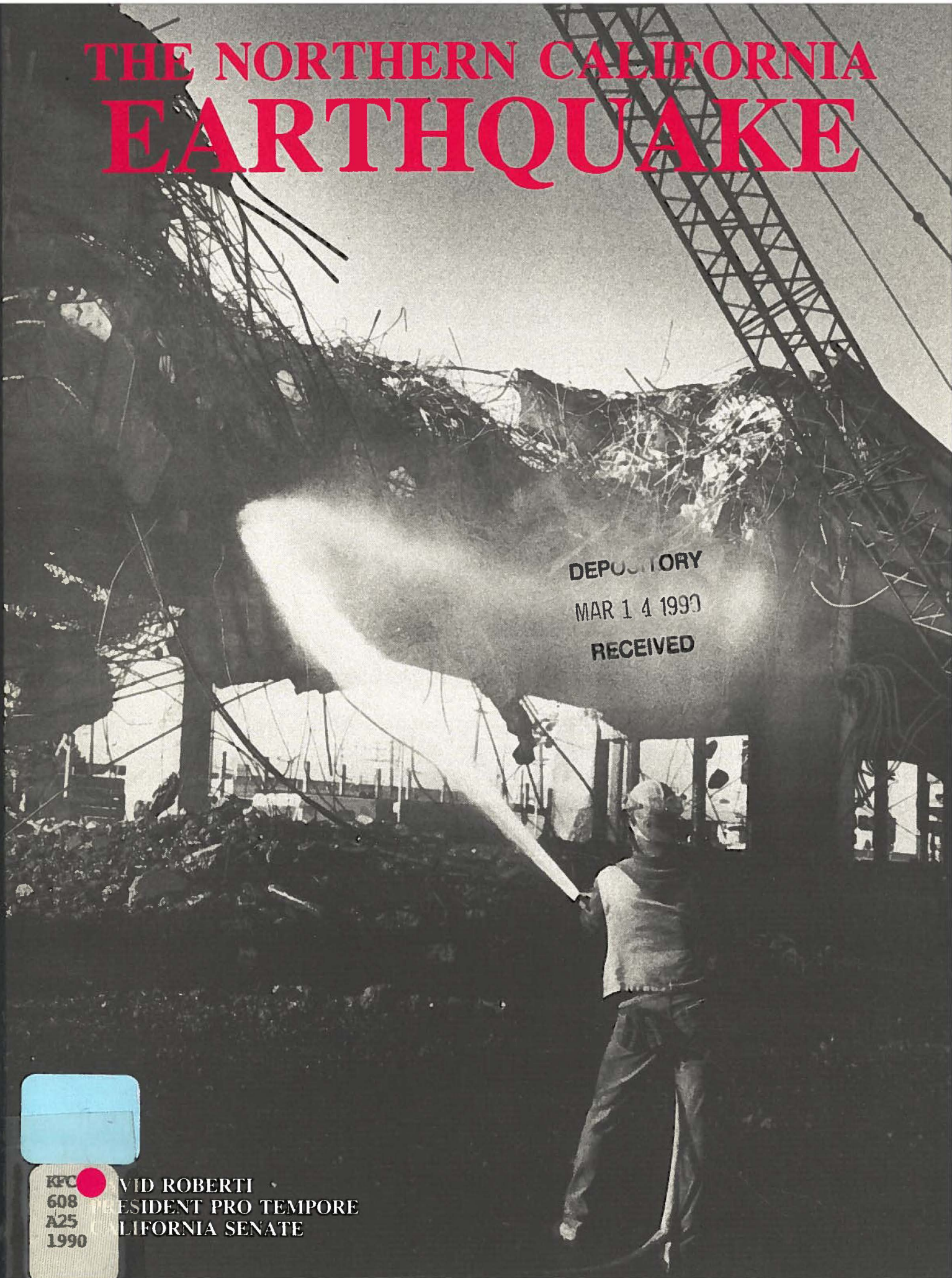
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THE NORTHERN CALIFORNIA EARTHQUAKE



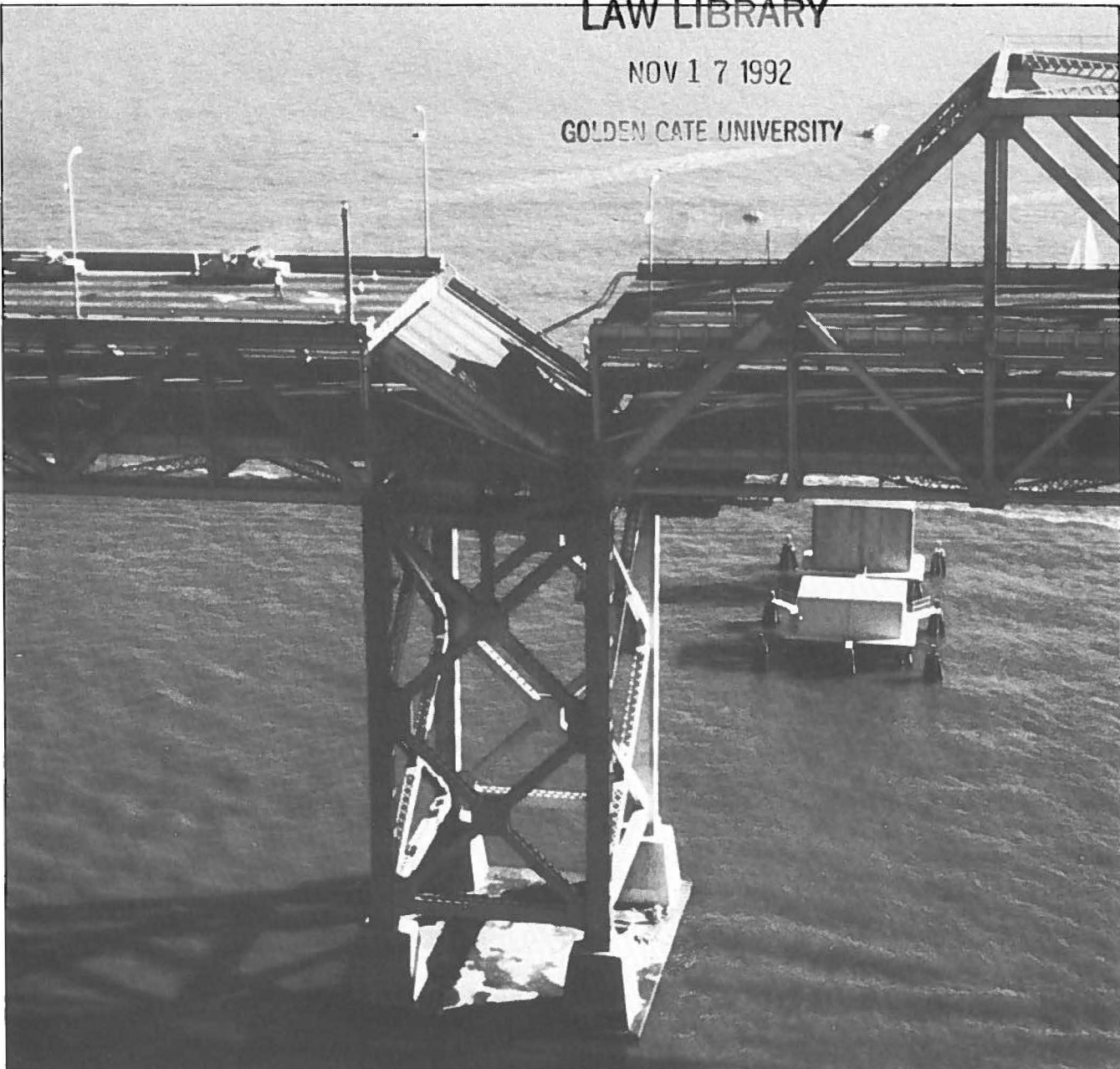
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San Francisco-Oakland Bay Bridge

**SENATE COMMITTEES RESPONSIBLE FOR HEARING
EXTRAORDINARY SESSION BILLS**

Committee

- Appropriations
- Bonded Indebtedness
- Budget and Fiscal Review
- Government Organization
- Housing and Urban Affairs
- Industrial Relations
- Judiciary
- Local Government
- Natural Resources and Wildlife
- Revenue and Taxation
- Toxics and Public Safety Management
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- Senator Art Torres
- Senator Quentin Kopp

PREFACE

On October 17, 1989, an earthquake measuring 7.1 on the Richter scale hit Northern California causing massive destruction of buildings, roads, bridges, and homes. Part of the San Francisco-Oakland Bay Bridge collapsed as did a section of I-880, in Oakland, along with other transportation links.

Lives were lost throughout the path of the quake, and many Californians found themselves homeless or living in makeshift tents. The quake cost 62 lives — making it the most deadly California quake since the 1933 temblor which caused massive devastation to Long Beach.

The cities and communities of San Francisco, Oakland, Santa Cruz, Watsonville, and others threw their emergency agencies into the fight against further damage and loss of life. The cooperation between state, local, and federal officials was exemplary.

After a delegation from the State Legislature returned from a trip to Washington, D. C. to urge swift assistance from Congress and the White House, Governor George Deukmejian called the Legislature into Extraordinary Session on November 2, 1989.

The Legislature has grappled with what steps to take to minimize the personal tragedies caused by the earthquake, to repair damaged public buildings and private businesses, and to enact measures which would help to prepare California for future natural disasters. This is the report of the Legislature's actions.

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I

SCOPE OF THE DISASTER

According to the State Office of Emergency Services, the earthquake resulted in 62 deaths, 3,258 injuries, 13,224 displaced persons — and an estimated \$5 billion in property damage. A summary by county is displayed below.

**TABLE I
SUMMARY BY COUNTY OF DAMAGE**

County	Deaths	Injuries	(in millions) Property Damage	Displaced From Homes
Alameda	42	349	\$1,479	2,550
Contra Costa	0	0	25	0
Marin	0	0	1	5
Monterey	1	14	100	200
San Benito	0	110	100	412
San Francisco	13	300	2,000	1,100
San Mateo	0	451	300	0
Santa Clara	1	1,305	728	39
Santa Cruz	5	729	314	8,918
Total	62	3,258	5,047	13,224

Source: Office of Emergency Services, January 23, 1990



Watsonville, Highway 1

A. Transportation Damages

Transport facilities suffered extensive damage during the earthquake and its aftershocks. State transportation officials are estimating that the state and local highway system damage is in the range of \$1.5 to \$2 billion.

At this time, seven major segments of the state highway system are closed as a result of the damage suffered in the earthquake.

The following highlights the most severely damaged segments:

I-880 (Nimitz Freeway — Cypress Section)

Upper deck collapsed onto lower.

SR 1 (Strove Slough)

Complete collapse.

I-80 (Bay Bridge)

Dropped upper and lower spans.

I-280 (Southern Freeway & China Basin viaducts)

Column and joint failure similar to that experienced on the Cypress section viaduct.

I-480 (Embarcadero Freeway)

Similar column failure as Nimitz and I-280.

In addition, city and county roads were damaged. The Ports of Oakland and San Francisco, as well as the Oakland Airport and the San Francisco Airport, suffered combined damages of \$200 million.

B. Housing

The earthquake resulted in a substantial displacement

of families and individuals. The preexisting shortage of affordable housing has increased the housing and relocation problems. At present, there are approximately 13,200 displaced individuals (see Table I) with 2,909 still in temporary shelters.

C. Public Facility Damage

Public facility damage in the 9-county area was extensive. The current estimate is over \$2 billion of damage. Major costs have been incurred now to ensure that governmental services continue. Other costs, such as replacing permanent structures, will be incurred later. Aside from the transportation system, other types of public facility infrastructure systems suffered major damage such as waste water systems. Since it will take the winter rains to determine the full extent of the damage, total costs of public facility damage will not be known until early 1990.

D. What Will The Total Cost Be?

Earthquake destruction was so extensive and detection so complex that actual total cost will not be known for some time. In the case of the Whittier earthquake, damage estimates were approximately \$350 million 5 weeks after it occurred. Final estimates were \$250 million. Obviously, the magnitude of the damage in the Northern California earthquake is far greater; therefore, the comparison may not hold. As more information is available, some costs will increase while others will decrease.



Watsonville Homeless Camp

II

STATE LEGISLATURE'S RESPONSE 1989 Extraordinary Session

Following the Governor's call for a Special Session to address the needs for earthquake relief, the Legislature convened on November 2 and recessed on November 4, 1989. Intensive negotiations between the Governor and majority and minority leaders of both houses produced a package of legislation passed by both houses of the Legislature. Twenty-four measures were approved: 12 from each house; Senate and Assembly versions of bills on the same subject matter were virtually identical.

Table II (attached) summarizes the amount of state funds being made available to match federal assistance provided by FEMA (Federal Emergency Management Authority), the Federal Highway Administration, and other federal agencies.

In some cases, state funds are provided as a "last resort" if federal statutes do not provide funds or federal funds are insufficient. Loans from the state will be available for housing rehabilitation, certain agricultural-related activities, and small business.

**TABLE II
DAMAGE FUNDING ESTIMATES**

	Damage/Cost* (millions)	State Funding (millions)
Federal Highway Program:		
(Eligible Highways)		
State Highway Restoration	\$ 1,370	\$ 270
Local Highway Restoration	250	
Statewide Retrofit (state and local)	400	81
FEMA Eligible Programs:		
Public response damage	1,248	315
Nonprofits damage	250	40
K-12	63	16
Individual and Family Grant Program	Unknown	75
Small Business	Unknown	5
Response Operations	25	5
Housing and Community Development	Unknown	75
Transit Subsidy		4
State Park Restoration	1.5	1.5
Tax Relief	150	150
Damage Compensation Fund	<u>Unknown</u>	<u>30</u>
	Unknown	\$ 1,064.5

*A portion of this amount will be financed by Federal funds, insurance, and other private sector funds.

Note: Damage/Cost and State Funding estimates are from the Department of Finance

A. Legislation Passed in the 1989-90 Extraordinary Session

The following is a summary of the measures that have been passed by the State Legislature:

SB 1 X (Mello)

AB 42X (Vasconcellos)

Expands the Natural Disaster Assistance Act

The objective of this legislation is to expand the authority of the Governor to respond in an emergency. During the immediate "response phase", he is authorized to transfer funds from the reserve to any state program or local agency to maintain essential services and provide relief to the communities effected.

Specifically, the bill:

- Expands definition of eligible projects for assistance.
- Enables the state to reimburse local agencies 100% for local funding match requirements.
- States that expenditures incurred by local agencies prior to effective date of allocation for eligible work shall be considered in determining the contributions rate between state and local agencies.
- Eliminates required 30-day waiting period for distribution of monies from the Special Fund for Economic Uncertainties.
- Funds in the Disaster Response-Emergency Operations Account may be allocated to state agencies when Governor proclaims state of emergency.
- Authorizes the Director of Finance to transfer monies from Special Fund for Economic Uncertainties to Disaster Response-Emergency Operations Account.

SB 3X (Marks)

AB 41X (Farr)

Rental Rehabilitation Loans

Farmworker Housing Grants

Establishes a permanent disaster assistance loan program for the rehabilitation, acquisition in conjunction with rehabilitation, and reconstruction of damaged rental property. Specifically, the bill:

- Permits the state Department of Housing and Community Development to make deferred payment, 3% interest loans to rental housing owners to acquire, rehabilitate or construct rental units damaged or destroyed by a natural disaster.
- Requires maintenance of pre-earthquake rents for

rehabilitated rental units for initial occupancy and requires occupancy priority for displaced persons.

- Provides that rent shall be regulated by HCD for any rental housing development for which a loan has been provided until the amount of the loan and interest has been repaid.
- Specifies that rehabilitation loans shall have a term of up to 20 years.
- Permits relocation costs for displaced tenants within loan amount.
- Appropriates \$32 million to the California Disaster Housing Rehabilitation Fund for rehabilitation and reconstruction of rental units.

SB 4X (L. Greene)

AB 44X (Hauser)

Homeowner Rehabilitation Loans

Establishes a permanent two-part disaster assistance program comprised of an immediate community recovery component and a housing rehabilitation component.

Community Recovery

- Modifies existing HCD programs so that they are applicable in the event of a natural disaster and directs HCD to give priority in awarding funds, grants and other assistance under the following programs: Emergency Housing and Assistance Program, Rental Security Deposit Guarantee Program, and the Migratory Workers Housing Program. Additionally, funds are provided to the Department of Commerce for the Rural Economic Development Program.

Housing Rehabilitation

- Authorizes HCD to make deferred payment, 3% interest loans to homeowners to rehabilitate or reconstruct homes damaged or destroyed by a natural disaster.
- Authorizes HCD to waive the maximum \$30,000 loan amount on an individual basis to an amount necessary to meet Health and Safety Code standards and other standards.
- Prohibits consideration of individual or family income in determining eligibility for owner-occupied home loans.
- Appropriates \$32 million from the Special Fund for Economic Uncertainties to the California Disaster Housing Rehabilitation Fund for housing rehabilitation.
- Also appropriates \$9.5 million for the following:
Emergency Shelter Program, \$5 million.

Rural and Urban Predevelopment Loan Program, \$2 million.
 Security Deposit Guarantee Program, \$500,000.
 Office of Migrant Services, \$1 million.
 Rural Economic Development Program, \$1 million.

SB 10X (Morgan)
AB 39X (Seastrand)
State Parks

Bill appropriates \$1.47 million for repair of damaged historical and state parks facilities, resulting from October 17, 1989 earthquake.

- \$1.3 million is appropriated from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Proposition 70). Appropriates \$170,850 from Parklands Fund of 1984 for the following historical structures:

San Mateo County Courthouse
 Oakland City Hall
 San Francisco Civic Auditorium
 Gilroy Old City Hall
 Santa Cruz Valencia Hall

- Respective funds will be reimbursed from federal funds received by state or local government to the extent that:

Federal relief funds are made available for these projects.

Such reimbursement does not affect the tax-exempt status of state bonds.

- Funds provided by this bill will ensure that certain state parks will remain open. They are Big Basin Redwoods, Moss Landing State Beach, Zmudowski State Beach, Wilder Ranch State Park, Seacliff State Beach, Monterey State Historic Park, Natural Bridges State Beach, and Twin Lakes State Beach.

SB 11X (Alquist)
AB 37X (Bates)
Appropriates \$19.4 million from the General Fund for administrative costs of the Federal Individual Family Grant (IFG) program

Existing law provides:

- Maximum grant for IFG program is \$10,400



Downtown Watsonville

per individual or family. Awards are generally lower, averaging \$2,000 per applicant. Level of applicant's income does not affect eligibility; however, IFG program is for disaster victims lacking alternative disaster assistance.

- Applicants do not have to be California residents. Visitors could participate in IFG if they suffered auto damage not covered under their regular auto insurance policy.
- Expenses covered by IFG include housing, personal property, transportation, medical and dental, and funeral expenses. Renters are not eligible. Landlords can apply to the U.S. Small Business Administration for housing repair money.
- Expenses not covered include luxury or decorative items, antiques, landscaping, and real or personal property used exclusively for recreation.

- Also not covered are business losses, including farm and self-employment. Improvements and additions to real or personal property, except as required by the building codes and debts incurred prior to the disaster, are not covered.
- Losses in excess of the maximum federal grant (\$10,400) will automatically be eligible for an additional \$10,000 grant assistance through the State Additional Assistance Program (SAAP).

SB 12X (Mello)

AB 40X (Farr)

California Earthquake Emergency Grant Aid Program (Small Business Loan Assistance)

Appropriates \$1 million to the California Economic Development Grant and Loan Fund. Requires Department of Commerce to administer and make grants to cities and counties, small business development corporations, small business development centers, and other nonprofit organizations.

- Provides loan packaging assistance to small businesses to those attempting to qualify for small business administration loans, state loans, or private bank loans.
- Provides counseling and technical assistance.
- Provides bilingual services to business owners and their employees to ensure access to all disaster relief programs.
- Provides preparation of long-range economic development plans and revitalization strategies for communities with substantial economic disruption.
- Provides assistance to communities to develop marketing plans and disseminate information about economic and business opportunities.

SB 33X (Mello)

AB 48X (Areias)

Sales Tax Increase: Earthquake Relief

Increases the state sales and use tax rate by .25% for period December 1, 1989 through December 31, 1990. Revenues will be placed into a newly created continuously appropriated Disaster Relief Fund.

- Use of funds is limited to response to and recovery from the earthquake, aftershocks, and any other related casualty.
- Allows the Director of Finance to transfer monies from the relief fund to the Special Fund for Economic Uncertainties to replenish that fund for expenditures concerning the earthquake.
- Requires the Board of Equalization to study the effect

of the December 1 sales and use tax change on retailers.

- In order to avoid the disaster relief sales tax becoming part of the K-14 funding guarantees under Proposition 98, the relevant provision in Proposition 98 was suspended. Any funds allocated to schools for disaster-related losses will not be counted as part of their Proposition 98 funding guarantee.
- Contains provisions for relief from interest imposed under the Tax on Insurer's Law, Hazardous Substances Tax Law and Solid Waste Disposal Site Cleanup and Maintenance Fee Law when the Board finds that person's failure to make timely payment or return is due to a disaster.
- Exempts from the sales and use tax increase certain items of tangible personal property obligation under fixed price contracts.

SB 34X (Garamendi)

AB 36X (Klehs)

Income Tax and Corporation Tax Loss Carryover and Property Tax Payments to Counties

Makes casualty loss carry-back and carry-forward provisions applicable to the October 1989 California earthquake.

- Where losses are too great to be taken against 1989 income (or where 1989 income is too low to absorb the whole quake loss, where there is a 1989 net overall loss), they may be carried back to 1988 income permitting taxpayers to file amended 1988 returns, for a tax refund.
- Remaining losses can be carried forward up to 1994. The 50% remaining losses after 1994 could be carried forward until 2004.
- Existing law provides that in the event of a "misfortune or calamity" a taxpayer whose property has been damaged may apply for reassessment and receive a property tax adjustment for the year. In addition, a taxpayer may apply for deferral of the next property tax installment. SB 34X makes these provisions applicable to the October 1989 earthquake. Counties may apply to the state for "bridge loans" to cover cash flow losses of property tax revenues during the time taxes are deferred.
- Legislation enacted after previous natural disasters forgive the "bridge loan" and allow counties to retain an amount equal to the difference between property tax prior to the disaster and the tax after reassessment of damaged or destroyed property. SB 34X makes these provisions applicable to the October 1989 earthquake.



Santa Cruz

AB 36X (Kopp)

AB 38X (Sher)

Transportation

Under existing law, Caltrans is generally responsible for the repair and reconstruction of state highways. Further, the California Environmental Quality Act (CEQA) requires the preparation of an environmental impact report on certain discretionary projects.

In order to expedite emergency highway repairs and take full advantage of federal assistance, this bill would provide a temporary exemption from CEQA for emergency projects to repair or restore highways damaged by the October earthquake.

This measure also:

- Requires households displaced by the emergency work to be provided with transitional housing or temporary relocation benefits, and later, comparable housing.

- Establishes an expedited permit review process and panel. The panel may hear appeals for time extensions, denials, and conditions required by the other permitting agencies. The panel would consist of the Secretary of Transportation, Secretary of Environmental Affairs, and Secretary of Resources.
- Requires the inspection of all publicly owned bridges for seismic deficiencies, the retrofit of all deficient bridges by December 1, 1991, and an accelerated research program on seismic structural deficiencies.
- Allocates \$60 million for bridge retrofitting on the state highway system and to meet matching requirements for any federal funds available for that purpose.
- Allocates \$20 million to local agencies for local bridge retrofit projects. Of this amount, the highest priority is given to identifying and retrofitting bridges found to be seismically deficient.
- Allocates \$2 million to sustain emergency ferry services made necessary by the earthquake.
- Appropriates \$1.8 million to the Metropolitan Transportation Commission and the Santa Cruz County Metro Transit District for transit operators for continuation of emergency transit services.

SB 38X (Petris)

AB 35X (Cortese)

Aid to Nonprofits and Community Colleges

Following the 1987 Whittier Narrows Earthquake, the State Legislature approved a statute to allow the state to provide the nonprofit agencies and community colleges with matching funds for federal aid.

- SB 38X and AB 35X expands the definition of a local agency eligible for state assistance to include community college districts, nonprofit organizations (similar to the definition in federal law), and County Offices of Education.
- Provides that the grants may not exceed \$5 million, subject to overall funding limitations. Examples of eligible nonprofits include: Mutual water districts,

hospitals and medical clinics, private universities and colleges, museums, and public service groups such as the YMCA, Red Cross, and Salvation Army.

SB 40X (Campbell)

AB 43X (Vasconcellos)

Disaster Response Authority

Under the provisions of the 1989 Budget Act, the Director of Finance may allocate up to \$20 million from the Special Fund for Economic Uncertainties for emergency or disaster response costs. As a result of the October earthquake, the Director has already allocated \$17 million from the Special Fund to seven affected counties. These funds are made available to counties to be shared equitably with cities and other public entities in immediate need of funds to respond to the disaster.

- This bill increases the amount available for allocation from \$20 million to \$40 million, providing a backfill for the \$17 million already allocated plus an additional \$23 million for any future contingencies.

SB 45X (Lockyer)

AB 45X (W. Brown)

Damage Compensation Fund and Unemployment Insurance

Damage Compensation Fund

Existing law specifies a procedure for filing a tort claim against the state. Generally, a claimant has 180 days to file with the Board of Control. Failure to file precludes any further action. Upon rejection of the claim by the Board, the claimant has six months to file a lawsuit seeking damages for the injuries.

- This bill enacts a special procedure for any claims against the state arising out of the collapse of the San Francisco-Oakland Bay Bridge or the Interstate 880 Cypress Structure.
- The bill establishes a new two-phase procedure for handling all tort claims arising from the bridge and freeway collapse.

In phase one, the claimant would receive an immediate emergency payment of benefits upon request and presentation of a valid claim. Death payments are limited to a maximum of \$50,000 per person and \$200,000 maximum per immediate family unit. These payments will be made without regard to the state's legal liability, fault, or responsibility for the collapse of the structures.

In phase two, the Board of Control will have six months to evaluate the claim and will be required to make a settlement offer in "an amount it deems to be just compensation" for valid claims. If the settlement offer is accepted, all legal remedies against the state and its employees are waived. If the offer is rejected, the claimant will have six months to file against the state.

Unemployment Insurance

Under current law, eligibility for state unemployment insurance is determined weekly. The first week of a state unemployment insurance claim is an unpaid "waiting period" week. The second week is generally the first compensated week.

- This bill waives the initial "one-week waiting period" for Unemployment Insurance benefits to individuals who reside in, or who were last employed in, areas officially declared disaster areas.

B. Senate Bills Pending Consideration When Extraordinary Session Reconvenes in January

SB 2X (Garamendi)

Appropriations Limits: Capital Outlay

Defines "qualified capital outlay project" for purposes of a proposed change in the Gann Limit as described in Senate Constitutional Amendment 1.

SB 5X (Alquist)

High Occupancy Buildings

Enacts the High Occupancy Buildings Seismic Safety Act. Requires local building departments and state agencies to survey and inventory and notify owners of buildings, as defined, to determine whether the buildings meets the life safety standard.

SB 6X (Mello)

Farmworker Housing Grant

Authorizes grants for farmworker housing construction or rehabilitation.

SB 7X (Campbell)

Fire Protection Districts

Authorizes districts to adopt building standards relating to fire and panic safety that are more stringent than those standards adopted by the State Fire Marshal.

SB 8X (Roberti)

Housing and Homeless Bond Act of 1990

Increases the bond act from \$150 million to \$450 million. Also allows rehabilitation of buildings identified as "potentially hazardous."

SB 9X (Petris)

Housing Grants/Loans — Priority for Disaster

Requires Department of Housing and Community Development to give priority for loans and grants for community development and for housing for farmworkers, senior citizens and low and moderate income housing in communities in disaster areas.

SB 13X (Torres)

Earthquake Safety/Public Buildings/Bond

Enacts the Earthquake Safety in Public Buildings Bond Act to authorize \$950 million in state general obligation bonds.

SB 14X (Morgan)

School Apportionments

Exempts districts from provisions of law requiring districts to maintain an instructional year of 180 or more days in order to receive additional apportionments.

SB 15X (Lockyer)

Unemployment Insurance/Waiting Period

Waives the waiting period requirement for unemployed individuals in the disaster areas.

SB 16X (Roberti)

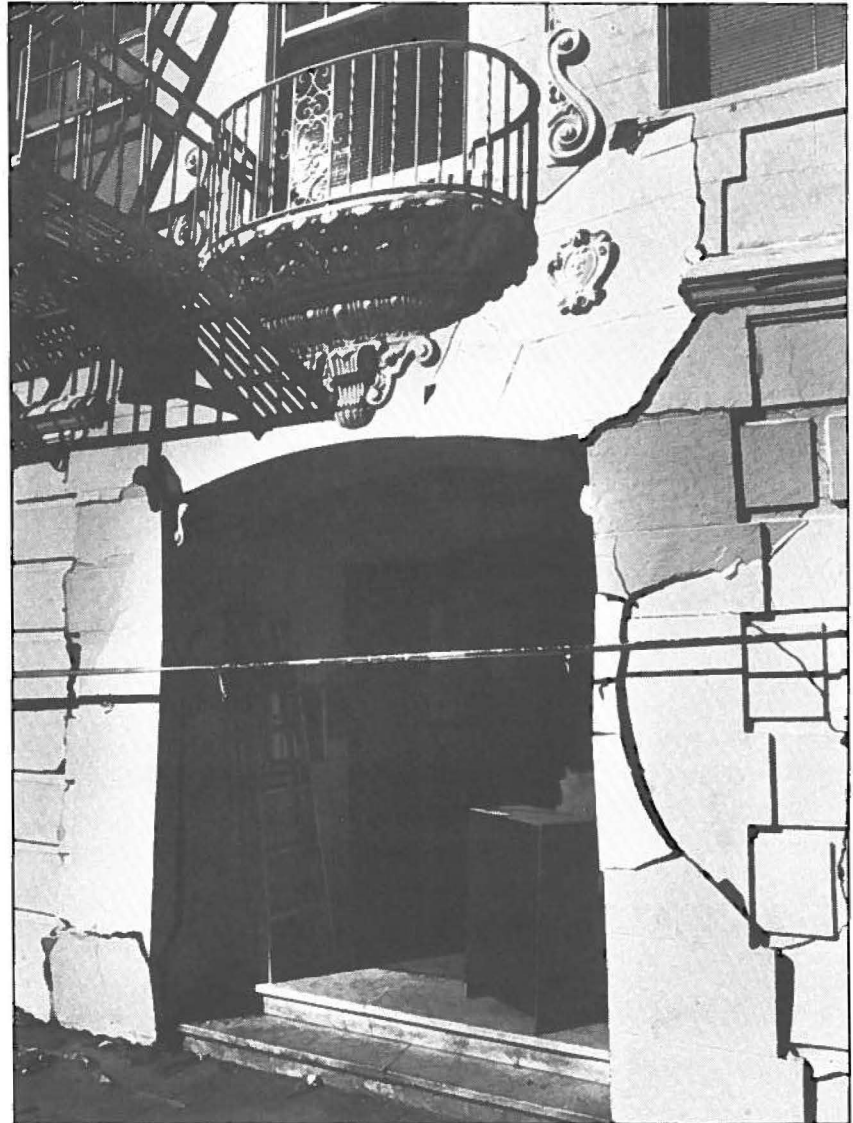
Unlicensed Contractors

Increases penalty for acting as an architect, engineer or contractor without appropriate licensure from a misdemeanor to a felony.

SB 17X (Lockyer)

Earthquake Survey

States legislative intent that the state should enter into an agreement with the U.S. Geological Survey for



San Francisco

research on earthquake faults statewide similar to that being conducted near Parkfield.

SB 18X (Montoya)

Satellite Emergency Communications

Requires the Office of Emergency Services to establish a satellite emergency communication system.

SB 19X (Torres)

Individual and Family Grants

Transfer \$115 million to the California Individual and Family Supplemental Grant Fund.

SB 20X (Alquist)

Seismic Safety Commission: Study

Requires the Commission to study the economic impact of a major earthquake on the economy of the state. Appropriates \$100,000.

SB 21X (Alquist)

Risk Assessment and Management

Requires the Seismic Safety Commission to investigate and assess the levels of risk on specified California facilities from a major earthquake. Appropriates \$1 million.

SB 22X (Garamendi)

Hazards Mitigation Research

Establishes the California Earthquake Hazards Mitigation Research Program under the supervision of the Seismic Safety Commission.

SB 23X (Campbell)

Natural Disaster Assistance

Generally similar to SB1X, described in the previous section of legislation approved by the Legislature

SB 24X (Alquist)

Loma Prieta Earthquake Study

Requires the Seismic Safety Commission to conduct a comprehensive investigation of the October 17 earthquake.

SB 25X (Torres)

Tax Deductions

Provides a deduction under personal income tax and bank and corporation taxes for costs incurred by taxpayers for the construction of seismic rehabilitation improvements on buildings. Cumulative total maximum deduction for each taxpayer limited to \$10,000.

SB 26X (Torres)

Highways and Bridges: Retrofit

Prohibits the construction of a state highway or project until the Director of Transportation certifies that all existing state highways, including bridges, have been retrofitted to conform to applicable current state and federal structural standards.

SB 27X (Mello)

Mello-Roos Assessment Districts

Allows the creation of Mello-Roos districts to pay for reconstruction, repair, or replacement of buildings destroyed by the October 17 earthquake.

SB 28X (Morgan)

Los Gatos Redevelopment

Modifies the redevelopment plan within the Town of Los Gatos.

SB 29X (Mello)

Local Sales Tax: Transmittals

Provides relief to cities and counties for losses in sales tax.

SB 30X (Mello)

Local Sales Tax Transmittals

Provides relief to cities and counties for losses in sales tax and specifies that regular transmittals be reduced over a 10-year period in an amount equaling the total amount of relief plus interest.

SB 31X (Leonard)

Charitable Contributions

Permits individual taxpayers who do not itemize deductions to claim a deduction for state personal income tax purposes for charitable contributions made during the 1989 and 1990 taxable years.

SB 32X (Leonard)

Charitable Contributions

Permits individual taxpayers who do not itemize deductions to claim a deduction for charitable contributions for providing assistance or disaster relief for the October 17 earthquake. Allows corporate tax payers to contribute up to 10% of net revenue for earthquake-related charitable contributions (existing limit is 5%).

SB 35X (Alquist)

Alcoholic Beverages

Authorizes a brand owner of alcoholic beverages to replace, without cost, alcoholic beverages destroyed or damaged by the earthquake.

SB 37X (Keene)

Ferry Plan and Transit Subsidy

Requires Caltrans to develop a permanent ferry plan for the San Francisco Bay and would require Caltrans to apply for federal funds for operating costs for commuter rail. Appropriates \$10 million for earthquake reliever rail services.

SB 39X (Mello)

Redevelopment

Revises procedures for determining the portion of taxes to be paid to the redevelopment agency of the City of Santa Cruz for certain redevelopment projects.

SB 41X (Roberti)

Repair Fraud: Sentence Enhancement

Doubles the terms of imprisonment and fines for defrauding the owner of a residential or nonresidential structure in connection with the offer or performance of repairs for damage caused by a natural disaster.

SB 42X (Garamendi)

Loan Guarantee Program: Small Business

Establishes the Small Business Disaster Assistance Loan Guarantee Program for supplemental loan guarantees to those who suffered losses and who qualify for low-interest loans.

SB 43X (Kopp)

Metropolitan Transportation Commission

State-mandated local program to require the Commission to develop emergency transportation system management plan for the San Francisco Bay Area.

SB 44X (Kopp)

Highways: Repairs

Permits Director of Transportation to contract with individuals, private or public entities with structural engineering expertise and seismic engineering for purposes of investigating cause of structural failures.

SB 46X (Lockyer)

Liability: Building Inspections

Provides that an architect or engineer who voluntarily, without compensation or expectation of compensation, provides structural inspection services shall not be liable in negligence for any personal injury or property damage cause by negligent inspection.

SCAIX (Garamendi)

Appropriations Limit — Emergency

Amends Senate Constitutional Amendment 1 to apply to any emergency declared by the Governor during the fiscal year in which SCA 1 is approved.

III

FEDERAL RESPONSE

Through the efforts of the California Congressional delegation, with the support of members of the State Legislature, Congress approved approximately \$3.45 billion in federal aid for earthquake relief. This included:

- **\$1.1 billion for federal disaster relief programs:** The federal government will conduct a pilot program in California, writing checks on site after visual inspection of the disaster and verification of ownership or previous occupancy.
- **\$1 billion for highways:** Ensures that California's regular transportation allocation is not affected by earthquake-related relief; authorizes 100% federal funding of road improvements begun within 180 days; includes authority for Bay Bridge repairs; lifts \$100 million emergency relief ceiling.
- **\$500 million for SBA disaster loans:** Increases ceiling on U.S. Small Business Administration loans to \$1.8 billion permitting earthquake victims immediately eligible for \$1.1 billion in SBA disaster loans.
- **\$250 million in discretionary authority to President:** \$20 million for National Earthquake Hazards Reduction Program. The President can use the funds to repair federal facilities, including the Veterans Administration facilities in Palo Alto and Martinez and airports in Oakland, San Francisco, San Jose, Monterey and Palo Alto. This fund can also be used for emergency mass transit.
- **Housing:** Secretary of Housing and Urban Development Jack Kemp committed \$500 million to low-income housing relief.

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EDWARD J. IMAI
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pro Tempore
David Roberti

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