MINUTES OF MEETING

CALIFORNIA LAW REVISION COMMISSION

JUNE 15, 2010

SACRAMENTO

A meeting of the California Law Revision Commission was held in Sacramento on June 15, 2010.

Commission:

Present: Susan Duncan Lee, Chairperson

Diane Boyer-Vine, Legislative Counsel

Ali Jahangiri

Absent: Ellen Corbett, Senate Member

Noreen Evans, Assembly Member

Sidney Greathouse Pamela L. Hemminger

Justice John Zebrowski (ret.), Vice-Chairperson

Staff: Brian Hebert, Executive Secretary

Barbara Gaal, Chief Deputy Counsel

Catherine Bidart, Staff Counsel Steve Cohen, Staff Counsel Cindy Dole, Visiting Fellow

Consultants: None

Other Persons:

David W. Baer, Executive Committee, State Bar Trusts and Estates Section Megan Glanville

Patrick Maloney

Daniel Pone, Judicial Council of California

Eric Premack, Charter Schools Development Center

CONTENTS	
Operation as Subcommittee	2
Minutes of April 15, 2010, Commission Meeting	
Administrative Matters	
Recognition of Service	2
Report of Executive Secretary	2
Legislative Program	3
Study G-200 — Charter Schools and the Government Claims Act	5
Study J-1451 — Rights and Responsibilities of the County as Compared to the Superior Cour	t.5
Study J-1452 — Trial Court Restructuring: Writ Jurisdiction in a Small Claims Case	5
Study L-4100 — Nonprobate Transfers: Creditor Claims and Family Protections	7

OPERATION AS SUBCOMMITTEE

The Commission did not have sufficient members present at the June 15, 2010, meeting to establish a quorum. Instead, those members who were present operated as a subcommittee. **Consequently, the decisions described in these minutes are provisional only**. The Commission will need to decide, at a future meeting, whether to ratify those decisions.

MINUTES OF APRIL 15, 2010, COMMISSION MEETING

The Commission approved the Minutes of the April 15, 2010, Commission meeting as submitted by the staff.

ADMINISTRATIVE MATTERS

8 Recognition of Service

The Commission recognized Professor J. Clark Kelso and Dean Elizabeth Rindskopf Parker of the McGeorge School of Law for the many years of service and support they have provided to the Commission. The Commission approved a staff proposal to print a statement of recognition in the Commission's next Annual Report, and to present the statement to Professor Kelso and Dean Rindskopf Parker in person.

Report of Executive Secretary

15

16

17

The Executive Secretary reported that the budget proposal that is currently before the Legislature would provide for funding of the Commission's

operations, for a single year, out of the budget of the Legislative Counsel, rather than from the general fund directly.

The Executive Secretary also reported that the Governor's Executive Order S-01-10 requires that the Commission participate in the statewide effort to cap the workforce by achieving and maintaining an additional five percent salary savings above and beyond current salary savings levels. That savings will be achieved through a combination of voluntary staff time-base reductions and layoffs, with the precise mix of those remedies to be determined in September 2010.

LEGISLATIVE PROGRAM

The Commission considered Memorandum 2010-21, reporting generally on the Commission's 2010 legislative program. No Commission decisions were required or made in connection with that memorandum.

The Commission also considered Memorandum 2010-22, reporting on the status of Senate Bill 105 (Harman), relating to *Donative Transfer Restrictions*, 38 Cal. L. Revision Comm'n Reports 107 (2008). No Commission decisions were required or made in connection with that memorandum.

Finally, the Commission considered Memorandum 2010-23, reporting on the status of Senate Bill 189 (Lowenthal), relating to *Mechanics Lien Law*, 37 Cal. L. Revision Comm'n Reports 527 (2007). The memorandum described recent amendments to the bill and presented a draft supplemental report setting out proposed revisions to Commission Comments. After considering those materials, the Commission made the following decisions:

The Commission assented to the recent amendments to the bill as being compatible with the Commission's recommendation.

The Commission approved the draft supplemental report, with the following additions:

§ 8416. Contents of claim of lien

Comment. Paragraphs (1)-(5), (7), and (8) of subdivision (a) of Section 8416 restate former Section 3084(a) without substantive change. Paragraphs (7)-(8) of subdivision (a) and subdivisions (c) through (e) are new. They implement provisions of 2009 Cal.Stat. ch. 109 (AB 457 (Monning)).

Subdivision (b) restates former Section 3084(b) <u>without substantive change</u>.

Minutes • *June 15, 2010* Subdivision (a)(6) is new. It implements other provisions that 1 invoke a claimant's address. Cf. Sections 8424 (release bond), 8486 2 (time of hearing). 3 Subdivision (c) restates former Section 3084(c)(1) without 4 5 substantive change. Subdivision (d) restates former Section 3084(c)(2) without 6 substantive change. 7 Subdivision (e) restates former Section 3084(d) without 8 9 substantive change. 10 The claim of lien may be executed by the claimant's authorized agent. See Section 8066 (agency). 11 See also Sections 1170 (recordation); 8058 (filing and recordation 12 of papers); Gov't Code §§ 27280, 27287 (recordation of documents). 13 See also Sections 8004 ("claimant"), 8006 ("construction 14 lender"), 8032 ("person"), 8040 ("site"), 8048 ("work"). 15 § 8432. Lien limited to work included in contract or modification 16 Comment. Section 8432 restates former Section 3124 without 17 substantive change. 18 In subdivision (a), "direct contractor" is substituted for the 19 undefined "contractor." The concept of "authorized" is substituted 20 for "employed." See Section 8404 (who may authorize work). The 21 reference to a modification of the contract is omitted in reliance of 22 the definition of "direct contract," which includes a contract 23 change. See Section 8016 ("direct contract"). 24 25

See also Sections 1170 (recordation), 8060 (filing and recordation of papers).

See also Sections 8004 ("claimant"), 8008 ("contract"), <u>8016</u> ("direct contract"), 8018 ("direct contractor"), 8026 ("lien"), 8032 ("person"), 8046 ("subcontractor"), 8048 ("work"), 8050 ("work of improvement").

§ 8461. Recordation of lis pendens

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

Comment. Section 8461 restates former Section 3146, but makes the recordation of a lis pendens mandatory on or before 20 days after the commencement of an action to enforce a lien claim without substantive change.

The reference to the lis pendens statute in former Section 3146 is corrected to reflect the repeal of Code of Civil Procedure Section 409. See 1992 Cal. Stat. ch. 883, § 1.

See also Sections 1170 (recordation), 8058 (calculation of time), 8060 (filing and recordation of papers).

See also Section 8026 ("lien").

STUDY G-200 — CHARTER SCHOOLS AND THE GOVERNMENT CLAIMS ACT

The Commission considered Memorandum 2010-26, discussing the Charter Schools Act. No Commission decisions were required or made in connection with that memorandum.

In connection with this item, the Commission recognized Megan Glanville and Patrick Maloney, both UC Davis School of Law students who are providing research assistance on the question of whether governmental immunities have been extended to charter schools in other jurisdictions.

STUDY J-1451 — RIGHTS AND RESPONSIBILITIES OF THE COUNTY AS COMPARED TO THE SUPERIOR COURT

The Commission considered Memorandum 2010-24, discussing the rights and responsibilities of the county as compared to the superior court. The Commission approved the revisions recommended by the staff for inclusion in a tentative recommendation, except that the Commission postponed making a decision on how to revise references to a "judicial district" in Government Code Sections 1090, 1091, 1195, 1223, 1224, 1505, 6100, 6108, 6109, and 12763.

STUDY J-1452 — TRIAL COURT RESTRUCTURING: WRIT JURISDICTION IN A SMALL CLAIMS CASE

The Commission considered Memorandum 2010-25, relating to writ jurisdiction in a small claims case after trial court unification. The Commissioners expressed the following preliminary views:

Writ Petition Relating to a Trial De Novo

Based on the research and analysis presented so far, a decision in a small claims trial de novo does not seem to be a "cause subject to … appellate jurisdiction" within the meaning of the constitutional provision on writ jurisdiction (Cal. Const. art. VI, § 10). Consequently, the appellate division of the superior court does not appear to have jurisdiction of a writ petition challenging such a decision.

That could perhaps be changed by enacting a statute permitting an appeal from a judgment in, or other aspects of, a small claims trial de novo. But it would be inappropriate for the Commission to explore such an approach, because the

- 1 Commission does not have authority to study the appealability of a small claims
- 2 case.

11

12

13

14

15

1617

18 19

21

22

23

24

25

30

Writ Petition Relating to a Hearing in the Small Claims Division

- It is not entirely clear how the constitutional provision on writ jurisdiction
- 5 would apply to a decision made by the small claims division. There are
- 6 reasonable arguments that the appellate division would have jurisdiction of a
- 7 writ petition challenging such a decision.

8 Evaluation of Options

- The Commission decided that three of the options presented at the end of the memorandum are not worth considering further:
 - Amend the California Constitution to squarely address small claims writ jurisdiction (p. 38).
 - Propose a statute under which a writ petition relating to a small claims case could be heard by any judge of the superior court, other than the one whose conduct is the subject of the petition (p. 39).
 - Statutorily require that all writs relating to small claims cases be heard by the courts of appeal or by the California Supreme Court (pp. 40-41).
- 20 The Commissioners expressed tentative interest in these options:
 - Propose a statute under which a writ petition relating to a small claims case could be heard by a single judge of the appellate division (pp. 39-40).
 - Statutorily clarify that the appellate division may hear certain writ petitions relating to small claims cases (pp. 41-44).
- 26 The Commissioners would like to avoid taking a position on the extent to which
- 27 a small claims plaintiff can seek writ relief. Depending on how things develop,
- the Commissioners might want to revisit the option of taking no action (pp. 37-
- 29 38).

Further Research

- The staff should not do any further research on this topic until the
- 32 Commission receives new input from the Civil and Small Claims Advisory
- Committee and perhaps others.

STUDY L-4100 — NONPROBATE TRANSFERS: CREDITOR CLAIMS 1 AND FAMILY PROTECTIONS 2 3 The Commission considered Memorandum 2010-27, presenting a background study on the liability of assets transferred outside of probate for creditor claims 4 and statutory family protections. The Commission approved the circulation of 5 the background study for 120 days of public review and comment, before taking 6 further action on this topic. 7 Date APPROVED AS SUBMITTED Chairperson APPROVED AS CORRECTED (for corrections, see Minutes of next meeting) **Executive Secretary**