

AMENDED IN SENATE JULY 5, 2001

AMENDED IN ASSEMBLY MAY 31, 2001

AMENDED IN ASSEMBLY APRIL 30, 2001

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001-02 REGULAR SESSION

ASSEMBLY BILL

No. 388

Introduced by Assembly Member Strom-Martin

February 20, 2001

~~An act to amend Section 8670.40 of, and to add Section 8670.41 to, the Government Code, relating to oil spills, and making an appropriation therefor.— An act to add and repeal Division 27 (commencing with Section 81200) of the Food and Agricultural Code, relating to industrial hemp.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 388, as amended, Strom-Martin. ~~Oil spill response—Industrial hemp: regulation: registration.~~

(1) Existing law contained in the Food and Agricultural Code does not authorize the commercial use of industrial hemp in this state. The Food and Agricultural Code provides that a violation of any of its provisions is, in general, a misdemeanor.

This bill would authorize the growing of experimental or demonstration plots of industrial hemp for noninjurious commercial uses by persons who apply for registration with the Secretary of Food and Agriculture, as specified. A person registered to grow industrial hemp would be required to make an annual report to the secretary, as

specified. A person who grows industrial hemp in violation of the bill would be guilty of a misdemeanor. By creating a new crime, this bill would impose a state-mandated local program on local governments.

The bill would require the secretary to report to the Legislature on the development of industrial hemp as an agricultural crop in the state, as specified. The bill would provide that its provisions shall remain in effect only until July 1, 2005, and as of that date is repealed.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~The Oil Spill Prevention and Administration Fund is created by existing law and is available for appropriation by the Legislature for specified purposes, including to implement, install, and maintain emergency programs, equipment, and facilities to respond to, contain, and clean up oil spills and to ensure that those operations will be carried out as intended.~~

~~This bill would continuously appropriate \$125,000 from the fund annually for expenditure without regard to fiscal years to the Office of Oil Spill Prevention and Response to develop and conduct training of specified staff and other personnel to respond to toxic spills requiring the rescue of wildlife. The bill also would appropriate to the office, from the fund, which the office would be required to allocate to a specified nonprofit entity, for research into the effect of toxic substances on marine mammals, an amount that the office determines equals 10% of the 2001 budget for that entity’s veterinary and research sciences, but not more than \$135,000 and would provide that these funds supplant the funds budgeted by the center.~~

~~The bill would also include those uses in the authorized uses of the fund.~~

Vote: majority. Appropriation: ~~yes~~ no. Fiscal committee: yes. State-mandated local program: ~~no~~ yes.

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

- 1 ~~SECTION 1.—Section 8670.40 of the Government Code is~~
- 2 ~~SECTION 1. Division 27 (commencing with Section 81200) is~~
- 3 ~~added to the Food and Agricultural Code, to read:~~
- 4



DIVISION 27. INDUSTRIAL HEMP

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81200. (a) *The Legislature hereby finds and declares the following:*

(1) *The development and use of industrial hemp would be in the best interests of the state economy and agriculture.*

(2) *The production of industrial hemp can be regulated so as not to interfere with the strict control of controlled substances.*

(b) *It is the intent of the Legislature in enacting this division to promote the economy, agriculture, public safety, health, and welfare of the State of California by permitting the development of an industrial hemp industry while maintaining strict control over the production and use of marijuana.*

81202. *For the purposes of this division, the following terms have the following meanings:*

(a) *“Commercial uses” means noninjurious adaptations of industrial hemp to the manufacture of ethanol, rope, sacks, and other sisal hemp products; batts, yarn, paper, composite materials, thread, cordage, merchandise, cloth, and other noninjurious products made from fiber; sterilized seed, inner hurds, or other plant material of industrial hemp.*

(b) *“Industrial hemp” means C. sativa L.*

(c) *“Secretary” means the Secretary of Food and Agriculture.*

81204. (a) *The growing and maintenance of experimental and demonstration plots of industrial hemp by persons registered under Section 81206 is authorized in this state.*

(b) *The experimental and demonstration plots shall be used to develop optimal agricultural practices for growing industrial hemp in California.*

(c) *All plant materials from industrial hemp grown on experimental and demonstration plots, except plant materials retained for breeding and propagation, shall be used for noninjurious commercial uses only.*

(d) *Industrial hemp produced by a person registered under Section 81206 is not a noxious weed.*

81206. (a) *A person desiring to grow experimental or demonstration plots of industrial hemp for noninjurious commercial uses shall apply to the secretary for registration on a form prescribed by the secretary.*



1 **(b)** *The application shall describe the noninjurious commercial*
2 *uses for which the industrial hemp will be used and the specific*
3 *location of each experimental or demonstration plot where it will*
4 *be grown.*

5 **(c)** *Priority shall be given to an applicant who demonstrates to*
6 *the secretary that the applicant has entered into a contract with the*
7 *University of California Agricultural Experiment Station to*
8 *conduct studies on the applicant's plot, including, but not limited*
9 *to, methods for breeding distinctive characteristics into industrial*
10 *hemp for field identification purposes.*

11 **(d)** *The secretary may grant the applicant permission to grow*
12 *experimental or demonstration plots of industrial hemp for the*
13 *noninjurious commercial uses described in the registration form.*

14 **(e)** *The growing of industrial hemp by the registrant pursuant*
15 *to the terms of the registration is a lawful agricultural activity.*

16 **(f)** *Data related to the registration of experimental or*
17 *demonstration plots shall be a public record.*

18 81208. **(a)** *A person registered under Section 81206 shall*
19 *notify the secretary annually of the production and sale or*
20 *distribution of industrial hemp grown on experimental or*
21 *demonstration plots under the terms of the registration and shall*
22 *provide the secretary with the names of all persons to whom the*
23 *industrial hemp plant material is sold or distributed.*

24 **(b)** *A person who grows industrial hemp in violation of this*
25 *division shall be guilty of a misdemeanor.*

26 81210. **(a)** *On or before March 1 of each year, the secretary*
27 *shall report to the Senate and Assembly committees having*
28 *jurisdiction over agriculture policy issues on the development of*
29 *industrial hemp as an agricultural crop in the state.*

30 **(b)** *The report shall include information on the number, size,*
31 *and general location of registered experimental and*
32 *demonstration plots and the noninjurious commercial uses of the*
33 *industrial hemp grown on the plots.*

34 **(c)** *The secretary shall submit a final report by November 1,*
35 *2005, reporting on the cumulative information gained over three*
36 *growing seasons on the results of breeding studies described in*
37 *Section 81206.*

38 81212. *This division shall remain in effect only until July 1,*
39 *2005, and as of that date is repealed.*



1 *SEC. 2. No reimbursement is required by this act pursuant to*
2 *Section 6 of Article XIII B of the California Constitution because*
3 *the only costs that may be incurred by a local agency or school*
4 *district will be incurred because this act creates a new crime or*
5 *infraction, eliminates a crime or infraction, or changes the penalty*
6 *for a crime or infraction, within the meaning of Section 17556 of*
7 *the Government Code, or changes the definition of a crime within*
8 *the meaning of Section 6 of Article XIII B of the California*
9 *Constitution.*

10 amended to read:

11 ~~8670.40. (a) The State Board of Equalization shall collect a~~
12 ~~fee in an amount determined by the administrator to be sufficient~~
13 ~~to carry out the purposes set forth in subdivision (c), and a~~
14 ~~reasonable reserve for contingencies. The amount of the annual~~
15 ~~assessment shall not exceed four cents (\$0.04) per barrel of crude~~
16 ~~oil or petroleum products.~~

17 ~~(b) (1) The oil spill prevention and administration fee shall be~~
18 ~~imposed upon every person owning crude oil at the time that the~~
19 ~~crude oil is received at a marine terminal from within or outside~~
20 ~~the state, and upon every person owning petroleum products at the~~
21 ~~time that those petroleum products are received at a marine~~
22 ~~terminal from outside this state. The fee shall be collected by the~~
23 ~~marine terminal operator from the owner of the crude oil or~~
24 ~~petroleum products based on each barrel of crude oil or petroleum~~
25 ~~products so received by means of a vessel operating in, through,~~
26 ~~or across the marine waters of the state. In addition, every operator~~
27 ~~of a pipeline shall pay the oil spill prevention and administration~~
28 ~~fee for each barrel of crude oil originating from a production~~
29 ~~facility in marine waters and transported in the state by means of~~
30 ~~a pipeline operating across, under, or through the marine waters of~~
31 ~~the state. The fees shall be remitted to the board by the terminal or~~
32 ~~pipeline operator on the 25th day of the month based upon the~~
33 ~~number of barrels of crude oil or petroleum products received at~~
34 ~~a marine terminal or transported by pipeline during the preceding~~
35 ~~month. No fee shall be imposed pursuant to this section with~~
36 ~~respect to any crude oil or petroleum products if the person who~~
37 ~~would be liable for that fee, or responsible for its collection,~~
38 ~~establishes that the fee has been collected by a terminal operator~~
39 ~~registered under this chapter or paid to the board with respect to~~
40 ~~the crude oil or petroleum product.~~



1 ~~(2) Every owner of crude oil or petroleum products is liable for~~
2 ~~the fee until it has been paid to the board, except that payment to~~
3 ~~a marine terminal operator registered under this chapter is~~
4 ~~sufficient to relieve the owner from further liability for the fee.~~

5 ~~(3) On or before January 15, the administrator shall annually~~
6 ~~prepare a plan that projects revenues and expenses over three fiscal~~
7 ~~years, including the current year. Based on the plan, the~~
8 ~~administrator shall set the fee so that projected revenues, including~~
9 ~~any interest, are equivalent to expenses as reflected in the current~~
10 ~~Budget Act and in the proposed budget submitted by the Governor.~~
11 ~~In setting the fee, the administrator may allow for a surplus if the~~
12 ~~administrator finds that revenues will be exhausted during the~~
13 ~~period covered by the plan or that the surplus is necessary to cover~~
14 ~~possible contingencies.~~

15 ~~(e) The moneys collected pursuant to subdivision (a) shall be~~
16 ~~deposited into the fund.~~

17 ~~(d) The board shall collect the fee and adopt regulations for~~
18 ~~implementing the fee collection program.~~

19 ~~(e) The fee described in this section shall be collected solely for~~
20 ~~all of the following purposes:~~

21 ~~(1) To implement oil spill prevention programs through rules,~~
22 ~~regulations, leasing policies, guidelines, and inspections and to~~
23 ~~implement research into prevention and control technology.~~

24 ~~(2) To carry out studies which may lead to improved oil spill~~
25 ~~prevention and response.~~

26 ~~(3) To finance environmental and economic studies relating to~~
27 ~~the effects of oil spills.~~

28 ~~(4) To reimburse the member agencies of the State Interagency~~
29 ~~Oil Spill Committee for costs arising from implementation of this~~
30 ~~chapter, Article 3.5 (commencing with Section 8574.1) of Chapter~~
31 ~~7, and Division 7.8 (commencing with Section 8750) of the Public~~
32 ~~Resources Code.~~

33 ~~(5) To implement, install, and maintain emergency programs,~~
34 ~~equipment, and facilities to respond to, contain, and clean up oil~~
35 ~~spills and to ensure that those operations will be carried out as~~
36 ~~intended, including the actions described in Section 8670.41.~~

37 ~~(6) To respond to an imminent threat of a spill in accordance~~
38 ~~with the provisions of Section 8670.62 pertaining to threatened~~
39 ~~discharges. The cumulative amount of any expenditure for this~~
40 ~~purpose shall not exceed the amount of one hundred thousand~~



1 dollars (\$100,000) in any fiscal year unless the administrator
 2 receives the approval of the Director of Finance and notification
 3 is given to the Joint Legislative Budget Committee. Commencing
 4 with the 1993-94 fiscal year, and each fiscal year thereafter, it is
 5 the intent of the Legislature that the annual Budget Act contain an
 6 appropriation of one hundred thousand dollars (\$100,000) from
 7 the fund for the purpose of allowing the administrator to respond
 8 to threatened oil spills.

9 (7) To reimburse the board for costs incurred to implement this
 10 chapter and to carry out the provisions of Part 24 (commencing
 11 with Section 46001) of Division 2 of the Revenue and Taxation
 12 Code.

13 (f) The moneys deposited in the fund shall not be used for
 14 responding to an oil spill.

15 SEC. 2.—Section 8670.41 is added to the Government Code, to
 16 read:

17 8670.41. (a) Notwithstanding subdivision (a) of Section
 18 8670.38 and Section 13340 of the Government Code, the sum of
 19 one hundred twenty five thousand dollars (\$125,000) is hereby
 20 continuously appropriated annually for expenditure without
 21 regard to fiscal years from the fund to the Office of Oil Spill
 22 Prevention and Response to develop and conduct training of the
 23 office staff and appropriate nonprofit entity personnel to respond
 24 to toxic spills requiring the rescue of wildlife.

25 (b) The Office of Oil Spill Prevention and Response is hereby
 26 appropriated from the fund an amount that the office determines
 27 equals 10 percent of the 2001 budget of the Marine Mammal
 28 Center for veterinary and research sciences or one hundred
 29 thirty-five thousand dollars (\$135,000), whichever is less. The
 30 office shall allocate the amount appropriated to the Marine
 31 Mammal Center for research into the effect of toxic substances on
 32 marine mammals.

33 (c) The funds appropriated in subdivision (b) are in addition to,
 34 and do not supplant, funds budgeted by the Marine Mammal
 35 Center that represent 10 percent of the 2001 budget of the Marine
 36 Mammal Center.

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