

ASSEMBLY BILL

No. 1530

Introduced by Assembly Member Skinner

February 27, 2009

An act to amend Section 8670.40 of the Government Code, relating to oil spills.

LEGISLATIVE COUNSEL'S DIGEST

AB 1530, as introduced, Skinner. Oil spills: prevention and response: fees.

Existing law, the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act, generally requires the administrator for oil spill response, acting at the direction of the Governor, to implement activities relating to oil spill response.

The act requires the State Board of Equalization to collect a fee in an amount determined by the administrator sufficient to carry out specified oil spill prevention and response purposes, excluding response to an oil spill. The annual fee is prohibited from exceeding \$0.05 per barrel of crude oil or petroleum products and is required to be deposited in the Oil Spill Prevention and Administration Fund. Moneys in the fund are available for appropriation by the Legislature for specified purposes.

This bill would raise the upper limits of the fee to \$0.08 per barrel.

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

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

- 1 SECTION 1. Section 8670.40 of the Government Code is
- 2 amended to read:

1 8670.40. (a) The State Board of Equalization shall collect a
 2 fee in an amount determined by the administrator to be sufficient
 3 to carry out the purposes set forth in subdivision (e), and a
 4 reasonable reserve for contingencies. The annual assessment may
 5 not exceed ~~five~~ *eight* cents (~~\$0.05~~) (*\$0.08*) per barrel of crude oil
 6 or petroleum products.

7 (b) (1) The oil spill prevention and administration fee shall be
 8 imposed upon a person owning crude oil at the time that *the* crude
 9 oil is received at a marine terminal from within or outside the state,
 10 and upon a person ~~who owns~~ *owning* petroleum products at the
 11 time that those petroleum products are received at a marine terminal
 12 from outside this state. The fee shall be collected by the marine
 13 terminal operator from the owner of the crude oil or petroleum
 14 products based on each barrel of crude oil or petroleum products
 15 so received by means of a vessel operating in, through, or across
 16 the marine waters of the state. In addition, an operator of a pipeline
 17 shall pay the oil spill prevention and administration fee for each
 18 barrel of crude oil originating from a production facility in marine
 19 waters and transported in the state by means of a pipeline operating
 20 across, under, or through the marine waters of the state. The fees
 21 shall be remitted to the board by the terminal or pipeline operator
 22 on the 25th day of the month based upon the number of barrels of
 23 crude oil or petroleum products received at a marine terminal or
 24 transported by pipeline during the preceding month. A fee shall
 25 not be imposed pursuant to this section with respect to crude oil
 26 or petroleum products if the person who would be liable for that
 27 fee, or responsible for its collection, establishes that the fee has
 28 been collected by a terminal operator registered under this chapter
 29 or paid to the board with respect to the crude oil or petroleum
 30 product.

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

35 (3) On or before January 20, the administrator shall annually
 36 prepare a plan that projects revenues and expenses over three fiscal
 37 years, including the current year. Based on the plan, the
 38 administrator shall set the fee so that projected revenues, including
 39 ~~any~~ interest, are equivalent to expenses as reflected in the current
 40 Budget Act and in the proposed budget submitted by the Governor.

1 In setting the fee, the administrator may allow for a surplus if the
2 administrator finds that revenues will be exhausted during the
3 period covered by the plan or that the surplus is necessary to cover
4 possible contingencies.

5 (c) The moneys collected pursuant to subdivision (a) shall be
6 deposited into the fund.

7 (d) The board shall collect the fee and adopt regulations for
8 implementing the fee collection program.

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

11 (1) To implement oil spill prevention programs through rules,
12 regulations, leasing policies, guidelines, and inspections and to
13 implement research into prevention and control technology.

14 (2) To carry out studies that may lead to improved oil spill
15 prevention and response.

16 (3) To finance environmental and economic studies relating to
17 the effects of oil spills.

18 (4) To reimburse the member agencies of the State Interagency
19 Oil Spill Committee for costs arising from implementation of this
20 chapter, Article 3.5 (commencing with Section 8574.1) of Chapter
21 7 of this code, and Division 7.8 (commencing with Section 8750)
22 of the Public Resources Code.

23 (5) To implement, install, and maintain emergency programs,
24 equipment, and facilities to respond to, contain, and clean up oil
25 spills and to ensure that those operations will be carried out as
26 intended.

27 (6) To respond to an imminent threat of a spill in accordance
28 with the provisions of Section 8670.62 pertaining to threatened
29 discharges. The cumulative amount of an expenditure for this
30 purpose shall not exceed the amount of one hundred thousand
31 dollars (\$100,000) in a fiscal year unless the administrator receives
32 the approval of the Director of Finance and notification is given
33 to the Joint Legislative Budget Committee. Commencing with the
34 1993–94 fiscal year, and each fiscal year thereafter, it is the intent
35 of the Legislature that the annual Budget Act contain an
36 appropriation of one hundred thousand dollars (\$100,000) from
37 the fund for the purpose of allowing the administrator to respond
38 to threatened oil spills.

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

4 (8) To reimburse the costs incurred by the State Lands
5 Commission in implementing the Oil Transfer and Transportation
6 Emission and Risk Reduction Act of 2002 (Division 7.9
7 (commencing with Section 8780) of the Public Resources Code).

8 (9) To cover costs incurred by the Oiled Wildlife Care Network
9 established by Section 8670.37.5 for training and field collection,
10 and search and rescue activities, pursuant to subdivision (g) of
11 Section 8670.37.5.

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

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