

Introduced by Senator Evans

February 17, 2011

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

LEGISLATIVE COUNSEL'S DIGEST

SB 584, as introduced, Evans. Oil spill prevention and administrative fee.

Existing law imposes an oil spill prevention and administration fee in an amount determined by the administrator to implement oil spill prevention activities, but not to exceed \$0.05 per barrel of crude oil or petroleum products, on persons owning crude oil or petroleum products at a marine terminal. The fee is deposited into the Oil Spill Prevention and Administration Fund in the State Treasury. Upon appropriation by the Legislature, moneys in the fund are available for specified purposes, including to cover the costs incurred by the Oiled Wildlife Care Network for training and field collection, and search and rescue activities.

This bill would extend the authority to use money in the fund to other costs incurred by the Oiled Wildlife Care Network.

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:
- 3 8670.40. (a) The State Board of Equalization shall collect a
- 4 fee in an amount determined by the administrator to be sufficient
- 5 to carry out the purposes set forth in subdivision (e), and a

1 reasonable reserve for contingencies. The annual assessment ~~may~~
2 *shall* not exceed five cents (\$0.05) per barrel of crude oil or
3 petroleum products.

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

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

32 (3) On or before January 20, the administrator shall annually
33 prepare a plan that projects revenues and expenses over three fiscal
34 years, including the current year. Based on the plan, the
35 administrator shall set the fee so that projected revenues, including
36 any interest, are equivalent to expenses as reflected in the current
37 Budget Act and in the proposed budget submitted by the Governor.
38 In setting the fee, the administrator may allow for a surplus if the
39 administrator finds that revenues will be exhausted during the

1 period covered by the plan or that the surplus is necessary to cover
2 possible contingencies.

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

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

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

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

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

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

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

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

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

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

- 1 ~~(8) To reimburse the costs incurred by the State Lands~~
- 2 ~~Commission in implementing the Oil Transfer and Transportation~~
- 3 ~~Emission and Risk Reduction Act of 2002 (Division 7.9~~
- 4 ~~(commencing with Section 8780) of the Public Resources Code).~~
- 5 ~~(9)~~
- 6 (8) To cover costs incurred by the Oiled Wildlife Care Network
- 7 established by Section 8670.37.5 for training and field collection,
- 8 and search and rescue activities, pursuant to subdivision (g) of
- 9 Section 8670.37.5.
- 10 (f) The moneys deposited in the fund shall not be used for
- 11 responding to an oil spill.