

AMENDED IN SENATE MARCH 29, 2012

SENATE BILL

No. 1192

Introduced by Senator Evans

February 22, 2012

An act to amend Section ~~8670.41~~ 8670.40 of the Government Code, relating to oil spills.

LEGISLATIVE COUNSEL'S DIGEST

SB 1192, as amended, Evans. ~~Oil spills: nontank vessels: fee. 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, until January 1, 2015, \$0.065 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.

~~The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act requires the administrator for oil spill response to charge a nontank vessel owner or operator a reasonable fee, to be collected with each application to obtain a certificate of financial responsibility, in an amount that is based upon the administrator's costs in implementing the act relating to nontank vessels. The act required that the fee be \$2,500 or less per vessel before January 1, 2005.~~

This bill would delete those obsolete provisions requiring that the fee be \$2,500 or less per vessel before January 1, 2005.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-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
6 reasonable reserve for contingencies. The annual assessment shall
7 not exceed six and one-half cents (\$0.065) per barrel of crude oil
8 or petroleum products. Beginning January 1, 2015, the annual
9 assessment shall not exceed five cents (\$0.05) per barrel of crude
10 oil or petroleum products.
11 (b) (1) The oil spill prevention and administration fee shall be
12 imposed upon a person owning crude oil at the time that crude oil
13 is received at a marine terminal from within or outside the state,
14 and upon a person who owns petroleum products at the time that
15 those petroleum products are received at a marine terminal from
16 outside this state. The fee shall be collected by the marine terminal
17 operator from the owner of the crude oil or petroleum products
18 based on each barrel of crude oil or petroleum products so received
19 by means of a vessel operating in, through, or across the marine
20 waters of the state. In addition, an operator of a pipeline shall pay
21 the oil spill prevention and administration fee for each barrel of
22 crude oil originating from a production facility in marine waters
23 and transported in the state by means of a pipeline operating across,
24 under, or through the marine waters of the state. The fees shall be
25 remitted to the board by the terminal or pipeline operator on the
26 25th day of the month based upon the number of barrels of crude
27 oil or petroleum products received at a marine terminal or
28 transported by pipeline during the preceding month. A fee shall
29 not be imposed pursuant to this section with respect to crude oil
30 or petroleum products if the person who would be liable for that
31 fee, or responsible for its collection, establishes that the fee has
32 been collected by a terminal operator registered under this chapter

1 or paid to the board with respect to the crude oil or petroleum
2 product.

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

7 (3) On or before January 20, the administrator shall annually
8 prepare a plan that projects revenues and expenses over three fiscal
9 years, including the current year. Based on the plan, the
10 administrator shall set the fee so that projected revenues, including
11 any interest, are equivalent to expenses as reflected in the current
12 Budget Act and in the proposed budget submitted by the Governor.
13 In setting the fee, the administrator may allow for a surplus if the
14 administrator finds that revenues will be exhausted during the
15 period covered by the plan or that the surplus is necessary to cover
16 possible contingencies. The administrator shall notify the board
17 of the adjusted fee rate, which shall be rounded to no more than
18 four decimal places, to be effective the first day of the month
19 beginning not less than 30 days from the date of the notification.

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

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

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

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

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

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

33 (4) 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.

37 (5) 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 an expenditure for this
40 purpose shall not exceed the amount of one hundred thousand

1 dollars (\$100,000) in a fiscal year unless the administrator receives
2 the approval of the Director of Finance and notification is given
3 to the Joint Legislative Budget Committee. Commencing with the
4 1993–94 fiscal year, and each fiscal year thereafter, it is the intent
5 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 (6) To reimburse the board for costs incurred to implement this
10 chapter and to carry out Part 24 (commencing with Section 46001)
11 of Division 2 of the Revenue and Taxation Code.

12 (7) To cover costs incurred by the Oiled Wildlife Care Network
13 established by Section 8670.37.5 ~~for training and field collection,~~
14 ~~and search and rescue activities, pursuant to subdivision (g) of~~
15 ~~Section 8670.37.5.~~

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

18 (g) The moneys deposited in the fund shall not be used to
19 provide a loan to any other fund.

20 (h) ~~This section shall become operative on January 1, 2012.~~

21 ~~SECTION 1. Section 8670.41 of the Government Code is~~
22 ~~amended to read:~~

23 ~~8670.41. (a) The administrator shall charge a nontank vessel~~
24 ~~owner or operator a reasonable fee, to be collected with each~~
25 ~~application to obtain a certificate of financial responsibility, in an~~
26 ~~amount that is based upon the administrator's costs in~~
27 ~~implementing this chapter relating to nontank vessels.~~

28 ~~(b) The administrator may charge a reduced fee under this~~
29 ~~section for nontank vessels determined by the administrator to~~
30 ~~pose a reduced risk of pollution, including, but not limited to,~~
31 ~~vessels used for research or training and vessels that are moored~~
32 ~~permanently or rarely move.~~

33 ~~(c) The administrator shall deposit all revenue derived from the~~
34 ~~fees imposed under this section in the Oil Spill Prevention and~~
35 ~~Administration Fund established in the State Treasury under~~
36 ~~Section 8670.38.~~

1 ~~(d) Revenue derived from the fees imposed under this section~~
2 ~~may be spent for the purposes listed in subdivision (e) of Section~~
3 ~~8670.40, and may not be used for responding to an oil spill.~~

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