

AMENDED IN SENATE JUNE 15, 2014

AMENDED IN SENATE JUNE 12, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1466**

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**Introduced by Committee on Budget (Skinner (Chair), Bloom, Campos, Chesbro, Dababneh, Daly, Dickinson, Gordon, Jones-Sawyer, Mullin, Muratsuchi, Nazarian, Rodriguez, Stone, Ting, and Weber)**

January 9, 2014

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An act to amend Section 12025 of the Fish and Game Code, to amend Sections 8574.4, 8574.7, 8574.8, 8670.2, 8670.3, 8670.5, 8670.7, 8670.8, 8670.8.3, 8670.8.5, 8670.9, 8670.12, 8670.14, 8670.19, 8670.25, 8670.25.5, 8670.26, 8670.27, 8670.28, 8670.29, 8670.30.5, 8670.31, 8670.32, 8670.33, 8670.34, 8670.35, 8670.36, 8670.37, 8670.37.5, 8670.37.51, 8670.37.52, 8670.37.53, 8670.37.55, 8670.37.58, 8670.40, 8670.42, 8670.47.5, 8670.48, 8670.48.3, 8670.49, 8670.50, 8670.51, 8670.53, 8670.54, 8670.55, 8670.56.5, 8670.56.6, 8670.61.5, 8670.62, 8670.64, 8670.66, 8670.67, 8670.67.5, 8670.69.4, and 8670.71 of, to add Sections 8670.7.5, 8670.40.5, and 8670.95 to, and to repeal Section 8670.69.7 of, the Government Code, to amend Section 449 of the Harbors and Navigation Code, to amend and repeal Sections 116760.60, 116761.21, 116761.22, 116761.24, and 116761.80 of, and to amend, repeal, and add Sections 116760.10, 116760.20, 116760.30, 116760.39, 116760.40, 116760.42, 116760.43, 116760.44, 116760.46, 116760.50, 116760.55, 116760.70, 116760.79, 116760.80, 116760.90, 116761, 116761.20, 116761.23, 116761.40, 116761.50, 116761.60, 116761.62, 116761.65, 116761.70, 116761.85, 116762.60, and 131110 of, and to add Section 116271 to, the Health and Safety Code, to amend Sections 541.5, 2705, 3160, 3161, 4629.5, 4629.6, 4629.7, 4629.8, 5009, 5010.6,

5010.6.5, 5010.7, 14507.5, 14552, 14581, 21190, 31012, 42476, 42872.1, 42885.5, 42889, 48653, and 71116 of, to add Sections 14581.1 and 30821 to, to add Division 12.5 (commencing with Section 17000) to, and to add and repeal Article 1.5 (commencing with Section 5019.10) of Chapter 1 of Division 5 of, the Public Resources Code, to amend Sections ~~379.6~~ and 379.6, 1807, and 2851 of the Public Utilities Code, to amend Sections 46002, 46006, 46007, 46010, 46013, 46017, 46023, 46028, and 46101 of, to add Section 46001.5 to, to repeal Sections 46008, 46014, 46015, 46016, 46019, 46024, and 46025 of, and to repeal and add Sections 46011, 46018, and 46027 of, the Revenue and Taxation Code, to amend Section 5024 of the Vehicle Code, and to amend Sections 10783 and 13272 of, to amend, repeal, and add Sections 174, 13350, 13478, and 13485 of, and to add Section 13528.5 to, the Water Code, relating to public resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1466, as amended, Committee on Budget. Public Resources: trailer bill.

(1) Existing law imposes an assessment on a person who purchases from a retailer a lumber product or an engineered wood product for the storage, use, or other consumption in this state. Existing law requires the retailer to collect the assessment from the person at the time of sale and authorizes the retailer to retain an amount, as determined by the State Board of Equalization via emergency regulations, for any costs associated with the collection of the assessment. Existing regulations, adopted by the state board at its September 10, 2013, meeting, provide that a retailer may retain no more than a total of \$735 per location as reimbursement for startup costs associated with the collection of the assessment.

This bill would codify the above regulations adopted at the September 10, 2013, state board meeting. The bill would delete the emergency regulatory authority granted to the state board, for purposes of determining the reimbursement amount.

Existing law establishes the Timber Regulation and Forest Restoration Fund in the State Treasury, and requires that all revenues received from the assessments, less amounts deducted for specified refunds and reimbursements, be deposited into the fund and expended, upon

appropriation, only for specified purposes including, among other things, to fund existing forest restoration grant programs.

This bill would require, with respect to the existing forest restoration grant programs funding, that priority be given to the Fisheries Restoration Grant Program administered by the Department of Fish and Wildlife and to grant programs administered by state conservancies. The bill would also, until July 1, 2017, authorize the revenue in the fund to be used to provide loans to the Department of Fish and Wildlife for activities to address environmental damage occurring on forest lands resulting from marijuana cultivation, as provided. The bill would prohibit the use of moneys from the General Fund to repay the loans.

(2) Existing law imposes various civil penalties for a violation of specified provisions of the Fish and Game Code in connection with the production or cultivation of a controlled substance, as defined, on land under the management of specified state and federal agencies or within the ownership of a timberland production zone as prescribed. Existing law requires all civil penalties collected to be apportioned as provided, including 40% of the funds to be distributed to the agency performing the cleanup or abatement of the cultivation or production site.

This bill, among other things, would also impose various civil penalties for a violation of those specified provisions of the Fish and Game Code in connection with the production or cultivation of a controlled substance on land that the person owns, leases, or otherwise uses or occupies with the consent of the landowner. The bill would require all civil penalties imposed or collected by a court to be apportioned as provided, including 40% to the Timber Regulation and Forest Restoration Fund.

This bill would also authorize the Department of Fish and Wildlife to impose those civil penalties administratively for those violations of the Fish and Game Code, subject to specified requirements relating to the complaint and hearing procedures, among other things. The bill would authorize the department to adopt regulations to implement these provisions and would require the penalties collected to be apportioned in a specified manner.

(3) 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, including emergency drills and preparedness, and oil spill containment and cleanup, and to represent the state in any coordinated response efforts with the federal government. Existing law

directs the Governor to require the administrator to amend, not in conflict with the National Contingency Plan, the California oil spill contingency plan to add a marine oil spill contingency planning section containing specified elements, including an environmentally and ecologically sensitive areas element. Existing law also requires the administrator to adopt and implement regulations governing the adequacy of oil spill contingency plans to be prepared and implemented and requires the regulations to provide for the best achievable protection of coastal and marine waters. Existing law imposes various criminal and administrative civil penalties on a person that violates specified provisions of the act based on whether it was an oil spill or an inland oil spill.

This bill would generally expand the act and the administrator's responsibilities relating to oil spills to cover all waters of the state, as defined. By expanding the scope of crimes within the act, the bill would impose a state-mandated local program. The bill would direct the Governor to require the administrator to amend the California oil spill contingency plan to provide for the best achievable protection of all state waters, not solely coastal and marine waters, and to submit the plan to the Governor and the Legislature on or before January 1, 2017. The bill would require the regulations to provide for the best achievable protection of all waters and natural resources of the state. The bill would deem the adoption of regulations by the administrator and the State Board of Equalization an emergency for the purposes of the amendments made by this act. The bill would authorize the emergency regulations adopted by the administrator to be in effect for 12 months or until the administrator readopts those regulations, whichever is earlier. The bill, for purposes of administrative civil penalties, would no longer distinguish between an oil spill and an inland oil spill, subjecting all persons to the oil spill provisions. The bill also would revise various definitions within that act, and would make other conforming and technical changes.

Existing law requires the administrator, upon request by a local government, to provide a program for training and certification of a local emergency responder designated as a local spill response manager by a local government with jurisdiction over or directly adjacent to waters of the state.

This bill would make the program optional at the discretion of the administrator.

Existing law requires the administrator to offer grants to a local government with jurisdiction over or directly adjacent to marine waters to provide oil spill response equipment to be deployed.

This bill would instead authorize the administrator to offer the grants to a local government with jurisdiction over or directly adjacent to state waters.

Existing law requires the administrator, within 5 working days after receipt of a contingency plan, prepared as specified, to send a notice that the plan is available for review to the Oil Spill Technical Advisory Committee.

This bill instead would require the administrator, within 5 working days after receipt of a contingency plan, to post a notice that the plan is available for review.

Existing law requires the administrator to establish a network of rescue and rehabilitation stations for sea birds, sea otters, and marine mammals affected by an oil spill in marine waters.

This bill instead would require the administrator to establish a network of rescue, as specified, for wildlife injured by oil spills in waters of the state, including sea otters and other marine mammals. The bill also would authorize the administrator to establish additional stations or facilities in the interior of the state for the rescue and rehabilitation of wildlife affected by inland spills.

Existing law imposes an oil spill prevention and administration fee in an amount determined by the administrator to be sufficient to implement oil spill prevention activities, but not to exceed \$0.065 per barrel of crude oil or petroleum products and, beginning January 1, 2015, to an amount not to exceed \$0.05, 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.

This bill would delete the provision that would reduce the fee beginning on January 1, 2015. The bill would additionally impose this fee on a person owning crude oil or petroleum products at the time the crude oil or petroleum products are received at a refinery, as specified, by any mode of delivery that passed over, across, under, or through waters of the state, whether from within or outside the state. The bill would create a rebuttable presumption that crude oil or petroleum products received at a marine terminal or refinery passed over, across, under, or through waters of the state, as specified. The bill would

prohibit the State Board of Equalization from accepting or considering a petition for redetermination of fees or a claim for refund of fees if the claim is founded upon grounds the crude oil or petroleum products did or did not pass over, across, under, or through waters of the state, as specified. The bill would require the amendments made to these provisions by this act to be operative 90 days after the effective date of the act. The bill would authorize the Director of Finance to augment a specified appropriation in the Budget Act of 2014 for the reasonable costs incurred by the State Board of Equalization related to the collection of the oil spill prevention and administration fee, as specified, thereby making an appropriation.

This bill would require every person who operates an oil refinery, marine terminal, or a pipeline to register with the State Board of Equalization.

Existing law imposes a uniform oil spill response fee on specified persons, except specified independent crude oil producers, owning petroleum products and on pipeline operators transporting petroleum products into the state by means of a pipeline operating across, under, or through the marine waters of the state, during any period that the Oil Spill Response Trust Fund contains less than a designated amount. The money in the fund is continuously appropriated for specified purposes, including, to pay for the costs of rescue, medical treatment, rehabilitation, and disposition of oiled wildlife, as specified. Existing law authorizes a person to apply to the fund for compensation for damages and losses suffered as a result of an oil spill in the marine waters of the state under specified conditions.

This bill would delete the fee exception for independent crude oil producers, and would delete the provision authorizing the moneys in the fund to be used to pay for the costs of rescue, medical treatment, rehabilitation, and disposition of oiled wildlife. The bill would additionally impose the fee on pipeline operators transporting petroleum products into the state by means of a pipeline operating across, under, or through any waters of the state, thereby making an appropriation by increasing the amount of moneys deposited into a continuously appropriated fund. The bill would authorize moneys in the fund to be used to respond to an imminent threat of a spill and would additionally authorize a person to apply to the fund for compensation for damages and losses suffered as a result of an oil spill in other waters of the state. By expanding the purposes of a continuously appropriated fund, the bill would make an appropriation.

Existing law, until June 30, 2014, provides that if a loan or other transfer of money from the Oil Spill Response Trust Fund to the General Fund pursuant to the Budget Act reduces the balance of the fund to less than or equal to 95% of the designated amount, the administrator is not required to collect oil spill response fees if the annual Budget Act requires the transfer or loan to be repaid (A) to the fund with interest calculated at a rate earned by the Pooled Money Investment Account and (B) on or before June 30, 2014.

This bill would extend that date to June 30, 2017, and would provide that these provisions would be repealed on July 1, 2017.

Existing law establishes the Oil Spill Technical Advisory Committee to provide public input and independent judgment of the actions of the administrator. The committee is composed of 10 members.

This bill would increase the number of members from 10 to 14 and would require the Speaker of the Assembly and the Senate Committee on Rules to each appoint one additional member who has knowledge of environmental protection and the study of ecosystems, and also would require the Governor to appoint two additional members, with one having knowledge of the railroad industry and another having knowledge of the oil production industry.

(4) Existing law requires all cities and counties to collect a fee from each applicant for a building permit, with each fee for Group R occupancies, as defined, assessed at the rate of \$13 per \$100,000, and all other buildings assessed at the rate of \$21 per \$100,000. Those fees are deposited in the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund, for expenditure by the Department of Conservation, upon appropriation by the Legislature, to pay for seismic hazards mapping and for the strong-motion instrumentation program.

This bill would increase the assessed fee for Group R occupancies to \$13 per \$100,000 and would also increase the assessed fee for all other buildings to \$28 per \$100,000. The bill would additionally authorize the department to use the moneys in the fund for the identification of earthquake fault zones in order to assist cities and counties in their planning, zoning, and building-regulation functions.

(5) Existing law authorizes the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation to regulate the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. Existing law requires the division, on or before January 1, 2015, to finalize and implement regulations specific to well stimulation treatments, as defined.

This bill would instead require the division to finalize those regulations on or before January 1, 2015, and would specify that those regulations shall become effective on July 1, 2015.

Existing law requires an operator proposing to perform a well stimulation treatment to apply to the State Oil and Gas Supervisor or a district deputy for a permit to perform the well stimulation treatment. Existing law prohibits additional environmental review or additional mitigation measures for the well stimulation activities if the supervisor determines that activities proposed in the well stimulation permit have met the requirements of the California Environmental Quality Act.

This bill would delete that prohibition.

Existing law requires the State Water Resources Control Board, on or before July 1, 2015, to adopt model groundwater monitoring criteria to assess the potential effects of well stimulation treatments. Existing law provides that monitoring is not required for oil and gas wells if the wells do not penetrate exempt aquifers, as specified.

This bill would instead provide that monitoring is not required if the wells solely penetrate those exempt aquifers.

Existing law requires the state board or a regional water quality control board, on or before January 1, 2016, to begin implementation of regional groundwater monitoring programs based on the model groundwater monitoring criteria. In the absence of the implementation of a regional groundwater monitoring program, existing law authorizes a well owner or operator to develop an area-specific groundwater monitoring program based on the model groundwater monitoring criteria subject to the approval of the state board or a regional board. Existing law requires the well stimulation permit application to contain, among other things, information on a groundwater monitoring plan for the well subject to the well stimulation treatment which may be an existing regional groundwater monitoring program for the vicinity of the well, an existing area-specific groundwater monitoring plan for the vicinity of the well, or a well-specific monitoring plan that has been submitted to the appropriate regional board for review. Existing law authorizes the supervisor or district deputy to approve the permit application if the application is complete.

This bill would authorize the supervisor or a district deputy, in the absence of the implementation of a regional groundwater monitoring program, to approve a well stimulation permit application prior to the approval of an area-specific groundwater monitoring program but would prohibit the commencement of well stimulation treatment pursuant to

the permit until the approval of the area-specific groundwater monitoring program. Because a violation of this prohibition would be a crime, this bill would impose a state-mandated local program.

Existing law authorizes the division to allow, until those regulations described above are finalized and implemented, well stimulation activities if specified requirements are met, including a requirement that the division conduct an environmental impact report pursuant to the California Environmental Quality Act. Existing law prohibits that report from conflicting with an environmental impact report conducted by a local lead agency that is certified on or before July 1, 2015. Existing law provides the division with emergency regulatory authority implementing the above purposes. Existing law requires emergency regulations be approved by the Office of Administrative Law.

This bill would revise and recast those requirements and would delete the prohibition regarding the environmental impact report prepared by the division. The bill would prohibit the Office of Administrative Law from disapproving emergency regulations.

(6) Existing law vests with the Department of Parks and Recreation control of the state park system, and provides funds for the support and administration of the department and specified park construction development, repair, and improvement projects. Existing law authorizes the Department of Finance to delegate to the Department of Parks and Recreation the right to exercise specified authority to plan, construct, and administer contracts and professional services for capital outlay projects, as specified. Existing law repeals this authority on January 1, 2019, unless a later enacted statute deletes or extends that date.

This bill would establish the Parks Project Revolving Fund in the State Treasury, and would require, upon the approval of the Department of Finance, except as provided, the transfer to, or deposit in, the fund of all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the department with respect to the construction, alteration, repair, and improvement of state park facilities, as specified.

This bill would make money transferred from state sources for major construction available to the department without regard to fiscal years and irrespective of specified limitations for encumbrance, thereby making an appropriation.

These provisions would become inoperative on a date that is 3 years after the date the Department of Parks and Recreation's authority to

plan, construct, and administer contracts and professional services for capital outlay projects is repealed.

Existing law appropriates \$20,500,000 from the State Parks and Recreation Fund to the Department of Parks and Recreation, which is available for encumbrance for the 2012–13 and 2013–14 fiscal years and expended, as specified.

This bill would make the above moneys available for encumbrance until June 30, 2016, and for liquidation until June 30, 2018, thereby making an appropriation.

Existing law requires the Department of Parks and Recreation to develop a revenue generation program as an essential component of a long-term sustainable park funding strategy. Existing law requires the department, on or before October 1, 2012, to assign a two-year revenue generation target to each district under the department's control and authorizes the department to annually amend the revenue target. Existing law requires incremental revenue generated by the revenue generation program to be deposited into the State Parks and Recreation Fund. Existing law requires that revenue generated by the revenue generation program identified as being in excess of the revenue targets be transferred to the State Parks and Revenue Incentive Subaccount.

This bill would require the department, on or before July 1, 2014, and annually thereafter, to assign a revenue generation target to each district under its control. This bill would instead require that revenue generated by the revenue generation program be deposited into the State Parks and Recreation Fund. The bill would require that the moneys be transferred from the fund to the State Parks Revenue Incentive Subaccount to be expended, as specified, thereby making an appropriation.

Existing law establishes the California State Park Enterprise Fund and upon appropriation by the Legislature, makes moneys in the fund available to the Department of Parks and Recreation for specified purposes. Existing law makes the moneys in the fund available for encumbrance and expenditure until June 30, 2014, and for liquidation until June 30, 2016. Existing law authorizes the department to deposit moneys received from private contributions and other public funding sources into the fund.

This bill would extend the time period in which moneys in the fund are available for encumbrance and expenditure to June 30, 2019, and for liquidation to June 30, 2021. The bill would instead authorize the Department of Parks and Recreation to expend moneys in the fund for

capital outlay or support expenditures for revenue generation investments in state parks, as specified. The bill would require the department to prepare guidelines for districts to apply for funds for capital projects. The bill would instead authorize the department to deposit moneys received from private contributions and other public funding sources into the State Parks Revenue Incentive Subaccount.

Existing law establishes, until June 30, 2021, the State Parks Revenue Incentive Subaccount, a continuously appropriated subaccount, and requires the Controller to transfer annually \$15,340,000 from the State Parks and Recreation Fund to the subaccount. Existing law authorizes the Department of Parks and Recreation to expend these moneys for capital outlay projects that are consistent with the mission of the department. Existing law prohibits the Department of Parks and Recreation from expending annually more than \$11,000,000 from the subaccount. Existing law makes the moneys in the subaccount available for encumbrance until June 30, 2019, and for liquidate until June 30, 2016. Existing law require the controller, on July 1, 2026, to transfer any unexpended funds remaining in the subaccount to the State Parks and Recreation Fund.

This bill would extend the time period in which the moneys in the subaccount are available for encumbrance to June 30, 2016, and for liquidation to June 30, 2021. The bill would extend the duration of the subaccount to June 30, 2021, and would require the Controller, on July 1, 2021, to transfer any unexpended moneys in the subaccount to the State Parks and Recreation Fund. The bill would reduce the amount of moneys to be transferred from the fund to the subaccount to \$4,340,000, thereby making an appropriation. The bill would revise and recast provision governing the expenditure from the subaccount to, among other things, authorize expenditures for activities, programs, and projects that increase the Department of Parks and Recreation's capacity to generate revenue and to implement revenue generation programs, thereby making an appropriation.

Existing law establishes the State Park Contingent Fund and requires that moneys derived from gifts, bequests, or county or municipal appropriations or donations be deposited in the fund and used for the improvement or administration of state parks or the acquisition of additional lands and properties, in accordance with the terms of the gift, bequest, appropriation, or donation.

This bill would instead require moneys from contractual agreements, donations, gifts, bequests, or local government appropriations be

deposited in the fund and specify that the moneys deposited shall also be used for the maintenance and operation of the state parks, in accordance with the terms of the agreement, donation, gift, bequest, or local government appropriation. This bill would also make various technical, nonsubstantive changes.

(7) Existing law, the California Beverage Container Recycling and Litter Reduction Act, requires a distributor of specified beverage containers to pay a redemption payment to the Department of Resources Recycling and Recovery for each beverage container sold or transferred to a dealer, for deposit in the California Beverage Container Recycling Fund (beverage fund). Existing law annually appropriates from the fund, among other things, \$15,000,000, adjusted for cost of living, to the department, for grants to certified community conservation corps and community conservation corps for beverage container litter reduction programs and recycling programs, subject to reduction if the department determines there are insufficient funds. Under existing law, the Electronic Waste Recycling Act of 2003 requires a retailer selling a covered electronic device in this state to collect an electronic waste recycling fee, the revenues of which are deposited in the Electronic Waste Recovery and Recycling Account. The California Tire Recycling Act imposes a California tire fee on a new tire purchased in the state and the revenue generated from the fee is deposited in the California Tire Recycling Management Fund. The California Oil Recycling Enhancement Act imposes a charge on oil manufacturers, the revenues of which are deposited in the California Used Oil Recycling Fund for purposes of the used oil recycling program.

This bill would, upon appropriation by the Legislature, require the department to issue grants to the corps, as follows: (A) \$4,000,000 for the 2014–15 fiscal year and \$8,000,000 each fiscal year thereafter, from funds in the Electronic Waste Recovery and Recycling Account for the corps to implement programs relating to the collection and recovery of covered electronic waste, (B) \$2,500,000 for the 2014–15 fiscal year and \$5,000,000 each fiscal year thereafter, from funds in the California Tire Recycling Management Fund for grants relating to implementing programs to cleanup and abate waste tires and to reuse and recycle waste tires, and (C) \$1,000,000 for the 2014–15 fiscal year and \$2,000,000 each fiscal year thereafter, from funds in the California Used Oil Recycling Fund for the corps for grants to implement programs relating to the collection of used oil. The bill would, instead of the \$15,000,000, as adjusted for cost of living, referenced above, provide

that the amount required to be expended from the beverage fund for grants to the corps for beverage container litter reduction programs and recycling programs is \$20,974,000, as adjusted for cost of living, less \$15,000,000, augmented by \$7,500,000 for the 2014–15 fiscal year only. The bill would make an appropriation by changing the conditions under which moneys are continuously appropriated to the corps from the beverage fund.

The California Beverage Container Recycling and Litter Reduction Act requires the department to establish and implement an auditing system to ensure that information collected, and refund values and redemption payments paid, comply with the purposes of the act. The act authorizes the department to audit and investigate any action taken up to 3 years before the onset of the audit or investigation and authorizes the department to take an enforcement action at any time within 2 years after the department discovers, or should have discovered, a violation of the act. A violation of the act is a crime and is punishable by a fine, as specified.

This bill would extend the department's authorization to audit or investigate an action to 5 years before the onset of the audit or investigation and would expand the department's authorization to take an enforcement action to 5 years after the department discovers, or should have discovered, a violation of the act.

(8) Existing law, the Rubberized Asphalt Concrete Market Development Act, requires the Department of Resources Recycling and Recovery, in accordance with the tire recycling program, to award grants for certain public agency projects that utilize rubberized asphalt concrete, pursuant to specified conditions.

This bill would rename this act the Rubberized Pavement Market Development Act, and would instead require the department to award grants for those public agency projects that utilize rubberized pavement, in accordance with those conditions.

(9) Existing law, the California Coastal Act of 1976, establishes the California Coastal Commission and declares that the California coastal zone is a distinct and valuable natural resources of vital and enduring interest and exists as a delicately balanced ecosystem. Existing law establishes the San Francisco Bay Conservation and Development Commission to regulate fill and development within a specified area in and along the shoreline of the San Francisco Bay, and to implement a comprehensive plan for the preservation and protection of the Suisun Marsh. Existing law establishes the State Coastal Conservancy in the

Natural Resources Agency and authorizes the conservancy to acquire, manage, direct the management of, and conserve specified coastal lands and wetlands in the state. Existing law establishes the Coastal Trust Fund in the State Treasury to receive and disburse funds paid to the conservancy in trust. Existing law authorizes the conservancy to expend the moneys in the fund for purposes of the San Francisco Bay Area Conservancy Program and for other specified purposes.

This bill would establish the California Climate Resilience Account in the Coastal Trust Fund and would continuously appropriate funds in the account, except as specified, to the State Coastal Conservancy, for expenditure by the State Coastal Conservancy, the California Coastal Commission, and the San Francisco Bay Conservation and Development Commission for coastal zone management planning and implementation activities to address the risks and impacts of climate change. The bill would require that funds be allocated to these 3 agencies according to a specific formula, except as specified, and would allow up to 10% of the funds to be available for administrative costs. The bill would require that funds in the account be spent solely for their specified purposes and would require, to the extent that any funds are appropriated into the account by the Legislature in the Annual Budget act, those funds be segregated for purposes of accounting.

The California Coastal Act of 1976 requires a person undertaking development in the coastal zone to obtain a coastal development permit in accordance with prescribed procedures. Existing law authorizes the superior court to impose civil liability on a person who performs or undertakes development that is in violation of the act or that is inconsistent with a previously issued coastal development permit, and on a person who violates the act in any other manner.

This bill would authorize the California Coastal Commission to impose upon a person who violates public access provisions of the act an administrative civil penalty, by a majority vote of the commissioners, upon consideration of various factors, and in an amount not to exceed 75% of the maximum civil penalty that may be imposed in the superior court. The bill would authorize the penalty to be assessed for each day the violation persists, but for no more than 5 years. The bill would prohibit a person from being subject to both this monetary civil liability imposed by the commission and a monetary civil liability imposed by the superior court for the same act or failure to act. The bill would also allow the commission to record a lien on the property of a violator in the amount of the penalty assessed by the commission if the violator

fails to pay the penalty. The bill would prohibit the assessment of administrative penalties in certain cases if the property owner corrects the violations.

(10) Existing law establishes the California Environmental Protection Program, which provides funding for various environmental protection purposes including, among other things, projects and programs related to pollution control, land acquisitions for natural areas or ecological reserves, environmental education, and the protection and preservation of wildlife. Existing law authorizes the issuance of environmental license plates, as defined, for vehicles, upon application and payment of certain fees, and requires that specified revenue derived from those fees for issuance, renewal, retention, duplication, and transfer of the environmental license plates be deposited in the California Environmental License Plate Fund in the State Treasury, and used, upon appropriation by the Legislature, for specified program purposes.

This bill would additionally authorize the expenditure of moneys in the fund that are available for the program, upon appropriation by the Legislature, for scientific research on the risks to California's natural resources and communities caused by the impacts of climate change.

Existing law requires the Department of Motor Vehicles (DMV) to issue special commemorative collegiate reflectorized license plates upon the request of the owner of the vehicle for which the plates are issued. Existing law imposes certain additional fees for the issuance, renewal, transfer, and replacement of the plates, and requires the DMV, after deducting its costs, to deposit 50% of the fees into the Resources License Plate Fund. Under existing law, moneys in the Resources License Plate Fund are available, upon appropriation, for the purposes of natural resources preservation, enhancement, and restoration.

Existing law also authorizes the DMV to issue environmental license plates and imposes certain fees for the issuance, renewal, and transfer of those plates. Existing law requires those fees to be deposited in the California Environmental License Plate Fund, and makes moneys in the fund available, upon appropriation, for certain purposes relating to the preservation and protection of the state's environment.

This bill would abolish the Resources License Plate Fund and would transfer moneys in that fund to the California Environmental License Plate Fund effective July 1, 2014. The bill would also update a cross-reference and delete obsolete provisions.

(11) Existing law establishes the Environmental Justice Small Grant Program and authorizes the California Environmental Protection Agency

to award grants to eligible community groups located in areas adversely affected by environmental pollution and hazards that work to address environmental justice issues. Existing law establishes the maximum amount of a grant to not exceed \$20,000. Existing law provides that the above provision is to be implemented only during fiscal years for which an appropriation is provided for in the annual Budget Act or in another statute for the above purpose.

This bill would increase the maximum amount of a grant to not exceed \$50,000. This bill would instead authorize the Secretary for Environmental Protection to expend up to \$1,500,000 per year for the above purposes. The bill would authorize the boards, departments, and offices within the agency to allocate funds from various special funds, settlements, and penalties to implement the program.

(12) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires the Public Utilities Commission to require the administration, until January 1, 2016, of a self-generation incentive program for distributed generation resources. Existing law authorizes the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to authorize electrical corporations to annually collect not more than the amount authorized for the program in the 2008 calendar year through December 31, 2014.

This bill would extend the authority of the Public Utilities Commission to authorize the electrical corporations to continue making the annual collection through December 31, 2019. The bill would extend the administration of the program to January 1, 2021.

Existing law limits eligibility for incentives under the self-generation incentive program to distributed energy resources that the Public Utilities Commission, in consultation with the State Air Resources Board, determines will achieve reductions in emissions of greenhouse gases pursuant to the California Global Warming Solutions Act of 2006.

This bill would further limit eligibility for incentives under the self-generation incentive program to distributed energy resource technologies that the Public Utilities Commission determines meet specified additional requirements. The bill would require the commission to determine a capacity factor for each distributed generation system energy resource technology in the program.

This bill would require the Public Utilities Commission to evaluate the self-generation incentive program's overall success and impact based on specified performance measures.

This bill would require the Public Utilities Commission, on or before July 1, 2015, to update the factor for avoided greenhouse gas emissions based on certain information. The bill would require the Public Utilities Commission, in allocating funds between eligible technologies, to consider the relative amount and cost of certain factors. The bill would require recipients of the self-generation incentive program funds to provide to the Public Utilities Commission and the State Air Resources Board relevant data and would subject them to inspection to verify equipment operation and performance.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of the requirements of the program that would be extended under the provisions of this bill would be a crime, this bill would impose a state-mandated local program.

~~(12.5) Existing~~

*(13) Existing law provides compensation for reasonable advocate's fees, reasonable expert witness fees, and other reasonable costs to public utility customers of participation or intervention in any proceeding of the Public Utilities Commission. Existing law requires an award for that compensation be paid by the public utility that is the subject of the hearing, investigation, or proceeding within 30 days. Existing law provides that an award shall be allowed by the commission as an expense for the purpose of establishing rates of the public utility. Under existing law, an existing decision of the commission establishes the intervenor compensation program fund for quasi-legislative or rulemaking proceedings funded through commission reimbursement fees collected on an annual basis from electrical, gas, telephone, and water corporations.*

This bill would authorize the commission to pay to the Avondale Glen Elder Neighborhood Association the difference between the amount received from the bankruptcy court and the amount awarded by the commission by increasing the fees collected pursuant to these provisions for the limited purpose of that specified decision.

*(14) Decisions of the Public Utilities Commission adopted the California Solar Initiative administered by the state's 3 largest electrical corporations and subject to the commission's supervision. Existing law*

*specifies that the financial components of the California Solar Initiative consist of, among other programs, the New Solar Homes Partnership Program, which is administered by the State Energy Resources Conservation and Development Commission (Energy Commission). Existing law requires the program to be funded by charges in the amount of \$400,000,000 collected from customers of those electrical corporations. If moneys from the Renewable Resource Trust Fund for the program is exhausted, existing law authorizes the Public Utilities Commission, upon notification by the Energy Commission, to require those electrical corporations to continue the administration of the program pursuant to the guidelines established by the Energy Commission for the program until the above monetary limit is reached.*

*This bill would additionally require that the Public Utilities Commission be notified by the Energy Commission that other funding sources for the program have been exhausted before requiring those electrical corporations to continue administration of the program until the monetary limit is reached.*

~~(13)~~

(15) Existing law, including the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Department of Public Health various duties and responsibilities for the regulation and control of drinking water in the State of California. Existing law requires the department to conduct research, studies, and demonstration projects relating to the provision of a dependable, safe supply of drinking water, to adopt regulations to implement the state act, and to enforce provisions of the federal Safe Drinking Water Act.

The Safe Drinking Water State Revolving Fund Law of 1997 establishes the Safe Drinking Water State Revolving Fund to provide grants or revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Under that law, the department is required to undertake specified actions to implement the fund, including entering into agreements with the federal government for federal contributions to the fund.

This bill would, effective July 1, 2014, transfer to the State Water Resources Control Board the authority, duties, powers, purposes, functions, responsibilities, and jurisdiction of the department for the purposes of the administration of specified drinking water programs. The bill would require the state board to appoint a deputy director, as specified, for drinking water programs.

The bill would, among other things, authorize the board, in order to administer the fund, to engage in the transfer of capitalization grant funds, as specified, and to cross-collateralize revenue bonds with the State Water Pollution Control Revolving Fund. The bill would also authorize the board to implement the provisions of the Safe Drinking Water State Revolving Fund Law of 1997 through a policy handbook, as specified, and make the repeal of, or operation of, various provisions of law contingent upon the adoption of the policy handbook. The bill would make various other changes.

The Budget Act of 2003 makes available to the State Department of Public Health \$15,000,000 for encumbrance until June 30, 2016, for the purposes of providing grants of up to \$500,000 per project for public water systems to address drought-related drinking water emergencies or threatened emergencies.

This bill would appropriate the unencumbered balance of the above moneys to the State Water Resources Control Board for the above purposes. The bill would require the board to make every effort to use other funds available to address drinking water emergencies before using the moneys transferred.

(14)

(16) Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements in accordance with the federal Clean Water Act and the Porter-Cologne Water Quality Control Act. The state act imposes various penalties for a violation of its requirements. The state act requires specified penalties be deposited into the Waste Discharge Permit Fund and separately accounted. The state act requires moneys in the fund, upon appropriation, to be expended by the state board to assist regional boards and prescribed other public agencies in cleaning up or abating the effects of waste on waters of the state or to assist a regional board attempting to remedy a significant unforeseen water pollution problem.

This bill would, until July 1, 2017, authorize up to \$500,000 per fiscal year from the moneys in the fund, upon appropriation, to be expended to assist the Department of Fish and Wildlife to address the impacts of marijuana cultivation on the natural resources of the state.

(15)

(17) 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.

(16)

(18) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 12025 of the Fish and Game Code is  
2 amended to read:

3 12025. (a) In addition to any penalties imposed by any other  
4 law, a person found to have violated Section 1602, 5650, or 5652  
5 in connection with the production or cultivation of a controlled  
6 substance on land under the management of the Department of  
7 Parks and Recreation, the Department of Fish and Wildlife, the  
8 Department of Forestry and Fire Protection, the State Lands  
9 Commission, a regional park district, the United States Forest  
10 Service, or the Bureau of Land Management, or within the  
11 respective ownership of a timberland production zone, as defined  
12 in Chapter 6.7 (commencing with Section 51100) of Division 1 of  
13 Title 5 of the Government Code, of more than 50,000 acres, or  
14 while trespassing on other public or private land in connection  
15 with the production or cultivation of a controlled substance, shall  
16 be liable for a civil penalty in the following amounts:

17 (1) A person who violates Section 1602 in connection with the  
18 production or cultivation of a controlled substance is subject to a  
19 civil penalty of not more than ten thousand dollars (\$10,000) for  
20 each violation.

21 (2) A person who violates Section 5650 in connection with the  
22 production or cultivation of a controlled substance is subject to a  
23 civil penalty of not more than forty thousand dollars (\$40,000) for  
24 each violation.

25 (3) A person who violates Section 5652 in connection with the  
26 production or cultivation of a controlled substance is subject to a  
27 civil penalty of not more than forty thousand dollars (\$40,000) for  
28 each violation.

29 (b) (1) In addition to any penalties imposed by any other law,  
30 a person found to have violated Section 1602, 5650, or 5652 in

1 connection with the production or cultivation of a controlled  
2 substance on land that the person owns, leases, or otherwise uses  
3 or occupies with the consent of the landowner may be liable for a  
4 civil penalty in the following amounts:

5 (A) A person who violates Section 1602 in connection with the  
6 production or cultivation of a controlled substance is subject to a  
7 civil penalty of not more than eight thousand dollars (\$8,000) for  
8 each violation.

9 (B) A person who violates Section 5650 in connection with the  
10 production or cultivation of a controlled substance is subject to a  
11 civil penalty of not more than twenty thousand dollars (\$20,000)  
12 for each violation.

13 (C) A person who violates Section 5652 in connection with the  
14 production or cultivation of a controlled substance is subject to a  
15 civil penalty of not more than twenty thousand dollars (\$20,000)  
16 for each violation.

17 (2) Each day that a violation of Section 1602, 5650, or 5652  
18 described in this subdivision occurs or continues to occur shall  
19 constitute a separate violation.

20 (c) The civil penalty imposed for each separate violation  
21 pursuant to this section is in addition to any other civil penalty  
22 imposed for another violation of this section, or any violation of  
23 any other law.

24 (d) All civil penalties imposed or collected by a court for a  
25 separate violation pursuant to this section shall not be considered  
26 to be fines or forfeitures, as described in Section 13003, and shall  
27 be apportioned in the following manner:

28 (1) Thirty percent shall be distributed to the county in which  
29 the violation was committed pursuant to Section 13003. The county  
30 board of supervisors shall first use any revenues from those  
31 penalties to reimburse the costs incurred by the district attorney  
32 or city attorney in investigating and prosecuting the violation.

33 (2) (A) Thirty percent shall be distributed to the investigating  
34 agency to be used to reimburse the cost of any investigation directly  
35 related to the violations described in this section.

36 (B) If the department receives reimbursement pursuant to this  
37 paragraph for activities funded pursuant to subdivision (f) of  
38 Section 4629.6 of the Public Resources Code, the reimbursement  
39 funds shall be deposited into the Timber Regulation and Forest  
40 Restoration Fund, created by Section 4629.3 of the Public

1 Resources Code, if there is an unpaid balance for a loan authorized  
2 by subdivision (f) of Section 4629.6 of the Public Resources Code.

3 (3) Forty percent shall be deposited into the Timber Regulation  
4 and Forest Restoration Fund, created by Section 4629.3 of the  
5 Public Resources Code, and used for grants authorized pursuant  
6 to Section 4629.6 of the Public Resources Code that improve forest  
7 health by remediating former marijuana growing operations.

8 (e) Civil penalties authorized pursuant to this section may be  
9 imposed administratively by the department if all the following  
10 occur:

11 (1) The chief deputy director or law enforcement division  
12 assistant chief in charge of marijuana-related enforcement issues  
13 a complaint to any person or entity on which an administrative  
14 civil penalty may be imposed pursuant to this section. The  
15 complaint shall allege the act or failure to act that constitutes a  
16 violation, any facts related to natural resources impacts, the  
17 provision of law authorizing the civil penalty to be imposed, and  
18 the proposed penalty amount.

19 (2) The complaint and order is served by personal notice or  
20 certified mail and informs the party served that the party may  
21 request a hearing no later than 20 days from the date of service. If  
22 a hearing is requested, it shall be scheduled before the director or  
23 his or her designee, which designee shall not be the chief deputy  
24 or assistant chief issuing the complaint and order. A request for a  
25 hearing shall contain a brief statement of the material facts the  
26 party claims support his or her contention that no administrative  
27 penalty should be imposed or that an administrative penalty of a  
28 lesser amount is warranted. A party served with a complaint  
29 pursuant to this subdivision waives the right to a hearing if no  
30 hearing is requested within 20 days of service of the complaint, in  
31 which case the order imposing the administrative penalty shall  
32 become final.

33 (3) The director, or his or her designee, shall control the nature  
34 and order of hearing proceedings. Hearings shall be informal in  
35 nature, and need not be conducted according to the technical rules  
36 relating to evidence. The director or his or her designee shall issue  
37 a final order within 45 days of the close of the hearing. A final  
38 copy of the order shall be served by certified mail upon the party  
39 served with the complaint.

1 (4) A party may obtain review of the final order by filing a  
2 petition for a writ of mandate with the superior court within 30  
3 days of the date of service of the final order. The administrative  
4 penalty shall be due and payable to the department within 60 days  
5 after the time to seek judicial review has expired, or, where the  
6 party has not requested a hearing of the order, within 20 days after  
7 the order imposing an administrative penalty becomes final.

8 (5) The department may adopt regulations to implement this  
9 subdivision.

10 (f) All administrative penalties imposed or collected by the  
11 department for a separate violation pursuant to this section shall  
12 not be considered to be fines or forfeitures, as described in Section  
13 13003, and shall be deposited into the Timber Regulation and  
14 Forest Restoration Fund, created by Section 4629.3 of the Public  
15 Resources Code, to repay any unpaid balance of a loan authorized  
16 by subdivision (f) of Section 4629.6 of the Public Resources Code.  
17 Any remaining funds from administrative penalties collected  
18 pursuant to this section shall be apportioned in the following  
19 manner:

20 (1) Fifty percent shall be deposited into the Timber Regulation  
21 and Forest Restoration Fund for grants authorized pursuant to  
22 subdivision (h) of Section 4629.6 of the Public Resources Code,  
23 with priority given to grants that improve forest health by  
24 remediating former marijuana growing operations.

25 (2) Fifty percent shall be deposited into the Fish and Game  
26 Preservation Fund.

27 (g) For purposes of this section, “controlled substance” has the  
28 same meaning as defined in Section 11007 of the Health and Safety  
29 Code.

30 SEC. 2. Section 8574.4 of the Government Code is amended  
31 to read:

32 8574.4. State agencies designated to implement the contingency  
33 plan shall account for all state expenditures made under the plan  
34 with respect to each oil spill. Expenditures accounted for under  
35 this section from an oil spill in waters of the state shall be paid  
36 from the Oil Spill Response Trust Fund created pursuant to Section  
37 8670.46. All other expenditures accounted for under this section  
38 shall be paid from the State Water Pollution Cleanup and  
39 Abatement Account in the State Water Quality Control Fund  
40 provided for in Article 3 (commencing with Section 13440) of

1 Chapter 6 of Division 7 of the Water Code. If the party responsible  
2 for the spill is identified, that party shall be liable for the  
3 expenditures accounted for under this section, in addition to any  
4 other liability that may be provided for by law, in an action brought  
5 by the Attorney General. The proceeds from any action for a spill  
6 in marine waters shall be paid into the Oil Spill Response Trust  
7 Fund.

8 SEC. 3. Section 8574.7 of the Government Code is amended  
9 to read:

10 8574.7. The Governor shall require the administrator, not in  
11 conflict with the National Contingency Plan, to amend the  
12 California oil spill contingency plan to provide for the best  
13 achievable protection of waters of the state. "Administrator" for  
14 purposes of this section means the administrator appointed by the  
15 Governor pursuant to Section 8670.4. The plan shall consist of all  
16 of the following elements:

17 (a) A state response element that specifies the hierarchy for state  
18 and local agency response to an oil spill. The element shall define  
19 the necessary tasks for oversight and control of cleanup and  
20 removal activities associated with an oil spill and shall specify  
21 each agency's particular responsibility in carrying out these tasks.  
22 The element shall also include an organizational chart of the state  
23 oil spill response organization and a definition of the resources,  
24 capabilities, and response assignments of each agency involved  
25 in cleanup and removal actions in an oil spill.

26 (b) A regional and local planning element that shall provide the  
27 framework for the involvement of regional and local agencies in  
28 the state effort to respond to an oil spill, and shall ensure the  
29 effective and efficient use of regional and local resources, as  
30 appropriate, in all of the following:

- 31 (1) Traffic and crowd control.
- 32 (2) Firefighting.
- 33 (3) Boating traffic control.
- 34 (4) Radio and communications control and provision of access  
35 to equipment.
- 36 (5) Identification and use of available local and regional  
37 equipment or other resources suitable for use in cleanup and  
38 removal actions.

1 (6) Identification of private and volunteer resources or personnel  
2 with special or unique capabilities relating to oil spill cleanup and  
3 removal actions.

4 (7) Provision of medical emergency services.

5 (8) Consideration of the identification and use of private working  
6 craft and mariners, including commercial fishing vessels and  
7 licensed commercial fishing men and women, in containment,  
8 cleanup, and removal actions.

9 (c) A coastal protection element that establishes the state  
10 standards for coastline protection. The administrator, in  
11 consultation with the Coast Guard and Navy and the shipping  
12 industry, shall develop criteria for coastline protection. If  
13 appropriate, the administrator shall consult with representatives  
14 from the States of Alaska, Washington, and Oregon, the Province  
15 of British Columbia in Canada, and the Republic of Mexico. The  
16 criteria shall designate at least all of the following:

17 (1) Appropriate shipping lanes and navigational aids for tankers,  
18 barges, and other commercial vessels to reduce the likelihood of  
19 collisions between tankers, barges, and other commercial vessels.  
20 Designated shipping lanes shall be located off the coastline at a  
21 distance sufficient to significantly reduce the likelihood that  
22 disabled vessels will run aground along the coast of the state.

23 (2) Ship position reporting and communications requirements.

24 (3) Required predeployment of protective equipment for  
25 sensitive environmental areas along the coastline.

26 (4) Required emergency response vessels that are capable of  
27 preventing disabled tankers from running aground.

28 (5) Required emergency response vessels that are capable of  
29 commencing oil cleanup operations before spilled oil can reach  
30 the shoreline.

31 (6) An expedited decisionmaking process for dispersant use in  
32 coastal waters. Prior to adoption of the process, the administrator  
33 shall ensure that a comprehensive testing program is carried out  
34 for any dispersant proposed for use in California marine waters.  
35 The testing program shall evaluate toxicity and effectiveness of  
36 the dispersants.

37 (7) Required rehabilitation facilities for wildlife injured by  
38 spilled oil.

1 (8) An assessment of how activities that usually require a permit  
2 from a state or local agency may be expedited or issued by the  
3 administrator in the event of an oil spill.

4 (d) An environmentally and ecologically sensitive areas element  
5 that shall provide the framework for prioritizing and ensuring the  
6 protection of environmentally and ecologically sensitive areas.  
7 The environmentally and ecologically sensitive areas element shall  
8 be developed by the administrator, in conjunction with appropriate  
9 local agencies, and shall include all of the following:

10 (1) Identification and prioritization of environmentally and  
11 ecologically sensitive areas in state waters and along the coast.  
12 Identification and prioritization of environmentally and ecologically  
13 sensitive areas shall not prevent or excuse the use of all reasonably  
14 available containment and cleanup resources from being used to  
15 protect every environmentally and ecologically sensitive area  
16 possible. Environmentally and ecologically sensitive areas shall  
17 be prioritized through the evaluation of criteria, including, but not  
18 limited to, all of the following:

19 (A) Risk of contamination by oil after a spill.

20 (B) Environmental, ecological, recreational, and economic  
21 importance.

22 (C) Risk of public exposure should the area be contaminated.

23 (2) Regional maps depicting environmentally and ecologically  
24 sensitive areas in state waters or along the coast that shall be  
25 distributed to facilities and local and state agencies. The maps shall  
26 designate those areas that have particularly high priority for  
27 protection against oil spills.

28 (3) A plan for protection actions required to be taken in the  
29 event of an oil spill for each of the environmentally and  
30 ecologically sensitive areas and protection priorities for the first  
31 24 to 48 hours after an oil spill shall be specified.

32 (4) The location of available response equipment and the  
33 availability of trained personnel to deploy the equipment to protect  
34 the priority environmentally and ecologically sensitive areas.

35 (5) A program for systemically testing and revising, if necessary,  
36 protection strategies for each of the priority environmentally and  
37 ecologically sensitive areas.

38 (6) Any recommendations for action that cannot be financed or  
39 implemented pursuant to existing authority of the administrator,

1 which shall also be reported to the Legislature along with  
2 recommendations for financing those actions.

3 (e) A reporting element that requires the reporting of spills of  
4 any amount of oil in or on state waters.

5 SEC. 4. Section 8574.8 of the Government Code is amended  
6 to read:

7 8574.8. (a) The administrator shall submit to the Governor  
8 and the Legislature an amended California oil spill contingency  
9 plan required, pursuant to Section 8574.7, by January 1, 1993. The  
10 administrator shall thereafter submit revised plans every three  
11 years, until the amended plan required pursuant to subdivision (b)  
12 is submitted.

13 (b) The administrator shall submit to the Governor and the  
14 Legislature an amended California oil spill contingency plan  
15 required pursuant to Section 8574.7, on or before January 1, 2017,  
16 that addresses marine and inland oil spills. The administrator shall  
17 thereafter submit revised plans every three years.

18 SEC. 5. Section 8670.2 of the Government Code is amended  
19 to read:

20 8670.2. The Legislature finds and declares as follows:

21 (a) Each year, billions of gallons of crude oil and petroleum  
22 products are transported by vessel, railroad, truck, or pipeline over,  
23 across, under, and through the waters of this state.

24 (b) Recent accidents in southern California, Alaska, other parts  
25 of the nation, and Canada, have shown that transportation of oil  
26 can be a significant threat to the environment of sensitive areas.

27 (c) Existing prevention programs are not able to reduce  
28 sufficiently the risk of significant discharge of petroleum into state  
29 waters.

30 (d) Response and cleanup capabilities and technology are unable  
31 to remove consistently the majority of spilled oil when major oil  
32 spills occur in state waters.

33 (e) California's lakes, rivers, other inland waters, coastal waters,  
34 estuaries, bays, and beaches are treasured environmental and  
35 economic resources that the state cannot afford to place at undue  
36 risk from an oil spill.

37 (f) Because of the inadequacy of existing cleanup and response  
38 measures and technology, the emphasis must be put on prevention,  
39 if the risk and consequences of oil spills are to be minimized.

1 (g) Improvements in the design, construction, and operation of  
2 rail tank cars, tank trucks, tank ships, terminals, and pipelines;  
3 improvements in marine safety; maintenance of emergency  
4 response stations and personnel; and stronger inspection and  
5 enforcement efforts are necessary to reduce the risks of and from  
6 a major oil spill.

7 (h) A major oil spill in state waters is extremely expensive  
8 because of the need to clean up discharged oil, protect sensitive  
9 environmental areas, and restore ecosystem damage.

10 (i) Immediate action must be taken to improve control and  
11 cleanup technology in order to strengthen the capabilities and  
12 capacities of cleanup operations.

13 (j) California government should improve its response and  
14 management of oil spills that occur in state waters.

15 (k) Those who transport oil through or near the waters of the  
16 state must meet minimum safety standards and demonstrate  
17 financial responsibility.

18 (l) The federal government plays an important role in preventing  
19 and responding to petroleum spills and it is in the interests of the  
20 state to coordinate with agencies of the federal government,  
21 including the Coast Guard and the United States Environmental  
22 Protection Agency, to the greatest degree possible.

23 (m) California has approximately 1,100 miles of coast, including  
24 four marine sanctuaries that occupy 88,767 square miles. The  
25 weather, topography, and tidal currents in and around California's  
26 coastal ports and waterways make vessel navigation challenging.  
27 The state's major ports are among the busiest in the world.  
28 Approximately 700 million barrels of oil are consumed annually  
29 by California, with over 500 million barrels being transported by  
30 vessel. The peculiarities of California's maritime coast require  
31 special precautionary measures regarding oil pollution.

32 (n) California has approximately 158,500 square miles of interior  
33 area where there are approximately 6,800 miles of pipeline used  
34 for oil distribution, 5,800 miles of Class I railroad track, and  
35 172,100 miles of maintained roads.

36 SEC. 6. Section 8670.3 of the Government Code is amended  
37 to read:

38 8670.3. Unless the context requires otherwise, the following  
39 definitions shall govern the construction of this chapter:

- 1 (a) “Administrator” means the administrator for oil spill response  
2 appointed by the Governor pursuant to Section 8670.4.
- 3 (b) (1) “Best achievable protection” means the highest level of  
4 protection that can be achieved through both the use of the best  
5 achievable technology and those manpower levels, training  
6 procedures, and operational methods that provide the greatest  
7 degree of protection achievable. The administrator’s determination  
8 of which measures provide the best achievable protection shall be  
9 guided by the critical need to protect valuable natural resources  
10 and state waters, while also considering all of the following:
- 11 (A) The protection provided by the measure.
  - 12 (B) The technological achievability of the measure.
  - 13 (C) The cost of the measure.
- 14 (2) The administrator shall not use a cost-benefit or  
15 cost-effectiveness analysis or any particular method of analysis in  
16 determining which measures provide the best achievable protection.  
17 The administrator shall instead, when determining which measures  
18 provide best achievable protection, give reasonable consideration  
19 to the protection provided by the measures, the technological  
20 achievability of the measures, and the cost of the measures when  
21 establishing the requirements to provide the best achievable  
22 protection for the natural resources of the state.
- 23 (c) (1) “Best achievable technology” means that technology  
24 that provides the greatest degree of protection, taking into  
25 consideration both of the following:
- 26 (A) Processes that are being developed, or could feasibly be  
27 developed anywhere in the world, given overall reasonable  
28 expenditures on research and development.
  - 29 (B) Processes that are currently in use anywhere in the world.
- 30 (2) In determining what is the best achievable technology  
31 pursuant to this chapter, the administrator shall consider the  
32 effectiveness and engineering feasibility of the technology.
- 33 (d) “California oil spill contingency plan” means the California  
34 oil spill contingency plan prepared pursuant to Article 3.5  
35 (commencing with Section 8574.1) of Chapter 7.
- 36 (e) “Dedicated response resources” means equipment and  
37 personnel committed solely to oil spill response, containment, and  
38 cleanup that are not used for any other activity that would adversely  
39 affect the ability of that equipment and personnel to provide oil

1 spill response services in the timeframes for which the equipment  
2 and personnel are rated.

3 (f) “Environmentally sensitive area” means an area defined  
4 pursuant to the applicable area contingency plans or geographic  
5 response plans, as created and revised by the Coast Guard, the  
6 United States Environmental Protection Agency, and the  
7 administrator.

8 (g) (1) “Facility” means any of the following located in state  
9 waters or located where an oil spill may impact state waters:

10 (A) A building, structure, installation, or equipment used in oil  
11 exploration, oil well drilling operations, oil production, oil refining,  
12 oil storage, oil gathering, oil processing, oil transfer, oil  
13 distribution, or oil transportation.

14 (B) A marine terminal.

15 (C) A pipeline that transports oil.

16 (D) A railroad that transports oil as cargo.

17 (E) A drill ship, semisubmersible drilling platform, jack-up type  
18 drilling rig, or any other floating or temporary drilling platform.

19 (2) “Facility” does not include any of the following:

20 (A) A vessel, except a vessel located and used for any purpose  
21 described in subparagraph (E) of paragraph (1).

22 (B) An owner or operator subject to Chapter 6.67 (commencing  
23 with Section 25270) or Chapter 6.75 (commencing with Section  
24 25299.10) of Division 20 of the Health and Safety Code.

25 (C) Operations on a farm, nursery, logging site, or construction  
26 site that are either of the following:

27 (i) Do not exceed 20,000 gallons in a single storage tank.

28 (ii) Have a useable tank storage capacity not exceeding 75,000  
29 gallons.

30 (D) A small craft refueling dock.

31 (h) “Local government” means a chartered or general law city,  
32 a chartered or general law county, or a city and county.

33 (i) (1) “Marine terminal” means any facility used for  
34 transferring oil to or from a tank ship or tank barge.

35 (2) “Marine terminal” includes, for purposes of this chapter, all  
36 piping not integrally connected to a tank facility, as defined in  
37 subdivision (n) of Section 25270.2 of the Health and Safety Code.

38 (j) “Mobile transfer unit” means a vehicle, truck, or trailer,  
39 including all connecting hoses and piping, used for the transferring

1 of oil at a location where a discharge could impact waters of the  
2 state.

3 (k) “Nondedicated response resources” means those response  
4 resources identified by an Oil Spill Response Organization for oil  
5 spill response activities that are not dedicated response resources.

6 (l) “Nonpersistent oil” means a petroleum-based oil, such as  
7 gasoline or jet fuel, that evaporates relatively quickly and is an oil  
8 with hydrocarbon fractions, at least 50 percent of which, by  
9 volume, distills at a temperature of 645 degrees Fahrenheit, and  
10 at least 95 percent of which, by volume, distills at a temperature  
11 of 700 degrees Fahrenheit.

12 (m) “Nontank vessel” means a vessel of 300 gross tons or greater  
13 that carries oil, but does not carry that oil as cargo.

14 (n) “Oil” means any kind of petroleum, liquid hydrocarbons,  
15 or petroleum products or any fraction or residues therefrom,  
16 including, but not limited to, crude oil, bunker fuel, gasoline, diesel  
17 fuel, aviation fuel, oil sludge, oil refuse, oil mixed with waste, and  
18 liquid distillates from unprocessed natural gas.

19 (o) “Oil spill cleanup agent” means a chemical, or any other  
20 substance, used for removing, dispersing, or otherwise cleaning  
21 up oil or any residual products of petroleum in, or on, any of the  
22 waters of the state.

23 (p) “Oil spill contingency plan” or “contingency plan” means  
24 the oil spill contingency plan required pursuant to Article 5  
25 (commencing with Section 8670.28).

26 (q) (1) “Oil Spill Response Organization” or “OSRO” means  
27 an individual, organization, association, cooperative, or other entity  
28 that provides, or intends to provide, equipment, personnel, supplies,  
29 or other services directly related to oil spill containment, cleanup,  
30 or removal activities.

31 (2) “OSRO” does not include an owner or operator with an oil  
32 spill contingency plan approved by the administrator or an entity  
33 that only provides spill management services, or who provides  
34 services or equipment that are only ancillary to containment,  
35 cleanup, or removal activities.

36 (r) (1) “Owner” or “operator” means any of the following:

37 (A) In the case of a vessel, a person who owns, has an ownership  
38 interest in, operates, charters by demise, or leases the vessel.

39 (B) In the case of a facility, a person who owns, has an  
40 ownership interest in, or operates the facility.

1 (C) Except as provided in subparagraph (D), in the case of a  
2 vessel or facility, where title or control was conveyed due to  
3 bankruptcy, foreclosure, tax delinquency, abandonment, or similar  
4 means to an entity of state or local government, a person who  
5 owned, held an ownership interest in, operated, or otherwise  
6 controlled activities concerning the vessel or facility immediately  
7 beforehand.

8 (D) An entity of the state or local government that acquired  
9 ownership or control of a vessel or facility, when the entity of the  
10 state or local government has caused or contributed to a spill or  
11 discharge of oil into waters of the state.

12 (2) “Owner” or “operator” does not include a person who,  
13 without participating in the management of a vessel or facility,  
14 holds indicia of ownership primarily to protect the person’s security  
15 interest in the vessel or facility.

16 (3) “Operator” does not include a person who owns the land  
17 underlying a facility or the facility itself if the person is not  
18 involved in the operations of the facility.

19 (s) “Person” means an individual, trust, firm, joint stock  
20 company, or corporation, including, but not limited to, a  
21 government corporation, partnership, and association. “Person”  
22 also includes a city, county, city and county, district, and the state  
23 or any department or agency thereof, and the federal government,  
24 or any department or agency thereof, to the extent permitted by  
25 law.

26 (t) “Pipeline” means a pipeline used at any time to transport oil.

27 (u) “Railroad” means a railroad, railway, rail car, rolling stock,  
28 or train.

29 (v) “Rated OSRO” means an OSRO that has received a  
30 satisfactory rating from the administrator for a particular rating  
31 level established pursuant to Section 8670.30.

32 (w) “Responsible party” or “party responsible” means any of  
33 the following:

34 (1) The owner or transporter of oil or a person or entity accepting  
35 responsibility for the oil.

36 (2) The owner, operator, or lessee of, or a person that charters  
37 by demise, a vessel or facility, or a person or entity accepting  
38 responsibility for the vessel or facility.

39 (x) “Small craft” means a vessel, other than a tank ship or tank  
40 barge, that is less than 20 meters in length.

- 1 (y) “Small craft refueling dock” means a waterside operation  
2 that dispenses only nonpersistent oil in bulk and small amounts of  
3 persistent lubrication oil in containers primarily to small craft and  
4 meets both of the following criteria:
- 5 (1) Has tank storage capacity not exceeding 20,000 gallons in  
6 any single storage tank or tank compartment.
- 7 (2) Has total usable tank storage capacity not exceeding 75,000  
8 gallons.
- 9 (z) “Small marine fueling facility” means either of the following:
- 10 (1) A mobile transfer unit.
- 11 (2) A fixed facility that is not a marine terminal, that dispenses  
12 primarily nonpersistent oil, that may dispense small amounts of  
13 persistent oil, primarily to small craft, and that meets all of the  
14 following criteria:
- 15 (A) Has tank storage capacity greater than 20,000 gallons but  
16 not more than 40,000 gallons in any single storage tank or storage  
17 tank compartment.
- 18 (B) Has total usable tank storage capacity not exceeding 75,000  
19 gallons.
- 20 (C) Had an annual throughput volume of over-the-water transfers  
21 of oil that did not exceed 3,000,000 gallons during the most recent  
22 preceding 12-month period.
- 23 (aa) “Spill,” “discharge,” or “oil spill” means a release of any  
24 amount of oil into waters of the state that is not authorized by a  
25 federal, state, or local government entity.
- 26 (ab) “Tank barge” means a vessel that carries oil in commercial  
27 quantities as cargo but is not equipped with a means of  
28 self-propulsion.
- 29 (ac) “Tank ship” means a self-propelled vessel that is  
30 constructed or adapted for the carriage of oil in bulk or in  
31 commercial quantities as cargo.
- 32 (ad) “Tank vessel” means a tank ship or tank barge.
- 33 (ae) “Vessel” means a watercraft or ship of any kind, including  
34 every structure adapted to be navigated from place to place for the  
35 transportation of merchandise or persons.
- 36 (af) “Vessel carrying oil as secondary cargo” means a vessel  
37 that does not carry oil as a primary cargo, but does carry oil as  
38 cargo. The administrator may establish minimum oil volume  
39 amounts or other criteria by regulations.

1 (ag) “Waters of the state” or “state waters” means any surface  
2 water, including saline waters, marine waters, and freshwaters,  
3 within the boundaries of the state but does not include groundwater.

4 SEC. 7. Section 8670.5 of the Government Code is amended  
5 to read:

6 8670.5. The Governor shall ensure that the state fully and  
7 adequately responds to all oil spills in waters of the state. The  
8 administrator, acting at the direction of the Governor, shall  
9 implement activities relating to oil spill response, including drills  
10 and preparedness and oil spill containment and cleanup. The  
11 administrator shall also represent the state in any coordinated  
12 response efforts with the federal government.

13 SEC. 8. Section 8670.7 of the Government Code is amended  
14 to read:

15 8670.7. (a) The administrator, subject to the Governor, has  
16 the primary authority to direct prevention, removal, abatement,  
17 response, containment, and cleanup efforts with regard to all  
18 aspects of any oil spill in waters of the state, in accordance with  
19 any applicable facility or vessel contingency plan and the California  
20 oil spill contingency plan. The administrator shall cooperate with  
21 any federal on-scene coordinator, as specified in the National  
22 Contingency Plan.

23 (b) The administrator shall implement the California oil spill  
24 contingency plan, required pursuant to Section 8574.1, to the fullest  
25 extent possible.

26 (c) The administrator shall do both of the following:

27 (1) Be present at the location of any oil spill of more than  
28 100,000 gallons in waters of the state, as soon as possible after  
29 notice of the discharge.

30 (2) Ensure that persons trained in oil spill response and cleanup,  
31 whether employed by the responsible party, the state, or another  
32 private or public person or entity, are onsite to respond to, contain,  
33 and clean up any oil spill in waters of the state, as soon as possible  
34 after notice of the discharge.

35 (d) Throughout the response and cleanup process, the  
36 administrator shall apprise the air quality management district or  
37 air pollution control district having jurisdiction over the area in  
38 which the oil spill occurred and the local government agencies  
39 that are affected by the spill.

1 (e) The administrator, with the assistance, as needed, of the  
2 Office of the State Fire Marshal, the Public Utilities Commission,  
3 the State Lands Commission, or other state agency, and the federal  
4 on-scene coordinator, shall determine the cause and amount of the  
5 discharge.

6 (f) The administrator shall have the state authority over the use  
7 of all response methods, including, but not limited to, in situ  
8 burning, dispersants, and any oil spill cleanup agents in connection  
9 with an oil discharge. The administrator shall consult with the  
10 federal on-scene coordinator prior to exercising authority under  
11 this subdivision.

12 (g) (1) The administrator shall conduct workshops, consistent  
13 with the intent of this chapter, with the participation of appropriate  
14 local, state, and federal agencies, including the State Air Resources  
15 Board, air pollution control and air quality management districts,  
16 and affected private organizations, on the subject of oil spill  
17 response technologies, including in situ burning. The workshops  
18 shall review the latest research and findings regarding the efficacy  
19 and toxicity of oil spill cleanup agents and other technologies, their  
20 potential public health and safety and environmental impacts, and  
21 any other relevant factors concerning their use in oil spill response.  
22 In conducting these workshops, the administrator shall solicit the  
23 views of all participating parties concerning the use of these  
24 technologies, with particular attention to any special considerations  
25 that apply to coastal areas and waters of the state.

26 (2) The administrator shall publish guidelines and conduct  
27 periodic reviews of the policies, procedures, and parameters for  
28 the use of in situ burning, which may be implemented in the event  
29 of an oil spill.

30 (h) (1) The administrator shall ensure that, as part of the  
31 response to any significant spill, biologists or other personnel are  
32 present and provided any support and funding necessary and  
33 appropriate for the assessment of damages to natural resources  
34 and for the collection of data and other evidence that may help in  
35 determining and recovering damages.

36 (2) (A) The administrator shall coordinate all actions required  
37 by state or local agencies to assess injury to, and provide full  
38 mitigation for injury to, or to restore, rehabilitate, or replace, natural  
39 resources, including wildlife, fisheries, wildlife or fisheries habitat,  
40 beaches, and coastal areas, that are damaged by an oil spill. For

1 purposes of this subparagraph, “actions required by state or local  
2 agencies” include, but are not limited to, actions required by state  
3 trustees under Section 1006 of the Oil Pollution Act of 1990 (33  
4 U.S.C. Sec. 2706) and actions required pursuant to Section  
5 8670.61.5.

6 (B) The responsible party shall be liable for all coordination  
7 costs incurred by the administrator.

8 (3) This subdivision does not give the administrator any  
9 authority to administer state or local laws or to limit the authority  
10 of another state or local agency to implement and enforce state or  
11 local laws under its jurisdiction, nor does this subdivision limit  
12 the authority or duties of the administrator under this chapter or  
13 limit the authority of an agency to enforce existing permits or  
14 permit conditions.

15 (i) (1) The administrator shall enter into a memorandum of  
16 understanding with the executive director of the State Water  
17 Resources Control Board, acting for the State Water Resources  
18 Control Board and the California regional water quality control  
19 boards, and with the approval of the State Water Resources Control  
20 Board, to address discharges, other than dispersants, that are  
21 incidental to, or directly associated with, the response, containment,  
22 and cleanup of an existing or threatened oil spill conducted  
23 pursuant to this chapter.

24 (2) The memorandum of understanding entered into pursuant  
25 to paragraph (1) shall address any permits, requirements, or  
26 authorizations that are required for the specified discharges. The  
27 memorandum of understanding shall be consistent with  
28 requirements that protect state water quality and beneficial uses  
29 and with any applicable provisions of the Porter-Cologne Water  
30 Quality Control Act (Division 7 (commencing with Section 13000)  
31 of the Water Code) or the federal Clean Water Act (33 U.S.C. Sec.  
32 1251 et seq.), and shall expedite efficient oil spill response.

33 SEC. 9. Section 8670.7.5 is added to the Government Code,  
34 to read:

35 8670.7.5. (a) The administrator may adopt regulations to  
36 implement this chapter pursuant to the Administrative Procedure  
37 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
38 Division 3).

39 (b) (1) An emergency regulation adopted pursuant to  
40 amendments made to this chapter by Assembly Bill 1466 of the

1 2013–14 Regular Session shall be deemed an emergency and  
2 necessary to avoid serious harm to the public peace, health, safety,  
3 or general welfare for the purposes of Sections 11346.1 and  
4 11349.6, and the administrator is hereby exempt from the  
5 requirement that he or she describe facts showing the need for  
6 immediate action and from review by the Office of Administrative  
7 Law.

8 (2) Notwithstanding Section 11346.1, an emergency regulation  
9 adopted pursuant to paragraph (1) shall remain in effect for 12  
10 months or until readopted by the administrator, whichever is earlier.

11 SEC. 10. Section 8670.8 of the Government Code is amended  
12 to read:

13 8670.8. (a) The administrator shall carry out programs to  
14 provide training for individuals in response, containment, and  
15 cleanup operations and equipment, equipment deployment, and  
16 the planning and management of these programs. These programs  
17 may include training for members of the California Conservation  
18 Corps, other response personnel employed by the state, personnel  
19 employed by other public entities, personnel from marine facilities,  
20 commercial fishermen and other mariners, and interested members  
21 of the public. Training may be offered for volunteers.

22 (b) The administrator may offer training to anyone who is  
23 required to take part in response and cleanup efforts under the  
24 California oil spill contingency plan or under local government  
25 contingency plans prepared and approved under this chapter.

26 (c) Upon request by a local government, the administrator may  
27 provide a program for training and certification of a local  
28 emergency responder designated as a local spill response manager  
29 by a local government with jurisdiction over or directly adjacent  
30 to waters of the state.

31 (d) Trained and certified local spill response managers shall  
32 participate in all drills upon request of the administrator.

33 (e) As part of the training and certification program, the  
34 administrator shall authorize a local spill response manager to train  
35 and certify volunteers.

36 (f) In the event of an oil spill, local spill response managers  
37 trained and certified pursuant to subdivision (c) shall provide the  
38 state onscene coordinator with timely information on activities  
39 and resources deployed by local government in response to the oil  
40 spill. The local spill response manager shall cooperate with the

1 administrator and respond in a manner consistent with the area  
2 contingency plan to the extent possible.

3 (g) Funding for activities undertaken pursuant to subdivisions  
4 (a) to (c), inclusive, shall be from the Oil Spill Prevention and  
5 Administration Fund created pursuant to Section 8670.38.

6 (h) All training provided by the administrator shall follow the  
7 requirements of applicable federal and state occupational safety  
8 and health standards adopted by the Occupational Safety and  
9 Health Administration of the Department of Labor and the  
10 Occupational Safety and Health Standards Board.

11 SEC. 11. Section 8670.8.3 of the Government Code is amended  
12 to read:

13 8670.8.3. The administrator may offer grants to a local  
14 government with jurisdiction over or directly adjacent to waters  
15 of the state to provide oil spill response equipment to be deployed  
16 by a local spill response manager certified pursuant to Section  
17 8670.8. The administrator may request the Legislature to  
18 appropriate funds from the Oil Spill Prevention and Administration  
19 Fund created pursuant to Section 8670.38 for the purposes of this  
20 section.

21 SEC. 12. Section 8670.8.5 of the Government Code is amended  
22 to read:

23 8670.8.5. The administrator may use volunteer workers in  
24 response, containment, restoration, wildlife rehabilitation, and  
25 cleanup efforts for oil spills in waters of the state. The volunteers  
26 shall be deemed employees of the state for the purpose of workers'  
27 compensation under Article 2 (commencing with Section 3350)  
28 of Chapter 2 of Part 1 of Division 4 of the Labor Code. Any  
29 payments for workers' compensation pursuant to this section shall  
30 be made from the Oil Spill Response Trust Fund created pursuant  
31 to Section 8670.46.

32 SEC. 13. Section 8670.9 of the Government Code is amended  
33 to read:

34 8670.9. (a) The administrator shall enter into discussions on  
35 behalf of the state with the States of Alaska, Hawaii, Oregon, and  
36 Washington, for the purpose of developing interstate agreements  
37 regarding oil spill prevention and response. The agreements shall  
38 address, including, but not limited to, all of the following:

39 (1) Coordination of vessel safety and traffic.

1 (2) Spill prevention equipment and response required on vessels  
2 and at facilities.

3 (3) The availability of oil spill response and cleanup equipment  
4 and personnel.

5 (4) Other matters that may relate to the transport of oil and oil  
6 spill prevention, response, and cleanup.

7 (b) The administrator shall coordinate the development of these  
8 agreements with the Coast Guard, the Province of British Columbia  
9 in Canada, and the Republic of Mexico.

10 SEC. 14. Section 8670.12 of the Government Code is amended  
11 to read:

12 8670.12. (a) The administrator shall conduct studies and  
13 evaluations necessary for improving oil spill response, containment,  
14 and cleanup and oil spill wildlife rehabilitation in waters of the  
15 state and oil transportation systems. The administrator may expend  
16 moneys from the Oil Spill Prevention and Administration Fund  
17 created pursuant to Section 8670.38, enter into consultation  
18 agreements, and acquire necessary equipment and services for the  
19 purpose of carrying out these studies and evaluations.

20 (b) The administrator shall study the use and effects of  
21 dispersants, incineration, bioremediation, and any other methods  
22 used to respond to a spill. The study shall periodically be updated  
23 to ensure the best achievable protection from the use of those  
24 methods. Based upon substantial evidence in the record, the  
25 administrator may determine in individual cases that best  
26 achievable protection is provided by establishing requirements  
27 that provide the greatest degree of protection achievable without  
28 imposing costs that significantly outweigh the incremental  
29 protection that would otherwise be provided. The studies shall do  
30 all of the following:

31 (1) Evaluate the effectiveness of dispersants and other chemical  
32 agents in oil spill response under varying environmental conditions.

33 (2) Evaluate potential adverse impacts on the environment and  
34 public health including, but not limited to, adverse toxic impacts  
35 on water quality, fisheries, and wildlife with consideration to  
36 bioaccumulation and synergistic impacts, and the potential for  
37 human exposure, including skin contact and consumption of  
38 contaminated seafood.

39 (3) Recommend appropriate uses and limitations on the use of  
40 dispersants and other chemical agents to ensure they are used only

1 in situations where the administrator determines they are effective  
2 and safe.

3 (c) The administrator shall evaluate the feasibility of using  
4 commercial fishermen and other mariners for oil spill containment  
5 and cleanup. The study shall examine the following:

- 6 (1) Equipment and technology needs.
- 7 (2) Coordination with private response personnel.
- 8 (3) Liability and insurance.
- 9 (4) Compensation.

10 (d) The studies shall be performed in conjunction with any  
11 studies performed by federal, state, and international entities. The  
12 administrator may enter into contracts for the studies.

13 SEC. 15. Section 8670.14 of the Government Code is amended  
14 to read:

15 8670.14. The administrator shall coordinate the oil spill  
16 prevention and response programs and facility, tank vessel, and  
17 nontank vessel safety standards of the state with federal programs  
18 as appropriate and to the maximum extent possible.

19 SEC. 16. Section 8670.19 of the Government Code is amended  
20 to read:

21 8670.19. (a) The administrator shall periodically conduct a  
22 comprehensive review of all oil spill contingency plans. The  
23 administrator shall do both of the following:

- 24 (1) Segment the state into appropriate areas as necessary.
- 25 (2) Evaluate the oil spill contingency plans for each area to  
26 determine if deficiencies exist in equipment, personnel, training,  
27 and any other area determined to be necessary, including those  
28 response resources properly authorized for cascading into the area,  
29 to ensure the best achievable protection of state waters from oil  
30 spills.

31 (b) If the administrator finds that deficiencies exist, the  
32 administrator shall, by the process set forth in Section 8670.31,  
33 remand any oil spill contingency plans to the originating party  
34 with recommendations for amendments necessary to ensure that  
35 the waters of the state are protected.

36 SEC. 17. Section 8670.25 of the Government Code is amended  
37 to read:

38 8670.25. (a) A person who, without regard to intent or  
39 negligence, causes or permits any oil to be discharged in or on the  
40 waters of the state shall immediately contain, clean up, and remove

1 the oil in the most effective manner that minimizes environmental  
2 damage and in accordance with the applicable contingency plans,  
3 unless ordered otherwise by the Coast Guard or the administrator.

4 (b) If there is a spill, an owner or operator shall comply with  
5 the applicable oil spill contingency plan approved by the  
6 administrator.

7 SEC. 18. Section 8670.25.5 of the Government Code is  
8 amended to read:

9 8670.25.5. (a) (1) Without regard to intent or negligence, any  
10 party responsible for the discharge or threatened discharge of oil  
11 in waters of the state shall report the discharge immediately to the  
12 Office of Emergency Services pursuant to Section 25510 of the  
13 Health and Safety Code.

14 (2) If the information initially reported pursuant to paragraph  
15 (1) was inaccurate or incomplete, or if the quantity of oil discharged  
16 has changed, any party responsible for the discharge or threatened  
17 discharge of oil in waters of the state shall report the updated  
18 information immediately to the Office of Emergency Services  
19 pursuant to paragraph (1). The report shall contain the accurate or  
20 complete information, or the revised quantity of oil discharged.

21 (b) Immediately upon receiving notification pursuant to  
22 subdivision (a), the Office of Emergency Services shall notify the  
23 administrator, the State Lands Commission, the California Coastal  
24 Commission, the California regional water quality control board  
25 having jurisdiction over the location of the discharged oil, and the  
26 appropriate local governmental agencies in the area surrounding  
27 the discharged oil, and take the actions required by subdivision  
28 (d) of Section 8589.7. If the spill has occurred within the  
29 jurisdiction of the San Francisco Bay Conservation and  
30 Development Commission, the Office of Emergency Services shall  
31 notify that commission. Each public agency specified in this  
32 subdivision shall adopt an internal protocol over communications  
33 regarding the discharge of oil and file the internal protocol with  
34 the Office of Emergency Services.

35 (c) The 24-hour emergency telephone number of the Office of  
36 Emergency Services shall be posted at every railroad dispatch,  
37 pipeline operator control center, and marine terminal, at the area  
38 of control of every marine facility, and on the bridge of every  
39 tankship in marine waters.

1 (d) Except as otherwise provided in this section and Section  
2 8589.7, a notification made pursuant to this section shall satisfy  
3 any immediate notification requirement contained in any permit  
4 issued by a permitting agency.

5 SEC. 19. Section 8670.26 of the Government Code is amended  
6 to read:

7 8670.26. Any local or state agency responding to an oil spill  
8 shall notify the Office of Emergency Services, if notification is  
9 required under Section 8670.25.5, Section 13272 of the Water  
10 Code, or any other notification procedure adopted in the California  
11 oil spill contingency plan has not occurred.

12 SEC. 20. Section 8670.27 of the Government Code is amended  
13 to read:

14 8670.27. (a) (1) All potentially responsible parties for an oil  
15 spill and all of their agents and employees and all state and local  
16 agencies shall carry out response and cleanup operations in  
17 accordance with the applicable contingency plan, unless directed  
18 otherwise by the administrator or the Coast Guard.

19 (2) Except as provided in subdivision (b), the responsible party,  
20 potentially responsible parties, their agents and employees, the  
21 operators of all vessels docked at a marine facility that is the source  
22 of a discharge, and all state and local agencies shall carry out spill  
23 response consistent with the California oil spill contingency plan  
24 or other applicable federal, state, or local spill response plans, and  
25 owners and operators shall carry out spill response consistent with  
26 their applicable response contingency plans, unless directed  
27 otherwise by the administrator or the Coast Guard.

28 (b) If a responsible party or potentially responsible party  
29 reasonably, and in good faith, believes that the directions or orders  
30 given by the administrator pursuant to subdivision (a) will  
31 substantially endanger the public safety or the environment, the  
32 party may refuse to act in compliance with the orders or directions  
33 of the administrator. The responsible party or potentially  
34 responsible party shall state, at the time of the refusal, the reasons  
35 why the party refuses to follow the orders or directions of the  
36 administrator. The responsible party or potentially responsible  
37 party shall give the administrator written notice of the reasons for  
38 the refusal within 48 hours of refusing to follow the orders or  
39 directions of the administrator. In any civil or criminal proceeding  
40 commenced pursuant to this section, the burden of proof shall be

1 on the responsible party or potentially responsible party to  
2 demonstrate, by clear and convincing evidence, why the refusal  
3 to follow the orders or directions of the administrator was justified  
4 under the circumstances.

5 SEC. 21. Section 8670.28 of the Government Code is amended  
6 to read:

7 8670.28. (a) The administrator, taking into consideration the  
8 facility or vessel contingency plan requirements of the State Lands  
9 Commission, the Office of the State Fire Marshal, the California  
10 Coastal Commission, and other state and federal agencies, shall  
11 adopt and implement regulations governing the adequacy of oil  
12 spill contingency plans to be prepared and implemented under this  
13 article. All regulations shall be developed in consultation with the  
14 Oil Spill Technical Advisory Committee, and shall be consistent  
15 with the California oil spill contingency plan and not in conflict  
16 with the National Contingency Plan. The regulations shall provide  
17 for the best achievable protection of waters and natural resources  
18 of the state. The regulations shall permit the development,  
19 application, and use of an oil spill contingency plan for similar  
20 vessels, pipelines, terminals, and facilities within a single company  
21 or organization, and across companies and organizations. The  
22 regulations shall, at a minimum, ensure all of the following:

23 (1) All areas of state waters are at all times protected by  
24 prevention, response, containment, and cleanup equipment and  
25 operations.

26 (2) Standards set for response, containment, and cleanup  
27 equipment and operations are maintained and regularly improved  
28 to protect the resources of the state.

29 (3) All appropriate personnel employed by operators required  
30 to have a contingency plan receive training in oil spill response  
31 and cleanup equipment usage and operations.

32 (4) Each oil spill contingency plan provides for appropriate  
33 financial or contractual arrangements for all necessary equipment  
34 and services for the response, containment, and cleanup of a  
35 reasonable worst case oil spill scenario for each area the plan  
36 addresses.

37 (5) Each oil spill contingency plan demonstrates that all  
38 protection measures are being taken to reduce the possibility of  
39 an oil spill occurring as a result of the operation of the facility or  
40 vessel. The protection measures shall include, but not be limited

1 to, response to disabled vessels and an identification of those  
2 measures taken to comply with requirements of Division 7.8  
3 (commencing with Section 8750) of the Public Resources Code.

4 (6) Each oil spill contingency plan identifies the types of  
5 equipment that can be used, the location of the equipment, and the  
6 time taken to deliver the equipment.

7 (7) Each facility, as determined by the administrator, conducts  
8 a hazard and operability study to identify the hazards associated  
9 with the operation of the facility, including the use of the facility  
10 by vessels, due to operating error, equipment failure, and external  
11 events. For the hazards identified in the hazard and operability  
12 studies, the facility shall conduct an offsite consequence analysis  
13 that, for the most likely hazards, assumes pessimistic water and  
14 air dispersion and other adverse environmental conditions.

15 (8) Each oil spill contingency plan contains a list of contacts to  
16 call in the event of a drill, threatened discharge of oil, or discharge  
17 of oil.

18 (9) Each oil spill contingency plan identifies the measures to  
19 be taken to protect the recreational and environmentally sensitive  
20 areas that would be threatened by a reasonable worst case oil spill  
21 scenario.

22 (10) Standards for determining a reasonable worst case oil spill.  
23 However, for a nontank vessel, the reasonable worst case is a spill  
24 of the total volume of the largest fuel tank on the nontank vessel.

25 (11) Each oil spill contingency plan specifies an agent for service  
26 of process. The agent shall be located in this state.

27 (b) The regulations and guidelines adopted pursuant to this  
28 section shall also include provisions to provide public review and  
29 comment on submitted oil spill contingency plans.

30 (c) The regulations adopted pursuant to this section shall  
31 specifically address the types of equipment that will be necessary,  
32 the maximum time that will be allowed for deployment, the  
33 maximum distance to cooperating response entities, the amounts  
34 of dispersant, and the maximum time required for application,  
35 should the use of dispersants be approved. Upon a determination  
36 by the administrator that booming is appropriate at the site and  
37 necessary to provide best achievable protection, the regulations  
38 shall require that vessels engaged in lightering operations be  
39 boomed prior to the commencement of operations.

1 (d) The administrator shall adopt regulations and guidelines for  
2 oil spill contingency plans with regard to mobile transfer units,  
3 small marine fueling facilities, and vessels carrying oil as secondary  
4 cargo that acknowledge the reduced risk of damage from oil spills  
5 from those units, facilities, and vessels while maintaining the best  
6 achievable protection for the public health and safety and the  
7 environment.

8 (e) The regulations adopted pursuant to subdivision (d) shall be  
9 exempt from review by the Office of Administrative Law.  
10 Subsequent amendments and changes to the regulations shall not  
11 be exempt from review by the Office of Administrative Law.

12 SEC. 22. Section 8670.29 of the Government Code is amended  
13 to read:

14 8670.29. (a) In accordance with the rules, regulations, and  
15 policies established by the administrator pursuant to Section  
16 8670.28, an owner or operator of a facility, small marine fueling  
17 facility, or mobile transfer unit, or an owner or operator of a tank  
18 vessel, nontank vessel, or vessel carrying oil as secondary cargo,  
19 while operating in the waters of the state or where a spill could  
20 impact waters of the state, shall have an oil spill contingency plan  
21 that has been submitted to, and approved by, the administrator  
22 pursuant to Section 8670.31. An oil spill contingency plan shall  
23 ensure the undertaking of prompt and adequate response and  
24 removal action in case of a spill, shall be consistent with the  
25 California oil spill contingency plan, and shall not conflict with  
26 the National Oil and Hazardous Substances Pollution Contingency  
27 Plan (NCP).

28 (b) An oil spill contingency plan shall, at a minimum, meet all  
29 of the following requirements:

30 (1) Be a written document, reviewed for feasibility and  
31 executability, and signed by the owner or operator, or his or her  
32 designee.

33 (2) Provide for the use of an incident command system to be  
34 used during a spill.

35 (3) Provide procedures for reporting oil spills to local, state,  
36 and federal agencies, and include a list of contacts to call in the  
37 event of a drill, threatened spill, or spill.

38 (4) Describe the communication plans to be used during a spill,  
39 if different from those used by a recognized incident command  
40 system.

- 1 (5) Describe the strategies for the protection of environmentally  
2 sensitive areas.
- 3 (6) Identify at least one rated OSRO for each rating level  
4 established pursuant to Section 8670.30. Each identified rated  
5 OSRO shall be directly responsible by contract, agreement, or  
6 other approved means to provide oil spill response activities  
7 pursuant to the oil spill contingency plan. A rated OSRO may  
8 provide oil spill response activities individually, or in combination  
9 with another rated OSRO, for a particular owner or operator.
- 10 (7) Identify a qualified individual.
- 11 (8) Provide the name, address, and telephone and facsimile  
12 numbers for an agent for service of process, located within the  
13 state and designated to receive legal documents on behalf of the  
14 owner or operator.
- 15 (9) Provide for training and drills on elements of the plan at  
16 least annually, with all elements of the plan subject to a drill at  
17 least once every three years.
- 18 (c) An oil spill contingency plan for a vessel shall also include,  
19 but is not limited to, all of the following requirements:
- 20 (1) The plan shall be submitted to the administrator at least  
21 seven days prior to the vessel entering waters of the state.
- 22 (2) The plan shall provide evidence of compliance with the  
23 International Safety Management Code, established by the  
24 International Maritime Organization, as applicable.
- 25 (3) If the oil spill contingency plan is for a tank vessel, the plan  
26 shall include both of the following:
- 27 (A) The plan shall specify oil and petroleum cargo capacity.
- 28 (B) The plan shall specify the types of oil and petroleum cargo  
29 carried.
- 30 (4) If the oil spill contingency plan is for a nontank vessel, the  
31 plan shall include both of the following:
- 32 (A) The plan shall specify the type and total amount of fuel  
33 carried.
- 34 (B) The plan shall specify the capacity of the largest fuel tank.
- 35 (d) An oil spill contingency plan for a facility shall also include,  
36 but is not limited to, all of the following provisions, as appropriate:
- 37 (1) Provisions for site security and control.
- 38 (2) Provisions for emergency medical treatment and first aid.

1 (3) Provisions for safety training, as required by state and federal  
2 safety laws for all personnel likely to be engaged in oil spill  
3 response.

4 (4) Provisions detailing site layout and locations of  
5 environmentally sensitive areas requiring special protection.

6 (5) Provisions for vessels that are in the operational control of  
7 the facility for loading and unloading.

8 (e) Unless preempted by federal law or regulations, an oil spill  
9 contingency plan for a railroad also shall include, but is not limited  
10 to, all of the following:

11 (1) A list of the types of train cars that may make up the consist.

12 (2) A list of the types of oil and petroleum products that may  
13 be transported.

14 (3) A map of track routes and facilities.

15 (4) A list, description, and map of any prestaged spill response  
16 equipment and personnel for deployment of the equipment.

17 (f) The oil spill contingency plan shall be available to response  
18 personnel and to relevant state and federal agencies for inspection  
19 and review.

20 (g) The oil spill contingency plan shall be reviewed periodically  
21 and updated as necessary. All updates shall be submitted to the  
22 administrator pursuant to this article.

23 (h) In addition to the regulations adopted pursuant to Section  
24 8670.28, the administrator shall adopt regulations and guidelines  
25 to implement this section. The regulations and guidelines shall  
26 provide for the best achievable protection of waters and natural  
27 resources of the state. The administrator may establish additional  
28 oil spill contingency plan requirements, including, but not limited  
29 to, requirements based on the different geographic regions of the  
30 state. All regulations and guidelines shall be developed in  
31 consultation with the Oil Spill Technical Advisory Committee.

32 (i) Notwithstanding subdivision (a) and paragraph (6) of  
33 subdivision (b), a vessel or facility operating where a spill could  
34 impact state waters that are not tidally influenced shall identify a  
35 rated OSRO in the contingency plan no later than January 1, 2016.

36 SEC. 23. Section 8670.30.5 of the Government Code is  
37 amended to read:

38 8670.30.5. (a) The administrator may review each oil spill  
39 contingency plan that has been approved pursuant to Section

1 8670.29 to determine whether it complies with Sections 8670.28  
2 and 8670.29.

3 (b) If the administrator finds the approved oil spill contingency  
4 plan is deficient, the plan shall be returned to the operator with  
5 written reasons why the approved plan was found inadequate and,  
6 if practicable, suggested modifications or alternatives. The operator  
7 shall submit a new or modified plan within 30 days that responds  
8 to the deficiencies identified by the administrator.

9 SEC. 24. Section 8670.31 of the Government Code is amended  
10 to read:

11 8670.31. (a) Each oil spill contingency plan required under  
12 this article shall be submitted to the administrator for review and  
13 approval.

14 (b) The administrator shall review each submitted contingency  
15 plan to determine whether it complies with the administrator's  
16 rules, policies, and regulations adopted pursuant to Section 8670.28  
17 and 8670.29. The administrator may issue a preliminary approval  
18 pending final approval or disapproval.

19 (c) Each contingency plan submitted shall be approved or  
20 disapproved within 30 days after receipt by the administrator. The  
21 administrator may approve or disapprove portions of a plan. A  
22 plan is not deemed approved until all portions are approved  
23 pursuant to this section. The disapproved portion shall be subject  
24 to the procedures contained in subdivision (d).

25 (d) If the administrator finds the submitted contingency plan is  
26 inadequate under the rules, policies, and regulations of the  
27 administrator, the plan shall be returned to the submitter with  
28 written reasons why the plan was found inadequate and, if  
29 practicable, suggested modifications or alternatives, if appropriate.  
30 The submitter shall submit a new or modified plan within 30 days  
31 after the earlier plan was returned, responding to the findings and  
32 incorporating any suggested modifications. The resubmittal shall  
33 be treated as a new submittal and processed according to the  
34 provisions of this section, except that the resubmitted plan shall  
35 be deemed approved unless the administrator acts pursuant to  
36 subdivision (c).

37 (e) The administrator may make inspections and require drills  
38 of any oil spill contingency plan that is submitted.

39 (f) After the plan has been approved, it shall be resubmitted  
40 every five years thereafter. The administrator may require earlier

1 or more frequent resubmission, if warranted. Circumstances that  
2 would require an earlier resubmission include, but are not limited  
3 to, changes in regulations, new oil spill response technologies,  
4 deficiencies identified in the evaluation conducted pursuant to  
5 Section 8670.19, or a need for a different oil spill response because  
6 of increased need to protect endangered species habitat. The  
7 administrator may deny approval of the resubmitted plan if it is  
8 no longer considered adequate according to the adopted rules,  
9 regulations, and policies of the administrator at the time of  
10 resubmission.

11 (g) Each owner or operator of a tank vessel, nontank vessel  
12 carrying oil as a secondary cargo, or facility who is required to  
13 file an oil spill response plan or update pursuant to provisions of  
14 federal law regulating oil spill response plans shall submit, for  
15 informational purposes only and upon request of the administrator,  
16 a copy of that plan or update to the administrator at the time that  
17 it is approved by the relevant federal agency.

18 SEC. 25. Section 8670.32 of the Government Code is amended  
19 to read:

20 8670.32. (a) To reduce the risk of an oil spill as a result of  
21 fuel, cargo, and lube oil transfers, the administrator shall develop  
22 and implement a screening mechanism and a comprehensive  
23 risk-based monitoring program for inspecting the bunkering and  
24 lightering operations of vessels at anchor and alongside a dock.  
25 This program shall identify those bunkering and lightering  
26 operations that pose the highest risk of a pollution incident.

27 (b) The administrator shall ensure that all bunkering and  
28 lightering operations that, pursuant to subdivision (a), pose the  
29 highest risk of a pollution incident are routinely monitored and  
30 inspected. The administrator shall coordinate the monitoring and  
31 inspection program with the Coast Guard.

32 (c) The administrator shall establish regulations to provide for  
33 the best achievable protection during bunkering and lightering  
34 operations.

35 (d) This section shall remain in effect only until January 1, 2015,  
36 and as of that date is repealed, unless a later enacted statute, that  
37 is enacted before January 1, 2015, deletes or extends that date.

38 SEC. 26. Section 8670.33 of the Government Code is amended  
39 to read:

1 8670.33. (a) If the operator of a tank ship or tank barge for  
2 which a contingency plan has not been approved desires to have  
3 the tank ship or tank barge enter waters of the state, the  
4 administrator may give approval by telephone or facsimile machine  
5 for the entry of the tank ship or tank barge into waters of the state  
6 under an approved contingency plan applicable to a terminal or  
7 tank ship, if all of the following are met:

8 (1) The terminal or tank ship is the destination of the tank ship  
9 or tank barge.

10 (2) The operator of the terminal or the tank ship provides the  
11 administrator advance written assurance that the operator assumes  
12 all responsibility for the operations of the tank ship or tank barge  
13 while it is in waters of the state traveling to or from the terminal.  
14 The assurance may be delivered by hand or by mail or may be sent  
15 by facsimile machine, followed by delivery of the original.

16 (3) The approved terminal or tank ship contingency plan  
17 includes all conditions the administrator requires for the operations  
18 of tank ship or tank barges traveling to and from the terminal.

19 (4) The tank ship or tank barge and its operations meet all  
20 requirements of the contingency plan for the tank ship or terminal  
21 that is the destination of the tank ship or tank barge.

22 (5) The tank ship or tank barge without an approved contingency  
23 plan has not entered waters of the state more than once in the  
24 12-month period preceding the request made under this section.

25 (b) At all times that a tank ship or tank barge is in waters of the  
26 state pursuant to subdivision (a), its operators and all their agents  
27 and employees shall operate the vessel in accordance with the  
28 applicable operations manual or, if there is an oil spill, in  
29 accordance with the directions of the administrator and the  
30 applicable contingency plan.

31 SEC. 27. Section 8670.34 of the Government Code is amended  
32 to read:

33 8670.34. This article shall not apply to any tank vessel, nontank  
34 vessel, or vessel carrying oil as a secondary cargo that enters waters  
35 of the state because of imminent danger to the lives of crew  
36 members or if entering waters of the state will substantially aid in  
37 preventing an oil spill or other harm to public safety or the  
38 environment, if the operators of the tank vessel, nontank vessel,  
39 or vessel carrying oil as a secondary cargo comply with all of the  
40 following:

1 (a) The operators or crew of the tank vessel, nontank vessel, or  
2 vessel carrying oil as a secondary cargo comply at all times with  
3 all orders and directions given by the administrator, or his or her  
4 designee, while the tank vessel, nontank vessel, or vessel carrying  
5 oil as a secondary cargo is in waters of the state, unless the orders  
6 or directions are contradicted by orders or directions of the Coast  
7 Guard.

8 (b) Except for fuel, oil may be transferred to or from the tank  
9 vessel, nontank vessel, or vessel carrying oil as a secondary cargo  
10 while it is in waters of the state only if permission is obtained for  
11 the transfer of oil and one of the following conditions is met:

12 (1) The transfer is necessary for the safety of the crew.

13 (2) The transfer is necessary to prevent harm to public safety  
14 or the environment.

15 (3) An oil spill contingency plan is approved or made applicable  
16 to the tank vessel, nontank vessel, or vessel carrying oil as a  
17 secondary cargo, under subdivision (c).

18 (c) The tank vessel, nontank vessel, or vessel carrying oil as a  
19 secondary cargo shall leave the waters of the state as soon as it  
20 may do so without imminent risk of harm to the crew, public safety,  
21 or the environment, unless an oil spill contingency plan is approved  
22 or made applicable to it under this article.

23 SEC. 28. Section 8670.35 of the Government Code is amended  
24 to read:

25 8670.35. (a) The administrator, taking into consideration the  
26 California oil spill contingency plan, shall promulgate regulations  
27 regarding the adequacy of oil spill elements of area plans required  
28 pursuant to Section 25503 of the Health and Safety Code. In  
29 developing the regulations, the administrator shall consult with  
30 the Oil Spill Technical Advisory Committee.

31 (b) The administrator may offer, to a unified program agency  
32 with jurisdiction over or directly adjacent to waters of the state, a  
33 grant to complete, update, or revise an oil spill element of the area  
34 plan.

35 (c) Each oil spill element established under this section shall  
36 include provisions for training fire and police personnel in oil spill  
37 response and cleanup equipment use and operations.

38 (d) Each oil spill element prepared under this section shall be  
39 consistent with the local government's local coastal program as  
40 certified under Section 30500 of the Public Resources Code, the

1 California oil spill contingency plan, and the National Contingency  
2 Plan.

3 (e) If a grant is awarded, the administrator shall review and  
4 approve each oil spill element established pursuant to this section.  
5 If, upon review, the administrator determines that the oil spill  
6 element is inadequate, the administrator shall return it to the agency  
7 that prepared it, specifying the nature and extent of the  
8 inadequacies, and, if practicable, suggesting modifications. The  
9 unified program agency shall submit a new or modified element  
10 within 90 days after the element was returned, responding to the  
11 findings and incorporating any suggested modifications.

12 (f) The administrator shall review the preparedness of unified  
13 program agencies to determine whether a program of grants for  
14 completing oil spill elements is desirable and should be continued.  
15 If the administrator determines that local government preparedness  
16 should be improved, the administrator shall request the Legislature  
17 to appropriate funds from the Oil Spill Prevention and  
18 Administration Fund for the purposes of this section.

19 SEC. 29. Section 8670.36 of the Government Code is amended  
20 to read:

21 8670.36. The administrator shall, within five working days  
22 after receipt of a contingency plan prepared pursuant to Section  
23 8670.28 or 8670.35, post a notice that the plan is available for  
24 review. The administrator shall send a copy of the plan within two  
25 working days after receiving a request from the Oil Spill Technical  
26 Advisory Committee. The State Lands Commission and the  
27 California Coastal Commission shall review the plans for facilities  
28 or local governments within the coastal zone. The San Francisco  
29 Bay Conservation and Development Commission shall review the  
30 plans for facilities or local governments within the area described  
31 in Sections 66610 and 29101 of the Public Resources Code. Any  
32 state agency or committee that comments shall submit its comments  
33 to the administrator within 15 days of receipt of the plan. The  
34 administrator shall consider all comments.

35 SEC. 30. Section 8670.37 of the Government Code is amended  
36 to read:

37 8670.37. (a) The administrator, with the assistance of the State  
38 Lands Commission, the California Coastal Commission, the  
39 executive director of the San Francisco Bay Conservation and  
40 Development Commission, or other appropriate agency, shall carry

1 out studies with regard to improvements to contingency planning  
2 and oil spill response equipment and operations.

3 (b) To the greatest extent possible, these studies shall be  
4 coordinated with studies being done by the federal government,  
5 and other appropriate state and international entities, and  
6 duplication with the efforts of other entities shall be minimized.

7 (c) The administrator, the State Lands Commission, the  
8 California Coastal Commission, the executive director of the San  
9 Francisco Bay Conservation and Development Commission, or  
10 other appropriate agency may be reimbursed for all costs incurred  
11 in carrying out the studies under this section from the Oil Spill  
12 Prevention and Administration Fund.

13 SEC. 31. Section 8670.37.5 of the Government Code is  
14 amended to read:

15 8670.37.5. (a) The administrator shall establish a network of  
16 rescue and rehabilitation stations for wildlife injured by oil spills,  
17 including sea otters and other marine mammals. In addition to  
18 rehabilitative care, the primary focus of the Oiled Wildlife Care  
19 Network shall include proactive oiled wildlife search and collection  
20 rescue efforts. These facilities shall be established and maintained  
21 in a state of preparedness to provide the best achievable treatment  
22 for wildlife, mammals, and birds affected by an oil spill in waters  
23 of the state. The administrator shall consider all feasible  
24 management alternatives for operation of the network.

25 (b) (1) The first rescue and rehabilitation station established  
26 pursuant to this section shall be located within the sea otter range  
27 on the central coast. The administrator initially shall establish  
28 regional oiled wildlife rescue and rehabilitation facilities in the  
29 Los Angeles Harbor area, the San Francisco Bay area, the San  
30 Diego area, the Monterey Bay area, the Humboldt County area,  
31 and the Santa Barbara area. The administrator also may establish  
32 facilities in other areas of the state as the administrator determines  
33 to be necessary.

34 (2) One or more of the oiled wildlife rescue and rehabilitation  
35 stations shall be open to the public for educational purposes and  
36 shall be available for wildlife health research. Wherever possible  
37 in the establishment of these facilities, the administrator shall  
38 improve existing authorized wildlife rehabilitation facilities and  
39 may expand or take advantage of existing educational or scientific  
40 programs and institutions for oiled wildlife rehabilitation purposes.

1 Expenditures shall be reviewed by the agencies and organizations  
2 specified in subdivision (c).

3 (c) The administrator shall consult with the United States Fish  
4 and Wildlife Service, the National Marine Fisheries Service, the  
5 California Coastal Commission, the executive director of the San  
6 Francisco Bay Conservation and Development Commission, the  
7 Marine Mammal Center, and the International Bird Rescue in the  
8 design, planning, construction, and operation of the rescue and  
9 rehabilitation stations. All proposals for the rescue and  
10 rehabilitation stations shall be presented before a public hearing  
11 prior to the construction and operation of any rehabilitation station,  
12 and, upon completion of the coastal protection element of the  
13 California oil spill contingency plan, shall be consistent with the  
14 coastal protection element.

15 (d) The administrator may enter into agreements with nonprofit  
16 organizations to establish and equip wildlife rescue and  
17 rehabilitation stations and to ensure that they are operated in a  
18 professional manner in keeping with the pertinent guidance  
19 documents issued by the administrator. The implementation of the  
20 agreement shall not constitute a California public works project.  
21 The agreement shall be deemed a contract for wildlife rehabilitation  
22 as authorized by Section 8670.61.5.

23 (e) In the event of a spill, the responsible party may request that  
24 the administrator perform the rescue and rehabilitation of oiled  
25 wildlife required of the responsible party pursuant to this chapter  
26 if the responsible party and the administrator enter into an  
27 agreement for the reimbursement of the administrator's costs  
28 incurred in taking the requested action. If the administrator  
29 performs the rescue and rehabilitation of oiled wildlife, the  
30 administrator shall primarily utilize the network of rescue and  
31 rehabilitation stations established pursuant to subdivision (a),  
32 unless more immediate care is required. Any of those activities  
33 conducted pursuant to this section or Section 8670.56.5 or  
34 8670.61.5 shall be performed under the direction of the  
35 administrator. This subdivision does not remove the responsible  
36 party from liability for the costs of, or the responsibility for, the  
37 rescue and rehabilitation of oiled wildlife, as established by this  
38 chapter. This subdivision does not prohibit an owner or operator  
39 from retaining, in a contingency plan prepared pursuant to this  
40 article, wildlife rescue and rehabilitation services different from

1 the rescue and rehabilitation stations established pursuant to this  
2 section.

3 (f) (1) The administrator shall appoint a rescue and  
4 rehabilitation advisory board to advise the administrator regarding  
5 operation of the network of rescue and rehabilitation stations  
6 established pursuant to subdivision (a), including the economic  
7 operation and maintenance of the network. For the purpose of  
8 assisting the administrator in determining what constitutes the best  
9 achievable treatment for oiled wildlife, the advisory board shall  
10 provide recommendations to the administrator on the care achieved  
11 by current standard treatment methods, new or alternative treatment  
12 methods, the costs of treatment methods, and any other information  
13 that the advisory board believes that the administrator might find  
14 useful in making that determination. The administrator shall consult  
15 with the advisory board in preparing the administrator's submission  
16 to the Legislature pursuant to subdivision (a) of Section 8670.40.5.  
17 The administrator shall present the recommendations of the  
18 advisory board to the Oil Spill Technical Advisory Committee  
19 created pursuant to Article 8 (commencing with Section 8670.54),  
20 upon the request of the committee.

21 (2) The advisory board shall consist of a balance between  
22 representatives of the oil industry, wildlife rehabilitation  
23 organizations, and academia. One academic representative shall  
24 be from a veterinary school within this state. The United States  
25 Fish and Wildlife Service and the National Marine Fisheries  
26 Service shall be requested to participate as ex officio members.

27 (3) (A) The Legislature hereby finds and declares that since  
28 the administrator may rely on the expertise provided by the  
29 volunteer members of the advisory board and may be guided by  
30 their recommendations in making decisions that relate to the  
31 operation of the network of rescue and rehabilitation stations, those  
32 members should be entitled to the same immunity from liability  
33 that is provided other public employees.

34 (B) Members of the advisory board, while performing functions  
35 within the scope of advisory board duties, shall be entitled to the  
36 same rights and immunities granted public employees by Article  
37 3 (commencing with Section 820) of Chapter 1 of Part 2 of  
38 Division 3.6 of Title 1. Those rights and immunities are deemed  
39 to have attached, and shall attach, as of the date of appointment  
40 of the member to the advisory board.

1 (g) The administrator shall ensure the state's ability to prevent  
2 the contamination of wildlife and to identify, collect, rescue, and  
3 treat oiled wildlife through all of the following:

4 (1) Providing for the recruitment and training of an adequate  
5 network of wildlife specialists and volunteers from Oiled Wildlife  
6 Care Network participant organizations who can be called into  
7 immediate action in the event of an oil spill to assist in the field  
8 with collection of live oiled wildlife. The training shall include a  
9 process for certification of trained volunteers and renewal of  
10 certifications. The initial wildlife rescue training shall include field  
11 experience in species identification and appropriate field collection  
12 techniques for species at risk in different spills. In addition to  
13 training in wildlife rescue, the administrator shall provide for  
14 appropriate hazardous materials training for new volunteers and  
15 contract personnel, with refresher courses offered as necessary to  
16 allow for continual readiness of search and collection teams.  
17 Moneys in the Oil Spill Prevention and Administration Fund shall  
18 not be used to reimburse volunteers for time or travel associated  
19 with required training.

20 (2) Developing and implementing a plan for the provision of  
21 emergency equipment for wildlife rescue in strategic locations to  
22 facilitate ready deployment in the case of an oil spill. The  
23 administrator shall ensure that the equipment identified as  
24 necessary in his or her wildlife response plan is available and  
25 deployed in a timely manner to assist in providing the best  
26 achievable protection and collection efforts.

27 (3) Developing the capacity of the Oiled Wildlife Care Network  
28 to recruit and train an adequate field team for collection of live  
29 oiled wildlife, as specified in paragraph (1), by providing staffing  
30 for field operations, coordination, and volunteer outreach for the  
31 Oiled Wildlife Care Network. The duties of the field operations  
32 and volunteer outreach staff shall include recruitment and  
33 coordination of additional participation in the Oiled Wildlife Care  
34 Network by other existing organizations with experience and  
35 expertise in wildlife rescue and handling, including scientific  
36 organizations, educational institutions, public agencies, and  
37 nonprofit organizations dedicated to wildlife conservation, and  
38 recruitment, training, and supervision of volunteers from Oiled  
39 Wildlife Care Network participating organizations.

1 (4) Ensuring that qualified persons with experience and expertise  
2 in wildlife rescue are assigned to oversee and supervise wildlife  
3 recovery search and collection efforts, as specified in the  
4 administrator's wildlife response plan. The administrator shall  
5 provide for and ensure that all persons involved in field collection  
6 of oiled wildlife receive training in search and capture techniques  
7 and hazardous materials certification, as appropriate.

8 SEC. 32. Section 8670.37.51 of the Government Code is  
9 amended to read:

10 8670.37.51. (a) A tank vessel or vessel carrying oil as a  
11 secondary cargo shall not be used to transport oil across waters of  
12 the state unless the owner or operator has applied for and obtained  
13 a certificate of financial responsibility issued by the administrator  
14 for that vessel or for the owner of all of the oil contained in and  
15 to be transferred to or from that vessel.

16 (b) An operator of a marine terminal within the state shall not  
17 transfer oil to or from a tank vessel or vessel carrying oil as a  
18 secondary cargo unless the operator of the marine terminal has  
19 received a copy of a certificate of financial responsibility issued  
20 by the administrator for the operator of that vessel or for all of the  
21 oil contained in and to be transferred to or from that vessel.

22 (c) An operator of a marine terminal within the state shall not  
23 transfer oil to or from any vessel that is or is intended to be used  
24 for transporting oil as cargo to or from a second vessel unless the  
25 operator of the marine terminal has first received a copy of a  
26 certificate of financial responsibility issued by the administrator  
27 for the person responsible for both the first and second vessels or  
28 all of the oil contained in both vessels, as well as all the oil to be  
29 transferred to or from both vessels.

30 (d) An owner or operator of a facility where a spill could impact  
31 waters of the state shall apply for and obtain a certificate of  
32 financial responsibility issued by the administrator for the facility  
33 or the oil to be handled, stored, or transported by the facility.

34 (e) Pursuant to Section 8670.37.58, nontank vessels shall obtain  
35 a certificate of financial responsibility.

36 SEC. 33. Section 8670.37.52 of the Government Code is  
37 amended to read:

38 8670.37.52. The certificate of financial responsibility shall be  
39 conclusive evidence that the person or entity holding the certificate

1 is the party responsible for the specified vessel, facility, or oil for  
2 purposes of determining liability pursuant to this chapter.

3 SEC. 34. Section 8670.37.53 of the Government Code is  
4 amended to read:

5 8670.37.53. (a) To receive a certificate of financial  
6 responsibility for a tank vessel or for all of the oil contained within  
7 that vessel, the applicant shall demonstrate to the satisfaction of  
8 the administrator the financial ability to pay at least one billion  
9 dollars (\$1,000,000,000) for any damages that may arise during  
10 the term of the certificate.

11 (b) The administrator may establish a lower standard of financial  
12 responsibility for small tank barges, vessels carrying oil as a  
13 secondary cargo, and small marine fueling facilities. The standard  
14 shall be based on the quantity of oil that can be carried or stored  
15 and the risk of spill into waters of the state. The administrator shall  
16 not set a standard that is less than the expected costs from a  
17 reasonable worst case oil spill into waters of the state.

18 (c) (1) To receive a certificate of financial responsibility for a  
19 facility, the applicant shall demonstrate to the satisfaction of the  
20 administrator the financial ability to pay for any damages that  
21 might arise during a reasonable worst case oil spill into waters of  
22 the state that results from the operations of the facility. The  
23 administrator shall consider criteria including, but not necessarily  
24 limited to, the amount of oil that could be spilled into waters of  
25 the state from the facility, the cost of cleaning up spilled oil, the  
26 frequency of operations at the facility, and the damages that could  
27 result from a spill.

28 (2) The administrator shall adopt regulations to implement this  
29 section.

30 SEC. 35. Section 8670.37.55 of the Government Code is  
31 amended to read:

32 8670.37.55. (a) An owner or operator of more than one tank  
33 vessel, vessel carrying oil as a secondary cargo, nontank vessel,  
34 or facility shall only be required to obtain one certificate of  
35 financial responsibility for all of those vessels and facilities owned  
36 or operated.

37 (b) If a person holds a certificate for more than one tank vessel,  
38 vessel carrying oil as a secondary cargo, nontank vessel, or facility  
39 and a spill or spills occurs from one or more of those vessels or  
40 facilities for which the owner or operator may be liable for damages

1 in an amount exceeding 5 percent of the financial resources  
2 reflected by the certificate, as determined by the administrator, the  
3 certificate shall immediately be considered inapplicable to any  
4 vessel or facility not associated with the spill. In that event, the  
5 owner or operator shall demonstrate to the satisfaction of the  
6 administrator the amount of financial ability required pursuant to  
7 this article, as well as the financial ability to pay all damages that  
8 arise or have arisen from the spill or spills that have occurred.

9 SEC. 36. Section 8670.37.58 of the Government Code is  
10 amended to read:

11 8670.37.58. (a) A nontank vessel shall not enter waters of the  
12 state unless the nontank vessel owner or operator has provided to  
13 the administrator evidence of financial responsibility that  
14 demonstrates, to the administrator's satisfaction, the ability to pay  
15 at least three hundred million dollars (\$300,000,000) to cover  
16 damages caused by a spill, and the owner or operator of the nontank  
17 vessel has obtained a certificate of financial responsibility from  
18 the administrator for the nontank vessel.

19 (b) Notwithstanding subdivision (a), the administrator may  
20 establish a lower standard of financial responsibility for a nontank  
21 vessel that has a carrying capacity of 6,500 barrels of oil or less,  
22 or for a nontank vessel that is owned and operated by California  
23 or a federal agency and has a carrying capacity of 7,500 barrels of  
24 oil or less. The standard shall be based upon the quantity of oil  
25 that can be carried by the nontank vessel and the risk of an oil spill  
26 into waters of the state. The administrator shall not set a standard  
27 that is less than the expected cleanup costs and damages from an  
28 oil spill into waters of the state.

29 (c) The administrator may adopt regulations to implement this  
30 section.

31 SEC. 37. Section 8670.40 of the Government Code is amended  
32 to read:

33 8670.40. (a) The State Board of Equalization shall collect a  
34 fee in an amount determined by the administrator to be sufficient  
35 to pay the reasonable regulatory costs to carry out the purposes  
36 set forth in subdivision (e), and a reasonable reserve for  
37 contingencies. The annual assessment shall not exceed six and  
38 one-half cents (\$0.065) per barrel of crude oil or petroleum  
39 products. The oil spill prevention and administration fee shall be

1 based on each barrel of crude oil or petroleum products, as  
2 described in subdivision (b).

3 (b) (1) The oil spill prevention and administration fee shall be  
4 imposed upon a person owning crude oil at the time that the crude  
5 oil is received at a marine terminal, by any mode of delivery that  
6 passed over, across, under, or through waters of the state, from  
7 within or outside the state, and upon a person who owns petroleum  
8 products at the time that those petroleum products are received at  
9 a marine terminal, by any mode of delivery that passed over, across,  
10 under, or through waters of the state, from outside this state. The  
11 fee shall be collected by the marine terminal operator from the  
12 owner of the crude oil or petroleum products for each barrel of  
13 crude oil or petroleum products received.

14 (2) The oil spill prevention and administration fee shall be  
15 imposed upon a person owning crude oil or petroleum products at  
16 the time that the crude oil or petroleum products are received at a  
17 refinery within the state by any mode of delivery that passed over,  
18 across, under, or through waters of the state, whether from within  
19 or outside the state. The refinery shall collect the fee from the  
20 owner of the crude oil or petroleum products for each barrel  
21 received.

22 (3) (A) There is a rebuttable presumption that crude oil or  
23 petroleum products received at a marine terminal or a refinery  
24 have passed over, across, under, or through waters of the state.  
25 This presumption may be overcome by a marine terminal operator,  
26 refinery operator, or owner of the crude oil or petroleum products  
27 by showing that the crude oil or petroleum products did not pass  
28 over, across, under, or through waters of the state. Evidence to  
29 rebut the presumption may include, but shall not be limited to,  
30 documentation, including shipping documents, bills of lading,  
31 highway maps, rail maps, transportation maps, related  
32 transportation receipts, or another medium that shows the crude  
33 oil or petroleum products did not pass over, across, under, or  
34 through waters of the state.

35 (B) Notwithstanding the petition for redetermination and claim  
36 for refund provisions of the Oil Spill Response, Prevention, and  
37 Administration Fees Law (Part 24 (commencing with Section  
38 46001) of Division 2 of the Revenue and Taxation Code), the State  
39 Board of Equalization shall not do either of the following:

1 (i) Accept or consider a petition for redetermination of fees  
2 determined pursuant to this section if the petition is founded upon  
3 the grounds that the crude oil or petroleum products did or did not  
4 pass over, across, under, or through waters of the state.

5 (ii) Accept or consider a claim for a refund of fees paid pursuant  
6 to this section if the claim is founded upon the grounds that the  
7 crude oil or petroleum products did or did not pass over, across,  
8 under, or through waters of the state.

9 (C) The State Board of Equalization shall forward to the  
10 administrator an appeal of a redetermination or a claim for a refund  
11 of fees that is based on the grounds that the crude oil or petroleum  
12 products did or did not pass over, across, under, or through waters  
13 of the state.

14 (4) The fees shall be remitted to the State Board of Equalization  
15 by the owner of the crude oil or petroleum products, the refinery  
16 operator, or the marine terminal operator on the 25th day of the  
17 month based upon the number of barrels of crude oil or petroleum  
18 products received at a refinery or marine terminal during the  
19 preceding month. A fee shall not be imposed pursuant to this  
20 section with respect to crude oil or petroleum products if the person  
21 who would be liable for that fee, or responsible for its collection,  
22 establishes that the fee has already been collected by a refinery or  
23 marine terminal operator registered under this chapter or paid to  
24 the State Board of Equalization with respect to the crude oil or  
25 petroleum product.

26 (5) The oil spill prevention and administration fee shall not be  
27 collected by a marine terminal operator or refinery operator or  
28 imposed on the owner of crude oil or petroleum products if the fee  
29 has been previously collected or paid on the crude oil or petroleum  
30 products at another marine terminal or refinery. It shall be the  
31 obligation of the marine terminal operator, refinery operator, or  
32 owner of crude oil or petroleum products to demonstrate that the  
33 fee has already been paid on the same crude oil or petroleum  
34 products.

35 (6) An owner of crude oil or petroleum products is liable for  
36 the fee until it has been paid to the State Board of Equalization,  
37 except that payment to a refinery operator or marine terminal  
38 operator registered under this chapter is sufficient to relieve the  
39 owner from further liability for the fee.

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

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

17 (d) The State Board of Equalization shall collect the fee and  
18 adopt regulations for implementing the fee collection program.

19 (e) The fee described in this section shall be collected solely  
20 for 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 that 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 implement, install, and maintain emergency programs,  
29 equipment, and facilities to respond to, contain, and clean up oil  
30 spills and to ensure that those operations will be carried out as  
31 intended.

32 (5) To reimburse the State Board of Equalization for its  
33 reasonable costs incurred to implement this chapter and to carry  
34 out Part 24 (commencing with Section 46001) of Division 2 of the  
35 Revenue and Taxation Code.

36 (6) To fund the Oiled Wildlife Care Network pursuant to Section  
37 8670.40.5.

38 (f) The moneys deposited in the fund shall not be used for  
39 responding to a spill.

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

3 (h) Every person who operates a refinery, a marine terminal in  
4 waters of the state, or a pipeline shall register with the State Board  
5 of Equalization, pursuant to Section 46101 of the Revenue and  
6 Taxation Code.

7 (i) The amendments to this section enacted in Assembly Bill  
8 1466 of the 2013–14 Regular Session shall become operative 90  
9 days after the effective date of Assembly Bill 1466 of the 2013–14  
10 Regular Session.

11 SEC. 38. Section 8670.40.5 is added to the Government Code,  
12 to read:

13 8670.40.5. (a) For each fiscal year, consistent with this article,  
14 the administrator shall submit, as a proposed appropriation in the  
15 Governor’s Budget, an amount up to two million five hundred  
16 thousand dollars (\$2,500,000) for the purpose of equipping,  
17 operating, and maintaining the network of oiled wildlife rescue  
18 and rehabilitation stations and proactive oiled wildlife search and  
19 collection rescue efforts established pursuant to Section 8670.37.5  
20 and for the support of technology development and research related  
21 to oiled wildlife care.

22 (b) The administrator shall report to the Legislature, upon  
23 request, on the progress and effectiveness of the network of oiled  
24 wildlife rescue and rehabilitation stations established pursuant to  
25 Section 8670.37.5 and the adequacy of the Oil Spill Prevention  
26 and Administration Fund to meet the purposes for which the  
27 network was established.

28 (c) At the administrator’s request, any funds made available for  
29 purposes of this section may be directly appropriated to a suitable  
30 program for wildlife health and rehabilitation within a school of  
31 veterinary medicine within this state, if an agreement exists,  
32 consistent with this chapter, between the administrator and an  
33 appropriate representative of the program for carrying out that  
34 purpose. The administrator shall attempt to have an agreement in  
35 place at all times. The agreement shall ensure that the training of,  
36 and the care provided by, the program staff are at levels that are  
37 consistent with those standards generally accepted within the  
38 veterinary profession.

39 (d) Any funds made available for purposes of this section shall  
40 not be considered an offset to any other state funds appropriated

1 to the program, the program's associated school of veterinary  
2 medicine, or the program's associated college or university. The  
3 funds shall not be used for any other purpose. If an offset does  
4 occur or the funds are used for an unintended purpose, the  
5 administrator may terminate expenditure of any funds appropriated  
6 for purposes of this section and the administrator may request a  
7 reappropriation to accomplish the intended purpose. The  
8 administrator shall annually review and approve the proposed uses  
9 of any funds made available for purposes of this section.

10 SEC. 39. Section 8670.42 of the Government Code is amended  
11 to read:

12 8670.42. (a) The administrator and the State Lands  
13 Commission, independently, shall contract with the Department  
14 of Finance for the preparation of a detailed report that shall be  
15 submitted on or before January 1, 2013, and no less than once  
16 every four years thereafter, to the Governor and the Legislature  
17 on the financial basis and programmatic effectiveness of the state's  
18 oil spill prevention, response, and preparedness program. This  
19 report shall include an analysis of all of the oil spill prevention,  
20 response, and preparedness program's major expenditures, fees  
21 and fines collected, staffing and equipment levels, spills responded  
22 to, and other relevant issues. The report shall recommend measures  
23 to improve the efficiency and effectiveness of the state's oil spill  
24 prevention, response, and preparedness program, including, but  
25 not limited to, measures to modify existing contingency plan  
26 requirements, to improve protection of environmentally sensitive  
27 sites, and to ensure adequate and equitable funding for the state's  
28 oil spill prevention, response, and preparedness program.

29 (b) A report to be submitted pursuant to subdivision (a) shall  
30 be submitted in compliance with Section 9795.

31 SEC. 40. Section 8670.47.5 of the Government Code is  
32 amended to read:

33 8670.47.5. The following shall be deposited into the fund:

34 (a) The fee required pursuant to Section 8670.48.

35 (b) Any federal funds received to pay for response, containment,  
36 abatement, and rehabilitation costs from an oil spill in waters of  
37 the state.

38 (c) Any money borrowed by the Treasurer pursuant to Article  
39 7.5 (commencing with Section 8670.53.1) or any draw on the

1 financial security obtained by the Treasurer pursuant to subdivision  
2 (o) of Section 8670.48.

3 (d) Any interest earned on the moneys in the fund.

4 (e) Any costs recovered from responsible parties pursuant to  
5 Section 8670.53 and subdivision (e) of Section 8670.53.1.

6 SEC. 41. Section 8670.48 of the Government Code is amended  
7 to read:

8 8670.48. (a) (1) A uniform oil spill response fee in an amount  
9 not exceeding twenty-five cents (\$0.25) for each barrel of  
10 petroleum products, as set by the administrator pursuant to  
11 subdivision (f), shall be imposed upon a person who owns  
12 petroleum products at the time the petroleum products are received  
13 at a marine terminal within this state by means of a vessel from a  
14 point of origin outside this state. The fee shall be collected by the  
15 marine terminal and remitted to the State Board of Equalization  
16 by the terminal operator on the 25th day of each month based upon  
17 the number of barrels of petroleum products received during the  
18 preceding month.

19 (2) An owner of petroleum products is liable for the fee until it  
20 has been paid to the state, except that payment to a marine terminal  
21 operator registered under this chapter is sufficient to relieve the  
22 owner from further liability for the fee.

23 (b) An operator of a pipeline shall also pay a uniform oil spill  
24 response fee in an amount not exceeding twenty-five cents (\$0.25)  
25 for each barrel of petroleum products, as set by the administrator  
26 pursuant to subdivision (f), transported into the state by means of  
27 a pipeline operating across, under, or through the waters of the  
28 state. The fee shall be paid on the 25th day of each month based  
29 upon the number of barrels of petroleum products so transported  
30 into the state during the preceding month.

31 (c) An operator of a refinery shall pay a uniform oil spill  
32 response fee in an amount not exceeding twenty-five cents (\$0.25)  
33 for each barrel of crude oil, as set by the administrator pursuant  
34 to subdivision (f), received at a refinery within the state by any  
35 method of transport. The fee shall be paid on the 25th day of each  
36 month based upon the number of barrels of crude oil so received  
37 during the preceding month.

38 (d) A marine terminal operator shall pay a uniform oil spill  
39 response fee in an amount not exceeding twenty-five cents (\$0.25),  
40 in accordance with subdivision (g), for each barrel of crude oil, as

1 set by the administrator pursuant to subdivision (f), that is  
2 transported from within this state by means of a vessel to a  
3 destination outside this state.

4 (e) An operator of a pipeline shall pay a uniform oil spill  
5 response fee in an amount not exceeding twenty-five cents (\$0.25),  
6 in accordance with subdivision (g), for each barrel of crude oil, as  
7 set by the administrator pursuant to subdivision (f), transported  
8 out of the state by pipeline.

9 (f) (1) The fees required pursuant to this section shall be  
10 collected during any period for which the administrator determines  
11 that collection is necessary for any of the following reasons:

12 (A) The amount in the fund is less than or equal to 95 percent  
13 of the designated amount specified in subdivision (a) of Section  
14 46012 of the Revenue and Taxation Code.

15 (B) Additional money is required to pay for the purposes  
16 specified in subdivision (k).

17 (C) The revenue is necessary to repay a draw on a financial  
18 security obtained by the Treasurer pursuant to subdivision (o) or  
19 borrowing by the Treasurer pursuant to Article 7.5 (commencing  
20 with Section 8670.53.1), including any principal, interest, premium,  
21 fees, charges, or costs of any kind incurred in connection with  
22 those borrowings or financial security.

23 (2) The administrator, in consultation with the State Board of  
24 Equalization, and with the approval of the Treasurer, may direct  
25 the State Board of Equalization to cease collecting the fee when  
26 the administrator determines that further collection of the fee is  
27 not necessary for the purposes specified in paragraph (1).

28 (3) The administrator, in consultation with the State Board of  
29 Equalization, shall set the amount of the oil spill response fees.  
30 The oil spill response fees shall be imposed on all feepayers in the  
31 same amount. The administrator shall not set the amount of the  
32 fee at less than twenty-five cents (\$0.25) for each barrel of  
33 petroleum products or crude oil, unless the administrator finds that  
34 the assessment of a lesser fee will cause the fund to reach the  
35 designated amount specified in subdivision (a) of Section 46012  
36 of the Revenue and Taxation Code within four months. The fee  
37 shall not be less than twenty-five cents (\$0.25) for each barrel of  
38 petroleum products or crude oil if the administrator has drawn  
39 upon the financial security obtained by the Treasurer pursuant to  
40 subdivision (o) or if the Treasurer has borrowed money pursuant

1 to Article 7.5 (commencing with Section 8670.53.1) and principal,  
2 interest, premium, fees, charges, or costs of any kind incurred in  
3 connection with those borrowings remain outstanding or unpaid,  
4 unless the Treasurer has certified to the administrator that the  
5 money in the fund is not necessary for the purposes specified in  
6 paragraph (1).

7 (g) The fees imposed by subdivisions (d) and (e) shall be  
8 imposed in any calendar year beginning the month following the  
9 month when the total cumulative year-to-date barrels of crude oil  
10 transported outside the state by all feepayers by means of vessel  
11 or pipeline exceed 6 percent by volume of the total barrels of crude  
12 oil and petroleum products subject to oil spill response fees under  
13 subdivisions (a), (b), and (c) for the prior calendar year.

14 (h) For purposes of this chapter, “designated amount” means  
15 the amounts specified in Section 46012 of the Revenue and  
16 Taxation Code.

17 (i) The administrator, in consultation with the State Board of  
18 Equalization and with the approval of the Treasurer, shall authorize  
19 refunds of any money collected that is not necessary for the  
20 purposes specified in paragraph (1) of subdivision (f). The State  
21 Board of Equalization, as directed by the administrator, and in  
22 accordance with Section 46653 of the Revenue and Taxation Code,  
23 shall refund the excess amount of fees collected to each feepayer  
24 who paid the fee to the state, in proportion to the amount that each  
25 feepayer paid into the fund during the preceding 12 monthly  
26 reporting periods in which there was a fee due, including the month  
27 in which the fund exceeded the specified amount. If the total  
28 amount of money in the fund exceeds the amount specified in this  
29 subdivision by 10 percent or less, refunds need not be ordered by  
30 the administrator. This section does not require the refund of excess  
31 fees as provided in this subdivision more frequently than once  
32 each year.

33 (j) The State Board of Equalization shall collect the fee and  
34 adopt regulations implementing the fee collection program. All  
35 fees collected pursuant to this section shall be deposited in the Oil  
36 Spill Response Trust Fund.

37 (k) The fee described in this section shall be collected solely  
38 for any of the following purposes:

39 (1) To provide funds to cover promptly the costs of response,  
40 containment, and cleanup of oil spills into waters of the state,

1 including damage assessment costs and wildlife rehabilitation as  
2 provided in Section 8670.61.5.

3 (2) To cover response and cleanup costs and other damages  
4 suffered by the state or other persons or entities from oil spills into  
5 waters of the state that cannot otherwise be compensated by  
6 responsible parties or the federal government.

7 (3) To pay claims for damages pursuant to Section 8670.51.

8 (4) To pay claims for damages, except for damages described  
9 in paragraph (7) of subdivision (h) of Section 8670.56.5, pursuant  
10 to Section 8670.51.1.

11 (5) To pay for the cost of obtaining financial security in the  
12 amount specified in subdivision (b) of Section 46012 of the  
13 Revenue and Taxation Code, as authorized by subdivision (o).

14 (6) To pay indemnity and related costs and expenses as  
15 authorized by Section 8670.56.6.

16 (7) To pay principal, interest, premium, if any, and fees, charges,  
17 and costs of any kind incurred in connection with moneys drawn  
18 by the administrator on the financial security obtained by the  
19 Treasurer pursuant to subdivision (o) or borrowed by the Treasurer  
20 pursuant to Article 7.5 (commencing with Section 8670.53.1).

21 (8) [Reserved]

22 (9) To respond to an imminent threat of a spill in accordance  
23 with the provisions of Section 8670.62 pertaining to threatened  
24 discharges.

25 (l) The interest that the state earns on the funds deposited into  
26 the Oil Spill Response Trust Fund shall be deposited in the fund  
27 and shall be used to maintain the fund at the designated amount  
28 specified in subdivision (a) of Section 46012 of the Revenue and  
29 Taxation Code. If the amount in the fund exceeds that designated  
30 amount, the interest shall be deposited into the Oil Spill Prevention  
31 and Administration Fund, and shall be available for the purposes  
32 authorized by Article 6 (commencing with Section 8670.38).

33 (m) The Legislature finds and declares that effective response  
34 to oil spills requires that the state have available sufficient funds  
35 in a response fund. The Legislature further finds and declares that  
36 maintenance of that fund is of utmost importance to the state and  
37 that the money in the fund shall be used solely for the purposes  
38 specified in subdivision (k).

39 (n) [Reserved]

1 (o) The Treasurer shall obtain financial security, in the  
2 designated amount specified in subdivision (b) of Section 46012  
3 of the Revenue and Taxation Code, in a form that, in the event of  
4 an oil spill, may be drawn upon immediately by the administrator  
5 upon making the determinations required by paragraph (2) of  
6 subdivision (a) of Section 8670.49. The financial security may be  
7 obtained in any of the forms described in subdivision (b) of Section  
8 8670.53.3, as determined by the Treasurer.

9 (p) This section does not limit the authority of the administrator  
10 to raise oil spill response fees pursuant to Section 8670.48.5.

11 SEC. 42. Section 8670.48.3 of the Government Code is  
12 amended to read:

13 8670.48.3. (a) Notwithstanding subparagraph (A) of paragraph  
14 (1) of subdivision (f) of Section 8670.48, a loan or other transfer  
15 of money from the fund to the General Fund pursuant to the Budget  
16 Act that reduces the balance of the Oil Spill Response Trust Fund  
17 to less than or equal to 95 percent of the designated amount  
18 specified in subdivision (a) of Section 46012 of the Revenue and  
19 Taxation Code shall not obligate the administrator to resume  
20 collection of the oil spill response fee otherwise required by this  
21 article if both of the following conditions are met:

22 (1) The annual Budget Act requires a transfer or loan from the  
23 fund to be repaid to the fund with interest calculated at a rate earned  
24 by the Pooled Money Investment Account as if the money had  
25 remained in the fund.

26 (2) The annual Budget Act requires all transfers or loans to be  
27 repaid to the fund on or before June 30, 2017.

28 (b) A transfer or loan described in subdivision (a) shall be repaid  
29 as soon as possible if a spill occurs and the administrator  
30 determines that response funds are needed immediately.

31 (c) If there is a conflict between this section and any other law  
32 or enactment, this section shall control.

33 (d) This section shall become inoperative on July 1, 2017, and,  
34 as of January 1, 2018, is repealed, unless a later enacted statute,  
35 that becomes operative on or before January 1, 2018, deletes or  
36 extends the dates on which it becomes inoperative and is repealed.

37 SEC. 43. Section 8670.49 of the Government Code is amended  
38 to read:

1 8670.49. (a) (1) The administrator may only expend money  
2 from the fund to pay for any of the following, subject to the lien  
3 established in Section 8670.53.2:

4 (A) To pay the cost of obtaining financial security as authorized  
5 by paragraph (5) of subdivision (k) and subdivision (o) of Section  
6 8670.48.

7 (B) To pay the principal, interest, premium, if any, and fees,  
8 charges, and costs of any kind incurred in connection with moneys  
9 drawn by the administrator on the financial security obtained by  
10 the Treasurer, or the moneys borrowed by the Treasurer, as  
11 authorized by paragraph (7) of subdivision (k) of Section 8670.48.

12 (C) To pay for the expansion, in the VTS area, pursuant to  
13 Section 445 of the Harbors and Navigation Code, of the vessel  
14 traffic service system (VTS system) authorized pursuant to  
15 subdivision (f) of Section 8670.21.

16 (2) If a spill has occurred, the administrator may expend the  
17 money in the fund for the purposes identified in paragraphs (1),  
18 (2), (3), (4), and (6) of subdivision (k) of Section 8670.48 only  
19 upon making the following determinations:

20 (A) Except as authorized by Section 8670.51.1, a responsible  
21 party does not exist or the responsible party is unable or unwilling  
22 to provide adequate and timely cleanup and to pay for the damages  
23 resulting from the spill. The administrator shall make a reasonable  
24 effort to have the party responsible remove the oil or agree to pay  
25 for any actions resulting from the spill that may be required by  
26 law, provided that the efforts are not detrimental to fish, plant,  
27 animal, or bird life in the affected waters. The reasonable effort  
28 of the administrator shall include attempting to access the  
29 responsible parties' insurance or other proof of financial  
30 responsibility.

31 (B) Sufficient federal oil spill funds are not available or will  
32 not be available in an adequate period of time.

33 (3) Notwithstanding any other provision of this subdivision, the  
34 administrator may expend money from the fund for authorized  
35 expenditures when a reimbursement procedure is in place to receive  
36 reimbursements for those expenditures from federal oil spill funds.

37 (b) Upon making the determinations specified in paragraph (2)  
38 of subdivision (a), the administrator shall immediately make  
39 whatever payments are necessary for responding to, containing,  
40 or cleaning up the spill, including any wildlife rehabilitation

1 required by law and payment of claims pursuant to Sections  
2 8670.51 and 8670.51.1, subject to the lien established by Section  
3 8670.53.2.

4 SEC. 44. Section 8670.50 of the Government Code is amended  
5 to read:

6 8670.50. (a) Money from the fund may only be expended to  
7 cover the costs incurred by the state and local governments and  
8 agencies for any of the following:

9 (1) Responding promptly to, containing, and cleaning up the  
10 discharge, if those efforts are any of the following:

11 (A) Undertaken pursuant to the state and local oil spill  
12 contingency plans established under this chapter, and the California  
13 oil spill contingency plan established under Article 3.5  
14 (commencing with Section 8574.1) of Chapter 7.

15 (B) Undertaken consistent with the standardized emergency  
16 management system established pursuant to Section 8607.

17 (C) Undertaken at the direction of the administrator.

18 (2) Meeting the requirements of Section 8670.61.5 relating to  
19 wildlife rehabilitation.

20 (3) Making the payments authorized by subdivision (k) of  
21 Section 8670.48.

22 (b) In the event of an oil spill, the administrator shall make  
23 whatever expenditures are necessary and appropriate from the fund  
24 to cover the costs described in subdivision (a), subject to the lien  
25 established pursuant to Section 8670.53.2.

26 SEC. 45. Section 8670.51 of the Government Code is amended  
27 to read:

28 8670.51. (a) When a person has obtained a final judgment for  
29 damages resulting from an oil spill in waters of the state, but is  
30 unable, within one year after the date of its entry, to enforce the  
31 judgment pursuant to Title 9 (commencing with Section 680.010)  
32 of the Code of Civil Procedure, or is unable to obtain satisfaction  
33 of the judgment from the federal government within 90 additional  
34 days, the administrator shall pay an amount not to exceed those  
35 amounts that cannot be recovered from a responsible party and the  
36 fund shall be subrogated to all rights, claims, and causes of action  
37 that the claimant has under this chapter, Article 3.5 (commencing  
38 with Section 8574.1) of Chapter 7, Section 8670.61.5, and Division  
39 7.8 (commencing with Section 8750) of the Public Resources  
40 Code.

1 (b) Any person may apply to the fund for compensation for  
2 damages and losses suffered as a result of an oil spill in waters of  
3 the state under any of the following conditions:

4 (1) The responsible party or parties cannot be ascertained.

5 (2) A responsible party is not liable for noneconomic damages  
6 caused by another.

7 (3) Subdivision (i) of Section 8670.56.6 is applicable to the  
8 claim.

9 (c) The administrator shall not approve any claim in an amount  
10 that exceeds the amount to which the person would otherwise be  
11 entitled pursuant to Section 8670.56.5, and shall pay claims from  
12 the fund that are approved pursuant to this section.

13 SEC. 46. Section 8670.53 of the Government Code is amended  
14 to read:

15 8670.53. The Attorney General, in consultation with the  
16 administrator, shall undertake actions to recover all costs to the  
17 funds from any responsible party for an oil spill into waters of the  
18 state for which expenditures are made from the fund. The recovery  
19 of costs pursuant to this section shall not foreclose the Attorney  
20 General from any other actions allowed by law.

21 SEC. 47. Section 8670.54 of the Government Code is amended  
22 to read:

23 8670.54. (a) The Oil Spill Technical Advisory Committee,  
24 hereafter in this article, the committee, is hereby established to  
25 provide public input and independent judgment of the actions of  
26 the administrator. The committee shall consist of 14 members, of  
27 whom eight shall be appointed by the Governor, three by the  
28 Speaker of the Assembly, and three by the Senate Rules  
29 Committee. The appointments shall be made in the following  
30 manner:

31 (1) The Speaker of the Assembly and Senate Committee on  
32 Rules shall each appoint a member who shall be a representative  
33 of the public.

34 (2) The Governor shall appoint a member who has a  
35 demonstrable knowledge of marine transportation.

36 (3) The Speaker of the Assembly and the Senate Committee on  
37 Rules shall each appoint two members who have demonstrable  
38 knowledge of environmental protection and the study of  
39 ecosystems.

1 (4) The Governor shall appoint a member who has served as a  
2 local government elected official or who has worked for a local  
3 government.

4 (5) The Governor shall appoint a member who has experience  
5 in oil spill response and prevention programs.

6 (6) The Governor shall appoint a member who has been  
7 employed in the petroleum industry.

8 (7) The Governor shall appoint a member who has worked in  
9 state government.

10 (8) The Governor shall appoint a member who has demonstrable  
11 knowledge of the dry cargo vessel industry.

12 (9) The Governor shall appoint a member who has demonstrable  
13 knowledge of the railroad industry.

14 (10) The Governor shall appoint a member who has  
15 demonstrable knowledge of the oil production industry.

16 (b) The committee shall meet as often as required, but at least  
17 twice per year. Members shall be paid one hundred dollars (\$100)  
18 per day for each meeting and all necessary travel expenses at state  
19 per diem rates.

20 (c) The administrator and any personnel the administrator  
21 determines to be appropriate shall serve as staff to the committee.

22 (d) A chair and vice chair shall be elected by a majority vote of  
23 the committee.

24 SEC. 48. Section 8670.55 of the Government Code is amended  
25 to read:

26 8670.55. (a) The committee shall provide recommendations  
27 to the administrator, the State Lands Commission, the California  
28 Coastal Commission, the San Francisco Bay Conservation and  
29 Development Commission, the Division of Oil, Gas, and  
30 Geothermal Resources, the Office of the State Fire Marshal, and  
31 the Public Utilities Commission, on any provision of this chapter,  
32 including the promulgation of all rules, regulations, guidelines,  
33 and policies.

34 (b) The committee may study, comment on, or evaluate, at its  
35 own discretion, any aspect of oil spill prevention and response in  
36 the state. To the greatest extent possible, these studies shall be  
37 coordinated with studies being done by the federal government,  
38 the administrator, the State Lands Commission, the State Water  
39 Resources Control Board, and other appropriate state and

1 international entities. Duplication with the efforts of other entities  
2 shall be minimized.

3 (c) The committee may attend any drills called pursuant to  
4 Section 8670.10 or any oil spills, if practicable.

5 (d) The committee shall report biennially to the Governor and  
6 the Legislature on its evaluation of oil spill response and  
7 preparedness programs within the state and may prepare and send  
8 any additional reports it determines to be appropriate to the  
9 Governor and the Legislature.

10 SEC. 49. Section 8670.56.5 of the Government Code is  
11 amended to read:

12 8670.56.5. (a) A responsible party, as defined in Section  
13 8670.3, shall be absolutely liable without regard to fault for any  
14 damages incurred by any injured party that arise out of, or are  
15 caused by a spill.

16 (b) A responsible person is not liable to an injured party under  
17 this section for any of the following:

18 (1) Damages, other than costs of removal incurred by the state  
19 or a local government, caused solely by any act of war, hostilities,  
20 civil war, or insurrection or by an unanticipated grave natural  
21 disaster or other act of God of an exceptional, inevitable, and  
22 irresistible character, that could not have been prevented or avoided  
23 by the exercise of due care or foresight.

24 (2) Damages caused solely by the negligence or intentional  
25 malfeasance of that injured party.

26 (3) Damages caused solely by the criminal act of a third party  
27 other than the defendant or an agent or employee of the defendant.

28 (4) Natural seepage not caused by a responsible party.

29 (5) Discharge or leaking of oil or natural gas from a private  
30 pleasure boat or vessel.

31 (6) Damages that arise out of, or are caused by, a discharge that  
32 is authorized by a state or federal permit.

33 (c) The defenses provided in subdivision (b) shall not be  
34 available to a responsible person who fails to comply with Sections  
35 8670.25, 8670.25.5, 8670.27, and 8670.62.

36 (d) Upon motion and sufficient showing by a party deemed to  
37 be responsible under this section, the court shall join to the action  
38 any other party who may be responsible under this section.

39 (e) In determining whether a party is a responsible party under  
40 this section, the court shall consider the results of chemical or other

1 scientific tests conducted to determine whether oil or other  
2 substances produced, discharged, or controlled by the defendant  
3 matches the oil or other substance that caused the damage to the  
4 injured party. The defendant shall have the burden of producing  
5 the results of tests of samples of the substance that caused the  
6 injury and of substances for which the defendant is responsible,  
7 unless it is not possible to conduct the tests because of  
8 unavailability of samples to test or because the substance is not  
9 one for which reliable tests have been developed. At the request  
10 of a party, any other party shall provide samples of oil or other  
11 substances within its possession or control for testing.

12 (f) The court may award reasonable costs of the suit, attorneys’  
13 fees, and the costs of necessary expert witnesses to a prevailing  
14 plaintiff. The court may award reasonable costs of the suit and  
15 attorneys’ fees to a prevailing defendant if the court finds that the  
16 plaintiff commenced or prosecuted the suit pursuant to this section  
17 in bad faith or solely for purposes of harassing the defendant.

18 (g) This section does not prohibit a person from bringing an  
19 action for damages caused by oil or by exploration, under any  
20 other provision or principle of law, including, but not limited to,  
21 common law. However, damages shall not be awarded pursuant  
22 to this section to an injured party for loss or injury for which the  
23 party is or has been awarded damages under any other provision  
24 or principle of law. Subdivision (b) does not create a defense not  
25 otherwise available regarding an action brought under any other  
26 provision or principle of law, including, but not limited to, common  
27 law.

28 (h) Damages for which responsible parties are liable under this  
29 section include the following:

30 (1) All costs of response, containment, cleanup, removal, and  
31 treatment, including, but not limited to, monitoring and  
32 administration costs incurred pursuant to the California oil spill  
33 contingency plan or actions taken pursuant to directions by the  
34 administrator.

35 (2) Injury to, or economic losses resulting from destruction of  
36 or injury to, real or personal property, which shall be recoverable  
37 by any claimant who has an ownership or leasehold interest in  
38 property.

39 (3) Injury to, destruction of or loss of, natural resources,  
40 including, but not limited to, the reasonable costs of rehabilitating

1 wildlife, habitat, and other resources and the reasonable costs of  
2 assessing that injury, destruction, or loss, in an action brought by  
3 the state, a county, city, or district. Damages for the loss of natural  
4 resources may be determined by any reasonable method, including,  
5 but not limited to, determination according to the costs of restoring  
6 the lost resource.

7 (4) Loss of subsistence use of natural resources, which shall be  
8 recoverable by a claimant who so uses natural resources that have  
9 been injured, destroyed, or lost.

10 (5) Loss of taxes, royalties, rents, or net profit shares caused by  
11 the injury, destruction, loss, or impairment of use of real property,  
12 personal property, or natural resources.

13 (6) Loss of profits or impairment of earning capacity due to the  
14 injury, destruction, or loss of real property, personal property, or  
15 natural resources, which shall be recoverable by any claimant who  
16 derives at least 25 percent of his or her earnings from the activities  
17 that utilize the property or natural resources, or, if those activities  
18 are seasonal in nature, 25 percent of his or her earnings during the  
19 applicable season.

20 (7) Loss of use and enjoyment of natural resources, public  
21 beaches, and other public resources or facilities, in an action  
22 brought by the state, a county, city, or district.

23 (i) Except as provided in Section 1431.2 of the Civil Code,  
24 liability under this section shall be joint and several. However, this  
25 section does not bar a cause of action that a responsible party has  
26 or would have, by reason of subrogation or otherwise, against a  
27 person.

28 (j) This section does not apply to claims for damages for  
29 personal injury or wrongful death, and does not limit the right of  
30 a person to bring an action for personal injury or wrongful death  
31 pursuant to any provision or principle of law.

32 (k) Payments made by a responsible party to cover liabilities  
33 arising from a discharge of oil, whether under this division or any  
34 other provision of federal, state, or local law, shall not be charged  
35 against royalties, rents, or net profits owed to the United States,  
36 the state, or any other public entity.

37 (l) An action that a private or public individual or entity may  
38 have against a responsible party under this section may be brought  
39 directly by the individual or entity or by the state on behalf of the  
40 individual or entity. However, the state shall not pursue an action

1 on behalf of a private individual or entity that requests the state  
2 not to pursue that action.

3 (m) For purposes of this section, “vessels” means vessels as  
4 defined in Section 21 of the Harbors and Navigation Code.

5 SEC. 50. Section 8670.56.6 of the Government Code is  
6 amended to read:

7 8670.56.6. (a) (1) Except as provided in subdivisions (b) and  
8 (d), and subject to subdivision (c), a person, including, but not  
9 limited to, an oil spill cooperative, its agents, subcontractors, or  
10 employees, shall not be liable under this chapter or the laws of the  
11 state to any person for costs, damages, or other claims or expenses  
12 as a result of actions taken or omitted in good faith in the course  
13 of rendering care, assistance, or advice in accordance with the  
14 National Contingency Plan, the California oil spill contingency  
15 plan, or at the direction of the administrator, onsite coordinator,  
16 or the Coast Guard in response to a spill or threatened spill.

17 (2) The qualified immunity under this section shall not apply  
18 to any oil spill response action that is inconsistent with the  
19 following:

20 (A) The directions of the unified command, consisting of at  
21 least the Coast Guard and the administrator.

22 (B) In the absence of a unified command, the directions of the  
23 administrator pursuant to Section 8670.27.

24 (C) In the absence of directions pursuant to subparagraph (A)  
25 or (B), applicable oil spill contingency plans implemented under  
26 this division.

27 (3) Nothing in this section shall, in any manner or respect, affect  
28 or impair any cause of action against or any liability of any person  
29 or persons responsible for the spill, for the discharged oil, or for  
30 the vessel, terminal, pipeline, or facility from which the oil was  
31 discharged. The responsible person or persons shall remain liable  
32 for any and all damages arising from the discharge, including  
33 damages arising from improperly carried out response efforts, as  
34 otherwise provided by law.

35 (b) Nothing in this section shall, in any manner or respect, affect  
36 or impair any cause of action against or any liability of any party  
37 or parties responsible for the spill, or the responsible party’s agents,  
38 employees, or subcontractors, except persons immunized under  
39 subdivision (a) for response efforts, for the discharged oil, or for

1 the vessel, terminal, pipeline, or facility from which the oil was  
2 discharged.

3 (c) The responsible party or parties shall be subject to both of  
4 the following:

5 (1) Notwithstanding subdivision (b) or (i) of Section 8670.56.5,  
6 or any other law, be strictly and jointly and severally liable for all  
7 damages arising pursuant to subdivision (h) of Section 8670.56.5  
8 from the response efforts of its agents, employees, subcontractors,  
9 or an oil spill cooperative of which it is a member or with which  
10 it has a contract or other arrangement for cleanup of its oil spills,  
11 unless it would have a defense to the original spill.

12 (2) Remain strictly liable for any and all damages arising from  
13 the response efforts of a person other than a person specified in  
14 paragraph (1).

15 (d) Nothing in this section shall immunize a cooperative or any  
16 other person from liability for acts of gross negligence or willful  
17 misconduct in connection with the cleanup of a spill.

18 (e) This section does not apply to any action for personal injury  
19 or wrongful death.

20 (f) As used in this section, a “cooperative” means an  
21 organization of private persons that is established for the primary  
22 purpose and activity of preventing or rendering care, assistance,  
23 or advice in response to a spill or threatened spill.

24 (g) Except for the responsible party, membership in a  
25 cooperative shall not be grounds, in and of itself, for liability  
26 resulting from cleanup activities of the cooperative.

27 (h) For purposes of this section, there shall be a rebuttable  
28 presumption that an act or omission described in subdivision (a)  
29 was taken in good faith.

30 (i) In any situation in which immunity is granted pursuant to  
31 subdivision (a) and a responsible party is not liable, is not liable  
32 for noneconomic damages caused by another, or is partially or  
33 totally insolvent, the fund provided for in Article 7 (commencing  
34 with Section 8670.46) shall reimburse, in accordance with its terms,  
35 claims of any injured party for which a person who is granted  
36 immunity pursuant to this section would otherwise be liable.

37 (j) (1) The immunity granted by this section shall only apply  
38 to response efforts that are undertaken after the administrator  
39 certifies that contracts with qualified and responsible persons are  
40 in place to ensure an adequate and expeditious response to any

1 foreseeable oil spill that may occur in waters of the state for which  
2 the responsible party (A) cannot be identified or (B) is unable or  
3 unwilling to respond, contain, and clean up the oil spill in an  
4 adequate and timely manner. In negotiating these contracts, the  
5 administrator shall procure, to the maximum extent practicable,  
6 the services of persons who are willing to respond to oil spills with  
7 no, or lesser, immunity than that conferred by this section, but, in  
8 no event, a greater immunity. The administrator shall make the  
9 certification required by this subdivision on an annual basis. Upon  
10 certification, the immunity conferred by this section shall apply  
11 to all response efforts undertaken during the calendar year to which  
12 the certification applies. In the absence of the certification required  
13 by this subdivision, the immunity conferred by this section shall  
14 not attach to any response efforts undertaken by any person in  
15 waters of the state.

16 (2) In addition to the authority to negotiate contracts described  
17 in paragraph (1), the administrator may also negotiate and enter  
18 into indemnification agreements with qualified and financially  
19 responsible persons to respond to oil spills that may occur in waters  
20 of the state for which the responsible party (A) cannot be identified  
21 or (B) is unable or unwilling to respond, contain, and clean up the  
22 oil spill in an adequate and timely manner.

23 (3) The administrator may indemnify response contractors for  
24 (A) all damages payable by means of settlement or judgment that  
25 arise from response efforts to which the immunity conferred by  
26 this section would otherwise apply, and (B) reasonably related  
27 legal costs and expenses incurred by the responder, provided that  
28 indemnification shall only apply to response efforts undertaken  
29 after the expiration of any immunity that may exist as the result  
30 of the contract negotiations authorized in this subdivision. In  
31 negotiating these contracts, the administrator shall procure, to the  
32 maximum extent practicable, the services of persons who are  
33 willing to respond to oil spills with no, or as little, right to  
34 indemnification as possible. All indemnification shall be paid by  
35 the administrator from the Oil Spill Response Trust Fund.

36 (4) (A) The contracts required by this section, and any other  
37 contracts entered into by the administrator for response,  
38 containment, or cleanup of an existing spill, or for response of an  
39 imminent threat of a spill, the payment of which is to be made  
40 from the Oil Spill Response Trust Fund created pursuant to Section

1 8670.46, shall be exempt from Part 2 (commencing with Section  
2 10100) of Division 2 of the Public Contract Code and Article 6  
3 (commencing with Section 999) of Chapter 6 of Division 4 of the  
4 Military and Veterans Code.

5 (B) The exemption specified in subparagraph (A) applies only  
6 to contracts for which the services are used for a period of less  
7 than 90 days, cumulatively, per year.

8 (C) This paragraph shall not be construed as limiting the  
9 administrator's authority to exercise the emergency powers granted  
10 pursuant to subdivision (c) of Section 8670.62, including the  
11 authority to enter into emergency contracts that are exempt from  
12 approval by the Department of General Services.

13 (k) (1) With regard to a person who is regularly engaged in the  
14 business of responding to oil spills, the immunity conferred by  
15 this section shall not apply to any response efforts by that person  
16 that occur later than 60 days after the first day the person's response  
17 efforts commence.

18 (2) Notwithstanding the limitation contained in paragraph (1),  
19 the administrator may extend, upon making all the following  
20 findings, the period of time, not to exceed 30 days, during which  
21 the immunity conferred by this section applies to response efforts:

22 (A) Due to inadequate or incomplete containment and  
23 stabilization, there exists a substantial probability that the size of  
24 the spill will significantly expand and (i) threaten previously  
25 uncontaminated resources, (ii) threaten already contaminated  
26 resources with substantial additional contamination, or (iii)  
27 otherwise endanger the public health and safety or harm the  
28 environment.

29 (B) The remaining work is of a difficult or perilous nature that  
30 extension of the immunity is clearly in the public interest.

31 (C) No other qualified and financially responsible contractor is  
32 prepared and willing to complete the response effort in the absence  
33 of the immunity, or a lesser immunity, as negotiated by contract.

34 (3) The administrator shall provide five days' notice of his or  
35 her proposed decision to either extend, or not extend, the immunity  
36 conferred by this section. Interested parties shall be given an  
37 opportunity to present oral and written evidence at an informal  
38 hearing. In making his or her proposed decision, the administrator  
39 shall specifically seek and consider the advice of the relevant Coast  
40 Guard representative. The administrator's decision to not extend

1 the immunity shall be announced at least 10 working days before  
2 the expiration of the immunity to provide persons an opportunity  
3 to terminate their response efforts as contemplated by paragraph  
4 (4).

5 (4) A person or their agents, subcontractors, or employees shall  
6 not incur any liability under this chapter or any other provision of  
7 law solely as a result of that person's decision to terminate their  
8 response efforts because of the expiration of the immunity  
9 conferred by this section. A person's decision to terminate response  
10 efforts because of the expiration of the immunity conferred by this  
11 section shall not in any manner impair, curtail, limit, or otherwise  
12 affect the immunity conferred on the person with regard to the  
13 person's response efforts undertaken during the period of time the  
14 immunity applied to those response efforts.

15 (5) The immunity granted under this section shall attach, without  
16 the limitation contained in this subdivision, to the response efforts  
17 of any person who is not regularly engaged in the business of  
18 responding to oil spills. A person who is not regularly engaged in  
19 the business of responding to oil spills includes, but is not limited  
20 to, (A) a person who is primarily dedicated to the preservation and  
21 rehabilitation of wildlife and (B) a person who derives his or her  
22 livelihood primarily from fishing.

23 (l) As used in this section, "response efforts" means rendering  
24 care, assistance, or advice in accordance with the National  
25 Contingency Plan, the California oil spill contingency plan, or at  
26 the direction of the administrator, United States Environmental  
27 Protection Agency, or the Coast Guard in response to a spill or  
28 threatened spill into waters of the state.

29 SEC. 51. Section 8670.61.5 of the Government Code is  
30 amended to read:

31 8670.61.5. (a) For purposes of this chapter, "wildlife  
32 rehabilitation" means those actions that are necessary to fully  
33 mitigate for the damage from a spill caused to wildlife, fisheries,  
34 wildlife habitat, and fisheries habitat.

35 (b) Responsible parties shall fully mitigate adverse impacts to  
36 wildlife, fisheries, wildlife habitat, and fisheries habitat. Full  
37 mitigation shall be provided by successfully carrying out  
38 environmental projects or funding restoration activities required  
39 by the administrator in carrying out projects complying with the  
40 requirements of this section. Responsible parties are also liable

1 for the costs incurred by the administrator or other government  
2 agencies in carrying out this section.

3 (c) If any significant wildlife rehabilitation is necessary, the  
4 administrator may require the responsible party to prepare and  
5 submit to the administrator, and to implement, a wildlife  
6 rehabilitation plan. The plan shall describe the actions that will be  
7 implemented to fully meet the requirements of subdivision (b),  
8 describe contingency measures that will be carried out in the event  
9 that any of the plan actions are not fully successful, provide a  
10 reasonable implementation schedule, describe the monitoring and  
11 compliance program, and provide a financing plan. The  
12 administrator shall review and determine whether to approve the  
13 plan within 60 days of submittal. Before approving a plan, the  
14 administrator shall first find that the implementation of the plan  
15 will fully mitigate the adverse impacts to wildlife, fisheries, wildlife  
16 habitat, and fisheries habitat. If the habitat contains beaches that  
17 are or were used for recreational purposes, the Department of Parks  
18 and Recreation shall review the plan and provide comments to the  
19 administrator.

20 (d) The plan shall place first priority on avoiding and minimizing  
21 any adverse impacts. For impacts that do occur, the plan shall  
22 provide for full onsite restoration of the damaged resource to the  
23 extent feasible. To the extent that full onsite restoration is not  
24 feasible, the plan shall provide for offsite in-kind mitigation to the  
25 extent feasible. To the extent that adverse impacts still have not  
26 been fully mitigated, the plan shall provide for the enhancement  
27 of other similar resources to the extent necessary to meet the  
28 requirements of subdivision (b). In evaluating whether a wildlife  
29 rehabilitation plan is adequate, the administrator may use the  
30 habitat evaluation methods or procedures established by the United  
31 States Fish and Wildlife Service or any other reasonable methods  
32 as determined by the Department of Fish and Wildlife.

33 (e) The administrator shall prepare regulations to implement  
34 this section. The regulations shall include deadlines for the  
35 submittal of plans. In establishing the deadlines, the administrator  
36 shall consider circumstances such as the size of the spill and the  
37 time needed to assess damage and mitigation.

38 SEC. 52. Section 8670.62 of the Government Code is amended  
39 to read:

1 8670.62. (a) Any person who discharges oil into waters of the  
2 state, upon order of the administrator, shall do all of the following:

3 (1) Clean up the oil.

4 (2) Abate the effects of the discharge.

5 (3) In the case of a threatened discharge, take other necessary  
6 remedial action.

7 (b) Upon failure of any person to comply with a cleanup or  
8 abatement order, the Attorney General or a district attorney, at the  
9 request of the administrator, shall petition the superior court for  
10 that county for the issuance of an injunction requiring the person  
11 to comply with the order. In any such suit, the court shall have  
12 jurisdiction to grant a prohibitory or mandatory injunction, either  
13 preliminary or permanent, as the facts may warrant.

14 (c) Consistent with the state contingency plan, the administrator  
15 may expend available money to perform any response;  
16 containment; cleanup; wildlife rehabilitation, which includes  
17 assessment of resource injuries and damages, or remedial work  
18 required pursuant to subdivision (a) that, in the administrator's  
19 judgment, is required by the circumstances or the urgency of  
20 prompt action required to prevent pollution, nuisance, or injury to  
21 the environment of the state. The action may be taken in default  
22 of, or in addition to, remedial work by the responsible party or  
23 other persons, and regardless of whether injunctive relief is sought.  
24 The administrator may perform the work in cooperation with any  
25 other governmental agency, and may use rented tools or equipment,  
26 either with or without operators furnished. Notwithstanding any  
27 other law, the administrator may enter into oral contracts for the  
28 work, and the contracts, whether written or oral, may include  
29 provisions for equipment rental and the furnishing of labor and  
30 materials necessary to accomplish the work. The contracts shall  
31 be exempt from Part 2 (commencing with Section 10100) of  
32 Division 2 of the Public Contract Code and Article 6 (commencing  
33 with Section 999) of Chapter 6 of Division 4 of the Military and  
34 Veterans Code.

35 (d) If the discharge is cleaned up, or attempted to be cleaned  
36 up, the effects thereof abated, or, in the case of threatened pollution  
37 or nuisance, other necessary remedial action is taken by any  
38 governmental agency, the person or persons who discharged the  
39 waste, discharged the oil, or threatened to cause or permit the  
40 discharge of the oil within the meaning of subdivision (a) shall be

1 liable to that governmental agency for the reasonable costs actually  
2 incurred in cleaning up that waste, abating the effects thereof, or  
3 taking other remedial action. The amount of the costs shall be  
4 recoverable in a civil action by, and paid to, the applicable  
5 governmental agency and the administrator, to the extent the  
6 administrator contributed to the cleanup costs from the Oil Spill  
7 Response Trust Fund or other available funds.

8 (e) If, despite reasonable effort by the administrator to identify  
9 the party responsible for the discharge of oil or the condition of  
10 pollution or nuisance, the person is not identified at the time  
11 cleanup, abatement, or remedial work must be performed, the  
12 administrator shall not be required to issue an order under this  
13 section. The absence of a responsible party shall not in any way  
14 limit the powers of the administrator under this section.

15 (f) For purposes of this section, “threaten” means a condition  
16 creating a substantial probability of harm, when the probability  
17 and potential extent of harm makes it reasonably necessary to take  
18 immediate action to prevent, reduce, or mitigate damages to  
19 persons, property, or natural resources.

20 SEC. 53. Section 8670.64 of the Government Code is amended  
21 to read:

22 8670.64. (a) A person who commits any of the following acts  
23 shall, upon conviction, be punished by imprisonment in a county  
24 jail for not more than one year or by imprisonment pursuant to  
25 subdivision (h) of Section 1170 of the Penal Code:

26 (1) Except as provided in Section 8670.27, knowingly fails to  
27 follow the direction or orders of the administrator in connection  
28 with an oil spill.

29 (2) Knowingly fails to notify the Coast Guard that a vessel is  
30 disabled within one hour of the disability and the vessel, while  
31 disabled, causes a discharge of oil that enters marine waters. For  
32 purposes of this paragraph, “vessel” means a vessel, as defined in  
33 Section 21 of the Harbors and Navigation Code, of 300 gross tons  
34 or more.

35 (3) Knowingly engages in or causes the discharge or spill of oil  
36 into waters of the state, or a person who reasonably should have  
37 known that he or she was engaging in or causing the discharge or  
38 spill of oil into waters of the state, unless the discharge is  
39 authorized by the United States, the state, or another agency with  
40 appropriate jurisdiction.

1 (4) Knowingly fails to begin cleanup, abatement, or removal of  
2 spilled oil as required in Section 8670.25.

3 (b) The court shall also impose upon a person convicted of  
4 violating subdivision (a), a fine of not less than five thousand  
5 dollars (\$5,000) or more than five hundred thousand dollars  
6 (\$500,000) for each violation. For purposes of this subdivision,  
7 each day or partial day that a violation occurs is a separate  
8 violation.

9 (c) (1) A person who knowingly does any of the acts specified  
10 in paragraph (2) shall, upon conviction, be punished by a fine of  
11 not less than two thousand five hundred dollars (\$2,500) or more  
12 than two hundred fifty thousand dollars (\$250,000), or by  
13 imprisonment in a county jail for not more than one year, or by  
14 both the fine and imprisonment. Each day or partial day that a  
15 violation occurs is a separate violation. If the conviction is for a  
16 second or subsequent violation of this subdivision, the person shall  
17 be punished by imprisonment pursuant to subdivision (h) of Section  
18 1170 of the Penal Code, or in a county jail for not more than one  
19 year, or by a fine of not less than five thousand dollars (\$5,000)  
20 or more than five hundred thousand dollars (\$500,000), or by both  
21 that fine and imprisonment:

22 (2) The acts subject to this subdivision are all of the following:

23 (A) Failing to notify the Office of Emergency Services in  
24 violation of Section 8670.25.5.

25 (B) Knowingly making a false or misleading oil spill report to  
26 the Office of Emergency Services.

27 (C) Continuing operations for which an oil spill contingency  
28 plan is required without an oil spill contingency plan approved  
29 pursuant to Article 5 (commencing with Section 8670.28).

30 (D) Except as provided in Section 8670.27, knowingly failing  
31 to follow the material provisions of an applicable oil spill  
32 contingency plan.

33 SEC. 54. Section 8670.66 of the Government Code is amended  
34 to read:

35 8670.66. (a) Any person who intentionally or negligently does  
36 any of the following acts shall be subject to a civil penalty for a  
37 spill of not less than fifty thousand dollars (\$50,000) or more than  
38 one million dollars (\$1,000,000), for each violation, and each day  
39 or partial day that a violation occurs is a separate violation:

1 (1) Except as provided in Section 8670.27, fails to follow the  
2 direction or orders of the administrator in connection with a spill  
3 or inland spill.

4 (2) Fails to notify the Coast Guard that a vessel is disabled  
5 within one hour of the disability and the vessel, while disabled,  
6 causes a spill that enters waters of the state. For purposes of this  
7 paragraph, “vessel” means a vessel, as defined in Section 21 of  
8 the Harbors and Navigation Code, of 300 gross tons or more.

9 (3) Is responsible for a spill, unless the discharge is authorized  
10 by the United States, the state, or other agency with appropriate  
11 jurisdiction.

12 (4) Fails to begin cleanup, abatement, or removal of oil as  
13 required in Section 8670.25.

14 (b) Except as provided in subdivision (a), any person who  
15 intentionally or negligently violates any provision of this chapter,  
16 or Division 7.8 (commencing with Section 8750) of the Public  
17 Resources Code, or any permit, rule, regulation, standard, or  
18 requirement issued or adopted pursuant to those provisions, shall  
19 be liable for a civil penalty not to exceed two hundred fifty  
20 thousand dollars (\$250,000) for each violation of a separate  
21 provision, or, for continuing violations, for each day that violation  
22 continues.

23 (c) A person shall not be liable for a civil penalty imposed under  
24 this section and for a civil penalty imposed pursuant to Section  
25 8670.67 for the same act or failure to act.

26 SEC. 55. Section 8670.67 of the Government Code is amended  
27 to read:

28 8670.67. (a) Any person who intentionally or negligently does  
29 any of the following acts shall be subject to an administrative civil  
30 penalty for a spill not to exceed two hundred thousand dollars  
31 (\$200,000), for each violation as imposed by the administrator  
32 pursuant to Section 8670.68, and each day or partial day that a  
33 violation occurs is a separate violation:

34 (1) Except as provided in Section 8670.27, fails to follow the  
35 applicable contingency plans or the direction or orders of the  
36 administrator in connection with a spill or inland spill.

37 (2) Fails to notify the Coast Guard that a vessel is disabled  
38 within one hour of the disability and the vessel, while disabled,  
39 causes a discharge that enters waters of the state. For purposes of

1 this paragraph, “vessel” means a vessel, as defined in Section 21  
2 of the Harbors and Navigation Code, of 300 gross tons or more.

3 (3) Is responsible for a spill, unless the discharge is authorized  
4 by the United States, the state, or other agency with appropriate  
5 jurisdiction.

6 (4) Fails to begin cleanup, abatement, or removal of spilled oil  
7 as required by Section 8670.25.

8 (b) Except as provided in subdivision (a), any person who  
9 intentionally or negligently violates any provision of this chapter,  
10 or Division 7.8 (commencing with Section 8750) of the Public  
11 Resources Code, or any permit, rule, regulation, standard, cease  
12 and desist order, or requirement issued or adopted pursuant to  
13 those provisions, shall be liable for an administrative civil penalty  
14 as imposed by the administrator pursuant to Section 8670.68, not  
15 to exceed one hundred thousand dollars (\$100,000) for each  
16 violation of a separate provision, or, for continuing violations, for  
17 each day that violation continues.

18 (c) A person shall not be liable for a civil penalty imposed under  
19 this section and for a civil penalty imposed pursuant to Section  
20 8670.66 for the same act or failure to act.

21 SEC. 56. Section 8670.67.5 of the Government Code is  
22 amended to read:

23 8670.67.5. (a) Any person who without regard to intent or  
24 negligence causes or permits a spill shall be strictly liable civilly  
25 in accordance with subdivision (b) or (c).

26 (b) A penalty may be administratively imposed by the  
27 administrator in accordance with Section 8670.68 in an amount  
28 not to exceed twenty dollars (\$20) per gallon for a spill. The  
29 amount of the penalty shall be reduced for every gallon of released  
30 oil that is recovered and properly disposed of in accordance with  
31 applicable law.

32 (c) Whenever the release of oil resulted from gross negligence  
33 or reckless conduct, the administrator shall, in accordance with  
34 Section 8670.68, impose a penalty in an amount not to exceed  
35 sixty dollars (\$60) per gallon for a spill. The amount of the penalty  
36 shall be reduced for every gallon of released oil that is recovered  
37 and properly disposed of in accordance with applicable law.

38 (d) The administrator shall adopt regulations governing the  
39 method for determining the amount of oil that is cleaned up.

1 SEC. 57. Section 8670.69.4 of the Government Code is  
2 amended to read:

3 8670.69.4. (a) When the administrator determines that any  
4 person has undertaken, or is threatening to undertake, any activity  
5 or procedure that (1) requires a permit, certificate, approval, or  
6 authorization under this chapter, without securing a permit, or (2)  
7 is inconsistent with any of the permits, certificates, rules,  
8 regulations, guidelines, or authorizations previously issued or  
9 adopted by the administrator, or (3) threatens to cause or  
10 substantially increases the risk of unauthorized discharge of oil  
11 into the waters of the state, the administrator may issue an order  
12 requiring that person to cease and desist.

13 (b) Any cease and desist order issued by the administrator may  
14 be subject to those terms and conditions as the administrator may  
15 determine are necessary to ensure compliance with this division.

16 (c) Any cease and desist order issued by the administrator shall  
17 become null and void 90 days after issuance.

18 (d) A cease and desist order issued by the administrator shall  
19 be effective upon the issuance thereof, and copies shall be served  
20 immediately by certified mail upon the person or governmental  
21 agency being charged with the actual or threatened violation.

22 (e) Any cease and desist order issued by the administrator shall  
23 be consistent with subdivision (a) of Section 8670.27.

24 SEC. 58. Section 8670.69.7 of the Government Code is  
25 repealed.

26 SEC. 59. Section 8670.71 of the Government Code is amended  
27 to read:

28 8670.71. (a) The administrator shall fund only those projects  
29 approved by the Environmental Enhancement Committee.

30 (b) For purposes of this article, an enhancement project is a  
31 project that acquires habitat for preservation, or improves habitat  
32 quality and ecosystem function above baseline conditions, and that  
33 meets all of the following requirements:

34 (1) Is located within or immediately adjacent to waters of the  
35 state, as defined in Section 8670.3.

36 (2) Has measurable outcomes within a predetermined timeframe.

37 (3) Is designed to acquire, restore, or improve habitat or restore  
38 ecosystem function, or both, to benefit fish and wildlife.

39 SEC. 60. Section 8670.95 is added to the Government Code,  
40 to read:

1 8670.95. If any provision of this chapter or the application  
2 thereof to any person or circumstances is held invalid, that  
3 invalidity shall not affect other provisions or applications of the  
4 chapter that can be given effect without the invalid provision or  
5 application, and to this end the provisions of this chapter are  
6 severable.

7 SEC. 61. Section 449 of the Harbors and Navigation Code is  
8 amended to read:

9 449. (a) The marine exchange and its officers and directors  
10 are subject to Section 5047.5 of the Corporations Code to the extent  
11 that the marine exchange meets the criteria specified in that section.

12 (b) Nothing in this section shall be deemed to include the marine  
13 exchange or its officers, directors, employees, or representatives  
14 within the meaning of “responsible party” as defined in Section  
15 8670.3 of the Government Code and subdivision (p) of Section  
16 8750 of the Public Resources Code for the purposes of the  
17 Lempert-Keene-Seastrand Oil Spill Prevention and Response Act  
18 (Article 3.5 (commencing with Section 8574.1) of Chapter 7 and  
19 Chapter 7.4 (commencing with Section 8670.1) of Division 1 of  
20 Title 2 of the Government Code and Division 7.8 (commencing  
21 with Section 8750) of the Public Resources Code).

22 SEC. 62. It is the intent of the Legislature that the  
23 reorganization and transfer made by Sections 63 to 127, inclusive,  
24 Section 181, and Sections 187 to 190, inclusive, of this act be  
25 carried out in a manner to preserve state primacy under the federal  
26 Safe Drinking Water Act and that the terms of this act shall be  
27 liberally construed to achieve this purpose.

28 SEC. 63. Section 116271 is added to the Health and Safety  
29 Code, to read:

30 116271. (a) The State Water Resources Control Board succeeds  
31 to and is vested with all of the authority, duties, powers, purposes,  
32 functions, responsibilities, and jurisdiction of the State Department  
33 of Public Health, its predecessors, and its director for purposes of  
34 all of the following:

35 (1) The Environmental Laboratory Accreditation Act (Article  
36 3 (commencing with Section 100825) of Chapter 4 of Part 1 of  
37 Division 101).

38 (2) Article 3 (commencing with Section 106875) of Chapter 4  
39 of Part 1.

1 (3) Article 1 (commencing with Section 115825) of Chapter 5  
2 of Part 10.

3 (4) This chapter and the Safe Drinking Water State Revolving  
4 Fund Law of 1997 (Chapter 4.5 (commencing with Section  
5 116760)).

6 (5) Article 2 (commencing with Section 116800), Article 3  
7 (commencing with Section 116825), and Article 4 (commencing  
8 with Section 116875) of Chapter 5.

9 (6) Chapter 7 (commencing with Section 116975).

10 (7) The Safe Drinking Water, Water Quality and Supply, Flood  
11 Control, River and Coastal Protection Bond Act of 2006 (Division  
12 43 (commencing with Section 75001) of the Public Resources  
13 Code).

14 (8) The Water Recycling Law (Chapter 7 (commencing with  
15 Section 13500) of Division 7 of the Water Code).

16 (9) Chapter 7.3 (commencing with Section 13560) of Division  
17 7 of the Water Code.

18 (10) The California Safe Drinking Water Bond Law of 1976  
19 (Chapter 10.5 (commencing with Section 13850) of Division 7 of  
20 the Water Code).

21 (11) Wholesale Regional Water System Security and Reliability  
22 Act (Division 20.5 (commencing with Section 73500) of the Water  
23 Code).

24 (12) Water Security, Clean Drinking Water, Coastal and Beach  
25 Protection Act of 2002 (Division 26.5 (commencing with Section  
26 79500) of the Water Code).

27 (b) The State Water Resources Control Board shall maintain a  
28 drinking water program and carry out the duties, responsibilities,  
29 and functions described in this section. Statutory reference to  
30 “department,” “state department,” or “director” regarding a function  
31 transferred to the State Water Resources Control Board shall refer  
32 to the State Water Resources Control Board. This section does not  
33 impair the authority of a local health officer to enforce this chapter  
34 or a county’s election not to enforce this chapter, as provided in  
35 Section 116500.

36 (c) The State Water Resources Control Board shall succeed to  
37 the status of grantee or applicant, as appropriate, for any federal  
38 Drinking Water State Revolving Fund capitalization grants that  
39 the State Department of Public Health and any of its predecessors  
40 applied for.

1 (d) Regulations adopted, orders issued, and all other  
2 administrative actions taken by the State Department of Public  
3 Health, any of its predecessors, or its director, pursuant to the  
4 authorities now vested in the State Water Resources Control Board  
5 and in effect immediately preceding the operative date of this  
6 section shall remain in effect and are fully enforceable unless and  
7 until readopted, amended, or repealed, or until they expire by their  
8 own terms. Regulations in the process of adoption pursuant to the  
9 authorities vested in the State Water Resources Control Board  
10 shall continue under the authority of the State Water Resources  
11 Control Board unless and until the State Water Resources Control  
12 Board determines otherwise. Any other administrative action  
13 adopted, prescribed, taken, or performed by, or on behalf of, the  
14 State Department of Public Health, or its director, in the  
15 administration of a program or the performance of a duty,  
16 responsibility, or authorization transferred to the State Water  
17 Resources Control Board shall remain in effect and shall be deemed  
18 to be an action of the State Water Resources Control Board unless  
19 and until the State Water Resources Control Board determines  
20 otherwise.

21 (e) Permits, licenses, accreditations, certificates, and other  
22 formal approvals and authorizations issued by the State Department  
23 of Public Health, any of its predecessors, or its director pursuant  
24 to authorities vested in the State Water Resources Control Board  
25 pursuant to this section are not affected by the transfer and remain  
26 in effect, subject to all applicable laws and regulations, unless and  
27 until renewed, reissued, revised, amended, suspended, or revoked  
28 by the State Water Resources Control Board or its deputy director,  
29 as authorized pursuant to subdivision (k).

30 (f) Any action or proceeding by or against the State Department  
31 of Public Health, including any officer or employee of the State  
32 Department of Public Health named in an official capacity, or any  
33 of its predecessors, pertaining to matters vested in the State Water  
34 Resources Control Board by this section shall not abate, but shall  
35 continue in the name of the State Water Resources Control Board.  
36 The State Water Resources Control Board shall be substituted for  
37 the State Department of Public Health, including any officer or  
38 employee of the State Department of Public Health named in an  
39 official capacity, and any of its predecessors, by the court or agency  
40 where the action or proceeding is pending. The substitution shall

1 not in any way affect the rights of the parties to the action or  
2 proceeding.

3 (g) On and after the operative date of this section, the  
4 unexpended balance of all funds available for use by the State  
5 Department of Public Health or any of its predecessors in carrying  
6 out any functions transferred to the State Water Resources Control  
7 Board are available for use by the State Water Resources Control  
8 Board.

9 (h) Books, documents, data, records, and property of the State  
10 Department of Public Health pertaining to functions transferred  
11 to the State Water Resources Control Board shall be transferred  
12 to the State Water Resources Control Board. This subdivision does  
13 not transfer any part of property commonly known as the Richmond  
14 Campus that is owned by the State Public Works Board.

15 (i) A contract, lease, license, or any other agreement, including  
16 local primacy agreements, as described in Section 116330, to which  
17 the State Department of Public Health, any of its predecessors, its  
18 director, or their agents, is a party, are not void or voidable by  
19 reason of this section, but shall continue in full force and effect,  
20 with the State Water Resources Control Board assuming all of the  
21 rights, obligations, liabilities, and duties of the State Department  
22 of Public Health and any of its predecessors as it relates to the  
23 duties, powers, purposes, responsibilities, and jurisdiction vested  
24 in the State Water Resources Control Board pursuant to this  
25 section. This assumption does not affect the rights of the parties  
26 to the contract, lease, license, or agreement.

27 (j) If the Department of Water Resources entered into  
28 agreements on behalf of the State Department of Public Health or  
29 its predecessor, the State Department of Health Services, pursuant  
30 to Chapter 4.5 (commencing with Section 116760), the State Water  
31 Resources Control Board shall also succeed the Department of  
32 Water Resources as a party to those agreements and to all related  
33 security instruments, including, but not limited to, fiscal services  
34 agreements, deeds of trust, guarantees, letters of credit, and deposit  
35 control agreements.

36 (k) (1) The State Water Resources Control Board shall appoint  
37 a deputy director who reports to the executive director to oversee  
38 the issuance and enforcement of public water system permits and  
39 other duties as appropriate. The deputy director shall have public  
40 health expertise.

1 (2) The deputy director is delegated the State Water Resources  
2 Control Board's authority to provide notice, approve notice content,  
3 approve emergency notification plans, and take other action  
4 pursuant to Article 5 (commencing with Section 116450), to issue,  
5 renew, reissue, revise, amend, or deny any public water system  
6 permits pursuant to Article 7 (commencing with Section 116525),  
7 to suspend or revoke any public water system permit pursuant to  
8 Article 8 (commencing with Section 116625), and to issue citations,  
9 assess penalties, or issue orders pursuant to Article 9 (commencing  
10 with Section 116650). Decisions and actions of the deputy director  
11 taken pursuant to Article 5 (commencing with Section 116450) or  
12 Article 7 (commencing with Section 116525) are deemed decisions  
13 and actions taken, but are not subject to reconsideration, by the  
14 State Water Resources Control Board. Decisions and actions of  
15 the deputy director taken pursuant to Article 8 (commencing with  
16 Section 116625) and Article 9 (commencing with Section 116650)  
17 are deemed decisions and actions taken by the State Water  
18 Resources Control Board, but any aggrieved person may petition  
19 the State Water Resources Control Board for reconsideration of  
20 the decision or action. This subdivision is not a limitation on the  
21 State Water Resources Control Board's authority to delegate any  
22 other powers and duties.

23 (3) The State Water Resources Control Board shall not delegate  
24 any authority, duty, power, purpose, function, or responsibility  
25 specified in this section, including, but not limited to, issuance and  
26 enforcement of public water system permits, to the regional water  
27 quality control boards.

28 (l) This section shall become operative on July 1, 2014.

29 SEC. 64. Section 116760.10 of the Health and Safety Code is  
30 amended to read:

31 116760.10. The Legislature hereby finds and declares all of  
32 the following:

33 (a) The department has discovered toxic contaminants and new  
34 pathogenic organisms, including cryptosporidium, in many of  
35 California's public drinking water systems.

36 (b) Many of the contaminants in California's drinking water  
37 supplies are known to cause, or are suspected of causing, cancer,  
38 birth defects, and other serious illnesses.

1 (c) It is unlikely that the contamination problems of small public  
2 water systems can be solved without financial assistance from the  
3 state.

4 (d) The protection of the health, safety, and welfare of the people  
5 of California requires that the water supplied for domestic purposes  
6 be at all times pure, wholesome, and potable. It is in the interest  
7 of the people that the State of California provide technical and  
8 financial assistance to ensure a safe, dependable, and potable supply  
9 of water for domestic purposes and that water is available in  
10 adequate quantity at sufficient pressure for health, cleanliness, and  
11 other domestic purposes.

12 (e) It is the intent of the Legislature to provide for the upgrading  
13 of existing public water supply systems to ensure that all domestic  
14 water supplies meet safe drinking water standards and other  
15 requirements established under Chapter 4 (commencing with  
16 Section 116270).

17 (f) (1) The extent of the current risk to public health from  
18 contamination in drinking water creates a compelling need to  
19 upgrade existing public water systems. The demand for financial  
20 assistance to enable public water systems to meet drinking water  
21 standards and regulations exceeds funds available from the Safe  
22 Drinking Water State Revolving Fund.

23 (2) A project whose primary purpose is to supply or attract  
24 growth shall not be eligible to receive assistance from the Safe  
25 Drinking Water State Revolving Fund.

26 (3) A project whose primary purpose is to enable a public water  
27 system to improve public health protection by complying with  
28 drinking water standards and regulations and that also includes  
29 components to accommodate a reasonable amount of growth over  
30 its useful life shall be eligible for assistance from the Safe Drinking  
31 Water State Revolving Fund, but the project shall receive priority  
32 based on the component to meet drinking water standards pursuant  
33 to Section 116760.70. The department shall expressly consider the  
34 effort of the applicant to secure funds other than those available  
35 from the Safe Drinking Water State Revolving Fund in establishing  
36 the priority listing for funding pursuant to Article 4 (commencing  
37 with Section 116760.50).

38 (4) After projects have been prioritized for funding into priority  
39 list categories pursuant to the requirements of Section 116760.70,  
40 within each category, projects that do not include a component of

1 growth, shall receive priority for funding over projects that have  
2 a component to accommodate a reasonable amount of growth.

3 (g) The Legislature further finds and declares that regional  
4 solutions to water contamination problems are often more effective,  
5 efficient, and economical than solutions designed to address solely  
6 the problems of a single small public water system, and it is in the  
7 interest of the people of the State of California to encourage the  
8 consolidation of the management and the facilities of small water  
9 systems to enable those systems to better address their water  
10 contamination problems.

11 (h) The protection of drinking water sources is essential to  
12 ensuring that the people of California are provided with pure,  
13 wholesome, and potable drinking water.

14 (i) That coordination among local, state, and federal public  
15 health and environmental management programs be undertaken  
16 to ensure that sources of drinking water are protected while  
17 avoiding duplication of effort and reducing program costs.

18 (j) It is necessary that a source water protection program be  
19 implemented for the purposes of delineating, assessing, and  
20 protecting drinking water sources throughout the state and that  
21 federal funds be utilized pursuant to the federal Safe Drinking  
22 Water Act (42 U.S.C. Sec. 300j et seq.) to carry out that program.

23 (k) It is in the interest of the people of the state to provide funds  
24 for a perpetual Safe Drinking Water State Revolving Fund that  
25 may be combined with similar federal funding to the extent the  
26 funding is authorized pursuant to the federal Safe Drinking Water  
27 Act (42 U.S.C. Sec. 300j et seq.).

28 (l) This chapter shall govern implementation of the Safe  
29 Drinking Water State Revolving Fund, and shall be implemented  
30 in a manner that is consistent with the federal Safe Drinking Water  
31 Act, and, to the extent authorized under the federal act, in a manner  
32 that is consistent with the California Safe Drinking Water Act,  
33 Chapter 4 (commencing with Section 116275).

34 (m) This section shall become inoperative on July 1, 2014, and,  
35 as of January 1, 2015, is repealed, unless a later enacted statute,  
36 that becomes operative on or before January 1, 2015, deletes or  
37 extends the dates on which it becomes inoperative and is repealed.

38 SEC. 65. Section 116760.10 is added to the Health and Safety  
39 Code, to read:

1 116760.10. (a) Because the federal Safe Drinking Water Act  
2 (42 U.S.C. Sec. 300j et seq.) provides for establishment of a  
3 perpetual drinking water revolving fund, which will be partially  
4 capitalized by federal contributions, it is in the interest of the people  
5 of the state, in order to ensure full participation by the state under  
6 the federal Safe Drinking Water Act, to enact this chapter to  
7 authorize the state to establish and implement a state drinking  
8 water revolving fund that will meet federal conditions for receipt  
9 of federal funds. The primary purpose of this chapter is to enable  
10 receipt of funds under the federal Safe Drinking Water Act. It is  
11 the intent of the Legislature that the terms of this chapter shall be  
12 liberally construed to achieve this purpose.

13 (b) Toxic contaminants and new pathogenic organisms,  
14 including cryptosporidium, have been discovered in many of  
15 California's public drinking water systems.

16 (c) Many of the contaminants in California's drinking water  
17 supplies are known to cause, or are suspected of causing, cancer,  
18 birth defects, and other serious illnesses.

19 (d) It is unlikely that the contamination problems of small public  
20 water systems can be solved without financial assistance from the  
21 state.

22 (e) The protection of the health, safety, and welfare of the people  
23 of California requires that the water supplied for domestic purposes  
24 be at all times pure, wholesome, and potable. It is in the interest  
25 of the people that the State of California provide technical and  
26 financial assistance to ensure a safe, dependable, and potable supply  
27 of water for domestic purposes and that water is available in  
28 adequate quantity at sufficient pressure for health, cleanliness, and  
29 other domestic purposes.

30 (f) It is the intent of the Legislature to provide for the upgrading  
31 of existing public water supply systems to ensure that all domestic  
32 water supplies meet safe drinking water standards and other  
33 requirements established under Chapter 4 (commencing with  
34 Section 116270).

35 (g) The extent of the current risk to public health from  
36 contamination in drinking water creates a compelling need to  
37 upgrade existing public water systems. The demand for financial  
38 assistance to enable public water systems to meet drinking water  
39 standards and regulations exceeds funds available from the Safe  
40 Drinking Water State Revolving Fund.

1 (h) The Legislature further finds and declares that regional  
2 solutions to water contamination problems are often more effective,  
3 efficient, and economical than solutions designed to address solely  
4 the problems of a single small public water system, and it is in the  
5 interest of the people of the State of California to encourage the  
6 consolidation of the management and the facilities of small water  
7 systems to enable those systems to better address their water  
8 contamination problems.

9 (i) The protection of drinking water sources is essential to  
10 ensuring that the people of California are provided with pure,  
11 wholesome, and potable drinking water.

12 (j) That coordination among local, state, and federal public  
13 health and environmental management programs be undertaken  
14 to ensure that sources of drinking water are protected while  
15 avoiding duplication of effort and reducing program costs.

16 (k) It is necessary that a source water protection program be  
17 implemented for the purposes of delineating, assessing, and  
18 protecting drinking water sources throughout the state and that  
19 federal funds be utilized pursuant to the federal Safe Drinking  
20 Water Act to carry out that program.

21 (l) It is in the interest of the people of the state to provide funds  
22 for a perpetual Safe Drinking Water State Revolving Fund that  
23 may be combined with similar federal funding to the extent the  
24 funding is authorized pursuant to the federal Safe Drinking Water  
25 Act.

26 (m) This chapter shall govern implementation of the Safe  
27 Drinking Water State Revolving Fund, and shall be implemented  
28 in a manner that is consistent with the federal Safe Drinking Water  
29 Act, and, to the extent authorized under the federal act, in a manner  
30 that is consistent with the California Safe Drinking Water Act,  
31 Chapter 4 (commencing with Section 116270).

32 (n) This section shall become operative on July 1, 2014.

33 SEC. 66. Section 116760.20 of the Health and Safety Code is  
34 amended to read:

35 116760.20. (a) Unless the context otherwise requires, the  
36 following definitions govern the construction of this chapter:

37 (1) "Acceptable result" means the project that, when constructed,  
38 solves the problem for which the project was placed on the project  
39 priority list established pursuant to Section 116760.70, ensures the  
40 owner and operator of the improved or restructured public water

1 system shall have long-term technical, managerial, and financial  
2 capacity to operate and maintain the public water system in  
3 compliance with state and federal safe drinking water standards,  
4 can provide a dependable source of safe drinking water long-term,  
5 and is both short-term and long-term affordable, as determined by  
6 applicable regulations adopted by the department.

7 (2) “Cost-effective project” means a project that achieves an  
8 acceptable result at the most reasonable cost.

9 (3) “Department” means the State Department of Public Health.

10 (4) “Disadvantaged community” means a community that meets  
11 the definition provided in Section 116275.

12 (5) “Federal Safe Drinking Water Act” or “federal act” means  
13 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)  
14 and acts amendatory thereof or supplemental thereto.

15 (6) “Fund” means the Safe Drinking Water State Revolving  
16 Fund created by Section 116760.30.

17 (7) “Funding” means a loan or grant, or both, awarded under  
18 this chapter.

19 (8) “Matching funds” means state money that equals that  
20 percentage of federal contributions required by the federal act to  
21 be matched with state funds.

22 (9) “Project” means proposed facilities for the construction,  
23 improvement, or rehabilitation of a public water system, and may  
24 include all items set forth in Section 116761 as necessary to carry  
25 out the purposes of this chapter. It also may include refinancing  
26 loans, annexation or consolidation of water systems, source water  
27 assessments, source water protection, and other activities specified  
28 under the federal act.

29 (10) “Public agency” means any city, county, city and county,  
30 whether general law or chartered, district, joint powers authority,  
31 or other political subdivision of the state, that owns or operates a  
32 public water system.

33 (11) “Public water system” or “public water supply system”  
34 means a system for the provision to the public of water for human  
35 consumption, as defined in Chapter 4 (commencing with Section  
36 116270), as it may be amended from time to time.

37 (12) “Reasonable amount of growth” means an increase in  
38 growth not to exceed 10 percent of the design capacity needed,  
39 based on peak flow, to serve the water and fire flow demand in  
40 existence at the time plans and specifications for the project are

1 approved by the department, over the 20-year useful life of a  
2 project. For projects other than the construction of treatment plants  
3 including, but not limited to, storage facilities, pipes, pumps, and  
4 similar equipment, where the 10-percent allowable growth cannot  
5 be adhered to due to the sizes of equipment or materials available,  
6 the project shall be limited to the next available larger size.

7 (13) “Safe drinking water standards” means those standards  
8 established pursuant to Chapter 4 (commencing with Section  
9 116270), as they may now or hereafter be amended.

10 (14) “Severely disadvantaged community” means a community  
11 with a median household income of less than 60 percent of the  
12 statewide average.

13 (15) “Supplier” means any person, partnership, corporation,  
14 association, public agency, or other entity that owns or operates a  
15 public water system.

16 (b) This section shall become inoperative on July 1, 2014, and,  
17 as of January 1, 2015, is repealed, unless a later enacted statute,  
18 that becomes operative on or before January 1, 2015, deletes or  
19 extends the dates on which it becomes inoperative and is repealed.

20 SEC. 67. Section 116760.20 is added to the Health and Safety  
21 Code, to read:

22 116760.20. (a) Unless the context otherwise requires, the  
23 following definitions govern the construction of this chapter:

24 (1) “Acceptable result” means the project that, when constructed,  
25 solves the problem for which the project was placed on the project  
26 priority list established pursuant to Section 116760.70, ensures the  
27 owner and operator of the improved or restructured public water  
28 system shall have long-term technical, managerial, and financial  
29 capacity to operate and maintain the public water system in  
30 compliance with state and federal safe drinking water standards,  
31 can provide a dependable source of safe drinking water long-term,  
32 and is both short-term and long-term affordable, as determined by  
33 applicable regulations adopted by the board.

34 (2) “Board” means the State Water Resources Control Board.

35 (3) “Cost-effective project” means a project that achieves an  
36 acceptable result at the most reasonable cost.

37 (4) “Disadvantaged community” means a community that meets  
38 the definition provided in Section 116275.

1 (5) “Federal Safe Drinking Water Act” or “federal act” means  
2 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)  
3 and acts amendatory thereof or supplemental thereto.

4 (6) “Fund” means the Safe Drinking Water State Revolving  
5 Fund created by Section 116760.30.

6 (7) “Funding” means a loan or grant, or both, awarded under  
7 this chapter.

8 (8) “Matching funds” means state money that equals that  
9 percentage of federal contributions required by the federal act to  
10 be matched with state funds.

11 (9) “Project” means proposed facilities for the construction,  
12 improvement, or rehabilitation of a public water system, and may  
13 include all items set forth in Section 116761 as necessary to carry  
14 out the purposes of this chapter. It also may include refinancing  
15 loans, annexation or consolidation of water systems, source water  
16 assessments, source water protection, and other activities specified  
17 under the federal act.

18 (10) “Public agency” means any city, county, city and county,  
19 whether general law or chartered, district, joint powers authority,  
20 or other political subdivision of the state, that owns or operates a  
21 public water system.

22 (11) “Public water system” or “public water supply system”  
23 means a system for the provision to the public of water for human  
24 consumption, as defined in Chapter 4 (commencing with Section  
25 116270), as it may be amended from time to time.

26 (12) “Reasonable amount of growth” means an increase in  
27 growth not to exceed 10 percent of the design capacity needed,  
28 based on peak flow, to serve the water and fire flow demand in  
29 existence at the time plans and specifications for the project are  
30 approved by the board, over the 20-year useful life of a project.  
31 For projects other than the construction of treatment plants  
32 including, but not limited to, storage facilities, pipes, pumps, and  
33 similar equipment, where the 10-percent allowable growth cannot  
34 be adhered to due to the sizes of equipment or materials available,  
35 the project shall be limited to the next available larger size.

36 (13) “Safe drinking water standards” means those standards  
37 established pursuant to Chapter 4 (commencing with Section  
38 116270), as they may now or hereafter be amended.

1 (14) “Severely disadvantaged community” means a community  
2 with a median household income of less than 60 percent of the  
3 statewide average.

4 (15) “Small community water system” has the meaning set forth  
5 in Section 116275.

6 (16) “Supplier” means any person, partnership, corporation,  
7 association, public agency, or other entity that owns or operates a  
8 public water system.

9 (b) This section shall become operative on July 1, 2014, and is  
10 repealed as of January 1 of the next calendar year occurring after  
11 the board provides notice to the Legislature and the Secretary of  
12 State and posts notice on its Internet Web site that the board has  
13 adopted a policy handbook pursuant to Section 116760.43.

14 SEC. 68. Section 116760.20 is added to the Health and Safety  
15 Code, to read:

16 116760.20. (a) Unless the context otherwise requires, the  
17 following definitions govern the construction of this chapter:

18 (1) “Acceptable result” means the project that, when constructed,  
19 solves the problem for which the project was placed on the project  
20 priority list, ensures the owner and operator of the improved or  
21 restructured public water system shall have long-term technical,  
22 managerial, and financial capacity to operate and maintain the  
23 public water system in compliance with state and federal safe  
24 drinking water standards, can provide a dependable source of safe  
25 drinking water long-term, and is both short-term and long-term  
26 affordable, as determined by the board.

27 (2) “Board” means the State Water Resources Control Board.

28 (3) “Cost-effective” means achieves an acceptable result at the  
29 most reasonable cost.

30 (4) “Disadvantaged community” means a community that meets  
31 the definition provided in Section 116275.

32 (5) “Federal Safe Drinking Water Act” or “federal act” means  
33 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)  
34 and acts amendatory thereof or supplemental thereto.

35 (6) “Fund” means the Safe Drinking Water State Revolving  
36 Fund created by Section 116760.30.

37 (7) “Financing” means financial assistance awarded under this  
38 chapter, including loans, refinancing, installment sales agreements,  
39 purchase of debt, loan guarantees for municipal revolving funds,  
40 and grants.

1 (8) “Matching funds” means state money that equals that  
2 percentage of federal contributions required by the federal act to  
3 be matched with state funds.

4 (9) “Project” means cost-effective facilities for the construction,  
5 improvement, or rehabilitation of a public water system. It also  
6 may include the planning and design of the facilities, annexation  
7 or consolidation of water systems, source water assessments, source  
8 water protection, and other activities specified under the federal  
9 act.

10 (10) “Public agency” means any city, county, city and county,  
11 whether general law or chartered, district, joint powers authority,  
12 or other political subdivision of the state, that owns or operates a  
13 public water system.

14 (11) “Public water system” or “public water supply system”  
15 means a system for the provision to the public of water for human  
16 consumption, as defined in Chapter 4 (commencing with Section  
17 116270).

18 (12) “Safe drinking water standards” means those standards  
19 established pursuant to Chapter 4 (commencing with Section  
20 116270), as they may now or hereafter be amended.

21 (13) “Severely disadvantaged community” means a community  
22 with a median household income of less than 60 percent of the  
23 statewide average.

24 (14) “Small community water system” has the meaning set forth  
25 in Section 116275.

26 (15) “Supplier” means any person, partnership, corporation,  
27 association, public agency, or other entity that owns or operates a  
28 public water system.

29 (b) This section shall become operative on January 1 of the next  
30 calendar year occurring after the board provides notice to the  
31 Legislature and the Secretary of State and posts notice on its  
32 Internet Web site that the board has adopted a policy handbook  
33 pursuant to Section 116760.43.

34 SEC. 69. Section 116760.30 of the Health and Safety Code is  
35 amended to read:

36 116760.30. (a) There is hereby created in the State Treasury  
37 the Safe Drinking Water State Revolving Fund for the purpose of  
38 implementing this chapter, and, notwithstanding Section 13340 of  
39 the Government Code, the fund is hereby continuously  
40 appropriated, without regard to fiscal years, to the department to

1 provide, from moneys available for this purpose, grants or  
2 revolving fund loans for the design and construction of projects  
3 for public water systems that will enable suppliers to meet safe  
4 drinking water standards. The department shall be responsible for  
5 administering the fund.

6 (b) Notwithstanding Section 10231.5 of the Government Code,  
7 the department shall report at least once every two years to the  
8 policy and budget committees of the Legislature on the  
9 implementation of this chapter and expenditures from the fund.  
10 The report shall describe the numbers and types of projects funded,  
11 the reduction in risks to public health from contaminants in  
12 drinking water provided through the funding of the projects, and  
13 the criteria used by the department to determine funding priorities.  
14 Commencing with reports submitted on or after January 1, 2013,  
15 the report shall include the results of the United States  
16 Environmental Protection Agency's most recent survey of the  
17 infrastructure needs of California's public water systems, the  
18 amount of money available through the fund to finance those needs,  
19 the total dollar amount of all funding agreements executed pursuant  
20 to this chapter since the date of the previous report, the fund  
21 utilization rate, the amount of unliquidated obligations, and the  
22 total dollar amount paid to funding recipients since the previous  
23 report.

24 (c) Notwithstanding any other law, the Controller may use the  
25 moneys in the Safe Drinking Water State Revolving Fund for loans  
26 to the General Fund as provided in Sections 16310 and 16381 of  
27 the Government Code. However, interest shall be paid on all  
28 moneys loaned to the General Fund from the Safe Drinking Water  
29 State Revolving Fund. Interest payable shall be computed at a rate  
30 determined by the Pooled Money Investment Board to be the  
31 current earning rate of the fund from which loaned. This  
32 subdivision does not authorize any transfer that will interfere with  
33 the carrying out of the object for which the Safe Drinking Water  
34 State Revolving Fund was created.

35 (d) This section shall become inoperative on July 1, 2014, and,  
36 as of January 1, 2015, is repealed, unless a later enacted statute,  
37 that becomes operative on or before January 1, 2015, deletes or  
38 extends the dates on which it becomes inoperative and is repealed.

39 SEC. 70. Section 116760.30 is added to the Health and Safety  
40 Code, to read:

1 116760.30. (a) There is hereby created in the State Treasury  
2 the Safe Drinking Water State Revolving Fund for the purpose of  
3 implementing this chapter, and, notwithstanding Section 13340 of  
4 the Government Code, moneys in the fund are hereby continuously  
5 appropriated, without regard to fiscal years, to the board for  
6 expenditure in accordance with this chapter.

7 (b) Notwithstanding Section 10231.5 of the Government Code,  
8 the board shall, at least once every two years, post information on  
9 its Internet Web site and send a link of the Internet Web site to the  
10 policy and budget committees of the Legislature regarding the  
11 implementation of this chapter and expenditures from the fund.  
12 The information posted on the board's Internet Web site shall  
13 describe the numbers and types of projects funded, the reduction  
14 in risks to public health from contaminants in drinking water  
15 provided through the funding of the projects, and the criteria used  
16 by the board to determine funding priorities. The Internet Web site  
17 posting shall include the results of the United States Environmental  
18 Protection Agency's most recent survey of the infrastructure needs  
19 of California's public water systems, the amount of money  
20 available through the fund to finance those needs, the total dollar  
21 amount of all funding agreements executed pursuant to this chapter  
22 since the date of the previous report or Internet Web site post, the  
23 fund utilization rate, the amount of unliquidated obligations, and  
24 the total dollar amount paid to funding recipients since the previous  
25 report or Internet Web site post.

26 (c) This section shall become operative on July 1, 2014.

27 SEC. 71. Section 116760.39 of the Health and Safety Code is  
28 amended to read:

29 116760.39. (a) In addition to the actions described in Section  
30 116760.40, the department may, to implement the Safe Drinking  
31 Water State Revolving Fund, improve access to financial assistance  
32 for small community water systems and not-for-profit nontransient  
33 noncommunity water systems serving severely disadvantaged  
34 communities by doing both of the following:

35 (1) Working to establish a payment process pursuant to which  
36 the recipient of financial assistance would receive funds within 30  
37 days of the date on which the department receives a complete  
38 project payment request, unless the department, within that 30-day  
39 period, determines that the project payment would not be in  
40 accordance with the terms of the program guidelines.

1 (2) Investigating the use of wire transfers or other appropriate  
2 payment procedures to expedite project payments.

3 (b) This section shall become inoperative on July 1, 2014, and,  
4 as of January 1, 2015, is repealed, unless a later enacted statute,  
5 that becomes operative on or before January 1, 2015, deletes or  
6 extends the dates on which it becomes inoperative and is repealed.

7 SEC. 72. Section 116760.39 is added to the Health and Safety  
8 Code, to read:

9 116760.39. (a) In addition to the actions described in Section  
10 116760.40, the board may, to implement the Safe Drinking Water  
11 State Revolving Fund, improve access to financial assistance for  
12 small community water systems and not-for-profit nontransient  
13 noncommunity water systems serving severely disadvantaged  
14 communities by doing both of the following:

15 (1) Working to establish a payment process pursuant to which  
16 the recipient of financial assistance would receive funds within 30  
17 days of the date on which the board receives a complete project  
18 payment request, unless the board, within that 30-day period,  
19 determines that the project payment would not be in accordance  
20 with the terms of the program guidelines.

21 (2) Investigating the use of wire transfers or other appropriate  
22 payment procedures to expedite project payments.

23 (b) This section shall become operative on July 1, 2014.

24 SEC. 73. Section 116760.40 of the Health and Safety Code is  
25 amended to read:

26 116760.40. (a) The department may undertake any of the  
27 following actions to implement the Safe Drinking Water State  
28 Revolving Fund:

29 (1) Enter into agreements with the federal government for  
30 federal contributions to the fund.

31 (2) Accept federal contributions to the fund.

32 (3) Use moneys in the fund for the purposes permitted by the  
33 federal act.

34 (4) Provide for the deposit of matching funds and other available  
35 and necessary moneys into the fund.

36 (5) Make requests, on behalf of the state, for deposit into the  
37 fund of available federal moneys under the federal act.

38 (6) Determine, on behalf of the state, that public water systems  
39 that receive financial assistance from the fund will meet the

1 requirements of, and otherwise be treated as required by, the federal  
2 act.

3 (7) Provide for appropriate audit, accounting, and fiscal  
4 management services, plans, and reports relative to the fund.

5 (8) Take additional incidental action as may be appropriate for  
6 adequate administration and operation of the fund.

7 (9) Enter into an agreement with, and accept matching funds  
8 from, a public water system. A public water system that seeks to  
9 enter into an agreement with the department and provide matching  
10 funds pursuant to this subdivision shall provide to the department  
11 evidence of the availability of those funds in the form of a written  
12 resolution, or equivalent document, from the public water system  
13 before it requests a preliminary loan commitment.

14 (10) Charge public water systems that elect to provide matching  
15 funds a fee to cover the actual cost of obtaining the federal funds  
16 pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec.  
17 300j-12) and to process the loan application. The fee shall be  
18 waived by the department if sufficient funds to cover those costs  
19 are available from other sources.

20 (11) Use money returned to the fund under Section 116761.85  
21 and any other source of matching funds, if not prohibited by statute,  
22 as matching funds for the federal administrative allowance under  
23 Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).

24 (12) Establish separate accounts or subaccounts as required or  
25 allowed in the federal act and related guidance, for funds to be  
26 used for administration of the fund and other purposes. Within the  
27 fund the department shall establish the following accounts,  
28 including, but not limited to:

29 (A) A fund administration account for state expenses related to  
30 administration of the fund pursuant to Section 1452(g)(2) of the  
31 federal act.

32 (B) A water system reliability account for department expenses  
33 pursuant to Section 1452(g)(2)(A), (B), (C), or (D) of the federal  
34 act.

35 (C) A source protection account for state expenses pursuant to  
36 Section 1452(k) of the federal act.

37 (D) A small system technical assistance account for department  
38 expenses pursuant to Section 1452(g)(2) of the federal act.

39 (E) A state revolving loan account pursuant to Section  
40 1452(a)(2) of the federal act.

1 (F) A wellhead protection account established pursuant to  
2 Section 1452(a)(2) of the federal act.

3 (13) Deposit federal funds for administration and other purposes  
4 into separate accounts or subaccounts as allowed by the federal  
5 act.

6 (14) Determine, on behalf of the state, whether sufficient  
7 progress is being made toward compliance with the enforceable  
8 deadlines, goals, and requirements of the federal act and the  
9 California Safe Drinking Water Act, Chapter 4 (commencing with  
10 Section 116270).

11 (15) To the extent permitted under federal law, including, but  
12 not limited to, Section 1452(a)(2) and (f)(4) of the federal Safe  
13 Drinking Water Act (42 U.S.C. Sec. 300j-12(a)(2) and (f)(4)), use  
14 any and all amounts deposited in the fund, including, but not  
15 limited to, loan repayments and interest earned on the loans, as a  
16 source of reserve and security for the payment of principal and  
17 interest on revenue bonds, the proceeds of which are deposited in  
18 the fund.

19 (16) Request the Infrastructure and Economic Development  
20 Bank (I-Bank), established under Chapter 2 (commencing with  
21 Section 63021) of Division 1 of Title 6.7 of the Government Code,  
22 to issue revenue bonds, enter into agreements with the I-Bank, and  
23 take all other actions necessary or convenient for the issuance and  
24 sale of revenue bonds pursuant to Article 6.3 (commencing with  
25 Section 63048.55) of Chapter 2 of Division 1 of Title 6.7 of the  
26 Government Code. The purpose of the bonds is to augment the  
27 fund.

28 (b) This section shall become inoperative on July 1, 2014, and,  
29 as of January 1, 2015, is repealed, unless a later enacted statute,  
30 that becomes operative on or before January 1, 2015, deletes or  
31 extends the dates on which it becomes inoperative and is repealed.

32 SEC. 74. Section 116760.40 is added to the Health and Safety  
33 Code, to read:

34 116760.40. (a) The board may undertake any of the following  
35 actions to implement the Safe Drinking Water State Revolving  
36 Fund:

37 (1) Enter into agreements with the federal government for  
38 federal contributions to the fund.

39 (2) Accept federal contributions to the fund.

- 1 (3) Use moneys in the fund for the purposes permitted by the  
2 federal act.
- 3 (4) Provide for the deposit of matching funds and other available  
4 and necessary moneys into the fund.
- 5 (5) Make requests, on behalf of the state, for deposit into the  
6 fund of available federal moneys under the federal act.
- 7 (6) Determine, on behalf of the state, that public water systems  
8 that receive financial assistance from the fund will meet the  
9 requirements of, and otherwise be treated as required by, the federal  
10 act.
- 11 (7) Provide for appropriate audit, accounting, and fiscal  
12 management services, plans, and reports relative to the fund.
- 13 (8) Take additional incidental action as may be appropriate for  
14 adequate administration and operation of the fund.
- 15 (9) Enter into an agreement with, and accept matching funds  
16 from, a public water system.
- 17 (10) Charge public water systems that elect to provide matching  
18 funds a fee to cover the actual cost of obtaining the federal funds  
19 pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec.  
20 300j-12) and to process the loan application. The fee shall be  
21 waived by the board if sufficient funds to cover those costs are  
22 available from other sources.
- 23 (11) Use any source of matching funds, if not prohibited by  
24 statute, as matching funds for the federal administrative allowance  
25 under Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).
- 26 (12) Establish separate accounts or subaccounts as required or  
27 allowed in the federal act and related guidance, for funds to be  
28 used for administration of the fund and other purposes. Within the  
29 fund, the board may modify existing accounts and may establish  
30 other accounts as the board deems appropriate or necessary for  
31 proper administration of the chapter.
- 32 (13) Deposit federal funds for administration and other purposes  
33 into separate accounts or subaccounts, as allowed by the federal  
34 act.
- 35 (14) Determine, on behalf of the state, whether sufficient  
36 progress is being made toward compliance with the enforceable  
37 deadlines, goals, and requirements of the federal act and the  
38 California Safe Drinking Water Act, Chapter 4 (commencing with  
39 Section 116270).

1 (15) To the extent permitted under federal law, including, but  
2 not limited to, Section 1452(a)(2) and (f)(4) of the federal Safe  
3 Drinking Water Act (42 U.S.C. Sec. 300j-12(a)(2) and (f)(4)), use  
4 any and all amounts deposited in the fund, including, but not  
5 limited to, loan repayments and interest earned on the loans, as a  
6 source of reserve and security for the payment of principal and  
7 interest on revenue bonds, the proceeds of which are deposited in  
8 the fund.

9 (16) Request the Infrastructure and Economic Development  
10 Bank (I-Bank), established under Chapter 2 (commencing with  
11 Section 63021) of Division 1 of Title 6.7 of the Government Code,  
12 to issue revenue bonds, enter into agreements with the I-Bank, and  
13 take all other actions necessary or convenient for the issuance and  
14 sale of revenue bonds pursuant to Article 6.3 (commencing with  
15 Section 63048.55) of Chapter 2 of Division 1 of Title 6.7 of the  
16 Government Code. The purpose of the bonds is to augment the  
17 fund.

18 (17) Engage in the transfer of capitalization grant funds, as  
19 authorized by Section 35.3530(c) of Title 40 of the Code of Federal  
20 Regulations and reauthorized by Public Law 109-54, to the extent  
21 set forth in an Intended Use Plan, that shall be subject to approval  
22 by the board.

23 (18) Cross-collateralize revenue bonds with the State Water  
24 Pollution Control Revolving Fund created pursuant to Section  
25 13477 of the Water Code, as authorized by Section 35.3530(d) of  
26 Title 40 of the Code of Federal Regulations.

27 (b) This section shall become operative on July 1, 2014.

28 SEC. 75. Section 116760.42 of the Health and Safety Code is  
29 amended to read:

30 116760.42. (a) The department may enter into an agreement  
31 with the federal government for federal contributions to the fund  
32 only if both of the following apply:

33 (1) The state has obtained or appropriated any required state  
34 matching funds.

35 (2) The department is prepared to commit to expenditure of any  
36 minimum amount in the fund in the manner required by the federal  
37 act.

38 (b) An agreement between the department and the federal  
39 government shall contain those provisions, terms, and conditions  
40 required by the federal act, and any implementing federal rules,

1 regulations, guidelines, and policies, including, but not limited to,  
 2 agreement to the following:

3 (1) Moneys in the fund shall be expended in an expeditious and  
 4 timely manner.

5 (2) All moneys in the fund as a result of federal capitalization  
 6 grants shall be expended to ensure sufficient progress is being  
 7 made toward compliance with the enforceable deadlines, goals,  
 8 and requirements of the federal act, including any applicable  
 9 compliance deadlines.

10 (3) Federal funds deposited in the special accounts are  
 11 continuously appropriated for use by the department as allowed  
 12 by federal law. Unexpended funds in the special accounts shall be  
 13 carried over into subsequent years for use by the department.

14 (c) This section shall become inoperative on July 1, 2014, and,  
 15 as of January 1, 2015, is repealed, unless a later enacted statute,  
 16 that becomes operative on or before January 1, 2015, deletes or  
 17 extends the dates on which it becomes inoperative and is repealed.

18 SEC. 76. Section 116760.42 is added to the Health and Safety  
 19 Code, to read:

20 116760.42. (a) The board may enter into an agreement with  
 21 the federal government for federal contributions to the fund only  
 22 if the board is prepared to commit to expenditure of any minimum  
 23 amount in the fund in the manner required by the federal act.

24 (b) An agreement between the board and the federal government  
 25 shall contain those provisions, terms, and conditions required by  
 26 the federal act, and implementing federal rules, regulations,  
 27 guidelines, and policies, including, but not limited to, agreement  
 28 to the following:

29 (1) Moneys in the fund shall be expended in an expeditious and  
 30 timely manner.

31 (2) All moneys in the fund as a result of federal capitalization  
 32 grants shall be expended to ensure sufficient progress is being  
 33 made toward compliance with the enforceable deadlines, goals,  
 34 and requirements of the federal act, including any applicable  
 35 compliance deadlines.

36 (3) Federal funds deposited in the special accounts are  
 37 continuously appropriated for use by the board as allowed by  
 38 federal law. Unexpended funds in the special accounts shall be  
 39 carried over into subsequent years for use by the board.

40 (4) This section shall become operative on July 1, 2014.

1 SEC. 77. Section 116760.43 of the Health and Safety Code is  
2 amended to read:

3 116760.43. (a) The department may adopt emergency  
4 regulations pursuant to Chapter 3.5 (commencing with Section  
5 11340) of Part 1 of Division 3 of Title 2 of the Government Code  
6 necessary or convenient to implement this chapter and to meet  
7 requirements pursuant to the federal act.

8 (b) The adoption of any emergency regulations that are filed  
9 with the Office of Administrative Law within 18 months of the  
10 effective date of this act shall be deemed to be an emergency and  
11 necessary for the immediate preservation of the public peace, health  
12 and safety, or general welfare.

13 (c) This section shall become inoperative on July 1, 2014, and,  
14 as of January 1, 2015, is repealed, unless a later enacted statute,  
15 that becomes operative on or before January 1, 2015, deletes or  
16 extends the dates on which it becomes inoperative and is repealed.

17 SEC. 78. Section 116760.43 is added to the Health and Safety  
18 Code, to read:

19 116760.43. (a) The board shall implement this chapter pursuant  
20 to the adoption of a policy handbook that is not subject to the  
21 requirements of Chapter 3.5 (commencing with Section 11340) of  
22 Part 1 of Division 3 of the Government Code. The policy handbook  
23 shall be posted on the board's Internet Web site.

24 (b) Any regulations that have been promulgated pursuant to this  
25 chapter are repealed effective upon adoption by the board of the  
26 policy handbook.

27 (c) This section shall become operative on July 1, 2014.

28 SEC. 79. Section 116760.44 of the Health and Safety Code is  
29 amended to read:

30 116760.44. (a) The department may deposit administrative  
31 fees and charges paid by public water systems and other available  
32 and necessary money into the administrative account of the fund.

33 (b) This section shall become inoperative on July 1, 2014, and,  
34 as of January 1, 2015, is repealed, unless a later enacted statute,  
35 that becomes operative on or before January 1, 2015, deletes or  
36 extends the dates on which it becomes inoperative and is repealed.

37 SEC. 80. Section 116760.44 is added to the Health and Safety  
38 Code, to read:

1 116760.44. (a) The board may deposit administrative fees and  
2 charges paid by public water systems and other available and  
3 necessary money into an account of the fund.

4 (b) This section shall become operative on July 1, 2014.

5 SEC. 81. Section 116760.46 of the Health and Safety Code is  
6 amended to read:

7 116760.46. (a) The Safe Drinking Water Small Community  
8 Emergency Grant Fund is hereby created in the State Treasury.

9 (b) The following moneys shall be deposited in the grant fund:

10 (1) Moneys transferred to the grant fund pursuant to subdivision  
11 (c).

12 (2) Notwithstanding Section 16475 of the Government Code,  
13 any interest earned upon the moneys deposited in the grant fund.

14 (c) (1) For any loans made for projects meeting the eligibility  
15 criteria under Section 116760.50, the department may assess an  
16 annual charge to be deposited in the grant fund in lieu of interest  
17 that would otherwise be charged.

18 (2) Any amounts collected under this subdivision shall be  
19 deposited in the grant fund. Not more than fifty million dollars  
20 (\$50,000,000) shall be deposited in the grant fund.

21 (3) The charge authorized by this subdivision may be applied  
22 at any time during the term of the financing and, once applied,  
23 shall remain unchanged.

24 (4) The charge authorized by this subdivision shall not increase  
25 the financing repayment amount, as set forth in the terms and  
26 conditions imposed pursuant to this chapter.

27 (d) (1) Moneys in the grant fund may be expended on grants  
28 for projects that meet the requirements stated in Section 116475  
29 and that serve disadvantaged and severely disadvantaged  
30 communities.

31 (2) For the purpose of approving grants, the department shall  
32 give priority to projects that serve severely disadvantaged  
33 communities.

34 (3) Funds expended pursuant to this section shall be expended  
35 in a manner consistent with the federal EPA grant regulations  
36 established in Section 35.3530(b)(2) of Title 40 of the Code of  
37 Federal Regulations.

38 (e) This section shall become inoperative on July 1, 2014, and,  
39 as of January 1, 2015, is repealed, unless a later enacted statute,

1 that becomes operative on or before January 1, 2015, deletes or  
2 extends the dates on which it becomes inoperative and is repealed.

3 SEC. 82. Section 116760.46 is added to the Health and Safety  
4 Code, to read:

5 116760.46. (a) The Safe Drinking Water Small Community  
6 Emergency Grant Fund is hereby created in the State Treasury.

7 (b) The following moneys shall be deposited in the grant fund:

8 (1) Moneys transferred to the grant fund pursuant to subdivision  
9 (c).

10 (2) Notwithstanding Section 16475 of the Government Code,  
11 any interest earned upon the moneys deposited in the grant fund.

12 (c) (1) For any financing made pursuant to this chapter, the  
13 board may assess an annual charge to be deposited in the grant  
14 fund in lieu of interest that would otherwise be charged.

15 (2) Any amounts collected under this subdivision shall be  
16 deposited in the grant fund.

17 (3) The charge authorized by this subdivision may be applied  
18 at any time during the term of the financing and, once applied,  
19 shall remain unchanged, unless the board determines that the  
20 application of the charge is any of the following:

21 (A) No longer consistent with federal requirements regarding  
22 the fund.

23 (B) No longer necessary.

24 (C) Negatively affecting the board's ability to fund projects that  
25 support the board's goals as specified in this chapter.

26 (4) If the board ceases collecting the charge before the financing  
27 repayment is complete, the board shall replace the charge with an  
28 identical interest rate.

29 (5) The charge authorized by this subdivision shall not increase  
30 the financing repayment amount, as set forth in the terms and  
31 conditions imposed pursuant to this chapter.

32 (d) (1) Moneys in the grant fund may be expended on grants  
33 for projects that meet the requirements of this chapter and that  
34 serve disadvantaged and severely disadvantaged communities or  
35 address emergencies experienced by small community water  
36 systems.

37 (2) For the purpose of approving grants, the board shall give  
38 priority to projects that serve severely disadvantaged communities.

39 (3) Funds expended pursuant to this section shall be expended  
40 in a manner consistent with the federal EPA capitalization grant

1 requirements established in Section 35.3530(b)(2) of Title 40 of  
2 the Code of Federal Regulations.

3 (e) This section shall become operative on July 1, 2014.

4 SEC. 83. Section 116760.50 of the Health and Safety Code is  
5 amended to read:

6 116760.50. (a) The department shall establish criteria that  
7 shall be met for projects to be eligible for consideration for funding  
8 under this chapter. The criteria shall include all of the following:

9 (1) All preliminary design work for a defined project that will  
10 enable the applicant to supply water that meets safe drinking water  
11 standards, including a cost estimate for the project, shall be  
12 completed.

13 (2) A legal entity shall exist that has the authority to enter into  
14 contracts and incur debt on behalf of the community to be served  
15 and owns the public water system or has the right to operate the  
16 public water system under a lease with a term of at least 20 years,  
17 unless otherwise authorized by the department. If the proposed  
18 project is funded by a loan under this chapter, the department may  
19 require the applicant to secure a lease for the full term of the loan  
20 if the loan exceeds 20 years.

21 (3) The applicant shall hold all necessary water rights.

22 (4) The applicant shall have completed any review required  
23 pursuant to the California Environmental Quality Act (Division  
24 13 (commencing with Section 21000) of the Public Resources  
25 Code) and the guidelines adopted pursuant thereto, and have  
26 included plans for compliance with that act in its preliminary plans  
27 for the project.

28 (5) The applicant has assembled sufficient financial data to  
29 establish its ability to complete the proposed project and to  
30 establish the amount of debt financing it can undertake.

31 (b) This section shall become inoperative on July 1, 2014, and,  
32 as of January 1, 2015, is repealed, unless a later enacted statute,  
33 that becomes operative on or before January 1, 2015, deletes or  
34 extends the dates on which it becomes inoperative and is repealed.

35 SEC. 84. Section 116760.50 is added to the Health and Safety  
36 Code, to read:

37 116760.50. (a) The board shall establish eligibility criteria for  
38 funding pursuant to this chapter that includes all of the following:

39 (1) All preliminary design work for a defined project that will  
40 enable the applicant to supply water that meets safe drinking water

1 standards, including a cost estimate for the project, shall be  
2 completed.

3 (2) A legal entity shall exist that has the authority to enter into  
4 contracts and incur debt on behalf of the community to be served  
5 and owns the public water system or has the right to operate the  
6 public water system for at least the term of the financing agreement.

7 (3) The applicant shall hold all necessary water rights.

8 (4) The applicant shall have completed any review required  
9 pursuant to the California Environmental Quality Act (Division  
10 13 (commencing with Section 21000) of the Public Resources  
11 Code) and the guidelines adopted pursuant thereto, and have  
12 included plans for compliance with that act in its preliminary plans  
13 for the project.

14 (5) The applicant shall have assembled sufficient financial data  
15 to establish its ability to complete the proposed project and to  
16 establish the amount of debt financing it can undertake.

17 (b) This section shall become operative on July 1, 2014, and is  
18 repealed as of January 1 of the next calendar year occurring after  
19 the board provides notice to the Legislature and the Secretary of  
20 State and posts notice on its Internet Web site that the board has  
21 adopted a policy handbook pursuant to Section 116760.43.

22 SEC. 85. Section 116760.50 is added to the Health and Safety  
23 Code, to read:

24 116760.50. (a) The board shall establish eligibility criteria for  
25 project financing pursuant to this chapter that shall be consistent  
26 with federal requirements.

27 (b) This section shall become operative on January 1 of the next  
28 calendar year occurring after the board provides notice to the  
29 Legislature and the Secretary of State and posts notice on its  
30 Internet Web site that the board has adopted a policy handbook  
31 pursuant to Section 116760.43.

32 SEC. 86. Section 116760.55 of the Health and Safety Code is  
33 amended to read:

34 116760.55. (a) For purposes of the department considering  
35 eligibility for grant funding for a planning project, a legal entity  
36 may apply on behalf of one or more public water systems serving  
37 disadvantaged or severely disadvantaged communities if all of the  
38 following requirements are met:

39 (1) The legal entity has a signed agreement with each public  
40 water system for which it is applying for funding for a planning

1 and feasibility study project that indicates that the public water  
2 system agrees to the joint application and that the legal entity is  
3 acting on behalf of, and in place of, the public water system.

4 (2) The application is for 100 percent grant funding for a  
5 planning and feasibility project.

6 (3) The planning and feasibility study project includes a study  
7 of the feasibility of consolidation, which may include expansion  
8 of service to communities not currently served by a public water  
9 system.

10 (4) The applicant has demonstrated that the legal entity has the  
11 ability to complete the proposed planning project.

12 (5) At least one of the project participating public water systems  
13 has a primary drinking water standard violation and is on the  
14 project priority list.

15 (b) For purposes of this section, “legal entity” means an entity  
16 that is duly formed and operating under the laws of this state.

17 (c) This section shall become inoperative on July 1, 2014, and,  
18 as of January 1, 2015, is repealed, unless a later enacted statute,  
19 that becomes operative on or before January 1, 2015, deletes or  
20 extends the dates on which it becomes inoperative and is repealed.

21 SEC. 87. Section 116760.55 is added to the Health and Safety  
22 Code, to read:

23 116760.55. (a) For purposes of the board considering eligibility  
24 for grant or principal forgiveness funding for a planning project,  
25 a legal entity may apply on behalf of one or more public water  
26 systems serving disadvantaged or severely disadvantaged  
27 communities if all of the following requirements are met:

28 (1) The legal entity has a signed agreement with each public  
29 water system for which it is applying for funding for a planning  
30 and feasibility study project that indicates that the public water  
31 system agrees to the joint application and that the legal entity is  
32 acting on behalf of, and in place of, the public water system.

33 (2) The application is for 100 percent grant or principal  
34 forgiveness funding for a planning and feasibility project.

35 (3) The planning and feasibility study project includes a study  
36 of the feasibility of consolidation, which may include expansion  
37 of service to communities not currently served by a public water  
38 system.

39 (4) The applicant has demonstrated that the legal entity has the  
40 ability to complete the proposed planning project.

1 (5) At least one of the project participating public water systems  
2 has a primary drinking water standard violation and is on the  
3 project priority list.

4 (b) For purposes of this section, “legal entity” means an entity  
5 that is duly formed and operating under the laws of this state.

6 (c) This section shall become operative on July 1, 2014, and is  
7 repealed as of January 1 of the next calendar year occurring after  
8 the board provides notice to the Legislature and the Secretary of  
9 State and posts notice on its Internet Web site that the board has  
10 adopted a policy handbook pursuant to Section 116760.43.

11 SEC. 88. Section 116760.60 of the Health and Safety Code is  
12 amended to read:

13 116760.60. (a) The department shall notify suppliers that may  
14 be eligible for funding pursuant to this chapter of the purposes of  
15 this chapter and the regulations established by the department.

16 (b) This section shall become inoperative on July 1, 2014, and,  
17 as of January 1, 2015, is repealed, unless a later enacted statute,  
18 that becomes operative on or before January 1, 2015, deletes or  
19 extends the dates on which it becomes inoperative and is repealed.

20 SEC. 89. Section 116760.70 of the Health and Safety Code is  
21 amended to read:

22 116760.70. (a) The department, after public notice and hearing,  
23 shall, from time to time, establish a priority list of proposed projects  
24 to be considered for funding under this chapter. In doing so, the  
25 department shall determine if improvement or rehabilitation of the  
26 public water system is necessary to provide pure, wholesome, and  
27 potable water in adequate quantity and at sufficient pressure for  
28 health, cleanliness, and other domestic purposes. The department  
29 shall establish criteria for placing public water systems on the  
30 priority list for funding that shall include criteria for priority list  
31 categories. Priority shall be given to projects that meet all of the  
32 following requirements:

33 (1) Address the most serious risk to human health.

34 (2) Are necessary to ensure compliance with requirements of  
35 Chapter 4 (commencing with Section 116270) including  
36 requirements for filtration.

37 (3) Assist systems most in need on a per household basis  
38 according to affordability criteria.

1 (b) The department may, in establishing a new priority list,  
2 merge those proposed projects from the existing priority list into  
3 the new priority list.

4 (c) In establishing the priority list, the department shall consider  
5 the system's implementation of an ongoing source water protection  
6 program or wellhead protection program.

7 (d) In establishing the priority list categories and the priority  
8 for funding projects, the department shall carry out the intent of  
9 the Legislature pursuant to subdivisions (e) to (h), inclusive, of  
10 Section 116760.10 and do all of the following:

11 (1) Give priority to upgrade an existing system to meet drinking  
12 water standards.

13 (2) After giving priority pursuant to paragraph (1), consider  
14 whether the applicant has sought other funds when providing  
15 funding for a project to upgrade an existing system and to  
16 accommodate a reasonable amount of growth.

17 (e) Consideration of an applicant's eligibility for funding shall  
18 initially be based on the priority list in effect at the time the  
19 application is received and the project's ability to proceed. If a  
20 new priority list is established during the time the application is  
21 under consideration, but before the applicant receives a letter of  
22 commitment, the department may consider the applicant's  
23 eligibility for funding based on either the old or new priority list.

24 (f) The department may change the ranking of a specific project  
25 on the priority lists at any time following the publication of the  
26 list if information, that was not available at the time of the  
27 publication of the list, is provided that justifies the change in the  
28 ranking of the project.

29 (g) The department shall provide one or more public hearings  
30 on the Intended Use Plan, the priority list, and the criteria for  
31 placing public water systems on the priority list. The department  
32 shall provide notice of the Intended Use Plan, criteria, and priority  
33 list not less than 30 days before the public hearing. The Intended  
34 Use Plan, criteria, and priority list shall not be subject to the  
35 requirements of Chapter 3.5 (commencing with Section 11340) of  
36 Part 1 of Division 3 of Title 2 of the Government Code. The  
37 department shall conduct duly noticed public hearings and  
38 workshops around the state to encourage the involvement and  
39 active input of public and affected parties, including, but not limited  
40 to, water utilities, local government, public interest, environmental,

1 and consumer groups, public health groups, land conservation  
2 interests, health care providers, groups representing vulnerable  
3 populations, groups representing business and agricultural interests,  
4 and members of the general public, in the development and periodic  
5 updating of the Intended Use Plan and the priority list.

6 (h) The requirements of this section do not constitute an  
7 adjudicatory proceeding as defined in Section 11405.20 of the  
8 Government Code and Section 11410.10 of the Government Code  
9 is not applicable.

10 (i) This section shall become inoperative on July 1, 2014, and,  
11 as of January 1, 2015, is repealed, unless a later enacted statute,  
12 that becomes operative on or before January 1, 2015, deletes or  
13 extends the dates on which it becomes inoperative and is repealed.

14 SEC. 90. Section 116760.70 is added to the Health and Safety  
15 Code, to read:

16 116760.70. (a) The board, after public notice and opportunity  
17 for comment, shall, from time to time, establish a priority list of  
18 proposed projects to be considered for funding under this chapter.  
19 In doing so, the board shall determine if improvement or  
20 rehabilitation of the public water system is necessary to provide  
21 pure, wholesome, and potable water in adequate quantity and at  
22 sufficient pressure for health, cleanliness, and other domestic  
23 purposes. The board shall establish criteria for placing public water  
24 systems on the priority list for funding that shall include criteria  
25 for priority list categories. Priority shall be given to projects that  
26 meet all of the following requirements:

27 (1) Address the most serious risk to human health.

28 (2) Are necessary to ensure compliance with requirements of  
29 Chapter 4 (commencing with Section 116270) including  
30 requirements for filtration.

31 (3) Assist systems most in need on a per household basis  
32 according to affordability criteria.

33 (b) The board may, in establishing a new priority list, merge  
34 those proposed projects from the existing priority list into the new  
35 priority list.

36 (c) In establishing the priority list, the board shall consider the  
37 system's implementation of an ongoing source water protection  
38 program or wellhead protection program.

39 (d) In establishing the priority list categories and the priority  
40 for funding projects, the board shall carry out the intent of the

1 Legislature pursuant to subdivisions (f) to (i), inclusive, of Section  
2 116760.10 and do all of the following:

3 (1) Give priority to upgrade an existing system to meet drinking  
4 water standards.

5 (2) After giving priority pursuant to paragraph (1), consider  
6 whether the applicant has sought other funds when providing  
7 funding for a project to upgrade an existing system and to  
8 accommodate a reasonable amount of growth.

9 (e) Consideration of an applicant's eligibility for funding shall  
10 initially be based on the priority list in effect at the time the  
11 application is received and the project's ability to proceed. If a  
12 new priority list is established during the time the application is  
13 under consideration, but before the applicant receives a letter of  
14 commitment, the board may consider the applicant's eligibility for  
15 funding based on either the old or new priority list.

16 (f) The board may change the ranking of a specific project on  
17 the priority lists at any time following the publication of the list if  
18 information, that was not available at the time of the publication  
19 of the list, is provided that justifies the change in the ranking of  
20 the project.

21 (g) The board shall provide one or more public hearings on the  
22 Intended Use Plan, the priority list, and the criteria for placing  
23 public water systems on the priority list. The board shall adopt an  
24 Intended Use Plan and provide notice of the Intended Use Plan,  
25 criteria, and priority list not less than 30 days before the adoption  
26 of the Intended Use Plan. The Intended Use Plan, criteria, and  
27 priority list shall not be subject to the requirements of Chapter 3.5  
28 (commencing with Section 11340) of Part 1 of Division 3 of Title  
29 2 of the Government Code.

30 (h) The requirements of this section do not constitute an  
31 adjudicatory proceeding as defined in Section 11405.20 of the  
32 Government Code and Section 11410.10 of the Government Code  
33 is not applicable.

34 (i) This section shall become operative on July 1, 2014, and is  
35 repealed as of January 1 of the next calendar year occurring after  
36 the board provides notice to the Legislature and the Secretary of  
37 State and posts notice on its Internet Web site that the board has  
38 adopted a policy handbook pursuant to Section 116760.43.

39 SEC. 91. Section 116760.79 of the Health and Safety Code is  
40 amended to read:

1 116760.79. (a) Applications for funding under this chapter  
2 shall be made in the form and with the supporting material  
3 prescribed by the department.

4 (b) This section shall become inoperative on July 1, 2014, and,  
5 as of January 1, 2015, is repealed, unless a later enacted statute,  
6 that becomes operative on or before January 1, 2015, deletes or  
7 extends the dates on which it becomes inoperative and is repealed.

8 SEC. 92. Section 116760.79 is added to the Health and Safety  
9 Code, to read:

10 116760.79. (a) Applications for funding under this chapter  
11 shall be made in the form and with the supporting material  
12 prescribed by the board.

13 (b) This section shall become operative on July 1, 2014, and  
14 is repealed on January 1 of the next calendar year occurring after  
15 the board provides notice to the Legislature and the Secretary of  
16 State and posts notice on its Internet Web site that the board has  
17 adopted a policy handbook pursuant to Section 116760.43.

18 SEC. 93. Section 116760.80 of the Health and Safety Code is  
19 amended to read:

20 116760.80. (a) The department shall determine, based on  
21 applications received, whether a particular applicant meets the  
22 criteria to be eligible for consideration.

23 (b) If the applicant does not meet the criteria, it may be  
24 considered for planning and preliminary engineering study funding.  
25 An applicant successfully completing a study is eligible for  
26 consideration for project design and construction funding after the  
27 study is completed and it has met the criteria to be eligible for  
28 consideration for project design and construction funding.

29 (c) This section shall become inoperative on July 1, 2014, and,  
30 as of January 1, 2015, is repealed, unless a later enacted statute,  
31 that becomes operative on or before January 1, 2015, deletes or  
32 extends the dates on which it becomes inoperative and is repealed.

33 SEC. 94. Section 116760.80 is added to the Health and Safety  
34 Code, to read:

35 116760.80. (a) The board shall determine, based on  
36 applications received, whether a particular applicant meets the  
37 criteria to be eligible for consideration.

38 (b) If the applicant does not meet the criteria, it may be  
39 considered for planning and preliminary engineering study funding.  
40 An applicant successfully completing a study is eligible for

1 consideration for project design and construction funding after the  
2 study is completed and it has met the criteria to be eligible for  
3 consideration for project design and construction funding.

4 (c) This section shall become operative on July 1, 2014, and is  
5 repealed as of January 1 of the next calendar year occurring after  
6 the board provides notice to the Legislature and the Secretary of  
7 State and posts notice on its Internet Web site that the board has  
8 adopted a policy handbook pursuant to Section 116760.43.

9 SEC. 95. Section 116760.90 of the Health and Safety Code is  
10 amended to read:

11 116760.90. (a) The department shall not approve an application  
12 for funding unless the department determines that the proposed  
13 study or project is necessary to enable the applicant to meet safe  
14 drinking water standards, and is consistent with an adopted  
15 countywide plan, if any. The department may refuse to fund a  
16 study or project if it determines that the purposes of this chapter  
17 may more economically and efficiently be met by means other  
18 than the proposed study or project. The department shall not  
19 approve an application for funding a project with a primary purpose  
20 to supply or attract future growth. The department may limit  
21 funding to costs necessary to enable suppliers to meet primary  
22 drinking water standards, as defined in Chapter 4 (commencing  
23 with Section 116270).

24 (b) With respect to applications for funding of project design  
25 and construction, the department shall also determine all of the  
26 following:

27 (1) Upon completion of the project, the applicant will be able  
28 to supply water that meets safe drinking water standards.

29 (2) The project is cost-effective.

30 (3) If the entire project is not to be funded under this chapter,  
31 the department shall specify which costs are eligible for funding.

32 (c) In considering an application for funding a project that meets  
33 all other requirements of this chapter and regulations, the  
34 department shall not be prejudiced by the applicant initiating the  
35 project before the department approves the application for funding.  
36 Preliminary project costs that are otherwise eligible for funding  
37 pursuant to the provisions of this chapter shall not be ineligible  
38 because the costs were incurred by the applicant before the  
39 department approves the application for funding. Construction  
40 costs that are otherwise eligible for funding pursuant to the

1 provisions of this chapter shall not be ineligible because the costs  
2 were incurred after the approval of the application by the  
3 department but prior to the department entering into a contract  
4 with the applicant pursuant to Section 116761.50.

5 (d) This section shall become inoperative on July 1, 2014, and,  
6 as of January 1, 2015, is repealed, unless a later enacted statute,  
7 that becomes operative on or before January 1, 2015, deletes or  
8 extends the dates on which it becomes inoperative and is repealed.

9 SEC. 96. Section 116760.90 is added to the Health and Safety  
10 Code, to read:

11 116760.90. (a) The board shall not approve an application for  
12 funding unless the board determines that the proposed study or  
13 project is necessary to enable the applicant to meet safe drinking  
14 water standards, and is consistent with an adopted countywide  
15 plan, if any. The board may refuse to fund a study or project if it  
16 determines that the purposes of this chapter may more  
17 economically and efficiently be met by means other than the  
18 proposed study or project. The board shall not approve an  
19 application for funding a project with a primary purpose to supply  
20 or attract future growth. The board may limit funding to costs  
21 necessary to enable suppliers to meet primary drinking water  
22 standards, as defined in Chapter 4 (commencing with Section  
23 116270).

24 (b) With respect to applications for funding of project design  
25 and construction, the board shall also determine all of the  
26 following:

27 (1) Upon completion of the project, the applicant will be able  
28 to supply water that meets safe drinking water standards.

29 (2) The project is cost effective.

30 (3) If the entire project is not to be funded under this chapter,  
31 the board shall specify which costs are eligible for funding.

32 (c) In considering an application for funding a project that meets  
33 all other requirements of this chapter and regulations, the board  
34 shall not be prejudiced by the applicant initiating the project before  
35 the board approves the application for funding. Preliminary project  
36 costs that are otherwise eligible for funding pursuant to the  
37 provisions of this chapter shall not be ineligible because the costs  
38 were incurred by the applicant before the board approves the  
39 application for funding. Construction costs that are otherwise  
40 eligible for funding pursuant to the provisions of this chapter shall

1 not be ineligible because the costs were incurred after the approval  
2 of the application by the board, but before the board entering into  
3 a contract with the applicant pursuant to Section 116761.50.

4 (d) This section shall become operative on July 1, 2014, and is  
5 repealed as of January 1 of the next calendar year occurring after  
6 the board provides notice to the Legislature and the Secretary of  
7 State and posts notice on its Internet Web site that the board has  
8 adopted a policy handbook pursuant to Section 116760.43.

9 SEC. 97. Section 116761 of the Health and Safety Code is  
10 amended to read:

11 116761. (a) Planning and preliminary engineering studies,  
12 project design, and construction costs eligible for funding under  
13 this chapter shall be established by the department and may include  
14 any of the following:

15 (1) Reasonable costs for the construction, improvement, or  
16 rehabilitation of facilities of the public water system, which may  
17 include water supply, treatment works, and all or part of a water  
18 distribution system, if necessary to carry out the purposes of this  
19 chapter.

20 (2) Reasonable costs associated with the consolidation of water  
21 systems, including, but not limited to, reasonable facility fees,  
22 connection fees, or similar charges.

23 (3) Reasonable costs of purchasing water systems, water rights,  
24 or watershed lands.

25 (4) Operation and maintenance costs only to the extent they are  
26 used in the startup and testing of the completed project. All other  
27 operation and maintenance costs shall be the responsibility of the  
28 supplier and shall not be considered as part of the project costs.

29 (5) Reasonable costs of establishing eligibility for funding under  
30 this chapter that were incurred before the department entered into  
31 a commitment to fund the project under this chapter.

32 (6) The acquisition of real property or interests therein only if  
33 the acquisition is integral to a project, and as otherwise limited in  
34 the federal act.

35 (b) This section shall become inoperative on July 1, 2014, and,  
36 as of January 1, 2015, is repealed, unless a later enacted statute,  
37 that becomes operative on or before January 1, 2015, deletes or  
38 extends the dates on which it becomes inoperative and is repealed.

39 SEC. 98. Section 116761 is added to the Health and Safety  
40 Code, to read:

1 116761. (a) Planning and preliminary engineering studies,  
2 project design, and construction costs eligible for funding under  
3 this chapter shall be established by the board and may include any  
4 of the following:

5 (1) Reasonable costs for the construction, improvement, or  
6 rehabilitation of facilities of the public water system, which may  
7 include water supply, treatment works, and all or part of a water  
8 distribution system, if necessary to carry out the purposes of this  
9 chapter.

10 (2) Reasonable costs associated with the consolidation of water  
11 systems, including, but not limited to, reasonable facility fees,  
12 connection fees, or similar charges.

13 (3) Reasonable costs of purchasing water systems, water rights,  
14 or watershed lands.

15 (4) Operation and maintenance costs only to the extent they are  
16 used in the startup and testing of the completed project. All other  
17 operation and maintenance costs shall be the responsibility of the  
18 supplier and shall not be considered as part of the project costs.

19 (5) Reasonable costs of establishing eligibility for funding under  
20 this chapter that were incurred before the board entered into a  
21 commitment to fund the project under this chapter.

22 (6) The acquisition of real property or interests therein only if  
23 the acquisition is integral to a project, and as otherwise limited in  
24 the federal act.

25 (b) This section shall become operative on July 1, 2014, and is  
26 repealed as of January 1 of the next calendar year occurring after  
27 the board provides notice to the Legislature and the Secretary of  
28 State and posts notice on its Internet Web site that the board has  
29 adopted a policy handbook pursuant to Section 116760.43.

30 SEC. 99. Section 116761.20 of the Health and Safety Code is  
31 amended to read:

32 116761.20. (a) Planning and preliminary engineering studies,  
33 project design, and construction costs incurred by community and  
34 not-for-profit noncommunity public water systems may be funded  
35 under this chapter by loans, and, if these systems are owned by  
36 public agencies or private not-for-profit water companies, by grants  
37 or a combination of grants and loans.

38 (b) (1) The department shall determine what portion of the full  
39 costs the public agency or private not-for-profit water company is  
40 capable of repaying and authorize funding in the form of a loan

1 for that amount. The department shall authorize a grant only to the  
2 extent the department finds the public agency or not-for-profit  
3 water company is unable to repay the full costs of a loan.

4 (2) Notwithstanding any other provision of this chapter, a small  
5 community water system or nontransient noncommunity water  
6 system that is owned by a public agency or a private not-for-profit  
7 water company and serving a severely disadvantaged community,  
8 is deemed to have no ability to repay a loan.

9 (c) At the request of the department, the Public Utilities  
10 Commission shall submit comments concerning the ability of  
11 suppliers, subject to its jurisdiction, to finance the project from  
12 other sources and to repay the loan.

13 (d) This section shall become inoperative on July 1, 2014, and,  
14 as of January 1, 2015, is repealed, unless a later enacted statute,  
15 that becomes operative on or before January 1, 2015, deletes or  
16 extends the dates on which it becomes inoperative and is repealed.

17 SEC. 100. Section 116761.20 is added to the Health and Safety  
18 Code, to read:

19 116761.20. (a) Planning and preliminary engineering studies,  
20 project design, and construction costs incurred by community and  
21 not-for-profit noncommunity public water systems may be funded  
22 under this chapter by loans or other repayable financing, and, if  
23 these systems are owned by public agencies or private not-for-profit  
24 water companies, by grants, principal forgiveness, or a combination  
25 of grants and loans or other financial assistance.

26 (b) (1) The board shall determine what portion of the full costs  
27 the public agency or private not-for-profit water company is  
28 capable of repaying and authorize funding in the form of a loan  
29 or other repayable financing for that amount. The board shall  
30 authorize a grant or principal forgiveness only to the extent the  
31 board finds the public agency or not-for-profit water company is  
32 unable to repay the full costs of the financing.

33 (2) Notwithstanding any other provision of this chapter, a small  
34 community water system or nontransient noncommunity water  
35 system that is owned by a public agency or a private not-for-profit  
36 water company and serving a severely disadvantaged community,  
37 is deemed to have no ability to repay any financing.

38 (c) At the request of the board, the Public Utilities Commission  
39 shall submit comments concerning the ability of suppliers, subject

1 to its jurisdiction, to finance the project from other sources and to  
2 repay the financing.

3 (d) This section shall become operative on July 1, 2014.

4 SEC. 101. Section 116761.21 of the Health and Safety Code  
5 is amended to read:

6 116761.21. (a) Not more than 30 percent and not less than 15  
7 percent, provided that there are projects eligible for funding as  
8 prescribed in Section 116760.70, of the total amount deposited in  
9 the fund may be expended for grants. This amount shall be limited  
10 to disadvantaged communities specified in Section 1452(d) of the  
11 federal act (42 U.S.C.A. Sec. 300j-12).

12 (b) This section shall become inoperative on July 1, 2014, and,  
13 as of January 1, 2015, is repealed, unless a later enacted statute,  
14 that becomes operative on or before January 1, 2015, deletes or  
15 extends the dates on which it becomes inoperative and is repealed.

16 SEC. 102. Section 116761.22 of the Health and Safety Code  
17 is amended to read:

18 116761.22. (a) Loans for project design and construction shall  
19 be repaid over a term not longer than the useful life of the project  
20 constructed or 20 years, whichever is shorter, except as provided  
21 in the federal act.

22 (b) This section shall become inoperative on July 1, 2014, and,  
23 as of January 1, 2015, is repealed, unless a later enacted statute,  
24 that becomes operative on or before January 1, 2015, deletes or  
25 extends the dates on which it becomes inoperative and is repealed.

26 SEC. 103. Section 116761.23 of the Health and Safety Code  
27 is amended to read:

28 116761.23. (a) The maximum amount of a planning grant  
29 permitted under this chapter for each participating public water  
30 system's share of the costs of the planning, engineering studies,  
31 environmental documentation, and design of a single project shall  
32 be no more than five hundred thousand dollars (\$500,000).

33 (b) Unless the department approves an increase pursuant to this  
34 subdivision, the maximum amount of a construction grant award  
35 authorized under this chapter to each participating public water  
36 system for its share of the cost of the construction of a single  
37 project shall be no more than three million dollars (\$3,000,000).  
38 The department may approve an increase in the maximum amount  
39 for a construction grant award authorized under this chapter so  
40 that the maximum amount of the construction grant award does

1 not exceed ten million dollars (\$10,000,000) only if the department  
2 makes all of the following findings:

3 (1) A public water system that serves a disadvantaged  
4 community has a defined project need that exceeds the maximum  
5 grant amount of three million dollars (\$3,000,000).

6 (2) The defined project has been bypassed in at least one funding  
7 cycle due to a lack of funds.

8 (3) The defined project is eligible for funding pursuant to the  
9 program regulations.

10 (4) The defined project represents the highest public health risk  
11 among unfunded projects, as determined by the department  
12 according to its standard criteria.

13 (c) Total funding under this article for planning, engineering  
14 studies, environmental documentation, project design, and  
15 construction costs of a single project, whether in the form of a loan  
16 or a grant, or both, shall be determined by an assessment of  
17 affordability using criteria established by the department.

18 (d) Subject to all other limitations of this chapter, a small  
19 community water system or nontransient noncommunity water  
20 system, owned by a public agency or private not-for-profit water  
21 company, serving severely disadvantaged communities shall be  
22 eligible to receive up to 100 percent of eligible project costs in the  
23 form of a grant, to the extent the system cannot afford a loan as  
24 determined by the department pursuant to Section 116761.20.

25 (e) Subject to the availability of funds and the applicant’s ability  
26 to repay, an applicant may receive up to the full cost of the project  
27 in the form of a loan bearing interest at the rate established pursuant  
28 to subdivision (a) of Section 116761.65.

29 (f) This section shall become inoperative on July 1, 2014, and,  
30 as of January 1, 2015, is repealed, unless a later enacted statute,  
31 that becomes operative on or before January 1, 2015, deletes or  
32 extends the dates on which it becomes inoperative and is repealed.

33 SEC. 104. Section 116761.23 is added to the Health and Safety  
34 Code, to read:

35 116761.23. (a) The maximum amount of a planning grant  
36 permitted under this chapter for each participating public water  
37 system’s share of the costs of the planning, engineering studies,  
38 environmental documentation, and design of a single project shall  
39 be no more than five hundred thousand dollars (\$500,000).

1 (b) Unless the board approves an increase pursuant to this  
2 subdivision, the maximum amount of a construction grant award  
3 authorized under this chapter to each participating public water  
4 system for its share of the cost of the construction of a single  
5 project shall be no more than three million dollars (\$3,000,000).  
6 The board may approve an increase in the maximum amount for  
7 a construction grant award authorized under this chapter so that  
8 the maximum amount of the construction grant award does not  
9 exceed ten million dollars (\$10,000,000) only if the board makes  
10 all of the following findings:

11 (1) A public water system that serves a disadvantaged  
12 community has a defined project need that exceeds the maximum  
13 grant amount of three million dollars (\$3,000,000).

14 (2) The defined project has been bypassed in at least one funding  
15 cycle due to a lack of funds.

16 (3) The defined project is eligible for funding pursuant to the  
17 program regulations.

18 (4) The defined project represents the highest public health risk  
19 among unfunded projects, as determined by the board according  
20 to its standard criteria.

21 (c) Total funding under this article for planning, engineering  
22 studies, environmental documentation, project design, and  
23 construction costs of a single project, whether in the form of a loan  
24 or a grant, or both, shall be determined by an assessment of  
25 affordability using criteria established by the board.

26 (d) Subject to all other limitations of this chapter, a small  
27 community water system or nontransient noncommunity water  
28 system, owned by a public agency or private not-for-profit water  
29 company, serving severely disadvantaged communities shall be  
30 eligible to receive up to 100 percent of eligible project costs in the  
31 form of a grant, to the extent the system cannot afford a loan as  
32 determined by the board pursuant to Section 116761.20.

33 (e) Subject to the availability of funds and the applicant's ability  
34 to repay, an applicant may receive up to the full cost of the project  
35 in the form of a loan bearing interest at the rate established pursuant  
36 to subdivision (a) of Section 116761.65.

37 (f) This section shall become operative on July 1, 2014, and is  
38 repealed as of January 1 of the next calendar year occurring after  
39 the board provides notice to the Legislature and the Secretary of

1 State and posts notice on its Internet Web site that the board has  
2 adopted a policy handbook pursuant to Section 116760.43.

3 SEC. 105. Section 116761.24 of the Health and Safety Code  
4 is amended to read:

5 116761.24. (a) Not less than 15 percent of the total amount  
6 deposited in the fund shall be expended for providing loans and  
7 grants to public water systems that regularly serve fewer than  
8 10,000 persons to the extent those funds can be obligated for  
9 eligible projects.

10 (b) This section shall become inoperative on July 1, 2014, and,  
11 as of January 1, 2015, is repealed, unless a later enacted statute,  
12 that becomes operative on or before January 1, 2015, deletes or  
13 extends the dates on which it becomes inoperative and is repealed.

14 SEC. 106. Section 116761.40 of the Health and Safety Code  
15 is amended to read:

16 116761.40. (a) The failure or inability of any public water  
17 system to receive funds under this chapter or any other loan or  
18 grant program or any delay in obtaining the funds shall not alter  
19 the obligation of the system to comply in a timely manner with all  
20 applicable drinking water standards and requirements of the  
21 California Safe Drinking Water Act or the federal act.

22 (b) This section shall become inoperative on July 1, 2014, and,  
23 as of January 1, 2015, is repealed, unless a later enacted statute,  
24 that becomes operative on or before January 1, 2015, deletes or  
25 extends the dates on which it becomes inoperative and is repealed.

26 SEC. 107. Section 116761.40 is added to the Health and Safety  
27 Code, to read:

28 116761.40. (a) The failure or inability of any public water  
29 system to receive funds under this chapter or any other financial  
30 assistance program or any delay in obtaining the funds shall not  
31 alter the obligation of the system to comply in a timely manner  
32 with all applicable drinking water standards and requirements of  
33 the California Safe Drinking Water Act or the federal act.

34 (b) This section shall become operative on July 1, 2014.

35 SEC. 108. Section 116761.50 of the Health and Safety Code  
36 is amended to read:

37 116761.50. (a) The department may enter into contracts with  
38 applicants for grants or loans for the purposes set forth in this  
39 chapter. Any contract entered into pursuant to this section shall

1 include only terms and conditions consistent with this chapter and  
2 the regulations established under this chapter.

3 (b) The contract shall include all of the following terms and  
4 conditions that are applicable:

5 (1) An estimate of the reasonable cost of the project or study.

6 (2) An agreement by the department to loan or grant, or loan  
7 and grant, the applicant an amount that equals the portion of the  
8 costs found by the department to be eligible for a state loan or  
9 grant. The agreement may provide for disbursement of funds during  
10 the progress of the study or construction, or following completion  
11 of the study or construction, as agreed by the parties.

12 (3) An agreement by the applicant to proceed expeditiously with  
13 the project or study.

14 (4) An agreement by the applicant to commence operations of  
15 the project upon completion of the project, and to properly operate  
16 and maintain the project in accordance with the applicable  
17 provisions of law.

18 (5) In the case of a loan, an agreement by the applicant to repay  
19 the state, over a period not to exceed the useful life of the project  
20 or 20 years, whichever is shorter, except as provided in the federal  
21 act, or in the case of a study, over a period not to exceed five years,  
22 all of the following:

23 (A) The amount of the loan.

24 (B) The administrative fee specified in subdivision (a) of Section  
25 116761.70.

26 (C) Interest on the principal, which is the amount of the loan  
27 plus the administrative fee.

28 (6) In the case of a grant, an agreement by the public agency or  
29 private not-for-profit water company to operate and maintain the  
30 water system for a period of 20 years, unless otherwise authorized  
31 by the department.

32 (c) The contract may include any of the following terms and  
33 conditions:

34 (1) An agreement by the supplier to adopt a fee structure that  
35 provides for the proper maintenance and operations of the project  
36 and includes a sinking fund for repair and replacement of the  
37 facilities in cases where appropriate. The fee structure shall also  
38 provide an acceptable dedicated source of revenue for the  
39 repayment of the amount of the loan, and the payment of  
40 administrative fees and interest.

1 (2) If the entire project is not funded pursuant to this chapter,  
2 the department may include a provision requiring the applicant to  
3 share the cost of the project or obtain funding from other sources.

4 (d) The department may require applicants to provide security  
5 for loan contracts.

6 (e) This section shall become inoperative on July 1, 2014, and,  
7 as of January 1, 2015, is repealed, unless a later enacted statute,  
8 that becomes operative on or before January 1, 2015, deletes or  
9 extends the dates on which it becomes inoperative and is repealed.

10 SEC. 109. Section 116761.50 is added to the Health and Safety  
11 Code, to read:

12 116761.50. (a) The board may enter into contracts with  
13 applicants for grants or loans for the purposes set forth in this  
14 chapter. Any contract entered into pursuant to this section shall  
15 include only terms and conditions consistent with this chapter and  
16 the regulations established under this chapter.

17 (b) The contract shall include all of the following terms and  
18 conditions that are applicable:

19 (1) An estimate of the reasonable cost of the project or study.

20 (2) An agreement by the board to loan or grant, or loan and  
21 grant, the applicant an amount that equals the portion of the costs  
22 found by the board to be eligible for a state loan or grant. The  
23 agreement may provide for disbursement of funds during the  
24 progress of the study or construction, or following completion of  
25 the study or construction, as agreed by the parties.

26 (3) An agreement by the applicant to proceed expeditiously with  
27 the project or study.

28 (4) An agreement by the applicant to commence operations of  
29 the project upon completion of the project, and to properly operate  
30 and maintain the project in accordance with the applicable  
31 provisions of law.

32 (5) In the case of a loan, an agreement by the applicant to repay  
33 the state, over a period not to exceed the useful life of the project  
34 or 20 years, whichever is shorter, except as provided in the federal  
35 act, or in the case of a study, over a period not to exceed five years,  
36 all of the following:

37 (A) The amount of the loan.

38 (B) The administrative fee specified in subdivision (a) of Section  
39 116761.70.

1 (C) Interest on the principal, which is the amount of the loan  
2 plus the administrative fee.

3 (6) In the case of a grant, an agreement by the public agency or  
4 private not-for-profit water company to operate and maintain the  
5 water system for the term of the financing agreement or the useful  
6 life of the project, as determined by the board, unless otherwise  
7 authorized by the board.

8 (c) The contract may include any of the following terms and  
9 conditions:

10 (1) An agreement by the supplier to adopt a fee structure that  
11 provides for the proper maintenance and operations of the project  
12 and includes a sinking fund for repair and replacement of the  
13 facilities in cases where appropriate. The fee structure shall also  
14 provide an acceptable dedicated source of revenue for the  
15 repayment of the amount of the loan, and the payment of  
16 administrative fees and interest.

17 (2) If the entire project is not funded pursuant to this chapter,  
18 the board may include a provision requiring the applicant to share  
19 the cost of the project or obtain funding from other sources.

20 (d) The board may require applicants to provide security for  
21 loan contracts.

22 (e) This section shall become operative on July 1, 2014, and is  
23 repealed as of January 1 of the next calendar year occurring after  
24 the board provides notice to the Legislature and the Secretary of  
25 State and posts notice on its Internet Web site that the board has  
26 adopted a policy handbook pursuant to Section 116760.43.

27 SEC. 110. Section 116761.50 is added to the Health and Safety  
28 Code, to read:

29 116761.50. (a) The board may enter into financing agreements  
30 with applicants for the purposes set forth in this chapter.

31 (b) If the board provides construction financing, the financing  
32 recipient shall commit to operate and maintain, or ensure the  
33 operation and maintenance of, the water system for the term of the  
34 financing agreement or the useful life of the project, as determined  
35 by the board, unless otherwise authorized by the board.

36 (c) This section shall become operative on January 1 of the next  
37 calendar year occurring after the board provides notice to the  
38 Legislature and the Secretary of State and posts notice on its  
39 Internet Web site that the board has adopted a policy handbook  
40 pursuant to Section 116760.43.

1 SEC. 111. Section 116761.60 of the Health and Safety Code  
2 is amended to read:

3 116761.60. (a) All funding received under this chapter shall  
4 be expended by the applicant within three years of the execution  
5 of the contract with the department or its designee. The three-year  
6 period may be extended, with the approval of the department, until  
7 five years after the date the original contract, not including  
8 amendments, was executed.

9 (b) This section shall become inoperative on July 1, 2014, and,  
10 as of January 1, 2015, is repealed, unless a later enacted statute,  
11 that becomes operative on or before January 1, 2015, deletes or  
12 extends the dates on which it becomes inoperative and is repealed.

13 SEC. 112. Section 116761.60 is added to the Health and Safety  
14 Code, to read:

15 116761.60. (a) All funding received under this chapter shall  
16 be expended by the applicant within three years of the execution  
17 of the contract with the board or its designee. The three-year period  
18 may be extended, with the approval of the board, until five years  
19 after the date the original contract, not including amendments, was  
20 executed.

21 (b) This section shall become operative on July 1, 2014, and is  
22 repealed as of January 1 of the next calendar year occurring after  
23 the board provides notice to the Legislature and the Secretary of  
24 State and posts notice on its Internet Web site that the board has  
25 adopted a policy handbook pursuant to Section 116760.43.

26 SEC. 113. Section 116761.62 of the Health and Safety Code  
27 is amended to read:

28 116761.62. (a) To the extent permitted by federal and state  
29 law, moneys in the fund may be expended to rebate to the federal  
30 government all arbitrage profits required by the federal Tax Reform  
31 Act of 1986 (Public Law 99-514) or any amendment of or  
32 supplement to that law. To the extent that this expenditure of the  
33 moneys in the fund is prohibited by federal or state law, any rebates  
34 required by federal law shall be paid from the General Fund or  
35 other sources, upon appropriation by the Legislature.

36 (b) Notwithstanding any other law or regulation, the department  
37 may enter into contracts or may procure those services and  
38 equipment that may be necessary to ensure prompt and complete  
39 compliance with any provisions relating to the fund imposed by

1 either the federal Tax Reform Act of 1986 (Public Law 99-514)  
2 or the federal Safe Drinking Water Act.

3 (c) This section shall become inoperative on July 1, 2014, and,  
4 as of January 1, 2015, is repealed, unless a later enacted statute,  
5 that becomes operative on or before January 1, 2015, deletes or  
6 extends the dates on which it becomes inoperative and is repealed.

7 SEC. 114. Section 116761.62 is added to the Health and Safety  
8 Code, to read:

9 116761.62. (a) To the extent permitted by federal and state  
10 law, moneys in the fund may be expended to rebate to the federal  
11 government all arbitrage profits required by the federal Tax Reform  
12 Act of 1986 (Public Law 99-514) or any amendment of or  
13 supplement to that law. To the extent that this expenditure of the  
14 moneys in the fund is prohibited by federal or state law, any rebates  
15 required by federal law shall be paid from the General Fund or  
16 other sources, upon appropriation by the Legislature.

17 (b) Notwithstanding any other law or regulation, the board may  
18 enter into contracts or may procure those services and equipment  
19 that may be necessary to ensure prompt and complete compliance  
20 with any provisions relating to the fund imposed by either the  
21 federal Tax Reform Act of 1986 (Public Law 99-514) or the federal  
22 Safe Drinking Water Act.

23 (c) This section shall become operative on July 1, 2014.

24 SEC. 115. Section 116761.65 of the Health and Safety Code  
25 is amended to read:

26 116761.65. (a) The department shall annually establish the  
27 interest rate for loans made pursuant to this chapter at 50 percent  
28 of the average interest rate, computed by the true interest cost  
29 method, paid by the state on general obligation bonds issued in  
30 the prior calendar year. All loans made pursuant to this chapter  
31 shall carry the interest rate established for the calendar year in  
32 which the funds are committed to the loan, as of the date of the  
33 letter of commitment. The interest rate set for each loan shall be  
34 applied throughout the repayment period of the loan. Interest on  
35 the loan shall not be deferred.

36 (b) Notwithstanding subdivision (a), if the loan applicant is a  
37 public water system that is a disadvantaged community or provides  
38 matching funds, the interest rate on the loan shall be zero percent.

39 (c) This section shall become inoperative on July 1, 2014, and,  
40 as of January 1, 2015, is repealed, unless a later enacted statute,

1 that becomes operative on or before January 1, 2015, deletes or  
2 extends the dates on which it becomes inoperative and is repealed.

3 SEC. 116. Section 116761.65 is added to the Health and Safety  
4 Code, to read:

5 116761.65. (a) The board shall annually establish the interest  
6 rate for loans made pursuant to this chapter at a rate not to exceed  
7 50 percent of the average interest rate, computed by the true interest  
8 cost method, paid by the state on general obligation bonds issued  
9 in the prior calendar year. All loans made pursuant to this chapter  
10 shall carry the interest rate established for the calendar year in  
11 which the funds are committed to the loan, as of the date of the  
12 letter of commitment. The interest rate set for each loan shall be  
13 applied throughout the repayment period of the loan. Interest on  
14 the loan shall not be deferred.

15 (b) Notwithstanding subdivision (a), if the loan applicant is a  
16 public water system that is a disadvantaged community or provides  
17 matching funds, the interest rate on the loan shall be zero percent.

18 (c) This section shall become operative on July 1, 2014, and is  
19 repealed as of January 1 of the next calendar year occurring after  
20 the board provides notice to the Legislature and the Secretary of  
21 State and posts notice on its Internet Web site that the board has  
22 adopted a policy handbook pursuant to Section 116760.43.

23 SEC. 117. Section 116761.65 is added to the Health and Safety  
24 Code, to read:

25 116761.65. (a) The board shall annually establish the interest  
26 rate for repayable financing made pursuant to this chapter at a rate  
27 not to exceed 50 percent of the average interest rate, computed by  
28 the true interest cost method, paid by the state on general obligation  
29 bonds issued in the prior calendar year, rounded up to the closest  
30 one-tenth of 1 percent.

31 (b) Notwithstanding subdivision (a), if the financing is for a  
32 public water system that serves a disadvantaged community with  
33 a financial hardship as determined by the board or if the financing  
34 is for a public water system that provides matching funds, the  
35 interest rate shall be 0 percent.

36 (c) This section shall become operative on January 1 of the next  
37 calendar year occurring after the board provides notice to the  
38 Legislature and the Secretary of State and posts notice on its  
39 Internet Web site that the board has adopted a policy handbook  
40 pursuant to Section 116760.43.

1 SEC. 118. Section 116761.70 of the Health and Safety Code  
2 is amended to read:

3 116761.70. (a) Not more than 4 percent of the capitalization  
4 grant may be used by the department for administering this chapter.  
5 The department may establish a reasonable schedule of  
6 administrative fees for loans, which shall be paid by the applicant  
7 to reimburse the state for the costs of the state administration of  
8 this chapter.

9 (b) Charges incurred by the Attorney General in protection of  
10 the state's interest in the use of repayment of grant and loan funds  
11 under this chapter shall be paid. These charges shall not be paid  
12 from funds allocated for administrative purposes, but shall be  
13 treated as a program expense not to exceed one-half of 1 percent  
14 of the total amount deposited in the fund.

15 (c) This section shall become inoperative on July 1, 2014, and,  
16 as of January 1, 2015, is repealed, unless a later enacted statute,  
17 that becomes operative on or before January 1, 2015, deletes or  
18 extends the dates on which it becomes inoperative and is repealed.

19 SEC. 119. Section 116761.70 is added to the Health and Safety  
20 Code, to read:

21 116761.70. (a) Not more than 4 percent of the capitalization  
22 grant may be used by the board for administering this chapter. The  
23 board may establish a reasonable schedule of administrative fees  
24 that shall be paid by the applicant to reimburse the state for the  
25 costs of the state administration of this chapter.

26 (b) This section shall become operative on July 1, 2014.

27 SEC. 120. Section 116761.80 of the Health and Safety Code  
28 is amended to read:

29 116761.80. (a) The department may expend money repaid to  
30 the state pursuant to any contract executed under Section 116761.50  
31 as necessary for the administration of contracts entered into by the  
32 department under this chapter, but those expenditures may not in  
33 any year exceed 1.5 percent of the amount of principal and interest  
34 projected to be paid to the state in that year pursuant to this chapter.

35 (b) Charges incurred by the Attorney General in protecting the  
36 state's interest in the use of funds and repayment of funds under  
37 this chapter may be paid by the department from these funds, but  
38 those charges may not exceed one-half of 1 percent of the amount  
39 of principal and interest projected to be paid to the state in that  
40 year pursuant to this chapter.

1 (c) Any of these sums unexpended by the department at the end  
2 of any year shall automatically revert to the fund.

3 (d) This section shall become inoperative on July 1, 2014, and,  
4 as of January 1, 2015, is repealed, unless a later enacted statute,  
5 that becomes operative on or before January 1, 2015, deletes or  
6 extends the dates on which it becomes inoperative and is repealed.

7 SEC. 121. Section 116761.85 of the Health and Safety Code  
8 is amended to read:

9 116761.85. (a) Except as provided in Section 116761.80, all  
10 money repaid to the state pursuant to any contract executed under  
11 subdivision (a) of Section 116761.50, including interest payments  
12 and all interest earned on or accruing to any moneys in the fund,  
13 shall be deposited in the fund and shall be available in perpetuity,  
14 for expenditure for the purposes and uses permitted by this chapter  
15 and the federal act.

16 (b) This section shall become inoperative on July 1, 2014, and,  
17 as of January 1, 2015, is repealed, unless a later enacted statute,  
18 that becomes operative on or before January 1, 2015, deletes or  
19 extends the dates on which it becomes inoperative and is repealed.

20 SEC. 122. Section 116761.85 is added to the Health and Safety  
21 Code, to read:

22 116761.85. (a) Moneys repaid to the state pursuant to any  
23 contract executed pursuant to this chapter, including interest  
24 payments and all interest earned on or accruing to any moneys in  
25 the fund, shall be deposited in the fund and shall be available in  
26 perpetuity, for expenditure for the purposes and uses permitted by  
27 this chapter and the federal act.

28 (b) This section shall become operative on July 1, 2014.

29 SEC. 123. Section 116762.60 of the Health and Safety Code  
30 is amended to read:

31 116762.60. (a) The department shall, contingent upon receiving  
32 federal capitalization grant funds, develop and implement a  
33 program to protect sources of drinking water. In carrying out this  
34 program, the department shall coordinate with local, state, and  
35 federal agencies that have public health and environmental  
36 management programs to ensure an effective implementation of  
37 the program while avoiding duplication of effort and reducing  
38 program costs. The program shall include all of the following:

1 (1) A source water assessment program to delineate and assess  
2 the drinking water supplies of public drinking water systems  
3 pursuant to Section 1453 of the federal act.

4 (2) A wellhead protection program to protect drinking water  
5 wells from contamination pursuant to Section 1428 of the federal  
6 act.

7 (3) Pursuant to Section 1452(k) of the federal act, the department  
8 shall set aside federal capitalization grant funds sufficient to carry  
9 out paragraphs (1) and (2) of subdivision (a).

10 (b) The department shall set aside federal capitalization grant  
11 funds to provide assistance to water systems pursuant to Section  
12 1452(k) of the federal act for the following source water protection  
13 activities, to the extent that those activities are proposed:

14 (1) To acquire land or a conservation easement if the purpose  
15 of the acquisition is to protect the source water of the system from  
16 contamination and to ensure compliance with primary drinking  
17 water regulations.

18 (2) To implement local, voluntary source water protection  
19 measures to protect source water in areas delineated pursuant to  
20 Section 1453 of the federal act, in order to facilitate compliance  
21 with primary drinking water regulations applicable to the water  
22 system under Section 1412 of the federal act or otherwise  
23 significantly further the health protection objectives of the federal  
24 and state acts.

25 (3) To carry out a voluntary, incentive-based source water  
26 quality protection partnership pursuant to Section 1454 of the  
27 federal act.

28 (c) The department shall conduct duly noticed public hearings,  
29 public workshops, focus groups, or meetings around the state to  
30 encourage the involvement and active input of public and affected  
31 parties in the development and periodic updating of the source  
32 water protection program adopted pursuant to this article. The  
33 notices shall contain basic information about the program in an  
34 understandable format and shall notify widely representative  
35 groups, including, but not limited to, federal, state, and local  
36 governmental agencies, water utilities, public interest,  
37 environmental, and consumer groups, public health groups, land  
38 conservation groups, health care providers, groups representing  
39 vulnerable populations, groups representing business and  
40 agricultural interests, and members of the general public. In

1 addition, the department shall convene a technical advisory  
2 committee and a citizens' advisory committee made up of those  
3 representative groups to provide advice and direction on program  
4 development and implementation.

5 (d) The department shall submit a report to the Legislature every  
6 two years on its activities under this section. The report shall  
7 contain a description of each program for which funds have been  
8 set aside under this section, the effectiveness of each program in  
9 carrying out the intent of the federal and state acts, and an  
10 accounting of the amount of set aside funds used.

11 (e) This section shall become inoperative on July 1, 2014, and,  
12 as of January 1, 2015, is repealed, unless a later enacted statute,  
13 that becomes operative on or before January 1, 2015, deletes or  
14 extends the dates on which it becomes inoperative and is repealed.

15 SEC. 124. Section 116762.60 is added to the Health and Safety  
16 Code, to read:

17 116762.60. (a) The board shall, contingent upon receiving  
18 federal capitalization grant funds, develop and implement a  
19 program to protect sources of drinking water. In carrying out this  
20 program, the board shall coordinate with local, state, and federal  
21 agencies that have public health and environmental management  
22 programs to ensure an effective implementation of the program  
23 while avoiding duplication of effort and reducing program costs.  
24 The program shall include all of the following:

25 (1) A source water assessment program to delineate and assess  
26 the drinking water supplies of public drinking water systems  
27 pursuant to Section 1453 of the federal act.

28 (2) A wellhead protection program to protect drinking water  
29 wells from contamination pursuant to Section 1428 of the federal  
30 act.

31 (3) Pursuant to Section 1452(k) of the federal act, the board  
32 shall set aside federal capitalization grant funds sufficient to carry  
33 out paragraphs (1) and (2) of subdivision (a).

34 (b) The board shall set aside federal capitalization grant funds  
35 to provide assistance to water systems pursuant to Section 1452(k)  
36 of the federal act for the following source water protection  
37 activities, to the extent that those activities are proposed:

38 (1) To acquire land or a conservation easement if the purpose  
39 of the acquisition is to protect the source water of the system from

1 contamination and to ensure compliance with primary drinking  
2 water regulations.

3 (2) To implement local, voluntary source water protection  
4 measures to protect source water in areas delineated pursuant to  
5 Section 1453 of the federal act, in order to facilitate compliance  
6 with primary drinking water regulations applicable to the water  
7 system under Section 1412 of the federal act or otherwise  
8 significantly further the health protection objectives of the federal  
9 and state acts.

10 (3) To carry out a voluntary, incentive-based source water  
11 quality protection partnership pursuant to Section 1454 of the  
12 federal act.

13 (c) The board shall conduct duly noticed public hearings, public  
14 workshops, focus groups, or meetings around the state to encourage  
15 the involvement and active input of public and affected parties in  
16 the development and periodic updating of the source water  
17 protection program adopted pursuant to this article. The notices  
18 shall contain basic information about the program in an  
19 understandable format and shall notify widely representative  
20 groups, including, but not limited to, federal, state, and local  
21 governmental agencies, water utilities, public interest,  
22 environmental, and consumer groups, public health groups, land  
23 conservation groups, health care providers, groups representing  
24 vulnerable populations, groups representing business and  
25 agricultural interests, and members of the general public. In  
26 addition, the board shall convene a technical advisory committee  
27 and a citizens' advisory committee made up of those representative  
28 groups to provide advice and direction on program development  
29 and implementation.

30 (d) (1) The board shall submit a report to the Legislature every  
31 two years on its activities under this section. The report shall  
32 contain a description of each program for which funds have been  
33 set aside under this section, the effectiveness of each program in  
34 carrying out the intent of the federal and state acts, and an  
35 accounting of the amount of set aside funds used.

36 (2) A report submitted pursuant to this subdivision shall be  
37 submitted in compliance with Section 9795 of the Government  
38 Code.

39 (e) This section shall become operative on July 1, 2014, and is  
40 repealed as of January 1 of the next calendar year occurring after

1 the board provides notice to the Legislature and the Secretary of  
2 State and posts notice on its Internet Web site that the board has  
3 adopted a policy handbook pursuant to Section 116760.43.

4 SEC. 125. Section 116762.60 is added to the Health and Safety  
5 Code, to read:

6 116762.60. (a) The board shall, contingent upon receiving  
7 federal capitalization grant funds, develop and implement a  
8 program to protect sources of drinking water. In carrying out this  
9 program, the board shall coordinate with local, state, and federal  
10 agencies that have public health and environmental management  
11 programs to ensure an effective implementation of the program  
12 while avoiding duplication of effort and reducing program costs.  
13 The program shall include all of the following:

14 (1) A source water assessment program to delineate and assess  
15 the drinking water supplies of public drinking water systems  
16 pursuant to Section 1453 of the federal act.

17 (2) A wellhead protection program to protect drinking water  
18 wells from contamination pursuant to Section 1428 of the federal  
19 act.

20 (3) Pursuant to Section 1452(k) of the federal act, the board  
21 shall set aside federal capitalization grant funds sufficient to carry  
22 out paragraphs (1) and (2).

23 (b) The board shall set aside federal capitalization grant funds  
24 to provide assistance to water systems pursuant to Section 1452(k)  
25 of the federal act for the following source water protection  
26 activities, to the extent that those activities are proposed:

27 (1) To acquire land or a conservation easement if the purpose  
28 of the acquisition is to protect the source water of the system from  
29 contamination and to ensure compliance with primary drinking  
30 water regulations.

31 (2) To implement local, voluntary source water protection  
32 measures to protect source water in areas delineated pursuant to  
33 Section 1453 of the federal act, in order to facilitate compliance  
34 with primary drinking water regulations applicable to the water  
35 system under Section 1412 of the federal act or otherwise  
36 significantly further the health protection objectives of the federal  
37 and state acts.

38 (3) To carry out a voluntary, incentive-based source water  
39 quality protection partnership pursuant to Section 1454 of the  
40 federal act.

1 (c) The board shall post a report to its Internet Web site, every  
2 two years, on its activities under this section. The report shall  
3 contain a description of each program for which funds have been  
4 set aside under this section, the effectiveness of each program in  
5 carrying out the intent of the federal and state acts, and an  
6 accounting of the amount of set aside funds used.

7 (d) This section shall become operative on January 1 of the next  
8 calendar year occurring after the board provides notice to the  
9 Legislature and the Secretary of State and posts notice on its  
10 Internet Web site that the board has adopted a policy handbook  
11 pursuant to Section 116760.43.

12 SEC. 126. Section 131110 of the Health and Safety Code is  
13 amended to read:

14 131110. (a) The department shall maintain a program of  
15 Drinking Water and Environmental Management.

16 (b) This section shall become inoperative on July 1, 2014, and,  
17 as of January 1, 2015, is repealed, unless a later enacted statute,  
18 that becomes operative on or before January 1, 2015, deletes or  
19 extends the dates on which it becomes inoperative and is repealed.

20 SEC. 127. Section 131110 is added to the Health and Safety  
21 Code, to read:

22 131110. (a) The department shall maintain a program of  
23 Environmental Management.

24 (b) This section shall become operative on July 1, 2014.

25 SEC. 128. Section 541.5 of the Public Resources Code is  
26 amended to read:

27 541.5. (a) The department shall not close, or propose to close,  
28 a state park in the 2012–13 or 2013–14 fiscal year. The commission  
29 and the department shall recommend all necessary steps to establish  
30 a sustainable funding strategy for the department to the Legislature  
31 on or before January 1, 2015.

32 (b) There is hereby appropriated twenty million five hundred  
33 thousand dollars (\$20,500,000) to the department from the State  
34 Parks and Recreation Fund, which shall be available for  
35 encumbrance until June 30, 2016, and for liquidation until June  
36 30, 2018, to be expended as follows:

37 (1) Ten million dollars (\$10,000,000) shall be available to  
38 provide for matching funds pursuant to subdivision (c).

39 (2) Ten million dollars (\$10,000,000) shall be available for the  
40 department to direct funds to parks that remain at risk of closure

1 or that will keep parks open during the 2012–13 to 2015–16 fiscal  
 2 years, inclusive. Priority may be given to parks subject to a donor  
 3 or operating agreement or other contractual arrangement with the  
 4 department.

5 (3) Up to five hundred thousand dollars (\$500,000) shall be  
 6 available for the department to pay for ongoing audits and  
 7 investigations as directed by the Joint Legislative Audit Committee,  
 8 the office of the Attorney General, the Department of Finance, or  
 9 other state agency.

10 (c) The department shall match on a dollar-for-dollar basis all  
 11 financial contributions contributed by a donor pursuant to an  
 12 agreement for the 2012–13 fiscal year for which the department  
 13 received funds as of July 31, 2013, and for agreements entered  
 14 into in the 2013–14 fiscal year. These matching funds shall be  
 15 used exclusively in the park unit subject to those agreements.

16 (d) The department shall notify the Joint Legislative Budget  
 17 Committee in writing not less than 30 days before the expenditure  
 18 of funds under this section of the funding that shall be expended,  
 19 the manner of the expenditure, and the recipient of the expenditure.

20 (e) The prohibition on the closure or proposed closure of a state  
 21 park in the 2012–13 or 2013–14 fiscal year, pursuant to paragraph  
 22 (a), does not limit or affect the department’s authority to enter into  
 23 an operating agreement, pursuant to Section 5080.42, during the  
 24 2012–13 or 2013–14 fiscal year, for purposes of the operation of  
 25 the entirety of a state park during the 2012–13 or 2013–14 fiscal  
 26 year.

27 SEC. 129. Section 2705 of the Public Resources Code is  
 28 amended to read:

29 2705. (a) A city, county, and city and county shall collect a  
 30 fee from each applicant for a building permit. Each fee shall be  
 31 equal to a specific amount of the proposed building construction  
 32 for which the building permit is issued as determined by the local  
 33 building officials. The fee amount shall be assessed in the following  
 34 way:

35 (1) Group R occupancies, as defined in the California Building  
 36 Code (Part 2 of Title 24 of the California Code of Regulations),  
 37 one to three stories in height, except hotels and motels, shall be  
 38 assessed at the rate of thirteen dollars (\$13) per one hundred  
 39 thousand dollars (\$100,000), with appropriate fractions thereof.

1 (2) All other buildings shall be assessed at the rate of  
2 twenty-eight dollars (\$28) per one hundred thousand dollars  
3 (\$100,000), with appropriate fractions thereof.

4 (3) The fee shall be the amount assessed under paragraph (1)  
5 or (2), depending on building type, or fifty cents (\$0.50), whichever  
6 is the higher.

7 (b) (1) In lieu of the requirements of subdivision (a), a city,  
8 county, and city and county may elect to include a rate of thirteen  
9 dollars (\$13) per one hundred thousand dollars (\$100,000), with  
10 appropriate fractions thereof, in its basic building permit fee for  
11 any Group R occupancy defined in paragraph (1) of subdivision  
12 (a), and a rate of twenty-eight dollars (\$28) per one hundred  
13 thousand dollars (\$100,000), with appropriate fractions thereof,  
14 for all other building types. A city, county, and city and county  
15 electing to collect the fee pursuant to this subdivision need not  
16 segregate the fees in a fund separate from any fund into which  
17 basic building permit fees are deposited.

18 (2) “Building,” for the purpose of this chapter, is any structure  
19 built for the support, shelter, or enclosure of persons, animals,  
20 chattels, or property of any kind.

21 (c) (1) A city, county, and city and county may retain up to 5  
22 percent of the total amount it collects under subdivision (a) or (b)  
23 for data utilization, for seismic education incorporating data  
24 interpretations from data of the strong-motion instrumentation  
25 program and the seismic hazards mapping program, and, in  
26 accordance with paragraph (2), for improving the preparation for  
27 damage assessment after strong seismic motion events.

28 (2) A city, county, and city and county may use any funds  
29 retained pursuant to this subdivision to improve the preparation  
30 for damage assessment in its jurisdiction only after it provides the  
31 Department of Conservation with information indicating to the  
32 department that data utilization and seismic education activities  
33 have been adequately funded.

34 (d) Funds collected pursuant to subdivisions (a) and (b), less  
35 the amount retained pursuant to subdivision (c), shall be deposited  
36 in the Strong-Motion Instrumentation and Seismic Hazards  
37 Mapping Fund, as created by Section 2699.5 to be used exclusively  
38 for purposes of this chapter, Chapter 7.5 (commencing with Section  
39 2621), and Chapter 7.8 (commencing with Section 2690).

1 SEC. 130. Section 3160 of the Public Resources Code is  
2 amended to read:

3 3160. (a) On or before January 1, 2015, the Secretary of the  
4 Natural Resources Agency shall cause to be conducted, and  
5 completed, an independent scientific study on well stimulation  
6 treatments, including, but not limited to, hydraulic fracturing and  
7 acid well stimulation treatments. The scientific study shall evaluate  
8 the hazards and risks and potential hazards and risks that well  
9 stimulation treatments pose to natural resources and public,  
10 occupational, and environmental health and safety. The scientific  
11 study shall do all of the following:

12 (1) Follow the well-established standard protocols of the  
13 scientific profession, including, but not limited to, the use of  
14 recognized experts, peer review, and publication.

15 (2) Identify areas with existing and potential conventional and  
16 unconventional oil and gas reserves where well stimulation  
17 treatments are likely to spur or enable oil and gas exploration and  
18 production.

19 (3) (A) Evaluate all aspects and effects of well stimulation  
20 treatments, including, but not limited to, the well stimulation  
21 treatment, additive and water transportation to and from the well  
22 site, mixing and handling of the well stimulation treatment fluids  
23 and additives onsite, the use and potential for use of nontoxic  
24 additives and the use or reuse of treated or produced water in well  
25 stimulation treatment fluids, and flowback fluids and the handling,  
26 treatment, and disposal of flowback fluids and other materials, if  
27 any, generated by the treatment. Specifically, the potential for the  
28 use of recycled water in well stimulation treatments, including  
29 appropriate water quality requirements and available treatment  
30 technologies, shall be evaluated. Well stimulation treatments  
31 include, but are not limited to, hydraulic fracturing and acid well  
32 stimulation treatments.

33 (B) Review and evaluate acid matrix stimulation treatments,  
34 including the range of acid volumes applied per treated foot and  
35 total acid volumes used in treatments, types of acids, acid  
36 concentration, and other chemicals used in the treatments.

37 (4) Consider, at a minimum, atmospheric emissions, including  
38 potential greenhouse gas emissions, the potential degradation of  
39 air quality, potential impacts on wildlife, native plants, and habitat,  
40 including habitat fragmentation, potential water and surface

1 contamination, potential noise pollution, induced seismicity, and  
2 the ultimate disposition, transport, transformation, and toxicology  
3 of well stimulation treatments, including acid well stimulation  
4 fluids, hydraulic fracturing fluids, and waste hydraulic fracturing  
5 fluids and acid well stimulation in the environment.

6 (5) Identify and evaluate the geologic features present in the  
7 vicinity of a well, including the well bore, that should be taken  
8 into consideration in the design of a proposed well stimulation  
9 treatment.

10 (6) Include a hazard assessment and risk analysis addressing  
11 occupational and environmental exposures to well stimulation  
12 treatments, including hydraulic fracturing treatments, hydraulic  
13 fracturing treatment-related processes, acid well stimulation  
14 treatments, acid well stimulation treatment-related processes, and  
15 the corresponding impacts on public health and safety with the  
16 participation of the Office of Environmental Health Hazard  
17 Assessment.

18 (7) Clearly identify where additional information is necessary  
19 to inform and improve the analyses.

20 (b) (1) (A) On or before January 1, 2015, the division, in  
21 consultation with the Department of Toxic Substances Control,  
22 the State Air Resources Board, the State Water Resources Control  
23 Board, the Department of Resources Recycling and Recovery, and  
24 any local air districts and regional water quality control boards in  
25 areas where well stimulation treatments, including acid well  
26 stimulation treatments and hydraulic fracturing treatments, may  
27 occur, shall adopt rules and regulations specific to well stimulation  
28 treatments. The rules and regulations shall include, but are not  
29 limited to, revisions, as needed, to the rules and regulations  
30 governing construction of wells and well casings to ensure integrity  
31 of wells, well casings, and the geologic and hydrologic isolation  
32 of the oil and gas formation during and following well stimulation  
33 treatments, and full disclosure of the composition and disposition  
34 of well stimulation fluids, including, but not limited to, hydraulic  
35 fracturing fluids, acid well stimulation fluids, and flowback fluids.

36 (B) The rules and regulations shall additionally include  
37 provisions for an independent entity or person to perform the  
38 notification requirements pursuant to paragraph (6) of subdivision  
39 (d), for the operator to provide for baseline and followup water

1 testing upon request as specified in paragraph (7) of subdivision  
2 (d).

3 (C) (i) In order to identify the acid matrix stimulation treatments  
4 that are subject to this section, the rules and regulations shall  
5 establish threshold values for acid volume applied per treated foot  
6 of any individual stage of the well or for total acid volume of the  
7 treatment, or both, based upon a quantitative assessment of the  
8 risks posed by acid matrix stimulation treatments that exceed the  
9 specified threshold value or values in order to prevent, as far as  
10 possible, damage to life, health, property, and natural resources  
11 pursuant to Section 3106.

12 (ii) On or before January 1, 2020, the division shall review and  
13 evaluate the threshold values for acid volume applied per treated  
14 foot and total acid volume of the treatment, based upon data  
15 collected in the state, for acid matrix stimulation treatments. The  
16 division shall revise the values through the regulatory process, if  
17 necessary, based upon the best available scientific information,  
18 including the results of the independent scientific study pursuant  
19 to subparagraph (B) of paragraph (3) of subdivision (a).

20 (2) Full disclosure of the composition and disposition of well  
21 stimulation fluids, including, but not limited to, hydraulic fracturing  
22 fluids and acid stimulation treatment fluids, shall, at a minimum,  
23 include:

24 (A) The date of the well stimulation treatment.

25 (B) A complete list of the names, Chemical Abstract Service  
26 (CAS) numbers, and maximum concentration, in percent by mass,  
27 of each and every chemical constituent of the well stimulation  
28 treatment fluids used. If a CAS number does not exist for a  
29 chemical constituent, the well owner or operator may provide  
30 another unique identifier, if available.

31 (C) The trade name, the supplier, concentration, and a brief  
32 description of the intended purpose of each additive contained in  
33 the well stimulation treatment fluid.

34 (D) The total volume of base fluid used during the well  
35 stimulation treatment, and the identification of whether the base  
36 fluid is water suitable for irrigation or domestic purposes, water  
37 not suitable for irrigation or domestic purposes, or a fluid other  
38 than water.

39 (E) The source, volume, and specific composition and  
40 disposition of all water, including, but not limited to, all water

1 used as base fluid during the well stimulation treatment and  
2 recovered from the well following the well stimulation treatment  
3 that is not otherwise reported as produced water pursuant to Section  
4 3227. Any repeated reuse of treated or untreated water for well  
5 stimulation treatments and well stimulation treatment-related  
6 activities shall be identified.

7 (F) The specific composition and disposition of all well  
8 stimulation treatment fluids, including waste fluids, other than  
9 water.

10 (G) Any radiological components or tracers injected into the  
11 well as part of, or in order to evaluate, the well stimulation  
12 treatment, a description of the recovery method, if any, for those  
13 components or tracers, the recovery rate, and specific disposal  
14 information for recovered components or tracers.

15 (H) The radioactivity of the recovered well stimulation fluids.

16 (I) The location of the portion of the well subject to the well  
17 stimulation treatment and the extent of the fracturing or other  
18 modification, if any, surrounding the well induced by the treatment.

19 (c) (1) Through the consultation process described in paragraph  
20 (1) of subdivision (b), the division shall collaboratively identify  
21 and delineate the existing statutory authority and regulatory  
22 responsibility relating to well stimulation treatments and well  
23 stimulation treatment-related activities of the Department of Toxic  
24 Substances Control, the State Air Resources Board, any local air  
25 districts, the State Water Resources Control Board, the Department  
26 of Resources Recycling and Recovery, any regional water quality  
27 control board, and other public entities, as applicable. This shall  
28 specify how the respective authority, responsibility, and notification  
29 and reporting requirements associated with well stimulation  
30 treatments and well stimulation treatment-related activities are  
31 divided among each public entity.

32 (2) On or before January 1, 2015, the division shall enter into  
33 formal agreements with the Department of Toxic Substances  
34 Control, the State Air Resources Board, any local air districts where  
35 well stimulation treatments may occur, the State Water Resources  
36 Control Board, the Department of Resources Recycling and  
37 Recovery, and any regional water quality control board where well  
38 stimulation treatments may occur, clearly delineating respective  
39 authority, responsibility, and notification and reporting  
40 requirements associated with well stimulation treatments and well

1 stimulation treatment-related activities, including air and water  
2 quality monitoring, in order to promote regulatory transparency  
3 and accountability.

4 (3) The agreements under paragraph (2) shall specify the  
5 appropriate public entity responsible for air and water quality  
6 monitoring and the safe and lawful disposal of materials in  
7 landfills, include trade secret handling protocols, if necessary, and  
8 provide for ready public access to information related to well  
9 stimulation treatments and related activities.

10 (4) Regulations, if necessary, shall be revised appropriately to  
11 incorporate the agreements under paragraph (2).

12 (d) (1) Notwithstanding any other law or regulation, prior to  
13 performing a well stimulation treatment on a well, the operator  
14 shall apply for a permit to perform a well stimulation treatment  
15 with the supervisor or district deputy. The well stimulation  
16 treatment permit application shall contain the pertinent data the  
17 supervisor requires on printed forms supplied by the division or  
18 on other forms acceptable to the supervisor. The information  
19 provided in the well stimulation treatment permit application shall  
20 include, but is not limited to, the following:

21 (A) The well identification number and location.

22 (B) The time period during which the well stimulation treatment  
23 is planned to occur.

24 (C) A water management plan that shall include all of the  
25 following:

26 (i) An estimate of the amount of water to be used in the  
27 treatment. Estimates of water to be recycled following the well  
28 stimulation treatment may be included.

29 (ii) The anticipated source of the water to be used in the  
30 treatment.

31 (iii) The disposal method identified for the recovered water in  
32 the flowback fluid from the treatment that is not produced water  
33 included in the statement pursuant to Section 3227.

34 (D) A complete list of the names, Chemical Abstract Service  
35 (CAS) numbers, and estimated concentrations, in percent by mass,  
36 of each and every chemical constituent of the well stimulation  
37 fluids anticipated to be used in the treatment. If a CAS number  
38 does not exist for a chemical constituent, the well owner or operator  
39 may provide another unique identifier, if available.

1 (E) The planned location of the well stimulation treatment on  
2 the well bore, the estimated length, height, and direction of the  
3 induced fractures or other planned modification, if any, and the  
4 location of existing wells, including plugged and abandoned wells,  
5 that may be impacted by these fractures and modifications.

6 (F) A groundwater monitoring plan. Required groundwater  
7 monitoring in the vicinity of the well subject to the well stimulation  
8 treatment shall be satisfied by one of the following:

9 (i) The well is located within the boundaries of an existing oil  
10 or gas field-specific or regional monitoring program developed  
11 pursuant to Section 10783 of the Water Code.

12 (ii) The well is located within the boundaries of an existing oil  
13 or gas field-specific or regional monitoring program developed  
14 and implemented by the well owner or operator meeting the model  
15 criteria established pursuant to Section 10783 of the Water Code.

16 (iii) Through a well-specific monitoring plan implemented by  
17 the owner or operator meeting the model criteria established  
18 pursuant to Section 10783 of the Water Code, and submitted to  
19 the appropriate regional water board for review.

20 (G) The estimated amount of treatment-generated waste  
21 materials that are not reported in subparagraph (C) and an identified  
22 disposal method for the waste materials.

23 (2) (A) At the supervisor's discretion, and if applied for  
24 concurrently, the well stimulation treatment permit described in  
25 this section may be combined with the well drilling and related  
26 operation notice of intent required pursuant to Section 3203 into  
27 a single combined authorization. The portion of the combined  
28 authorization applicable to well stimulation shall meet all of the  
29 requirements of a well stimulation treatment permit pursuant to  
30 this section.

31 (B) The time period available for approval of the combined  
32 authorization applicable to well stimulation is subject to the terms  
33 of this section, and not Section 3203.

34 (3) (A) The supervisor or district deputy shall review the well  
35 stimulation treatment permit application and may approve the  
36 permit if the application is complete. An incomplete application  
37 shall not be approved.

38 (B) A well stimulation treatment or repeat well stimulation  
39 treatment shall not be performed on any well without a valid permit  
40 that the supervisor or district deputy has approved.

1 (C) In considering the permit application, the supervisor shall  
2 evaluate the quantifiable risk of the well stimulation treatment.

3 (D) In the absence of state implementation of a regional  
4 groundwater monitoring program pursuant to paragraph (1) of  
5 subdivision (h) of Section 10783 of the Water Code, the supervisor  
6 or district deputy may approve a permit application for well  
7 stimulation treatment pursuant to subparagraph (A) prior to the  
8 approval by the State Water Resources Control Board or a regional  
9 water quality control board of an area-specific groundwater  
10 monitoring program developed by an owner or operator pursuant  
11 to paragraph (2) of subdivision (h) of Section 10783 of the Water  
12 Code, but the well stimulation treatment shall not commence until  
13 the state board or the regional board approves the area-specific  
14 groundwater monitoring program.

15 (4) The well stimulation treatment permit shall expire one year  
16 from the date that the permit is issued.

17 (5) Within five business days of issuing a permit to perform a  
18 well stimulation treatment, the division shall provide a copy of the  
19 permit to the appropriate regional water quality control board or  
20 boards and to the local planning entity where the well, including  
21 its subsurface portion, is located. The division shall also post the  
22 permit on the publicly accessible portion of its Internet Web site  
23 within five business days of issuing a permit.

24 (6) (A) It is the policy of the state that a copy of the approved  
25 well stimulation treatment permit and information on the available  
26 water sampling and testing be provided to every tenant of the  
27 surface property and every surface property owner or authorized  
28 agent of that owner whose property line location is one of the  
29 following:

30 (i) Within a 1,500 foot radius of the wellhead.

31 (ii) Within 500 feet from the horizontal projection of all  
32 subsurface portions of the designated well to the surface.

33 (B) (i) The well owner or operator shall identify the area  
34 requiring notification and shall contract with an independent entity  
35 or person who is responsible for, and shall perform, the notification  
36 required pursuant to subparagraph (A).

37 (ii) The independent entity or person shall identify the  
38 individuals notified, the method of notification, the date of the  
39 notification, a list of those notified, and shall provide a list of this  
40 information to the division.

1 (iii) The performance of the independent entity or persons shall  
2 be subject to review and audit by the division.

3 (C) A well stimulation treatment shall not commence before 30  
4 calendar days after the permit copies pursuant to subparagraph (A)  
5 are provided.

6 (7) (A) A property owner notified pursuant to paragraph (6)  
7 may request water quality sampling and testing from a designated  
8 qualified contractor on any water well suitable for drinking or  
9 irrigation purposes and on any surface water suitable for drinking  
10 or irrigation purposes as follows:

11 (i) Baseline measurements prior to the commencement of the  
12 well stimulation treatment.

13 (ii) Followup measurements after the well stimulation treatment  
14 on the same schedule as the pressure testing of the well casing of  
15 the treated well.

16 (B) The State Water Resources Control Board shall designate  
17 one or more qualified independent third-party contractor or  
18 contractors that adhere to board-specified standards and protocols  
19 to perform the water sampling and testing. The well owner or  
20 operator shall pay for the sampling and testing. The sampling and  
21 testing performed shall be subject to audit and review by the State  
22 Water Resources Control Board or applicable regional water quality  
23 control board, as appropriate.

24 (C) The results of the water testing shall be provided to the  
25 division, appropriate regional water board, and the property owner  
26 or authorized agent. A tenant notified pursuant to paragraph (6)  
27 shall receive information on the results of the water testing to the  
28 extent authorized by his or her lease and, where the tenant has  
29 lawful use of the ground or surface water identified in subparagraph  
30 (A), the tenant may independently contract for similar groundwater  
31 or surface water testing.

32 (8) The division shall retain a list of the entities and property  
33 owners notified pursuant to paragraphs (5) and (6).

34 (9) The operator shall provide notice to the division at least 72  
35 hours prior to the actual start of the well stimulation treatment in  
36 order for the division to witness the treatment.

37 (e) The Secretary of the Natural Resources Agency shall notify  
38 the Joint Legislative Budget Committee and the chairs of the  
39 Assembly Natural Resources, Senate Environmental Quality, and  
40 Senate Natural Resources and Water Committees on the progress

1 of the independent scientific study on well stimulation and related  
2 activities. The first progress report shall be provided to the  
3 committees on or before April 1, 2014, and progress reports shall  
4 continue every four months thereafter until the independent study  
5 is completed, including a peer review of the study by independent  
6 scientific experts.

7 (f) If a well stimulation treatment is performed on a well, a  
8 supplier that performs any part of the stimulation or provides  
9 additives directly to the operator for a well stimulation treatment  
10 shall furnish the operator with information suitable for public  
11 disclosure needed for the operator to comply with subdivision (g).  
12 This information shall be provided as soon as possible but no later  
13 than 30 days following the conclusion of the well stimulation  
14 treatment.

15 (g) (1) Within 60 days following cessation of a well stimulation  
16 treatment on a well, the operator shall post or cause to have posted  
17 to an Internet Web site designated or maintained by the division  
18 and accessible to the public, all of the well stimulation fluid  
19 composition and disposition information required to be collected  
20 pursuant to rules and regulations adopted under subdivision (b),  
21 including well identification number and location. This shall  
22 include the collected water quality data, which the operator shall  
23 report electronically to the State Water Resources Control Board.

24 (2) (A) The division shall commence the process to develop  
25 an Internet Web site for operators to report the information required  
26 under this section. The Internet Web site shall be capable of  
27 organizing the reported information in a format, such as a  
28 spreadsheet, that allows the public to easily search and aggregate,  
29 to the extent practicable, each type of information required to be  
30 collected pursuant to subdivision (b) using search functions on  
31 that Internet Web site. The Internet Web site shall be functional  
32 within two years of the Department of Technology's approval of  
33 a Feasibility Study Report or appropriation authority to fund the  
34 development of the Internet Web site, whichever occurs latest, but  
35 no later than January 1, 2016.

36 (B) The division may direct reporting to an alternative Internet  
37 Web site developed by the Ground Water Protection Council and  
38 the Interstate Oil and Gas Compact Commission in the interim  
39 until such time as approval or appropriation authority pursuant to  
40 subparagraph (A) occur. Prior to the implementation of the

1 division’s Internet Web site, the division shall obtain the data  
2 reported by operators to the alternative Internet Web site and make  
3 it available in an organized electronic format to the public no later  
4 than 15 days after it is reported to the alternative Internet Web site.

5 (h) The operator is responsible for compliance with this section.

6 (i) (1) All geologic features within a distance reflecting an  
7 appropriate safety factor of the fracture zone for well stimulation  
8 treatments that fracture the formation and that have the potential  
9 to either limit or facilitate the migration of fluids outside of the  
10 fracture zone shall be identified and added to the well history.  
11 Geologic features include seismic faults identified by the California  
12 Geologic Survey.

13 (2) For the purposes of this section, the “fracture zone” is  
14 defined as the volume surrounding the well bore where fractures  
15 were created or enhanced by the well stimulation treatment. The  
16 safety factor shall be at least five and may vary depending upon  
17 geologic knowledge.

18 (3) The division shall review the geologic features important to  
19 assessing well stimulation treatments identified in the independent  
20 study pursuant to paragraph (5) of subdivision (a). Upon  
21 completion of the review, the division shall revise the regulations  
22 governing the reporting of geologic features pursuant to this  
23 subdivision accordingly.

24 (j) (1) Public disclosure of well stimulation treatment fluid  
25 information claimed to contain trade secrets is governed by Section  
26 1060 of the Evidence Code, or the Uniform Trade Secrets Act  
27 (Title 5 (commencing with Section 3426) of Part 1 of Division 4  
28 of the Civil Code), and the California Public Records Act (Chapter  
29 3.5 (commencing with Section 6250) of Division 7 of Title 1 of  
30 the Government Code).

31 (2) Notwithstanding any other law or regulation, none of the  
32 following information shall be protected as a trade secret:

33 (A) The identities of the chemical constituents of additives,  
34 including CAS identification numbers.

35 (B) The concentrations of the additives in the well stimulation  
36 treatment fluids.

37 (C) Any air or other pollution monitoring data.

38 (D) Health and safety data associated with well stimulation  
39 treatment fluids.

40 (E) The chemical composition of the flowback fluid.

1 (3) If a trade secret claim is invalid or invalidated, the division  
2 shall release the information to the public by revising the  
3 information released pursuant to subdivision (g). The supplier shall  
4 notify the division of any change in status within 30 days.

5 (4) (A) If a supplier believes that information regarding a  
6 chemical constituent of a well stimulation fluid is a trade secret,  
7 the supplier shall nevertheless disclose the information to the  
8 division in conjunction with a well stimulation treatment permit  
9 application, if not previously disclosed, within 30 days following  
10 cessation of a well stimulation on a well, and shall notify the  
11 division in writing of that belief.

12 (B) A trade secret claim shall not be made after initial disclosure  
13 of the information to the division.

14 (C) To comply with the public disclosure requirements of this  
15 section, the supplier shall indicate where trade secret information  
16 has been withheld and provide substitute information for public  
17 disclosure. The substitute information shall be a list, in any order,  
18 of the chemical constituents of the additive, including CAS  
19 identification numbers. The division shall review and approve the  
20 supplied substitute information.

21 (D) This subdivision does not permit a supplier to refuse to  
22 disclose the information required pursuant to this section to the  
23 division.

24 (5) In order to substantiate the trade secret claim, the supplier  
25 shall provide information to the division that shows all of the  
26 following:

27 (A) The extent to which the trade secret information is known  
28 by the supplier's employees and others involved in the supplier's  
29 business and outside the supplier's business.

30 (B) The measures taken by the supplier to guard the secrecy of  
31 the trade secret information.

32 (C) The value of the trade secret information to the supplier and  
33 its competitors.

34 (D) The amount of effort or money the supplier expended  
35 developing the trade secret information and the ease or difficulty  
36 with which the trade secret information could be acquired or  
37 duplicated by others.

38 (6) If the division determines that the information provided in  
39 support of a request for trade secret protection pursuant to  
40 paragraph (5) is incomplete, the division shall notify the supplier

1 and the supplier shall have 30 days to complete the submission.  
2 An incomplete submission does not meet the substantive criteria  
3 for trade secret designation.

4 (7) If the division determines that the information provided in  
5 support of a request for trade secret protection does not meet the  
6 substantive criteria for trade secret designation, the department  
7 shall notify the supplier by certified mail of its determination. The  
8 division shall release the information to the public, but not earlier  
9 than 60 days after the date of mailing the determination, unless,  
10 prior to the expiration of the 60-day period, the supplier obtains  
11 an action in an appropriate court for a declaratory judgment that  
12 the information is subject to protection or for a preliminary  
13 injunction prohibiting disclosure of the information to the public  
14 and provides notice to the division of the court order.

15 (8) The supplier is not required to disclose trade secret  
16 information to the operator.

17 (9) Upon receipt of a request for the release of trade secret  
18 information to the public, the following procedure applies:

19 (A) The division shall notify the supplier of the request in  
20 writing by certified mail, return receipt requested.

21 (B) The division shall release the information to the public, but  
22 not earlier than 60 days after the date of mailing the notice of the  
23 request for information, unless, prior to the expiration of the 60-day  
24 period, the supplier obtains an action in an appropriate court for a  
25 declaratory judgment that the information is subject to protection  
26 or for a preliminary injunction prohibiting disclosure of the  
27 information to the public and provides notice to the division of  
28 that action.

29 (10) The division shall develop a timely procedure to provide  
30 trade secret information in the following circumstances:

31 (A) To an officer or employee of the division, the state, local  
32 governments, including, but not limited to, local air districts, or  
33 the United States, in connection with the official duties of that  
34 officer or employee, to a health professional under any law for the  
35 protection of health, or to contractors with the division or other  
36 government entities and their employees if, in the opinion of the  
37 division, disclosure is necessary and required for the satisfactory  
38 performance of a contract, for performance of work, or to protect  
39 health and safety.

1 (B) To a health professional in the event of an emergency or to  
2 diagnose or treat a patient.

3 (C) In order to protect public health, to any health professional,  
4 toxicologist, or epidemiologist who is employed in the field of  
5 public health and who provides a written statement of need. The  
6 written statement of need shall include the public health purposes  
7 of the disclosure and shall explain the reason the disclosure of the  
8 specific chemical and its concentration is required.

9 (D) A health professional may share trade secret information  
10 with other persons as may be professionally necessary, in order to  
11 diagnose or treat a patient, including, but not limited to, the patient  
12 and other health professionals, subject to state and federal laws  
13 restricting disclosure of medical records including, but not limited  
14 to, Chapter 2 (commencing with Section 56.10) of Part 2.6 of  
15 Division 1 of the Civil Code.

16 (E) For purposes of this paragraph, “health professional” means  
17 any person licensed or certified pursuant to Division 2  
18 (commencing with Section 500) of the Business and Professions  
19 Code, the Osteopathic Initiative Act, the Chiropractic Initiative  
20 Act, or the Emergency Medical Services System and the  
21 Prehospital Emergency Medical Care Personnel Act (Division 2.5  
22 (commencing with Section 1797) of the Health and Safety Code).

23 (F) A person in possession of, or access to, confidential trade  
24 secret information pursuant to the provisions of this subdivision  
25 may disclose this information to any person who is authorized to  
26 receive it. A written confidentiality agreement shall not be required.

27 (k) A well granted confidential status pursuant to Section 3234  
28 shall not be required to disclose well stimulation treatment fluid  
29 information pursuant to subdivision (g) until the confidential status  
30 of the well ceases. Notwithstanding the confidential status of a  
31 well, it is public information that a well will be or has been subject  
32 to a well stimulation treatment.

33 (l) The division shall perform random periodic spot check  
34 inspections to ensure that the information provided on well  
35 stimulation treatments is accurately reported, including that the  
36 estimates provided prior to the commencement of the well  
37 stimulation treatment are reasonably consistent with the well  
38 history.

39 (m) Where the division shares jurisdiction over a well or the  
40 well stimulation treatment on a well with a federal entity, the

1 division's rules and regulations shall apply in addition to all  
2 applicable federal laws and regulations.

3 (n) This article does not relieve the division or any other agency  
4 from complying with any other provision of existing laws,  
5 regulations, and orders.

6 (o) Well stimulation treatments used for routine maintenance  
7 of wells associated with underground storage facilities where  
8 natural gas is injected into and withdrawn from depleted or partially  
9 depleted oil or gas reservoirs pursuant to subdivision (a) of Section  
10 3403.5 are not subject to this section.

11 SEC. 131. Section 3161 of the Public Resources Code is  
12 amended to read:

13 3161. (a) The division shall finalize the regulations governing  
14 this article on or before January 1, 2015. Notwithstanding any  
15 other laws, the regulations shall become effective on July 1, 2015.

16 (b) The division shall allow, until regulations specified in  
17 subdivision (b) of Section 3160 are finalized and implemented,  
18 and upon written notification by an operator, all of the activities  
19 defined in Section 3157, provided all of the following conditions  
20 are met:

21 (1) The owner or operator certifies compliance with paragraph  
22 (2) of subdivision (b) of, paragraphs (1), (6), and (7) of subdivision  
23 (d) of, and paragraph (1) of subdivision (g) of, Section 3160.

24 (2) The owner or operator shall provide a complete well history,  
25 incorporating the information required by Section 3160, to the  
26 division on or before March 1, 2015.

27 (3) (A) The division commences the preparation of an  
28 environmental impact report (EIR) pursuant to the California  
29 Environmental Quality Act (Division 13 (commencing with Section  
30 21000)), to provide the public with detailed information regarding  
31 any potential environmental impacts of well stimulation in the  
32 state.

33 (B) Any environmental review conducted by the division shall  
34 fully comply with both of the following requirements:

35 (i) The EIR shall be certified by the division as the lead agency,  
36 no later than July 1, 2015.

37 (ii) The EIR shall address the issue of activities that may be  
38 conducted as defined in Section 3157 and that may occur at oil  
39 wells in the state existing prior to, and after, January 1, 2014.

1 (C) This paragraph does not prohibit a local lead agency from  
 2 conducting its own EIR.

3 (4) The division ensures that all activities pursuant to this section  
 4 fully conform with this article and other applicable provisions of  
 5 law on or before December 31, 2015, through a permitting process.

6 (c) The division has the emergency regulatory authority to  
 7 implement the purposes of this section. Notwithstanding Section  
 8 11349.6 of the Government Code or other laws, an emergency  
 9 regulation adopted pursuant to this subdivision implementing  
 10 subdivision (b) shall be filed with, but shall not be disapproved  
 11 by, the Office of Administrative Law, and shall remain in effect  
 12 until revised by the director or July 1, 2015, whichever is earlier.

13 (d) This section does not limit the authority of the division to  
 14 take appropriate action pursuant to subdivision (a) of Section 3106.

15 SEC. 132. Section 4629.5 of the Public Resources Code is  
 16 amended to read:

17 4629.5. (a) (1) There is hereby imposed an assessment on a  
 18 person who purchases a lumber product or an engineered wood  
 19 product for the storage, use, or other consumption in this state, at  
 20 the rate of 1 percent of the sales price.

21 (2) A retailer shall charge the person the amount of the  
 22 assessment as a charge that is separate from, and not included in,  
 23 any other fee, charge, or other amount paid by the purchaser.

24 (3) The retailer shall collect the assessment from the person at  
 25 the time of sale, and may retain reimbursement pursuant to Sections  
 26 2000 and 2001 of Title 18 of the California Code of Regulations,  
 27 as approved by the State Board of Equalization at its September  
 28 10, 2013, meeting, for startup costs associated with the collection  
 29 of the assessment, to be taken on the first return or next consecutive  
 30 returns until the entire reimbursement amount is retained.

31 (b) The retailer shall separately state the amount of the  
 32 assessment imposed under this section on the sales receipt given  
 33 by the retailer to the person at the time of sale.

34 (c) The State Board of Equalization shall administer and collect  
 35 the assessment imposed by this section pursuant to the Fee  
 36 Collection Procedures Law (Part 30 (commencing with Section  
 37 55001) of Division 2 of the Revenue and Taxation Code) with  
 38 those changes as may be necessary to conform to this article. For  
 39 purposes of this section, the references in the Fee Collection

1 Procedures Law to “fee” shall include the assessment imposed by  
2 this section.

3 (d) (1) The assessment is required to be collected by a retailer  
4 and any amount unreturned to the person who paid an amount in  
5 excess of the assessment, but was collected from the person under  
6 the representation by the retailer that it was owed as an assessment,  
7 constitutes debts owed by the retailer to this state.

8 (2) A person who purchases a lumber product or an engineered  
9 wood product for storage, use, or other consumption in this state  
10 is liable for the assessment until it has been paid to this state, except  
11 that payment to a retailer relieves the person from further liability  
12 for the assessment. Any assessment collected from a person that  
13 has not been remitted to the State Board of Equalization shall be  
14 a debt owed to the state by the retailer required to collect and remit  
15 the assessment. This part does not impose any obligation upon a  
16 retailer to take any legal action to enforce the collection of the  
17 assessment imposed by this section.

18 (e) Except as provided in paragraph (3) of subdivision (a), the  
19 State Board of Equalization may prescribe, adopt, and enforce  
20 regulations relating to the administration and enforcement of this  
21 section, including, but not limited to, collections, reporting, refunds,  
22 and appeals.

23 (f) (1) The assessment imposed by this section is due and  
24 payable to the State Board of Equalization quarterly on or before  
25 the last day of the month next succeeding each quarterly period.

26 (2) On or before the last day of the month following each  
27 quarterly period, a return for the preceding quarterly period shall  
28 be filed with the State Board of Equalization using electronic  
29 media, in the form prescribed by the State Board of Equalization.  
30 Returns shall be authenticated in a form or pursuant to methods,  
31 as prescribed by the State Board of Equalization.

32 (g) For purposes of this section, all of the following shall apply:

33 (1) “Purchase” has the same meaning as that term is defined in  
34 Section 6010 of the Revenue and Taxation Code.

35 (2) “Retailer” has the same meaning as that term is defined in  
36 Section 6015 of the Revenue and Taxation Code.

37 (3) “Sales price” has the same meaning as that term is defined  
38 in Section 6011 of the Revenue and Taxation Code.

39 (4) “Storage” has the same meaning as that term is defined in  
40 Section 6008 of the Revenue and Taxation Code.

1 (5) “Use” has the same meaning as that term is defined in  
2 Section 6009 of the Revenue and Taxation Code.

3 (h) (1) A person required to pay the assessment imposed under  
4 this article shall register with the State Board of Equalization.  
5 Every application for registration shall be made in a form  
6 prescribed by the State Board of Equalization and shall set forth  
7 the name under which the applicant transacts or intends to transact  
8 business, the location of the person’s place or places of business,  
9 and any other information that the State Board of Equalization  
10 may require. An application for registration shall be authenticated  
11 in a form or pursuant to methods as may be prescribed by the State  
12 Board of Equalization.

13 (2) An application for registration filed pursuant to this section  
14 may be filed using electronic media as prescribed by the State  
15 Board of Equalization.

16 (3) Electronic media includes, but is not limited to, computer  
17 modem, magnetic media, optical disc, facsimile machine, or  
18 telephone.

19 SEC. 133. Section 4629.6 of the Public Resources Code is  
20 amended to read:

21 4629.6. Moneys deposited in the fund shall, upon appropriation  
22 by the Legislature, only be expended for the following purposes:

23 (a) To reimburse the State Board of Equalization for its  
24 administrative costs associated with the administration, collection,  
25 audit, and issuance of refunds related to the lumber products and  
26 engineered wood assessment established pursuant to Section  
27 4629.5.

28 (b) To pay refunds issued pursuant to Part 30 (commencing  
29 with Section 55001) of Division 2 of the Revenue and Taxation  
30 Code.

31 (c) To support the activities and costs of the department, the  
32 Department of Conservation, the Department of Fish and Wildlife,  
33 the State Water Resources Control Board, and regional water  
34 quality control boards associated with the review of projects or  
35 permits necessary to conduct timber operations. On or after July  
36 1, 2013, except for fees applicable for fire prevention or protection  
37 within state responsibility area classified lands or timber yield  
38 assessments, no currently authorized or required fees shall be  
39 charged by the agencies listed in this subdivision for activities or  
40 costs associated with the review of a project, inspection and

1 oversight of projects, and permits necessary to conduct timber  
2 operations of those departments and boards.

3 (d) For transfer to the department's Forest Improvement  
4 Program, upon appropriation by the Legislature, for forest resources  
5 improvement grants and projects administered by the department  
6 pursuant to Chapter 1 (commencing with Section 4790) and  
7 Chapter 2 (commencing with Section 4799.06) of Part 2 of Division  
8 4.

9 (e) To fund existing restoration grant programs, with priority  
10 given to the Fisheries Restoration Grant Program administered by  
11 the Department of Fish and Wildlife and grant programs  
12 administered by state conservancies.

13 (f) (1) As a loan to the Department of Fish and Wildlife for  
14 activities to address environmental damage occurring on forest  
15 lands resulting from marijuana cultivation. Not more than five  
16 hundred thousand dollars (\$500,000) may be loaned from the fund  
17 in a fiscal year pursuant to this paragraph. This paragraph shall  
18 become inoperative on July 1, 2017.

19 (2) Any funds deposited into the Timber Regulation and Forest  
20 Restoration Fund pursuant to subdivision (d) or (f) of Section  
21 12025 of the Fish and Game Code shall be credited toward loan  
22 repayment.

23 (3) Moneys from the General Fund shall not be used to repay  
24 a loan authorized pursuant to this subdivision.

25 (g) To the department, upon appropriation by the Legislature,  
26 for fuel treatment grants and projects pursuant to authorities under  
27 the Wildland Fire Protection and Resources Management Act of  
28 1978 (Article 1 (commencing with Section 4461) of Chapter 7 of  
29 Part 2 of Division 4).

30 (h) To the department, upon appropriation by the Legislature,  
31 to provide grants to local agencies responsible for fire protection,  
32 qualified nonprofits, recognized tribes, local and state governments,  
33 and resources conservation districts, undertaken on a state  
34 responsibility area (SRA) or on wildlands not in an SRA that pose  
35 a threat to the SRA, to reduce the costs of wildland fire suppression,  
36 reduce greenhouse gas emissions, promote adaptation of forested  
37 landscapes to changing climate, improve forest health, and protect  
38 homes and communities.

39 SEC. 134. Section 4629.7 of the Public Resources Code is  
40 amended to read:

1 4629.7. All grants made pursuant to subdivisions (g) and (h)  
2 of Section 4629.6 shall fund activities that do any of the following,  
3 in order of priority:

4 (a) Improve forest health.

5 (b) Promote climate mitigation strategies included in the  
6 California Global Warming Solutions Act of 2006 (Division 25.5  
7 (commencing with Section 38500) of the Health and Safety Code)  
8 scoping plan for the forest sector, as adopted by the State Air  
9 Resources Control Board, or as amended through subsequent  
10 actions of that board.

11 (c) Promote climate change adaptation strategies for the forest  
12 sector, as adopted by the Natural Resources Agency in the  
13 California Climate Adaptation Strategy.

14 SEC. 135. Section 4629.8 of the Public Resources Code is  
15 amended to read:

16 4629.8. (a) Funds deposited in the Timber Regulation and  
17 Forest Restoration Fund shall be appropriated in accordance with  
18 the following priorities:

19 (1) First priority shall be for funding associated with the  
20 administration and delivery of responsibilities identified in  
21 subdivisions (a) to (c), inclusive, of Section 4629.6.

22 (2) Only after paragraph (1) is funded, the second priority shall  
23 be, if deposits are sufficient in future years to maintain the fund,  
24 by 2016, at a minimum reserve of four million dollars (\$4,000,000),  
25 for use and appropriation by the Legislature in years during which  
26 revenues to the account are projected to fall short of the ongoing  
27 budget allocations for support of the activities identified in  
28 paragraph (1).

29 (3) Only after paragraphs (1) and (2) are funded, the third  
30 priority shall be in support of activities designated in subdivisions  
31 (d), (e), and (f) of Section 4629.6.

32 (4) Only after paragraphs (1), (2), and (3) are funded, the fourth  
33 priority shall be to support the activities designated in subdivisions  
34 (g) and (h) of Section 4629.6.

35 (b) Funds shall not be used to pay for or reimburse any  
36 requirements, including mitigation of a project proponent or  
37 applicant, as a condition of any permit.

38 SEC. 136. Section 5009 of the Public Resources Code is  
39 amended to read:

1 5009. The State Park Contingent Fund is continued in existence.  
2 All moneys collected or received from contractual agreements,  
3 donations, gifts, bequests, or local government appropriations for  
4 improvements or additions to the state park system, shall be  
5 deposited in the State Treasury to the credit of the contingent fund.  
6 All moneys deposited shall be used for the improvement,  
7 maintenance, operation, or administration of state parks, or the  
8 acquisition of additional lands and properties for the state park  
9 system, in accordance with the terms of the agreement, donation,  
10 gift, bequest, or local government appropriation from which the  
11 moneys are derived.

12 SEC. 137. Section 5010.6 of the Public Resources Code is  
13 amended to read:

14 5010.6. (a) For purposes of this section, “subaccount” means  
15 the State Parks Revenue Incentive Subaccount created pursuant  
16 to this section.

17 (b) The State Parks Revenue Incentive Subaccount is hereby  
18 created within the State Parks and Recreation Fund and the  
19 Controller shall annually transfer four million three hundred forty  
20 thousand dollars (\$4,340,000) from the State Parks and Recreation  
21 Fund to the subaccount.

22 (c) Notwithstanding Section 13340 of the Government Code,  
23 the funds in the subaccount are hereby continuously appropriated  
24 to the department for activities, programs, and projects, including,  
25 but not limited to, capital outlay projects, that are consistent with  
26 the mission of the department and that increase the department’s  
27 capacity to generate revenue and to implement the revenue  
28 generation program developed pursuant to Section 5010.7.  
29 Expenditures from the subaccount may include expenditures for  
30 staffing entry points, including department employees, seasonal  
31 employees, state and local conservation corps, individuals qualified  
32 pursuant to Chapter 0908 of the Department Operations Manual,  
33 and employees of organizations with agreements with state parks  
34 pursuant to Sections 513, 5009.1, 5009.3, and 5080. Activities,  
35 programs, and projects funded by the subaccount shall each include  
36 all of the following:

- 37 (1) A clear description of the proposed use of funds.  
38 (2) A timeframe for implementation of the activity, program,  
39 or project.

1 (3) A projection of revenues, including annual income, fees,  
2 and projected usage rates.

3 (4) A projection of costs, including design, planning,  
4 construction, operation, staff, maintenance, marketing, and  
5 information technology.

6 (5) A market analysis demonstrating demand for the activity,  
7 project, or program.

8 (6) A projected rate of return on the investment.

9 (d) The Office of State Audits and Evaluations shall review the  
10 activities, programs, and projects funded from the subaccount  
11 pursuant to subdivision (c) to ensure appropriate internal controls  
12 are in place. The department shall reimburse the Office of State  
13 Audits and Evaluations from the subaccount for any costs related  
14 to the review.

15 (e) The revenue generated from activities, programs, and projects  
16 funded by the subaccount are continuously appropriated for  
17 expenditure by the department pursuant to subdivisions (c) and  
18 (d) of Section 5010.7.

19 (f) The funds in the subaccount shall be available for  
20 encumbrance and expenditure until June 30, 2019, and for  
21 liquidation until June 30, 2021.

22 (g) This section shall become inoperative on June 30, 2021,  
23 and, as of January 1, 2022, is repealed, unless a later enacted  
24 statute, that becomes operative on or before January 1, 2022,  
25 deletes or extends the dates on which it becomes inoperative and  
26 is repealed.

27 SEC. 138. Section 5010.6.5 of the Public Resources Code is  
28 amended to read:

29 5010.6.5. On July 1, 2021, the Controller shall transfer any  
30 unexpended funds remaining in the State Parks Revenue Incentive  
31 Subaccount created pursuant to Section 5010.6 to the State Parks  
32 and Recreation Fund.

33 SEC. 139. Section 5010.7 of the Public Resources Code is  
34 amended to read:

35 5010.7. (a) The department shall develop a revenue generation  
36 program as an essential component of a long-term sustainable park  
37 funding strategy. On or before July 1, 2014, and annually thereafter,  
38 the department shall assign a revenue generation target to each  
39 district under the control of the department. The department shall  
40 develop guidelines for districts to report the use of funds generated

1 by the revenue generation program, and shall post information and  
2 copies of the reports on its Internet Web site.

3 (b) The California State Park Enterprise Fund is hereby created  
4 in the State Treasury as a working capital fund, and the revenue  
5 shall be available to the department upon appropriation by the  
6 Legislature for capital outlay or support expenditures for revenue  
7 generating investments in state parks. These investments may  
8 include, but are not limited to, planning and implementation of a  
9 statewide electronic fee collection system that includes installation  
10 of modern fee collection equipment and technologies to enhance  
11 collection of state park users fees and that will enable park users  
12 to pay fees with commonly used forms of electronic fund transfers,  
13 including, but not limited to, credit and debit card transactions,  
14 and other park revenue generating projects, and shall be available  
15 for encumbrance and expenditure until June 30, 2019, and for  
16 liquidation until June 30, 2021.

17 (1) The department shall prepare guidelines for districts to apply  
18 for funds for capital projects that are consistent with this  
19 subdivision.

20 (2) The guidelines prepared pursuant to this paragraph shall  
21 require all of the following:

22 (A) A clear description of the proposed use of funds.

23 (B) A timeframe of implementation of the capital project.

24 (C) A projection of revenue, including annual income, fees, and  
25 projected usage rates.

26 (D) A projection of costs, including design, planning,  
27 construction, operation, staff, maintenance, marketing, and  
28 information technology.

29 (E) A market analysis demonstrating demand for the project.

30 (F) A projected rate of return on the investment.

31 (c) The revenue generated by the revenue generation program  
32 developed pursuant to subdivision (a) shall be deposited into the  
33 State Parks and Recreation Fund. Revenue identified as being in  
34 excess of the revenue targets shall be transferred to the State Parks  
35 Revenue Incentive Subaccount, established pursuant to Section  
36 5010.6, on or before June 1, annually.

37 (d) Moneys transferred to the State Parks Revenue Incentive  
38 Subaccount pursuant to subdivision (c) shall be expended as  
39 follows:

1 (1) (A) The department shall allocate 50 percent of the total  
2 amount of revenues deposited into the State Parks Revenue  
3 Incentive Subaccount pursuant to subdivision (c), generated by a  
4 park district to that district if the amount of revenues generated  
5 exceeds the targeted revenue amount prescribed in the revenue  
6 generation program. The revenues to be allocated to a park district  
7 that fails to achieve the revenue target shall remain in the  
8 subaccount.

9 (B) With the approval of the director, each district shall use the  
10 funds it receives pursuant to this section to improve the parks in  
11 that district through revenue generation programs and projects and  
12 other activities that will assist in the district’s revenue generation  
13 activities, and the programs, projects, and other activities shall be  
14 consistent with the mission and purpose of each unit and with the  
15 plan developed for the unit pursuant to subdivision (a) of Section  
16 5002.2.

17 (C) The department shall report to the Legislature, commencing  
18 on July 1, 2014, and annually on or before each July 1 thereafter,  
19 on the revenue distributed to each district pursuant to this section.

20 (2) The department shall use 50 percent of the funds deposited  
21 into the State Parks Revenue Incentive Subaccount pursuant to  
22 subdivision (c) for the following purposes:

23 (A) To fund the capital costs of construction and installation of  
24 new revenue and fee collection equipment and technologies and  
25 other physical upgrades to existing state park system lands and  
26 facilities.

27 (B) For costs of restoration, rehabilitation, and improvement of  
28 the state park system and its natural, historical, and visitor-serving  
29 resources that enhance visitation and are designed to create  
30 opportunities to increase revenues.

31 (C) For costs to the department to implement the action plan  
32 required to be developed by the department pursuant to Section  
33 5019.92 of the Public Resources Code.

34 (D) Pursuant to subdivision (c) of Section 5010.6, for  
35 expenditures to support revenue generation projects that include,  
36 but are not limited to, staffing kiosks, campgrounds, and parking  
37 lots.

38 (e) The funds generated by the revenue generation program  
39 shall not be used by the department to expand the park system,

1 unless there is significant revenue generation potential from such  
2 an expansion.

3 (f) Notwithstanding Section 5009, moneys received by the  
4 department from private contributions and other public funding  
5 sources may also be deposited into the California State Park  
6 Enterprise Fund and the State Parks Revenue Incentive Subaccount  
7 for use for the purposes of subdivision (c) and subdivision (d).

8 (g) The department shall provide all relevant information on its  
9 Internet Web site concerning how funds in the State Parks and  
10 Recreation Revenue Incentive Subaccount and the California State  
11 Park Enterprise Fund are spent.

12 (h) The department may recoup its costs for implementing and  
13 administering the working capital from the fund.

14 SEC. 140. Article 1.5 (commencing with Section 5019.10) is  
15 added to Chapter 1 of Division 5 of the Public Resources Code,  
16 to read:

17

18 Article 1.5. The Parks Project Revolving Fund

19

20 5019.10. (a) The Parks Project Revolving Fund is hereby  
21 established in the State Treasury. Except as otherwise specified in  
22 this section, upon approval of the Department of Finance there  
23 shall be transferred to, or deposited in, the fund all money  
24 appropriated, contributed, or made available from any source,  
25 including sources other than state appropriations, for expenditure  
26 on work within the powers and duties of the department with  
27 respect to the construction, alteration, repair, and improvement of  
28 state park facilities, including, but not limited to, services, new  
29 construction, major construction and equipment, minor  
30 construction, maintenance, improvements, and equipment, and  
31 other building and improvement projects for which an appropriation  
32 is made or, as to funds from sources other than state appropriations,  
33 as may be authorized by written agreement between the contributor  
34 or contributors of funds and the department and approved by the  
35 Department of Finance.

36 (b) Money from state sources transferred to, or deposited in,  
37 the fund for major construction shall be limited to the amount  
38 necessary based on receipt of competitive bids. Money transferred  
39 for this purpose shall be upon the approval of the Department of  
40 Finance. Any amount available, in the state appropriation, that is

1 in excess of the amount necessary based on receipt of competitive  
2 bids, shall be immediately transferred to the credit of the fund from  
3 which the appropriation was made. Money in the fund also may  
4 be expended, upon approval of the Department of Finance, to  
5 finance the cost of a construction project within the powers and  
6 duties of the department for which the federal government will  
7 contribute a partial cost thereof, if written evidence has been  
8 received from a federal agency indicating that money has been  
9 appropriated by Congress and the federal government, and that  
10 the federal government will pay to the state the amount specified  
11 upon the completion of construction of the project. The director  
12 may approve plans, specifications, and estimates of cost, and  
13 advertise for and receive bids on, those projects in anticipation of  
14 the receipt of the written evidence. Money transferred or deposited  
15 for the purposes of this subdivision is continuously appropriated  
16 to, and available for expenditure by, the department for the  
17 purposes for which it is appropriated, contributed, or made  
18 available, without regard to fiscal years and irrespective of the  
19 provisions of Section 13340 of the Government Code.

20 (c) As used in this article, “fund” means the Parks Project  
21 Revolving Fund.

22 5019.11. The department shall file against the fund all claims  
23 covering expenditures incurred in connection with services, new  
24 construction, major construction and equipment, minor  
25 construction, maintenance, improvements, and equipment, and  
26 other building and improvement projects, and the Controller shall  
27 draw his or her warrant therefor against that fund.

28 5019.12. The department shall keep a record of all expenditures  
29 chargeable against each specific portion of the fund. Any  
30 unencumbered balance in any portion of the fund, either within  
31 three months after completion of the project for which the portion  
32 was transferred or within three years from the time the portion was  
33 transferred or deposited therein, whichever is earlier, shall be  
34 withdrawn from the fund and transferred to the credit of the fund  
35 from which the appropriation was made. As to funds from other  
36 than state appropriations, they shall be paid out or refunded as  
37 provided in the agreement relating to the contributions. The  
38 Department of Finance may approve an extension of the time of  
39 withdrawal. For the purpose of this section, an estimate, prepared  
40 by the department upon receipt of bids, of the amount required for

1 supervision, engineering, and other items, if any, necessary for the  
2 completion of a project, on which a construction contract has been  
3 awarded, shall be deemed a valid encumbrance and shall be  
4 included with any other valid encumbrances in determining the  
5 amount of an unencumbered balance.

6 5019.13. At any time, the department, without furnishing a  
7 voucher or itemized statement, may withdraw from the fund a sum  
8 not to exceed five hundred thousand dollars (\$500,000). Any sum  
9 withdrawn pursuant to this section shall be used as a revolving  
10 fund when payments of compensation earned or cash advances  
11 are necessary with respect to the construction, alteration, repair,  
12 or improvement of state park facilities.

13 5019.14. The department shall annually submit to the  
14 Department of Finance a report that reconciles, by project, all of  
15 the following:

- 16 (a) Amounts transferred to the fund.
- 17 (b) Amounts expended from the fund.
- 18 (c) In cases of project savings or completion, or both,  
19 unexpended amounts withdrawn from the fund and transferred to  
20 the credit of the fund, paid out, or refunded, as provided in Section  
21 5019.12.

22 5019.15. This article shall become inoperative on the date that  
23 is three years after the date that Section 5018.1 is repealed, and,  
24 as of January 1 immediately following that inoperative date, is  
25 repealed, unless a later enacted statute that is enacted before that  
26 January 1 deletes or extends the dates on which it becomes  
27 inoperative and is repealed.

28 SEC. 141. Section 14507.5 of the Public Resources Code is  
29 amended to read:

30 14507.5. (a) "Community Conservation Corps" means a  
31 nonprofit public benefit corporation formed or operating pursuant  
32 to Part 2 (commencing with Section 5110) of Division 2 of Title  
33 1 of the Corporations Code, or an agency operated by a city,  
34 county, or city and county, that is certified by the California  
35 Conservation Corps as meeting all of the following criteria:

- 36 (1) The corps is organized in the form of supervised work crews  
37 and selects young men and women for participation on the basis  
38 of motivation for hard work, personal development, and public  
39 service, without regard to their prior employment or educational

1 background, and consistent with Section 14402. Participation shall  
2 be for a period of one year, and may be extended.

3 (2) The corps’ program is based upon a highly disciplined work  
4 experience, includes an educational component, and is designed  
5 to develop corpsmembers’ character and civic consciousness  
6 through rigorous work on public projects. The educational  
7 component of the corps’ program includes enrollment in a  
8 vocational education program, public or charter high school, or  
9 postsecondary community college.

10 (3) The corps compensates corpsmembers at not less than the  
11 federal minimum wage, and provides corpsmembers assistance in  
12 obtaining permanent employment following their participation in  
13 the corps program.

14 (4) The corps engages in recycling and litter abatement projects  
15 as well as projects that accomplish the conservationist and other  
16 purposes described in subdivisions (a) to (h), inclusive, of Section  
17 14300, and that assist agencies of local government and other  
18 nonprofit community organizations in developing, rehabilitating,  
19 and restoring parklands, recreational facilities, and other  
20 community resources.

21 (5) The corps consists of an average annual enrollment of not  
22 less than 50 corpsmembers between 18 and 25 years of age. In  
23 determining the average annual enrollment of a community  
24 conservation corps for the purposes of Section 14581.1, the  
25 California Conservation Corps shall not include special  
26 corpsmembers, as described in Section 14303, who are employed  
27 by a community conservation corps.

28 (b) The California Conservation Corps shall evaluate a  
29 community conservation corps for the purpose of determining its  
30 eligibility for certification, pursuant to this section, after it has  
31 completed 12 months of continuous operation, and annually  
32 thereafter.

33 SEC. 142. Section 14552 of the Public Resources Code is  
34 amended to read:

35 14552. (a) The department shall establish and implement an  
36 auditing system to ensure that the information collected, and refund  
37 values and redemption payments paid pursuant to this division,  
38 comply with the purposes of this division. Notwithstanding  
39 Sections 14573 and 14573.5, the auditing system adopted by the  
40 department may include prepayment or postpayment controls.

1 (b) (1) The department may audit or investigate any action  
2 taken up to five years before the onset of the audit or investigation  
3 and may determine if there was compliance with this division and  
4 the regulations adopted pursuant to this division, during that period.

5 (2) Notwithstanding any other provision of law establishing a  
6 shorter statute of limitation, the department may take an  
7 enforcement action, including, but not limited to, an action for  
8 restitution or to impose penalties, at any time within five years  
9 after the department discovers, or with reasonable diligence, should  
10 have discovered, a violation of this division or the regulations  
11 adopted pursuant to this division.

12 (c) During the conduct of any inspection, including, but not  
13 limited to, an inspection conducted as part of an audit or  
14 investigation, the entity that is the subject of the inspection shall,  
15 during its normal business hours, provide the department with  
16 immediate access to its facilities, operations, and any relevant  
17 record, that, in the department's judgment, the department  
18 determines are necessary to carry out this section to verify  
19 compliance with this division and the regulations adopted pursuant  
20 to this division.

21 (1) The department may take disciplinary action pursuant to  
22 Section 14591.2 against any person who fails to provide the  
23 department with access pursuant to this subdivision including, but  
24 not limited to, imposing penalties and the immediate suspension  
25 or termination of any certificate or registration held by the operator.

26 (2) The department shall protect any information obtained  
27 pursuant to this section in accordance with Section 14554, except  
28 that this section does not prohibit the department from releasing  
29 any information that the department determines to be necessary  
30 in the course of an enforcement action.

31 (d) The auditing system adopted by the department shall allow  
32 for reasonable shrinkage in material due to moisture, dirt, and  
33 foreign material. The department, after an audit by a qualified  
34 auditing firm and a hearing, shall adopt a standard to be used to  
35 account for shrinkage and shall incorporate this standard in the  
36 audit process.

37 (e) If the department prevails against an entity in a civil or  
38 administrative action brought pursuant to this division, and money  
39 is owed to the department as a result of the action, the department  
40 may offset the amount against amounts claimed by the entity to

1 be due to it from the department. The department may take this  
2 offset by withholding payments from the entity or by authorizing  
3 all processors to withhold payment to a certified recycling center.

4 (f) If the department determines, pursuant to an audit or  
5 investigation, that a distributor or beverage manufacturer has  
6 overpaid the redemption payment or processing fee, the department  
7 may do either of the following:

8 (1) Offset the overpayment against future payments.

9 (2) Refund the payment pursuant to Article 3 (commencing with  
10 Section 13140) of Chapter 2 of Part 3 of Division 3 of Title 2 of  
11 the Government Code.

12 SEC. 143. Section 14581 of the Public Resources Code is  
13 amended to read:

14 14581. (a) Subject to the availability of funds and in  
15 accordance with subdivision (b), the department shall expend the  
16 moneys set aside in the fund, pursuant to subdivision (c) of Section  
17 14580, for the purposes of this section in the following manner:

18 (1) For each fiscal year, the department may expend the amount  
19 necessary to make the required handling fee payment pursuant to  
20 Section 14585.

21 (2) Fifteen million dollars (\$15,000,000) shall be expended  
22 annually for payments for curbside programs and neighborhood  
23 dropoff programs pursuant to Section 14549.6.

24 (3) (A) Ten million five hundred thousand dollars (\$10,500,000)  
25 may be expended annually for payments of five thousand dollars  
26 (\$5,000) to cities and ten thousand dollars (\$10,000) for payments  
27 to counties for beverage container recycling and litter cleanup  
28 activities, or the department may calculate the payments to counties  
29 and cities on a per capita basis, and may pay whichever amount  
30 is greater, for those activities.

31 (B) Eligible activities for the use of these funds may include,  
32 but are not necessarily limited to, support for new or existing  
33 curbside recycling programs, neighborhood dropoff recycling  
34 programs, public education promoting beverage container  
35 recycling, litter prevention, and cleanup, cooperative regional  
36 efforts among two or more cities or counties, or both, or other  
37 beverage container recycling programs.

38 (C) These funds shall not be used for activities unrelated to  
39 beverage container recycling or litter reduction.

1 (D) To receive these funds, a city, county, or city and county  
2 shall fill out and return a funding request form to the department.  
3 The form shall specify the beverage container recycling or litter  
4 reduction activities for which the funds will be used.

5 (E) The department shall annually prepare and distribute a  
6 funding request form to each city, county, or city and county. The  
7 form shall specify the amount of beverage container recycling and  
8 litter cleanup funds for which the jurisdiction is eligible. The form  
9 shall not exceed one double-sided page in length, and may be  
10 submitted electronically. If a city, county, or city and county does  
11 not return the funding request form within 90 days of receipt of  
12 the form from the department, the city, county, or city and county  
13 is not eligible to receive the funds for that funding cycle.

14 (F) For the purposes of this paragraph, per capita population  
15 shall be based on the population of the incorporated area of a city  
16 or city and county and the unincorporated area of a county. The  
17 department may withhold payment to any city, county, or city and  
18 county that has prohibited the siting of a supermarket site, caused  
19 a supermarket site to close its business, or adopted a land use policy  
20 that restricts or prohibits the siting of a supermarket site within its  
21 jurisdiction.

22 (4) One million five hundred thousand dollars (\$1,500,000) may  
23 be expended annually in the form of grants for beverage container  
24 recycling and litter reduction programs.

25 (5) (A) The department shall expend the amount necessary to  
26 pay the processing payment established pursuant to Section 14575.  
27 The department shall establish separate processing fee accounts  
28 in the fund for each beverage container material type for which a  
29 processing payment and processing fee are calculated pursuant to  
30 Section 14575, or for which a processing payment is calculated  
31 pursuant to Section 14575 and a voluntary artificial scrap value is  
32 calculated pursuant to Section 14575.1, into which account shall  
33 be deposited both of the following:

34 (i) All amounts paid as processing fees for each beverage  
35 container material type pursuant to Section 14575.

36 (ii) Funds equal to the difference between the amount in clause  
37 (i) and the amount of the processing payments established in  
38 subdivision (b) of Section 14575, and adjusted pursuant to  
39 paragraph (2) of subdivision (c) of, and subdivision (f) of, Section  
40 14575, to reduce the processing fee to the level provided in

1 subdivision (e) of Section 14575, or to reflect the agreement by a  
2 willing purchaser to pay a voluntary artificial scrap value pursuant  
3 to Section 14575.1.

4 (B) Notwithstanding Section 13340 of the Government Code,  
5 the moneys in each processing fee account are hereby continuously  
6 appropriated to the department for expenditure without regard to  
7 fiscal years, for purposes of making processing payments pursuant  
8 to Section 14575.

9 (6) Up to five million dollars (\$5,000,000) may be annually  
10 expended by the department for the purposes of undertaking a  
11 statewide public education and information campaign aimed at  
12 promoting increased recycling of beverage containers.

13 (7) Up to ten million dollars (\$10,000,000) may be expended  
14 annually by the department for quality incentive payments for  
15 empty glass beverage containers pursuant to Section 14549.1.

16 (8) (A) Up to ten million dollars (\$10,000,000) may be  
17 expended annually by the department for market development  
18 payments for empty plastic beverage containers pursuant to Section  
19 14549.2, until January 1, 2017.

20 (B) In addition to the amount specified in subparagraph (A),  
21 the department may expend the amount calculated pursuant to  
22 subparagraph (C) for market development payments for empty  
23 plastic beverage containers pursuant to Section 14549.2.

24 (C) The department shall calculate the amount authorized for  
25 expenditure pursuant to subparagraph (B) in the following manner:

26 (i) The department shall determine, on or before January 1,  
27 2012, and annually thereafter, whether the amount of funds  
28 estimated to be necessary pursuant to clause (ii) of subparagraph  
29 (A) of paragraph (6) for deposit to a processing fee account  
30 established by the department for plastic beverage containers to  
31 make processing payments for plastic beverage containers for the  
32 current calendar year is less than the total amount of funds that  
33 were estimated to be necessary the previous calendar year pursuant  
34 to clause (ii) of subparagraph (A) of paragraph (6) for deposit to  
35 that processing fee account.

36 (ii) If the amount estimated to be necessary for the current  
37 calendar year, as specified in clause (i), is less than the amount  
38 estimated to be necessary for the previous calendar year, the  
39 department shall calculate the amount of that difference.

1 (iii) The department shall expend an amount that is not greater  
2 than 50 percent of the amount calculated pursuant to clause (ii)  
3 for purposes of subparagraph (B).

4 (iv) If the department determines that the amount of funds  
5 authorized for expenditure pursuant to this subparagraph is not  
6 needed to make plastic market development payments pursuant to  
7 subparagraph (B) in the calendar year for which that amount is  
8 allocated, the department may expend those funds during the  
9 following year.

10 (v) If the department determines that there are insufficient funds  
11 to both make the market development payments pursuant to  
12 subparagraph (B) and to deposit the amount required by clause (ii)  
13 of subparagraph (A) of paragraph (6), for purposes of making the  
14 processing payments and reducing the processing fees pursuant to  
15 Section 14575 for plastic beverage containers, the department shall  
16 suspend the implementation of this subparagraph and subparagraph  
17 (B).

18 (D) Subparagraphs (B) and (C) shall remain operative only until  
19 January 1, 2017.

20 (b) (1) If the department determines, pursuant to a review made  
21 pursuant to Section 14556, that there may be inadequate funds to  
22 pay the payments required by this division, the department shall  
23 immediately notify the appropriate policy and fiscal committees  
24 of the Legislature regarding the inadequacy.

25 (2) On or before 180 days, but not less than 80 days, after the  
26 notice is sent pursuant to paragraph (1), the department may reduce  
27 or eliminate expenditures, or both, from the funds as necessary,  
28 according to the procedure set forth in subdivision (c).

29 (c) If the department determines that there are insufficient funds  
30 to make the payments specified pursuant to this section and Section  
31 14575, the department shall reduce all payments proportionally.

32 (d) Prior to making an expenditure pursuant to paragraph (6) of  
33 subdivision (a), the department shall convene an advisory  
34 committee consisting of representatives of the beverage industry,  
35 beverage container manufacturers, environmental organizations,  
36 the recycling industry, nonprofit organizations, and retailers to  
37 advise the department on the most cost-effective and efficient  
38 method of the expenditure of the funds for that education and  
39 information campaign.

1 (e) Subject to the availability of funds, the department shall  
2 retroactively pay in full any payments provided in this section that  
3 have been proportionally reduced during the period of January 1,  
4 2010, through June 30, 2010.

5 SEC. 144. Section 14581.1 is added to the Public Resources  
6 Code, to read:

7 14581.1. (a) The department shall expend in each fiscal year,  
8 from the moneys set aside in the fund pursuant to subdivision (c)  
9 of Section 14580, twenty million nine hundred seventy-four  
10 thousand dollars (\$20,974,000), plus the cost-of-living adjustment,  
11 as provided in subdivision (c), less fifteen million dollars  
12 (\$15,000,000), in the form of grants for beverage container litter  
13 reduction programs and recycling programs, including education  
14 and outreach, issued to either of the following:

15 (1) Certified community conservation corps that were in  
16 existence on September 30, 1999, or that are formed subsequent  
17 to that date, that are designated by a city or a city and county to  
18 perform litter abatement, recycling, and related activities, if the  
19 city or the city and county has a population, as determined by the  
20 most recent census, of more than 250,000 persons.

21 (2) Community conservation corps that are designated by a  
22 county to perform litter abatement, recycling, and related activities,  
23 and are certified by the California Conservation Corps as having  
24 operated for a minimum of two years and as meeting all other  
25 criteria of Section 14507.5.

26 (b) The grants provided pursuant to this section shall not  
27 comprise more than 75 percent of the annual budget of a  
28 community conservation corps.

29 (c) The amount of twenty million nine hundred seventy-four  
30 thousand dollars (\$20,974,000) that is referenced in subdivision  
31 (a) is a base amount for the 2014–15 fiscal year, and the department  
32 shall adjust that amount annually to reflect any increases or  
33 decreases in the cost of living as measured by the Department of  
34 Labor or a successor agency of the federal government.

35 (d) For the 2014–15 fiscal year only, the amount to be expended  
36 from the fund for the purposes specified in subdivision (a) shall  
37 be increased by seven million five hundred thousand dollars  
38 (\$7,500,000).

39 SEC. 145. Division 12.5 (commencing with Section 17000) is  
40 added to the Public Resources Code, to read:

1 DIVISION 12.5. COMMUNITY CONSERVATION CORPS

2  
3 17000. For purposes of this division, the following definitions  
4 shall apply:

5 (a) “Certified community conservation corps” means a  
6 community conservation corps that was in existence on September  
7 30, 1999, or that is formed subsequent to that date, and that is  
8 designated by a city or a city and county to perform litter  
9 abatement, recycling, and related activities, if the city or the city  
10 and county has a population, as determined by the most recent  
11 census, of more than 250,000 persons.

12 (b) “Community conservation corps” means a community  
13 conservation corps, as defined in Section 14507.5, that is  
14 designated by a county to perform litter abatement, recycling, and  
15 related activities, and that is certified by the California  
16 Conservation Corps as having operated for a minimum of two  
17 years and as meeting all other criteria of Section 14507.5.

18 (c) “Department” means the Department of Resources Recycling  
19 and Recovery.

20 17001. (a) For purposes of the 2014–15 fiscal year only,  
21 subject to Section 17002, the department shall expend funds from  
22 the following sources, for issuing grants to certified community  
23 conservation corps and community conservation corps, in  
24 accordance with, and for the purposes specified in, this subdivision:

25 (1) The department shall expend the amount made available for  
26 expenditure during the 2014–15 fiscal year pursuant to Section  
27 14581.1 in the form of grants for implementing beverage container  
28 litter reduction programs and beverage container recycling  
29 programs, including education and outreach, pursuant to Division  
30 12.1 (commencing with Section 14501).

31 (2) The department shall expend four million dollars  
32 (\$4,000,000) from the funds in the Electronic Waste Recovery and  
33 Recycling Account, upon appropriation by the Legislature, for  
34 grants to implement programs relating to the collection and  
35 recovery of covered electronic waste, including education and  
36 outreach, in accordance with Chapter 8.5 (commencing with  
37 Section 42460) of Part 3 of Division 30.

38 (3) The department shall expend two million five hundred  
39 thousand dollars (\$2,500,000) from the funds in the California  
40 Tire Recycling Management Fund, upon appropriation by the

1 Legislature, for grants relating to implementing programs to clean  
2 up and abate waste tires and to reuse and recycle waste tires,  
3 including, but not limited to, the tire recycling program authorized  
4 by Section 42872, and including education and outreach, in  
5 accordance with Chapter 17 (commencing with Section 42860) of  
6 Part 3 of Division 30.

7 (4) The department shall expend one million dollars  
8 (\$1,000,000) from the funds in the California Used Oil Recycling  
9 Fund, upon appropriation by the Legislature, for grants to  
10 implement programs relating to the collection of used oil, including  
11 education and outreach, in accordance with Chapter 4 (commencing  
12 with Section 48600) of Part 7 of Division 30.

13 (b) On and after July 1, 2015, subject to Section 17002, the  
14 department shall expend funds from the following sources, for  
15 issuing grants to certified community conservation corps and  
16 community conservation corps, in accordance with, and for the  
17 purposes specified in, this subdivision:

18 (1) The department shall expend in each fiscal year the amount  
19 made available pursuant to Section 14581.1 for grants to implement  
20 beverage container litter reduction programs and beverage container  
21 recycling programs, including education and outreach, pursuant  
22 to Division 12.1 (commencing with Section 14501).

23 (2) The department shall expend eight million dollars  
24 (\$8,000,000) each fiscal year from the funds in the Electronic  
25 Waste Recovery and Recycling Account, upon appropriation by  
26 the Legislature, for grants to implement programs relating to the  
27 collection and recovery of covered electronic waste, including  
28 education and outreach, in accordance with Chapter 8.5  
29 (commencing with Section 42460) of Part 3 of Division 30.

30 (3) The department shall expend five million dollars  
31 (\$5,000,000) each fiscal year from the funds in the California Tire  
32 Recycling Management Fund, upon appropriation by the  
33 Legislature, for grants to implement programs relating to clean up  
34 and abate waste tires and to reuse and recycle waste tires, including,  
35 but not limited to, the tire recycling program authorized by Section  
36 42872, and including education and outreach, in accordance with  
37 Chapter 17 (commencing with Section 42860) of Part 3 of Division  
38 30.

39 (4) The department shall expend two million dollars  
40 (\$2,000,000) each fiscal year from the funds in the California Used

1 Oil Recycling Fund, upon appropriation by the Legislature, for  
2 grants to implement programs relating to the collection of used  
3 oil, including education and outreach, in accordance with Chapter  
4 4 (commencing with Section 48600) of Part 7 of Division 30.

5 17002. The amount the department may expend for a fiscal  
6 year pursuant to Section 17001 shall not exceed the amount  
7 determined for that fiscal year pursuant to subdivision (c) of  
8 Section 14581.1.

9 SEC. 146. Section 21190 of the Public Resources Code is  
10 amended to read:

11 21190. There is in this state the California Environmental  
12 Protection Program, which shall be concerned with the preservation  
13 and protection of California's environment. In this connection, the  
14 Legislature hereby finds and declares that, since the inception of  
15 the program pursuant to the Marks-Badham Environmental  
16 Protection and Research Act, the Department of Motor Vehicles  
17 has, in the course of issuing environmental license plates,  
18 consistently informed potential purchasers of those plates, by  
19 means of a detailed brochure, of the manner in which the program  
20 functions, the particular purposes for which revenues from the  
21 issuance of those plates can lawfully be expended, and examples  
22 of particular projects and programs that have been financed by  
23 those revenues. Therefore, because of this representation by the  
24 Department of Motor Vehicles, purchasers come to expect and  
25 rely that the moneys paid by them will be expended only for those  
26 particular purposes, which results in an obligation on the part of  
27 the state to expend the revenues only for those particular purposes.

28 Accordingly, all funds expended pursuant to this division shall  
29 be used only to support identifiable projects and programs of state  
30 agencies, cities, cities and counties, counties, districts, the  
31 University of California, private nonprofit environmental and land  
32 acquisition organizations, and private research organizations that  
33 have a clearly defined benefit to the people of the State of  
34 California and that have one or more of the following purposes:

35 (a) The control and abatement of air pollution, including all  
36 phases of research into the sources, dynamics, and effects of  
37 environmental pollutants.

38 (b) The acquisition, preservation, restoration, or any combination  
39 thereof, of natural areas or ecological reserves.

1 (c) Environmental education, including formal school programs  
2 and informal public education programs. The State Department of  
3 Education may administer moneys appropriated for these programs,  
4 but shall distribute not less than 90 percent of moneys appropriated  
5 for the purposes of this subdivision to fund environmental  
6 education programs of school districts, other local schools, state  
7 agencies other than the State Department of Education, and  
8 community organizations. Not more than 10 percent of the moneys  
9 appropriated for environmental education may be used for State  
10 Department of Education programs or defraying administrative  
11 costs.

12 (d) Protection of nongame species and threatened and  
13 endangered plants and animals.

14 (e) Protection, enhancement, and restoration of fish and wildlife  
15 habitat and related water quality, including review of the potential  
16 impact of development activities and land use changes on that  
17 habitat.

18 (f) The purchase, on an opportunity basis, of real property  
19 consisting of sensitive natural areas for the state park system and  
20 for local and regional parks.

21 (g) Reduction or minimization of the effects of soil erosion and  
22 the discharge of sediment into the waters of the Lake Tahoe region,  
23 including the restoration of disturbed wetlands and stream  
24 environment zones, through projects by the California Tahoe  
25 Conservancy and grants to local public agencies, state agencies,  
26 federal agencies, and nonprofit organizations.

27 (h) Scientific research on the risks to California's natural  
28 resources and communities caused by the impacts of climate  
29 change.

30 SEC. 147. Section 30821 is added to the Public Resources  
31 Code, to read:

32 30821. (a) In addition to any other penalties imposed pursuant  
33 to this division, a person, including a landowner, who is in violation  
34 of the public access provisions of this division is subject to an  
35 administrative civil penalty that may be imposed by the  
36 commission in an amount not to exceed 75 percent of the amount  
37 of the maximum penalty authorized pursuant to subdivision (b) of  
38 Section 30820 for each violation. The administrative civil penalty  
39 may be assessed for each day the violation persists, but for no more  
40 than five years.

1 (b) All penalties imposed pursuant to subdivision (a) shall be  
2 imposed by majority vote of the commissioners present in a duly  
3 noticed public hearing in compliance with the requirements of  
4 Section 30810, 30811, or 30812.

5 (c) In determining the amount of civil liability, the commission  
6 shall take into account the factors set forth in subdivision (c) of  
7 Section 30820.

8 (d) A person shall not be subject to both monetary civil liability  
9 imposed under this section and monetary civil liability imposed  
10 by the superior court for the same act or failure to act. If a person  
11 who is assessed a penalty under this section fails to pay the  
12 administrative penalty, otherwise fails to comply with a restoration  
13 or cease and desist order issued by the commission in connection  
14 with the penalty action, or challenges any of these actions by the  
15 commission in a court of law, the commission may maintain an  
16 action or otherwise engage in judicial proceedings to enforce those  
17 requirements and the court may grant any relief as provided under  
18 this chapter.

19 (e) If a person fails to pay a penalty imposed by the commission  
20 pursuant to this section, the commission may record a lien on the  
21 property in the amount of the penalty assessed by the commission.  
22 This lien shall have the force, effect, and priority of a judgment  
23 lien.

24 (f) In enacting this section, it is the intent of the Legislature to  
25 ensure that unintentional, minor violations of this division that  
26 only cause de minimis harm will not lead to the imposition of  
27 administrative penalties if the violator has acted expeditiously to  
28 correct the violation.

29 (g) “Person,” for the purpose of this section, does not include  
30 a local government, a special district, or an agency thereof, when  
31 acting in a legislative or adjudicative capacity.

32 (h) Administrative penalties pursuant to subdivision (a) shall  
33 not be assessed if the property owner corrects the violation  
34 consistent with this division within 30 days of receiving written  
35 notification from the commission regarding the violation, and if  
36 the alleged violator can correct the violation without undertaking  
37 additional development that requires a permit under this division.  
38 This 30-day timeframe for corrective action does not apply to  
39 previous violations of permit conditions incurred by a property  
40 owner.

1 (i) The commission shall prepare and submit, pursuant to Section  
2 9795 of the Government Code, a report to the Legislature by  
3 January 15, 2019, that includes all of the following:

4 (1) The number of new violations reported annually to the  
5 commission from January 1, 2015, to December 31, 2018,  
6 inclusive.

7 (2) The number of violations resolved from January 1, 2015, to  
8 December 31, 2018, inclusive.

9 (3) The number of administrative penalties issued pursuant to  
10 this section, the dollar amount of the penalties, and a description  
11 of the violations from January 1, 2015, to December 31, 2018,  
12 inclusive.

13 (j) Revenues derived pursuant to this section shall be deposited  
14 into the Violation Remediation Account of the Coastal  
15 Conservancy Fund and expended pursuant to Section 30823.

16 SEC. 148. Section 31012 of the Public Resources Code is  
17 amended to read:

18 31012. (a) The Coastal Trust Fund is hereby established in  
19 the State Treasury, to receive and disburse funds paid to the  
20 conservancy in trust, subject to the right of recovery to fulfill the  
21 purposes of the trust, as provided in this section.

22 (b) (1) There is in the Coastal Trust Fund the San Francisco  
23 Bay Area Conservancy Program Account, which shall be expended  
24 solely for the purposes of Chapter 4.5 (commencing with Section  
25 31160).

26 (2) The conservancy shall deposit in the San Francisco Bay  
27 Area Conservancy Program Account all funds received by the  
28 conservancy for the purposes of the San Francisco Bay Area  
29 Conservancy Program established under Chapter 4.5 (commencing  
30 with Section 31160), from sources other than the state or federal  
31 government and not provided for in subdivision (a) of Section  
32 31164. These funds include, but are not limited to, private  
33 donations, fees, penalties, and local government contributions.

34 (c) (1) There is in the Coastal Trust Fund the Coastal Program  
35 Account. Funds in the Coastal Program Account shall be expended  
36 solely for their specified trust purposes.

37 (2) Upon approval of the Department of Finance, the  
38 conservancy shall deposit in the Coastal Program Account all funds  
39 paid to the conservancy in trust for purposes of this division, except  
40 those funds identified in paragraph (2) of subdivision (b). The

1 funds that shall be deposited in the Coastal Program Account, upon  
2 that approval, include, but are not limited to, funds that are paid  
3 to the conservancy in trust for purposes of mitigation, for settlement  
4 of litigation, instead of other conditions of coastal development  
5 permits or other regulatory entitlements, or for other trust purposes  
6 consistent with this division and specified by the terms of a gift  
7 or contract. Funds in the Coastal Program Account shall be  
8 separately accounted for according to their source and trust  
9 purpose. Funds shall not be deposited in the Coastal Program  
10 Account without the Department of Finance's approval.

11 (d) (1) There is in the Coastal Trust Fund the California Climate  
12 Resilience Account. Notwithstanding Section 13340 of the  
13 Government Code, and except as provided in paragraph (6), funds  
14 in the account are continuously appropriated to the conservancy,  
15 as follows, without regard to fiscal year. Funds shall be expended  
16 by the conservancy, the California Coastal Commission, and the  
17 San Francisco Bay Conservation and Development Commission  
18 for coastal zone management planning and implementation  
19 activities to address the risks and impacts of climate change, sea  
20 level rise, and associated extreme events to coastal and bay  
21 communities and natural resources. The purpose of the account is  
22 to support project implementation, capital outlay, and local  
23 assistance grants. Up to 10 percent of the funds shall be available  
24 for administrative costs.

25 (2) Except as specified by an instrument imposing conditions  
26 on the use or expenditure of the specific funds provided, funds  
27 appropriated for these purposes shall be allocated as follows:

28 (A) To the California Coastal Commission, 20 percent of the  
29 funds deposited in the account during each fiscal year.

30 (B) To the San Francisco Bay Conservation and Development  
31 Commission, 20 percent of the funds deposited in the account  
32 during each fiscal year.

33 (C) To the conservancy, 60 percent of the funds deposited in  
34 the account during each fiscal year.

35 (3) Funds in the account shall be expended solely for their  
36 specified purposes.

37 (4) Funds that may be deposited into the California Climate  
38 Resilience Account include, but are not limited to, appropriations  
39 and grants, funds from the federal government, regional planning  
40 agencies, and local governments, fees, litigation settlements,

1 permits, and mitigation requirements, and private donations that  
2 are eligible to be spent for the purposes of the account.

3 (5) Nothing in this section shall apply to funds eligible for  
4 deposit in the Bay Fill Clean-Up and Abatement Fund pursuant to  
5 Section 66647 of the Government Code or to any funds collected  
6 pursuant to the California Coastal Act of 1976 (Division 20  
7 (commencing with Section 30000)).

8 (6) To the extent that any funds are appropriated into the account  
9 by the Legislature in the annual Budget Act, those funds shall be  
10 segregated for purposes of accounting. Funds appropriated into  
11 the account by the Legislature in the Annual Budget act shall not  
12 be continuously appropriated and are subject to the provisions of  
13 Section 16304 of the Government Code.

14 (e) Interest that accrues on funds in the Coastal Trust Fund shall  
15 be retained in the Coastal Trust Fund and available for expenditure  
16 by the conservancy for the trust purposes.

17 (f) The conservancy shall maintain separate accountings of  
18 funds within the Coastal Trust Fund, pursuant to its fiduciary  
19 duties, for the purpose of separating deposits and interest on those  
20 deposits, according to their trust purposes.

21 (g) Notwithstanding Section 13340 of the Government Code,  
22 and except as provided in subdivision (d), all funds in the Coastal  
23 Trust Fund are continuously appropriated, without regard to fiscal  
24 year, to the conservancy to fulfill the trust purposes for which the  
25 payments of funds were made.

26 (h) The conservancy shall provide an annual accounting to the  
27 Department of Finance of the conservancy's expenditures from,  
28 and other activities related to, the Coastal Trust Fund.

29 SEC. 149. Section 42476 of the Public Resources Code is  
30 amended to read:

31 42476. (a) The Electronic Waste Recovery and Recycling  
32 Account is hereby established in the Integrated Waste Management  
33 Fund. All fees collected pursuant to this chapter shall be deposited  
34 in the account. Notwithstanding Section 13340 of the Government  
35 Code, the funds in the account are hereby continuously  
36 appropriated, without regard to fiscal year, for the following  
37 purposes:

38 (1) To pay refunds of the covered electronic waste recycling  
39 fee imposed under Section 42464.

1 (2) To make electronic waste recovery payments to an  
2 authorized collector of covered electronic waste pursuant to Section  
3 42479.

4 (3) To make electronic waste recycling payments to covered  
5 electronic waste recyclers pursuant to Section 42479.

6 (4) To make payments to manufacturers pursuant to subdivision  
7 (h).

8 (b) (1) The money in the account may be expended for the  
9 following purposes only upon appropriation by the Legislature in  
10 the annual Budget Act:

11 (A) For the administration of this chapter by the Department of  
12 Resources Recycling and Recovery and the department.

13 (B) To reimburse the State Board of Equalization for its  
14 administrative costs of registering, collecting, making refunds, and  
15 auditing retailers and consumers in connection with the covered  
16 electronic waste recycling fee imposed under Section 42464.

17 (C) To provide funding to the department to implement and  
18 enforce Chapter 6.5 (commencing with Section 25100) of Division  
19 20 of the Health and Safety Code, as that chapter relates to covered  
20 electronic devices, and any regulations adopted by the department  
21 pursuant to that chapter.

22 (D) To establish the public information program specified in  
23 subdivision (d).

24 (E) For expenditure pursuant to paragraph (2) of subdivision  
25 (a) of, and paragraph (2) of subdivision (b) of, Section 17001.

26 (2) Any fines or penalties collected pursuant to this chapter shall  
27 be deposited in the Electronic Waste Penalty Subaccount, which  
28 is hereby established in the account. The funds in the Electronic  
29 Waste Penalty Subaccount may be expended by the Department  
30 of Resources Recycling and Recovery or the department only upon  
31 appropriation by the Legislature.

32 (c) Notwithstanding Section 16475 of the Government Code,  
33 any interest earned upon funds in the Electronic Waste Recovery  
34 and Recycling Account shall be deposited in that account for  
35 expenditure pursuant to this chapter.

36 (d) Not more than 1 percent of the funds annually deposited in  
37 the Electronic Waste Recovery and Recycling Account shall be  
38 expended for the purposes of establishing the public information  
39 program to educate the public in the hazards of improper covered

1 electronic device storage and disposal and on the opportunities to  
2 recycle covered electronic devices.

3 (e) The Department of Resources Recycling and Recovery shall  
4 adopt regulations specifying cancellation methods for the recovery,  
5 processing, or recycling of covered electronic waste.

6 (f) The Department of Resources Recycling and Recovery may  
7 pay an electronic waste recycling payment or electronic waste  
8 recovery payment only for covered electronic waste that meets all  
9 of the following conditions:

10 (1) (A) The covered electronic waste is demonstrated to have  
11 been generated by a person who used the covered electronic device  
12 while located in this state.

13 (B) Covered electronic waste generated outside of the state and  
14 subsequently brought into the state is not eligible for payment.

15 (C) The Department of Resources Recycling and Recovery shall  
16 establish documentation requirements for purposes of this  
17 paragraph that are necessary to demonstrate that the covered  
18 electronic waste was generated in the state and eligible for payment.

19 (2) The covered electronic waste, including any residuals from  
20 the processing of the waste, is handled in compliance with all  
21 applicable statutes and regulations.

22 (3) The manufacturer or the authorized collector or recycler of  
23 the electronic waste provides a cost-free and convenient  
24 opportunity to recycle electronic waste, in accordance with the  
25 legislative intent specified in subdivision (b) of Section 42461.

26 (4) If the covered electronic waste is processed, the covered  
27 electronic waste is processed in this state according to the  
28 cancellation method authorized by the Department of Resources  
29 Recycling and Recovery.

30 (g) The Legislature hereby declares that the state is a market  
31 participant in the business of the recycling of covered electronic  
32 waste for all of the following reasons:

33 (1) The fee is collected from the state's consumers for covered  
34 electronic devices sold for use in the state.

35 (2) The purpose of the fee and subsequent payments is to prevent  
36 damage to the public health and the environment from waste  
37 generated in the state.

38 (3) The recycling system funded by the fee ensures that  
39 economically viable and sustainable markets are developed and  
40 supported for recovered materials and components in order to

1 conserve resources and maximize business and employment  
2 opportunities within the state.

3 (h) (1) The Department of Resources Recycling and Recovery  
4 may make a payment to a manufacturer that takes back a covered  
5 electronic device from a consumer in this state for purposes of  
6 recycling the device at a processing facility. The amount of the  
7 payment made by the Department of Resources Recycling and  
8 Recovery shall equal the value of the covered electronic waste  
9 recycling fee paid for that device. To qualify for a payment  
10 pursuant to this subdivision, the manufacturer shall demonstrate  
11 both of the following to the Department of Resources Recycling  
12 and Recovery:

13 (A) The covered electronic device for which payment is claimed  
14 was used in this state.

15 (B) The covered electronic waste for which a payment is  
16 claimed, including any residuals from the processing of the waste,  
17 has been, and will be, handled in compliance with all applicable  
18 statutes and regulations.

19 (2) A covered electronic device for which a payment is made  
20 under this subdivision is not eligible for an electronic waste  
21 recovery payment or an electronic waste recycling payment under  
22 Section 42479.

23 SEC. 150. Section 42872.1 of the Public Resources Code is  
24 amended to read:

25 42872.1. (a) This section shall be known, and may be cited,  
26 as the Rubberized Pavement Market Development Act.

27 (b) In accordance with the tire recycling program authorized by  
28 Section 42872, the department shall award grants in the following  
29 manner:

30 (1) To cities, counties, and other local governmental agencies  
31 for the funding of public works projects that utilize rubberized  
32 pavement.

33 (2) To state and local governmental agencies, including regional  
34 park districts, for the funding of disability access projects at parks  
35 and Class I bikeways as defined in subdivision (a) of Section 890.4,  
36 relative to projects that utilize rubberized pavement.

37 (c) (1) Except as provided in paragraph (2), the department  
38 shall award the grants pursuant to subdivision (b) in the amount  
39 of two dollars (\$2) for every 12 pounds of crumb rubber used in

1 a public works or disability access project by a state or local  
2 governmental agency, including a regional park district.

3 (2) The department may adjust the amount of grants awarded  
4 pursuant to paragraph (1) to an amount that is greater than, or less  
5 than, two dollars (\$2) for every 12 pounds of crumb rubber if the  
6 department finds this adjustment would further the purposes of  
7 this article.

8 (d) This section shall become inoperative on June 30, 2019,  
9 and, as of January 1, 2020, is repealed, unless a later enacted  
10 statute, that becomes operative on or before January 1, 2020,  
11 deletes or extends the dates on which it becomes inoperative and  
12 is repealed.

13 SEC. 151. Section 42885.5 of the Public Resources Code is  
14 amended to read:

15 42885.5. (a) The department shall adopt a five-year plan, which  
16 shall be updated every two years, to establish goals and priorities  
17 for the waste tire program and each program element.

18 (b) On or before July 1, 2001, and every two years thereafter,  
19 the department shall submit the adopted five-year plan to the  
20 appropriate policy and fiscal committees of the Legislature. The  
21 department shall include in the plan, programmatic and fiscal issues  
22 including, but not limited to, the hierarchy used by the department  
23 to maximize productive uses of waste and used tires, and the  
24 performance objectives and measurement criteria used by the  
25 department to evaluate the success of its waste and used tire  
26 recycling program. Additionally, the plan shall describe each  
27 program element's effectiveness, based upon performance measures  
28 developed by the department, including, but not limited to, the  
29 following:

30 (1) Enforcement and regulations relating to the storage of waste  
31 and used tires.

32 (2) Cleanup, abatement, or other remedial action related to waste  
33 tire stockpiles throughout the state.

34 (3) Research directed at promoting and developing alternatives  
35 to the landfill disposal of waste tires.

36 (4) Market development and new technology activities for used  
37 tires and waste tires.

38 (5) The waste and used tire hauler program, the registration of,  
39 and reporting by, tire brokers, and the manifest system.

1 (6) A description of the grants, loans, contracts, and other  
2 expenditures proposed to be made by the department under the  
3 tire recycling program.

4 (7) Until June 30, 2015, the grant program authorized under  
5 Section 42872.5 to encourage the use of waste tires, including, but  
6 not limited to, rubberized asphalt concrete technology, in public  
7 works projects.

8 (8) Border region activities, conducted in coordination with the  
9 California Environmental Protection Agency, including, but not  
10 limited to, all of the following:

11 (A) Training programs to assist Mexican waste and used tire  
12 haulers to meet the requirements for hauling those tires in  
13 California.

14 (B) Environmental education training.

15 (C) Development of a waste tire abatement plan, with the  
16 appropriate government entities of California and Mexico.

17 (D) Tracking both the legal and illegal waste and used tire flow  
18 across the border and recommended revisions to the waste tire  
19 policies of California and Mexico.

20 (E) Coordination with businesses operating in the border region  
21 and with Mexico, with regard to applying the same environmental  
22 and control requirements throughout the border region.

23 (F) Development of projects in Mexico in the California-Mexico  
24 border region, as defined by the La Paz Agreement, that include,  
25 but are not limited to, education, infrastructure, mitigation, cleanup,  
26 prevention, reuse, and recycling projects, that address the  
27 movement of used tires from California to Mexico that are  
28 eventually disposed of in California.

29 (9) Grants to certified community conservation corps and  
30 community conservation corps, pursuant to paragraph (3) of  
31 subdivision (a) of, and paragraph (3) of subdivision (b) of, Section  
32 17001, for purposes of the programs specified in paragraphs (2)  
33 and (6) and for related education and outreach.

34 (c) The department shall base the budget for the California Tire  
35 Recycling Act and program funding on the plan.

36 (d) The plan may not propose financial or other support that  
37 promotes, or provides for research for the incineration of tires.

38 SEC. 152. Section 42889 of the Public Resources Code, as  
39 amended by Section 33 of Chapter 401 of the Statutes of 2013, is  
40 amended to read:

1 42889. (a) Of the moneys collected pursuant to Section 42885,  
2 an amount equal to seventy-five cents (\$0.75) per tire on which  
3 the fee is imposed shall be transferred by the State Board of  
4 Equalization to the Air Pollution Control Fund. The state board  
5 shall expend those moneys, or allocate those moneys to the districts  
6 for expenditure, to fund programs and projects that mitigate or  
7 remediate air pollution caused by tires in the state, to the extent  
8 that the state board or the applicable district determines that the  
9 program or project remediates air pollution harms created by tires  
10 upon which the fee described in Section 42885 is imposed.

11 (b) The remaining moneys collected pursuant to Section 42885  
12 shall be used to fund the waste tire program, and shall be  
13 appropriated to the department in the annual Budget Act in a  
14 manner consistent with the five-year plan adopted and updated by  
15 the department. These moneys shall be expended for the payment  
16 of refunds under this chapter and for the following purposes:

17 (1) To pay the administrative overhead cost of this chapter, not  
18 to exceed 6 percent of the total revenue deposited in the fund  
19 annually, or an amount otherwise specified in the annual Budget  
20 Act.

21 (2) To pay the costs of administration associated with collection,  
22 making refunds, and auditing revenues in the fund, not to exceed  
23 3 percent of the total revenue deposited in the fund, as provided  
24 in subdivision (c) of Section 42885.

25 (3) To pay the costs associated with operating the tire recycling  
26 program specified in Article 3 (commencing with Section 42870).

27 (4) To pay the costs associated with the development and  
28 enforcement of regulations relating to the storage of waste tires  
29 and used tires. The department shall consider designating a city,  
30 county, or city and county as the enforcement authority of  
31 regulations relating to the storage of waste tires and used tires, as  
32 provided in subdivision (c) of Section 42850, and regulations  
33 relating to the hauling of waste and used tires, as provided in  
34 subdivision (b) of Section 42963. If the department designates a  
35 local entity for that purpose, the department shall provide sufficient,  
36 stable, and noncompetitive funding to that entity for that purpose,  
37 based on available resources, as provided in the five-year plan  
38 adopted and updated as provided in subdivision (a) of Section  
39 42885.5. The department may consider and create, as appropriate,  
40 financial incentives for citizens who report the illegal hauling or

1 disposal of waste tires as a means of enhancing local and statewide  
2 waste tire and used tire enforcement programs.

3 (5) To pay the costs of cleanup, abatement, removal, or other  
4 remedial action related to waste tire stockpiles throughout the state,  
5 including all approved costs incurred by other public agencies  
6 involved in these activities by contract with the department. Not  
7 less than six million five hundred thousand dollars (\$6,500,000)  
8 shall be expended by the department during each of the following  
9 fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

10 (6) To make studies and conduct research directed at promoting  
11 and developing alternatives to the landfill disposal of waste tires.

12 (7) To assist in developing markets and new technologies for  
13 used tires and waste tires. The department’s expenditure of funds  
14 for purposes of this subdivision shall reflect the priorities for waste  
15 management practices specified in subdivision (a) of Section  
16 40051.

17 (8) To pay the costs associated with implementing and operating  
18 a waste tire and used tire hauler program and manifest system  
19 pursuant to Chapter 19 (commencing with Section 42950).

20 (9) To pay the costs to create and maintain an emergency  
21 reserve, which shall not exceed one million dollars (\$1,000,000).

22 (10) To pay the costs of cleanup, abatement, or other remedial  
23 action related to the disposal of waste tires in implementing and  
24 operating the Farm and Ranch Solid Waste Cleanup and Abatement  
25 Grant Program established pursuant to Chapter 2.5 (commencing  
26 with Section 48100) of Part 7.

27 (11) To fund border region activities specified in paragraph (8)  
28 of subdivision (b) of Section 42885.5.

29 (12) For expenditure pursuant to paragraph (3) of subdivision  
30 (a) of, and paragraph (3) of subdivision (b) of, Section 17001.

31 (c) This section shall remain in effect only until January 1, 2024,  
32 and as of that date is repealed, unless a later enacted statute that  
33 is enacted before January 1, 2024, deletes or extends that date.

34 SEC. 153. Section 42889 of the Public Resources Code, as  
35 amended by Section 34 of Chapter 401 of the Statutes of 2013, is  
36 amended to read:

37 42889. Funding for the waste tire program shall be appropriated  
38 to the department in the annual Budget Act. The moneys in the  
39 fund shall be expended for the payment of refunds under this  
40 chapter and for the following purposes:

- 1 (a) To pay the administrative overhead cost of this chapter, not  
2 to exceed 5 percent of the total revenue deposited in the fund  
3 annually, or an amount otherwise specified in the annual Budget  
4 Act.
- 5 (b) To pay the costs of administration associated with collection,  
6 making refunds, and auditing revenues in the fund, not to exceed  
7 3 percent of the total revenue deposited in the fund, as provided  
8 in subdivision (b) of Section 42885.
- 9 (c) To pay the costs associated with operating the tire recycling  
10 program specified in Article 3 (commencing with Section 42870).
- 11 (d) To pay the costs associated with the development and  
12 enforcement of regulations relating to the storage of waste tires  
13 and used tires. The department shall consider designating a city,  
14 county, or city and county as the enforcement authority of  
15 regulations relating to the storage of waste tires and used tires, as  
16 provided in subdivision (c) of Section 42850, and regulations  
17 relating to the hauling of waste and used tires, as provided in  
18 subdivision (b) of Section 42963. If the department designates a  
19 local entity for that purpose, the department shall provide sufficient,  
20 stable, and noncompetitive funding to that entity for that purpose,  
21 based on available resources, as provided in the five-year plan  
22 adopted and updated as provided in subdivision (a) of Section  
23 42885.5. The department may consider and create, as appropriate,  
24 financial incentives for citizens who report the illegal hauling or  
25 disposal of waste tires as a means of enhancing local and statewide  
26 waste tire and used tire enforcement programs.
- 27 (e) To pay the costs of cleanup, abatement, removal, or other  
28 remedial action related to waste tire stockpiles throughout the state,  
29 including all approved costs incurred by other public agencies  
30 involved in these activities by contract with the department. Not  
31 less than six million five hundred thousand dollars (\$6,500,000)  
32 shall be expended by the department during each of the following  
33 fiscal years for this purpose: 2001–02 to 2006–07, inclusive.
- 34 (f) To fund border region activities specified in paragraph (8)  
35 of subdivision (b) of Section 42885.5.
- 36 (g) For expenditure pursuant to paragraph (3) of subdivision (a)  
37 of, and paragraph (3) of subdivision (b) of, Section 17001.
- 38 (h) This section shall become operative on January 1, 2024.
- 39 SEC. 154. Section 48653 of the Public Resources Code is  
40 amended to read:

1 48653. The board shall deposit all amounts paid pursuant to  
2 Section 48650 by manufacturers, civil penalties, and fines paid  
3 pursuant to this chapter, and all other revenues received pursuant  
4 to this chapter into the California Used Oil Recycling Fund, which  
5 is hereby created in the State Treasury. Notwithstanding Section  
6 13340 of the Government Code, the money in the fund is to be  
7 appropriated solely as follows:

8 (a) Continuously appropriated to the board for expenditure for  
9 the following purposes:

- 10 (1) To pay recycling incentives pursuant to Section 48651.  
11 (2) To provide a reserve for contingencies, as may be available  
12 after making other payments required by this section, in an amount  
13 not to exceed one million dollars (\$1,000,000).  
14 (3) (A) To make payments for the implementation of local used  
15 oil collection programs adopted pursuant to Article 10  
16 (commencing with Section 48690) to cities, based on the city's  
17 population, and counties, based on the population of the  
18 unincorporated area of the county. Payment shall be determined  
19 by multiplying the total annual amount by the fraction equal to the  
20 population of cities and counties that are eligible for payments  
21 pursuant to Section 48690, divided by the population of the state.  
22 The board shall use the latest population estimates of the state  
23 generated by the Population Research Unit of the Department of  
24 Finance in making the calculations required by this paragraph.  
25 Notwithstanding subdivision (b) of Section 48656, the total annual  
26 amount shall equal eleven million dollars (\$11,000,000), subject  
27 to subparagraph (B).  
28 (B) If sufficient funds are not available to initially issue full  
29 funding pursuant to subparagraph (A), the board shall provide  
30 funding as follows:  
31 (i) For the purposes set forth in this paragraph, one-half of the  
32 amount that remains in the fund after the expenditures are made  
33 pursuant to paragraphs (1) and (2) and subdivision (b). The board  
34 may utilize additional amounts from the fund, up to, but not  
35 exceeding, eleven million dollars (\$11,000,000).  
36 (ii) As the board finds is fiscally appropriate, for the purposes  
37 set forth in Section 48656. The board shall give priority to the  
38 distribution of funding in clause (i) for the purposes of this  
39 paragraph.

1 (C) Pursuant to paragraph (2) of subdivision (d) of Section  
2 48691, it is the intent of this paragraph that at least one million  
3 dollars (\$1,000,000) be made available specifically for used oil  
4 filter collection and recycling programs.

5 (4) To implement Section 48660.5, in an amount not to exceed  
6 two hundred thousand dollars (\$200,000) annually.

7 (5) For expenditures pursuant to Section 48656.

8 (b) The money in the fund may be expended by the board for  
9 the administration of this chapter and by the department for  
10 inspections and reports pursuant to Section 48661, only upon  
11 appropriation by the Legislature in the annual Budget Act.

12 (c) (1) Except as provided in paragraph (2), the money in the  
13 fund may be transferred to the Farm and Ranch Solid Waste  
14 Cleanup and Abatement Account in the General Fund, upon  
15 appropriation by the Legislature in the annual Budget Act, to pay  
16 the costs associated with implementing and operating the Farm  
17 and Ranch Solid Waste Cleanup and Abatement Grant Program  
18 established pursuant to Chapter 2.5 (commencing with Section  
19 48100).

20 (2) The money in the fund attributable to a charge increase or  
21 adjustment made or authorized in an amendment to subdivision  
22 (a) of Section 48650 by the act adding this paragraph shall not be  
23 transferred to the Farm and Ranch Solid Waste Cleanup and  
24 Abatement Account.

25 (d) The money in the fund may be expended by the Department  
26 of Resources Recycling and Recovery, upon appropriation by the  
27 Legislature, pursuant to paragraph (4) of subdivision (a) of, and  
28 paragraph (4) of subdivision (b) of, Section 17001.

29 (e) Appropriations to the board to pay the costs necessary to  
30 administer this chapter shall not exceed three million dollars  
31 (\$3,000,000) annually.

32 (f) The Legislature hereby finds and declares its intent that three  
33 hundred fifty thousand dollars (\$350,000) should be annually  
34 appropriated from the California Used Oil Recycling Fund in the  
35 annual Budget Act to the board, commencing with fiscal year  
36 2010–11, for the purposes of Section 48655 and to conduct those  
37 investigations and enforcement actions necessary to ensure a used  
38 oil storage facility or used oil transfer facility causes the used  
39 lubricating oil to be transported, as required by subdivision (a) of  
40 Section 48651.

1 SEC. 155. Section 71116 of the Public Resources Code is  
2 amended to read:

3 71116. (a) The Environmental Justice Small Grant Program  
4 is hereby established under the jurisdiction of the California  
5 Environmental Protection Agency. The California Environmental  
6 Protection Agency shall adopt regulations for the implementation  
7 of this section. These regulations shall include, but need not be  
8 limited to, all of the following:

9 (1) Specific criteria and procedures for the implementation of  
10 the program.

11 (2) A requirement that each grant recipient submit a written  
12 report to the agency documenting its expenditures of the grant  
13 funds and the results of the funded project.

14 (3) Provisions promoting the equitable distribution of grant  
15 funds in a variety of areas throughout the state, with the goal of  
16 making grants available to organizations that will attempt to  
17 address environmental justice issues.

18 (b) The purpose of the program is to provide grants to eligible  
19 community groups, including, but not limited to, community-based,  
20 grassroots nonprofit organizations that are located in areas  
21 adversely affected by environmental pollution and hazards and  
22 that are involved in work to address environmental justice issues.

23 (c) (1) Both of the following are eligible to receive moneys  
24 from the fund.

25 (A) A nonprofit entity.

26 (B) A federally recognized tribal government.

27 (2) For the purposes of this section, “nonprofit entity” means  
28 any corporation, trust, association, cooperative, or other  
29 organization that meets all of the following criteria:

30 (A) Is operated primarily for scientific, educational, service,  
31 charitable, or other similar purposes in the public interest.

32 (B) Is not organized primarily for profit.

33 (C) Uses its net proceeds to maintain, improve, or expand, or  
34 any combination thereof, its operations.

35 (D) Is a tax-exempt organization under Section 501 (c)(3) of  
36 the federal Internal Revenue Code, or is able to provide evidence  
37 to the agency that the state recognizes the organization as a  
38 nonprofit entity.

39 (3) For the purposes of this section, “nonprofit entity”  
40 specifically excludes an organization that is a tax-exempt

1 organization under Section 501 (c)(4) of the federal Internal  
2 Revenue Code.

3 (d) Individuals may not receive grant moneys from the fund.

4 (e) Grant recipients shall use the grant award to fund only the  
5 project described in the recipient’s application. Recipients shall  
6 not use the grant funding to shift moneys from existing or proposed  
7 projects to activities for which grant funding is prohibited under  
8 subdivision (g).

9 (f) Grants shall be awarded on a competitive basis for projects  
10 that are based in communities with the most significant exposure  
11 to pollution. Grants shall be limited to any of the following  
12 purposes and no other:

13 (1) Resolve environmental problems through distribution of  
14 information.

15 (2) Identify improvements in communication and coordination  
16 among agencies and stakeholders in order to address the most  
17 significant exposure to pollution.

18 (3) Expand the understanding of a community about the  
19 environmental issues that affect their community.

20 (4) Develop guidance on the relative significance of various  
21 environmental risks.

22 (5) Promote community involvement in the decisionmaking  
23 process that affects the environment of the community.

24 (6) Present environmental data for the purposes of enhancing  
25 community understanding of environmental information systems  
26 and environmental information.

27 (g) (1) The agency shall not award grants for, and grant funding  
28 shall not be used for, any of the following:

29 (A) Other state grant programs.

30 (B) Lobbying or advocacy activities relating to any federal,  
31 state, regional, or local legislative, quasi-legislative, adjudicatory,  
32 or quasi-judicial proceeding involving development or adoption  
33 of statutes, guidelines, rules, regulations, plans or any other  
34 governmental proposal, or involving decisions concerning siting,  
35 permitting, licensing, or any other governmental action.

36 (C) Litigation, administrative challenges, enforcement action,  
37 or any type of adjudicatory proceeding.

38 (D) Funding of a lawsuit against any governmental entity.

39 (E) Funding of a lawsuit against a business or a project owned  
40 by a business.

1 (F) Matching state or federal funding.

2 (G) Performance of any technical assessment for purposes of  
3 opposing or contradicting a technical assessment prepared by a  
4 public agency.

5 (2) An organization’s use of funds from a grant awarded under  
6 this section to educate a community regarding an environmental  
7 justice issue or a governmental process does not preclude that  
8 organization from subsequent lobbying or advocacy concerning  
9 that same issue or governmental process, as long as the lobbying  
10 or advocacy is not funded by a grant awarded under this section.

11 (h) The agency shall review, evaluate, and select grant recipients,  
12 and screen grant applications to ensure that they meet the  
13 requirements of this section.

14 (i) The maximum amount of a grant provided pursuant to this  
15 section may not exceed fifty thousand dollars (\$50,000).

16 (j) For the purposes of this section, “environmental justice” has  
17 the same meaning as defined in Section 65040.12 of the  
18 Government Code.

19 (k) The Secretary for Environmental Protection may expend up  
20 to one million five hundred thousand dollars (\$1,500,000) per year  
21 for the purposes of this section.

22 (l) Board, departments, and offices within the California  
23 Environmental Protection Agency may allocate funds from various  
24 special funds, settlements, and penalties to implement this program.

25 SEC. 156. Section 379.6 of the Public Utilities Code is  
26 amended to read:

27 379.6. (a) (1) It is the intent of the Legislature that the  
28 self-generation incentive program increase deployment of  
29 distributed generation and energy storage systems to facilitate the  
30 integration of those resources into the electrical grid, improve  
31 efficiency and reliability of the distribution and transmission  
32 system, and reduce emissions of greenhouse gases, peak demand,  
33 and ratepayer costs. It is the further intent of the Legislature that  
34 the commission, in future proceedings, provide for an equitable  
35 distribution of the costs and benefits of the program.

36 (2) The commission, in consultation with the Energy  
37 Commission, may authorize the annual collection of not more than  
38 the amount authorized for the self-generation incentive program  
39 in the 2008 calendar year, through December 31, 2019. The  
40 commission shall require the administration of the program for

1 distributed energy resources originally established pursuant to  
2 Chapter 329 of the Statutes of 2000 until January 1, 2021. On  
3 January 1, 2021, the commission shall provide repayment of all  
4 unallocated funds collected pursuant to this section to reduce  
5 ratepayer costs.

6 (3) The commission shall administer solar technologies  
7 separately, pursuant to the California Solar Initiative adopted by  
8 the commission in Decisions 05-12-044 and 06-01-024, as modified  
9 by Article 1 (commencing with Section 2851) of Chapter 9 of Part  
10 2 of Division 1 of this code and Chapter 8.8 (commencing with  
11 Section 25780) of Division 15 of the Public Resources Code.

12 (b) (1) Eligibility for incentives under the self-generation  
13 incentive program shall be limited to distributed energy resources  
14 that the commission, in consultation with the State Air Resources  
15 Board, determines will achieve reductions in emissions of  
16 greenhouse gases pursuant to the California Global Warming  
17 Solutions Act of 2006 (Division 25.5 (commencing with Section  
18 38500) of the Health and Safety Code).

19 (2) On or before July 1, 2015, the commission shall update the  
20 factor for avoided greenhouse gas emissions based on the most  
21 recent data available to the State Air Resources Board for  
22 greenhouse gas emissions from electricity sales in the  
23 self-generation incentive program administrators' service areas as  
24 well as current estimates of greenhouse gas emissions over the  
25 useful life of the distributed energy resource, including  
26 consideration of the effects of the California Renewables Portfolio  
27 Standard.

28 (c) Eligibility for the funding of any combustion-operated  
29 distributed generation projects using fossil fuel is subject to all of  
30 the following conditions:

31 (1) An oxides of nitrogen (NO<sub>x</sub>) emissions rate standard of 0.07  
32 pounds per megawatthour and a minimum efficiency of 60 percent,  
33 or any other NO<sub>x</sub> emissions rate and minimum efficiency standard  
34 adopted by the State Air Resources Board. A minimum efficiency  
35 of 60 percent shall be measured as useful energy output divided  
36 by fuel input. The efficiency determination shall be based on 100  
37 percent load.

38 (2) Combined heat and power units that meet the 60-percent  
39 efficiency standard may take a credit to meet the applicable NO<sub>x</sub>  
40 emissions standard of 0.07 pounds per megawatthour. Credit shall

1 be at the rate of one megawatthour for each 3,400,000 British  
2 thermal units (Btus) of heat recovered.

3 (3) The customer receiving incentives shall adequately maintain  
4 and service the combined heat and power units so that during  
5 operation the system continues to meet or exceed the efficiency  
6 and emissions standards established pursuant to paragraphs (1)  
7 and (2).

8 (4) Notwithstanding paragraph (1), a project that does not meet  
9 the applicable NO<sub>x</sub> emissions standard is eligible if it meets both  
10 of the following requirements:

11 (A) The project operates solely on waste gas. The commission  
12 shall require a customer that applies for an incentive pursuant to  
13 this paragraph to provide an affidavit or other form of proof that  
14 specifies that the project shall be operated solely on waste gas.  
15 Incentives awarded pursuant to this paragraph shall be subject to  
16 refund and shall be refunded by the recipient to the extent the  
17 project does not operate on waste gas. As used in this paragraph,  
18 “waste gas” means natural gas that is generated as a byproduct of  
19 petroleum production operations and is not eligible for delivery  
20 to the utility pipeline system.

21 (B) The air quality management district or air pollution control  
22 district, in issuing a permit to operate the project, determines that  
23 operation of the project will produce an onsite net air emissions  
24 benefit, compared to permitted onsite emissions if the project does  
25 not operate. The commission shall require the customer to secure  
26 the permit prior to receiving incentives.

27 (d) In determining the eligibility for the self-generation incentive  
28 program, minimum system efficiency shall be determined either  
29 by calculating electrical and process heat efficiency as set forth in  
30 Section 216.6, or by calculating overall electrical efficiency.

31 (e) Eligibility for incentives under the program shall be limited  
32 to distributed energy resource technologies that the commission  
33 determines meet all of the following requirements:

34 (1) The distributed energy resource technology is capable of  
35 reducing demand from the grid by offsetting some or all of the  
36 customer’s onsite energy load, including, but not limited to, peak  
37 electric demand.

38 (2) The distributed energy resource technology is commercially  
39 available.

1 (3) The distributed energy resource technology safely utilizes  
2 the existing transmission and distribution system.

3 (4) The distributed energy resource technology improves air  
4 quality by reducing criteria air pollutants.

5 (f) Recipients of the self-generation incentive program funds  
6 shall provide relevant data to the commission and the State Air  
7 Resources Board, upon request, and shall be subject to onsite  
8 inspection to verify equipment operation and performance,  
9 including capacity, thermal output, and usage to verify criteria air  
10 pollutant and greenhouse gas emissions performance.

11 (g) In administering the self-generation incentive program, the  
12 commission shall determine a capacity factor for each distributed  
13 generation system energy resource technology in the program.

14 (h) (1) In administering the self-generation incentive program,  
15 the commission may adjust the amount of rebates and evaluate  
16 other public policy interests, including, but not limited to,  
17 ratepayers, energy efficiency, peak load reduction, load  
18 management, and environmental interests.

19 (2) The commission shall consider the relative amount and the  
20 cost of greenhouse gas emission reductions, peak demand  
21 reductions, system reliability benefits, and other measurable factors  
22 when allocating program funds between eligible technologies.

23 (i) The commission shall ensure that distributed generation  
24 resources are made available in the program for all ratepayers.

25 (j) In administering the self-generation incentive program, the  
26 commission shall provide an additional incentive of 20 percent  
27 from existing program funds for the installation of eligible  
28 distributed generation resources manufactured in California.

29 (k) The costs of the program adopted and implemented pursuant  
30 to this section shall not be recovered from customers participating  
31 in the California Alternate Rates for Energy (CARE) program.

32 (l) The commission shall evaluate the overall success and impact  
33 of the self-generation incentive program based on the following  
34 performance measures:

35 (1) The amount of reductions of emissions of greenhouse gases.

36 (2) The amount of reductions of emissions of criteria air  
37 pollutants measured in terms of avoided emissions and reductions  
38 of criteria air pollutants represented by emissions credits secured  
39 for project approval.

40 (3) The amount of energy reductions measured in energy value.

1 (4) The amount of reductions of aggregate noncoincident  
2 customer peak demand.

3 (5) The ratio of the electricity generated by distributed energy  
4 resource projects receiving incentives from the program to the  
5 electricity capable of being produced by those distributed energy  
6 resource projects, commonly known as a capacity factor.

7 (6) The value to the electrical transmission and distribution  
8 system measured in avoided costs of transmission and distribution  
9 upgrades and replacement.

10 (7) The ability to improve onsite electricity reliability as  
11 compared to onsite electricity reliability before the self-generation  
12 incentive program technology was placed in service.

13 SEC. 156.5. Section 1807 of the Public Utilities Code is  
14 amended to read:

15 1807. (a) An award made under this article shall be paid by  
16 the public utility that is the subject of the hearing, investigation,  
17 or proceeding, as determined by the commission, within 30 days.  
18 Notwithstanding any other law, an award paid by a public utility  
19 pursuant to this article shall be allowed by the commission as an  
20 expense for the purpose of establishing rates of the public utility  
21 by way of a dollar-for-dollar adjustment to rates imposed by the  
22 commission immediately on the determination of the amount of  
23 the award, so that the amount of the award shall be fully recovered  
24 within one year from the date of the award.

25 (b) Due to the bankruptcy of Sacramento Natural Gas Storage,  
26 the commission's intervenor compensation award to the Avondale  
27 Glen Elder Neighborhood Association in A.07-04-013 has been  
28 reduced to a fraction of the amount awarded. In this limited  
29 circumstance, the commission may pay to the Avondale Glen Elder  
30 Neighborhood Association the difference between the amount  
31 received from the bankruptcy court and the amount awarded by  
32 the commission by increasing the fees collected in section 401 for  
33 the limited purpose of D. 13-11-018.

34 SEC. 156.7. Section 2851 of the Public Utilities Code is  
35 amended to read:

36 2851. (a) In implementing the California Solar Initiative, the  
37 commission shall do all of the following:

38 (1) (A) The commission shall authorize the award of monetary  
39 incentives for up to the first megawatt of alternating current  
40 generated by solar energy systems that meet the eligibility criteria

1 established by the Energy Commission pursuant to Chapter 8.8  
2 (commencing with Section 25780) of Division 15 of the Public  
3 Resources Code. The commission shall determine the eligibility  
4 of a solar energy system, as defined in Section 25781 of the Public  
5 Resources Code, to receive monetary incentives until the time the  
6 Energy Commission establishes eligibility criteria pursuant to  
7 Section 25782. Monetary incentives shall not be awarded for solar  
8 energy systems that do not meet the eligibility criteria. The  
9 incentive level authorized by the commission shall decline each  
10 year following implementation of the California Solar Initiative,  
11 at a rate of no less than an average of 7 percent per year, and,  
12 except as provided in subparagraph (B), shall be zero as of  
13 December 31, 2016. The commission shall adopt and publish a  
14 schedule of declining incentive levels no less than 30 days in  
15 advance of the first decline in incentive levels. The commission  
16 may develop incentives based upon the output of electricity from  
17 the system, provided those incentives are consistent with the  
18 declining incentive levels of this paragraph and the incentives  
19 apply to only the first megawatt of electricity generated by the  
20 system.

21 (B) The incentive level for the installation of a solar energy  
22 system pursuant to Section 2852 shall be zero as of December 31,  
23 2021.

24 (2) The commission shall adopt a performance-based incentive  
25 program so that by January 1, 2008, 100 percent of incentives for  
26 solar energy systems of 100 kilowatts or greater and at least 50  
27 percent of incentives for solar energy systems of 30 kilowatts or  
28 greater are earned based on the actual electrical output of the solar  
29 energy systems. The commission shall encourage, and may require,  
30 performance-based incentives for solar energy systems of less than  
31 30 kilowatts. Performance-based incentives shall decline at a rate  
32 of no less than an average of 7 percent per year. In developing the  
33 performance-based incentives, the commission may:

34 (A) Apply performance-based incentives only to customer  
35 classes designated by the commission.

36 (B) Design the performance-based incentives so that customers  
37 may receive a higher level of incentives than under incentives  
38 based on installed electrical capacity.

39 (C) Develop financing options that help offset the installation  
40 costs of the solar energy system, provided that this financing is

1 ultimately repaid in full by the consumer or through the application  
2 of the performance-based rebates.

3 (3) By January 1, 2008, the commission, in consultation with  
4 the Energy Commission, shall require reasonable and cost-effective  
5 energy efficiency improvements in existing buildings as a condition  
6 of providing incentives for eligible solar energy systems, with  
7 appropriate exemptions or limitations to accommodate the limited  
8 financial resources of low-income residential housing.

9 (4) Notwithstanding subdivision (g) of Section 2827, the  
10 commission may develop a time-variant tariff that creates the  
11 maximum incentive for ratepayers to install solar energy systems  
12 so that the system's peak electricity production coincides with  
13 California's peak electricity demands and that ensures that  
14 ratepayers receive due value for their contribution to the purchase  
15 of solar energy systems and customers with solar energy systems  
16 continue to have an incentive to use electricity efficiently. In  
17 developing the time-variant tariff, the commission may exclude  
18 customers participating in the tariff from the rate cap for residential  
19 customers for existing baseline quantities or usage by those  
20 customers of up to 130 percent of existing baseline quantities, as  
21 required by Section 739.9. Nothing in this paragraph authorizes  
22 the commission to require time-variant pricing for ratepayers  
23 without a solar energy system.

24 (b) Notwithstanding subdivision (a), in implementing the  
25 California Solar Initiative, the commission may authorize the award  
26 of monetary incentives for solar thermal and solar water heating  
27 devices, in a total amount up to one hundred million eight hundred  
28 thousand dollars (\$100,800,000).

29 (c) (1) In implementing the California Solar Initiative, the  
30 commission shall not allocate more than fifty million dollars  
31 (\$50,000,000) to research, development, and demonstration that  
32 explores solar technologies and other distributed generation  
33 technologies that employ or could employ solar energy for  
34 generation or storage of electricity or to offset natural gas usage.  
35 Any program that allocates additional moneys to research,  
36 development, and demonstration shall be developed in  
37 collaboration with the Energy Commission to ensure there is no  
38 duplication of efforts, and adopted by the commission through a  
39 rulemaking or other appropriate public proceeding. Any grant  
40 awarded by the commission for research, development, and

1 demonstration shall be approved by the full commission at a public  
2 meeting. This subdivision does not prohibit the commission from  
3 continuing to allocate moneys to research, development, and  
4 demonstration pursuant to the self-generation incentive program  
5 for distributed generation resources originally established pursuant  
6 to Chapter 329 of the Statutes of 2000, as modified pursuant to  
7 Section 379.6.

8 (2) The Legislature finds and declares that a program that  
9 provides a stable source of monetary incentives for eligible solar  
10 energy systems will encourage private investment sufficient to  
11 make solar technologies cost effective.

12 (3) On or before June 30, 2009, and by June 30th of every year  
13 thereafter, the commission shall submit to the Legislature an  
14 assessment of the success of the California Solar Initiative program.  
15 That assessment shall include the number of residential and  
16 commercial sites that have installed solar thermal devices for which  
17 an award was made pursuant to subdivision (b) and the dollar value  
18 of the award, the number of residential and commercial sites that  
19 have installed solar energy systems, the electrical generating  
20 capacity of the installed solar energy systems, the cost of the  
21 program, total electrical system benefits, including the effect on  
22 electrical service rates, environmental benefits, how the program  
23 affects the operation and reliability of the electrical grid, how the  
24 program has affected peak demand for electricity, the progress  
25 made toward reaching the goals of the program, whether the  
26 program is on schedule to meet the program goals, and  
27 recommendations for improving the program to meet its goals. If  
28 the commission allocates additional moneys to research,  
29 development, and demonstration that explores solar technologies  
30 and other distributed generation technologies pursuant to paragraph  
31 (1), the commission shall include in the assessment submitted to  
32 the Legislature, a description of the program, a summary of each  
33 award made or project funded pursuant to the program, including  
34 the intended purposes to be achieved by the particular award or  
35 project, and the results of each award or project.

36 (d) (1) The commission shall not impose any charge upon the  
37 consumption of natural gas, or upon natural gas ratepayers, to fund  
38 the California Solar Initiative.

39 (2) Notwithstanding any other provision of law, any charge  
40 imposed to fund the program adopted and implemented pursuant

1 to this section shall be imposed upon all customers not participating  
2 in the California Alternate Rates for Energy (CARE) or family  
3 electric rate assistance (FERA) programs, including those  
4 residential customers subject to the rate limitation specified in  
5 Section 739.9 for existing baseline quantities or usage up to 130  
6 percent of existing baseline quantities of electricity.

7 (3) The costs of the program adopted and implemented pursuant  
8 to this section ~~may~~ *shall* not be recovered from customers  
9 participating in the California Alternate Rates for Energy or CARE  
10 program established pursuant to Section 739.1, except to the extent  
11 that program costs are recovered out of the nonbypassable system  
12 benefits charge authorized pursuant to Section 399.8.

13 (e) Except as provided in subdivision (f), *in* implementing the  
14 California Solar Initiative, the commission shall ensure that the  
15 total cost over the duration of the program does not exceed three  
16 billion five hundred fifty million eight hundred thousand dollars  
17 (\$3,550,800,000). Except as provided in subdivision (f), financial  
18 components of the California Solar Initiative shall consist of the  
19 following:

20 (1) Programs under the supervision of the commission funded  
21 by charges collected from customers of San Diego Gas and Electric  
22 Company, Southern California Edison Company, and Pacific Gas  
23 and Electric Company. Except as provided in subdivision (f), the  
24 total cost over the duration of these programs shall not exceed two  
25 billion three hundred sixty-six million eight hundred thousand  
26 dollars (\$2,366,800,000) and includes moneys collected directly  
27 into a tracking account for support of the California Solar Initiative.

28 (2) Programs adopted, implemented, and financed in the amount  
29 of seven hundred eighty-four million dollars (\$784,000,000), by  
30 charges collected by local publicly owned electric utilities pursuant  
31 to Section 2854. Nothing in this subdivision shall give the  
32 commission power and jurisdiction with respect to a local publicly  
33 owned electric utility or its customers.

34 (3) Programs for the installation of solar energy systems on new  
35 construction (New Solar Homes Partnership Program),  
36 administered by the Energy Commission, and funded by charges  
37 in the amount of four hundred million dollars (\$400,000,000),  
38 collected from customers of San Diego Gas and Electric Company,  
39 Southern California Edison Company, and Pacific Gas and Electric  
40 Company. If the commission is notified by the Energy Commission

1 that funding available pursuant to Section 25751 of the Public  
2 Resources Code for the New Solar Homes Partnership Program  
3 ~~has and any other funding for the purposes of this paragraph have~~  
4 been exhausted, the commission may require an electrical  
5 corporation to continue administration of the program pursuant to  
6 the guidelines established for the program by the Energy  
7 Commission, until the funding limit authorized by this paragraph  
8 has been reached. The commission, in consultation with the Energy  
9 Commission, shall supervise the administration of the continuation  
10 of the New Solar Homes Partnership Program by an electrical  
11 corporation. An electrical corporation may elect to have a third  
12 party, including the Energy Commission, administer the utility's  
13 continuation of the New Solar Homes Partnership Program. After  
14 the exhaustion of funds, the Energy Commission shall notify the  
15 Joint Legislative Budget Committee 30 days prior to the  
16 continuation of the program.

17 (4) The changes made to this subdivision by Chapter 39 of the  
18 Statutes of 2012 do not authorize the levy of a charge or any  
19 increase in the amount collected pursuant to any existing charge,  
20 nor do the changes add to, or detract from, the commission's  
21 existing authority to levy or increase charges.

22 (f) Upon the expenditure or reservation in any electrical  
23 corporation's service territory of the amount specified in paragraph  
24 (1) of subdivision (e) for low-income residential housing programs  
25 pursuant to subdivision (c) of Section 2852, the commission shall  
26 authorize the continued collection of the charge for the purposes  
27 of Section 2852. The commission shall ensure that the total amount  
28 collected pursuant to this subdivision does not exceed one hundred  
29 eight million dollars (\$108,000,000). Upon approval by the  
30 commission, an electrical corporation may use amounts collected  
31 pursuant to subdivision (e) for purposes of funding the general  
32 market portion of the California Solar Initiative, that remain  
33 unspent and unencumbered after December 31, 2016, to reduce  
34 the electrical corporation's portion of the total amount collected  
35 pursuant to this subdivision.

36 SEC. 157. Section 46001.5 is added to the Revenue and  
37 Taxation Code, to read:

38 46001.5. (a) The board may adopt regulations relating to the  
39 administration and enforcement of this part pursuant to the  
40 Administrative Procedure Act (Chapter 3.5 (commencing with

1 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
2 Code).

3 (b) An emergency regulation adopted pursuant to amendments  
4 made to this part by Assembly Bill 1466 of the 2013–14 Regular  
5 Session shall be deemed an emergency and necessary to avoid  
6 serious harm to the public peace, health, safety, or general welfare  
7 for the purposes of Sections 11346.1 and 11349.6 of the  
8 Government Code, and the board is hereby exempt from the  
9 requirement that it describe facts showing the need for immediate  
10 action and from review by the Office of Administrative Law.

11 SEC. 158. Section 46002 of the Revenue and Taxation Code  
12 is amended to read:

13 46002. The collection and administration of the fees referred  
14 to in Sections 46051 and 46052 shall be governed by the definitions  
15 contained in Chapter 7.4 (commencing with Section 8670.1) of  
16 Division 1 of Title 2 of the Government Code and this part.

17 SEC. 159. Section 46006 of the Revenue and Taxation Code  
18 is amended to read:

19 46006. “Administrator” means the person appointed by the  
20 Governor pursuant to Section 8670.4 of the Government Code to  
21 implement the Lempert-Keene-Seastrand Oil Spill Prevention and  
22 Response Act (Chapter 7.4 (commencing with Section 8670.1) of  
23 Division 1 of Title 2 of the Government Code).

24 SEC. 160. Section 46007 of the Revenue and Taxation Code  
25 is amended to read:

26 46007. “Barges” means vessels that carry oil in commercial  
27 quantities as cargo but are not equipped with a means of  
28 self-propulsion.

29 SEC. 161. Section 46008 of the Revenue and Taxation Code  
30 is repealed.

31 SEC. 162. Section 46010 of the Revenue and Taxation Code  
32 is amended to read:

33 46010. “Crude oil” means petroleum in an unrefined or natural  
34 state, including condensate and natural gasoline, and including  
35 substances that enhance, cut, thin, or reduce viscosity.

36 SEC. 163. Section 46011 of the Revenue and Taxation Code  
37 is repealed.

38 SEC. 164. Section 46011 is added to the Revenue and Taxation  
39 Code, to read:

1 46011. (a) “Facility” means any of the following located in  
2 state waters or located where an oil spill may impact state waters:  
3 (1) A building, structure, installation, or equipment used in oil  
4 exploration, oil well drilling operations, oil production, oil refining,  
5 oil storage, oil gathering, oil processing, oil transfer, oil  
6 distribution, or oil transportation.  
7 (2) A marine terminal.  
8 (3) A pipeline that transports oil.  
9 (4) A railroad that transports oil as cargo.  
10 (5) A drill ship, semisubmersible drilling platform, jack-up type  
11 drilling rig, or any other floating or temporary drilling platform.  
12 (b) “Facility” does not include any of the following:  
13 (1) A vessel, except a vessel located and used for any purpose  
14 described in paragraph (5) of subdivision (a).  
15 (2) An owner or operator subject to Chapter 6.67 (commencing  
16 with Section 25270) of or Chapter 6.75 (commencing with Section  
17 25299.10) of Division 20 of the Health and Safety Code.  
18 (3) Operations on a farm, nursery, logging site, or construction  
19 site that are either of the following:  
20 (A) Do not exceed 20,000 gallons in a single storage tank.  
21 (B) Have a useable tank storage capacity not exceeding 75,000  
22 gallons.  
23 (4) A small craft refueling dock.  
24 SEC. 165. Section 46013 of the Revenue and Taxation Code  
25 is amended to read:  
26 46013. “Feepayer” means any person liable for the payment  
27 of a fee imposed by either Section 8670.40 or 8670.48 of the  
28 Government Code.  
29 SEC. 166. Section 46014 of the Revenue and Taxation Code  
30 is repealed.  
31 SEC. 167. Section 46015 of the Revenue and Taxation Code  
32 is repealed.  
33 SEC. 168. Section 46016 of the Revenue and Taxation Code  
34 is repealed.  
35 SEC. 169. Section 46017 of the Revenue and Taxation Code  
36 is amended to read:  
37 46017. “Marine terminal” means any facility used for  
38 transferring crude oil or petroleum products to or from tankers or  
39 barges. For purposes of this part, a marine terminal includes all

1 piping not integrally connected to a tank facility as defined in  
2 subdivision (n) of Section 25270.2 of the Health and Safety Code.

3 SEC. 170. Section 46018 of the Revenue and Taxation Code  
4 is repealed.

5 SEC. 171. Section 46018 is added to the Revenue and Taxation  
6 Code, to read:

7 46018. “Oil” means any kind of petroleum, liquid  
8 hydrocarbons, or petroleum products or any fraction or residues  
9 therefrom, including, but not limited to, crude oil, bunker fuel,  
10 gasoline, diesel fuel, aviation fuel, oil sludge, oil refuse, oil mixed  
11 with waste, and liquid distillates from unprocessed natural gas.

12 SEC. 172. Section 46019 of the Revenue and Taxation Code  
13 is repealed.

14 SEC. 173. Section 46023 of the Revenue and Taxation Code  
15 is amended to read:

16 46023. “Refinery” means a facility that refines crude oil,  
17 including condensate and natural gasoline, into petroleum products,  
18 lubricating oils, coke, or asphalt.

19 SEC. 174. Section 46024 of the Revenue and Taxation Code  
20 is repealed.

21 SEC. 175. Section 46025 of the Revenue and Taxation Code  
22 is repealed.

23 SEC. 176. Section 46027 of the Revenue and Taxation Code  
24 is repealed.

25 SEC. 177. Section 46027 is added to the Revenue and Taxation  
26 Code, to read:

27 46027. “State waters” or “waters of the state” means any  
28 surface water, including saline waters, marine waters, and  
29 freshwaters, within the boundaries of the state but does not include  
30 groundwater.

31 SEC. 178. Section 46028 of the Revenue and Taxation Code  
32 is amended to read:

33 46028. “Tanker” means a self-propelled vessel that is  
34 constructed or adapted for the carriage of oil in bulk or in  
35 commercial quantities as cargo.

36 SEC. 179. Section 46101 of the Revenue and Taxation Code  
37 is amended to read:

38 46101. Every person who operates a refinery in this state, a  
39 marine terminal in waters of the state, or operates a pipeline to

1 transport crude oil or petroleum products out of the state shall  
2 register with the board.

3 SEC. 180. Section 5024 of the Vehicle Code is amended to  
4 read:

5 5024. (a) A person described in Section 5101 may also apply  
6 for a set of commemorative collegiate reflectorized license plates,  
7 and the department shall issue those special license plates in lieu  
8 of the regular license plates. The collegiate reflectorized plates  
9 shall be of a distinctive design, and shall be available in a special  
10 series of letters or numbers, or both, as determined by the  
11 department. The collegiate reflectorized plates shall also contain  
12 the name of the participating institution as well as the reflectorized  
13 logotype, motto, symbol, or other distinctive design, as approved  
14 by the department, representing the participating university or  
15 college selected by the applicant. The department may issue the  
16 commemorative collegiate reflectorized license plates as  
17 environmental license plates, as defined in Section 5103, in a  
18 combination of numbers or letters, or both, as requested by the  
19 owner or lessee of the vehicle.

20 (b) Any public or private postsecondary educational institution  
21 in the state, which is accredited or has been accepted as a  
22 recognized candidate for accreditation by the Western Association  
23 of Schools and Colleges, may indicate to the department its  
24 decision to be included in the commemorative collegiate license  
25 plate program and submit its distinctive design for the logotype,  
26 motto, symbol, or other design. However, no public or private  
27 postsecondary educational institution may be included in the  
28 program until not less than 5,000 applications are received for  
29 license plates containing that institution's logotype, motto, symbol,  
30 or other design. Each participating institution shall collect and hold  
31 applications for collegiate license plates until it has received at  
32 least 5,000 applications. Once the institution has received at least  
33 5,000 applications, it shall submit the applications, along with the  
34 necessary fees, to the department. Upon receiving the first  
35 application, the institution shall have one calendar year to receive  
36 the remaining required applications. If, after that one calendar  
37 year, 5,000 applications have not been received, the institution  
38 shall refund to all applicants any fees or deposits which have been  
39 collected.

1 (c) In addition to the regular fees for an original registration, a  
2 renewal of registration, or a transfer of registration, the following  
3 commemorative collegiate license plate fees shall be paid:

4 (1) Fifty dollars (\$50) for the initial issuance of the plates. These  
5 plates shall be permanent and shall not be required to be replaced.

6 (2) Forty dollars (\$40) for each renewal of registration which  
7 includes the continued display of the plates.

8 (3) Fifteen dollars (\$15) for transfer of the plates to another  
9 vehicle.

10 (4) Thirty-five dollars (\$35) for replacement plates, if the plates  
11 become damaged or unserviceable.

12 (d) When payment of renewal fees is not required as specified  
13 in Section 4000, or when the person determines to retain the  
14 commemorative collegiate license plates upon sale, trade, or other  
15 release of the vehicle upon which the plates have been displayed,  
16 the person shall notify the department and the person may retain  
17 the plates.

18 (e) Of the revenue derived from the additional special fees  
19 provided in this section, less costs incurred by the department  
20 pursuant to this section, one-half shall be deposited in the  
21 California Collegiate License Plate Fund, which is hereby created,  
22 and one-half shall be deposited in the California Environmental  
23 License Plate Fund.

24 (f) The money in the California Collegiate License Plate Fund  
25 is, notwithstanding Section 13340 of the Government Code,  
26 continuously appropriated to the Controller for allocation as  
27 follows:

28 (1) To the governing body of participating public institutions  
29 in the proportion that funds are collected on behalf of each, to be  
30 used for need-based scholarships, distributed according to federal  
31 student aid guidelines.

32 (2) With respect to funds collected on behalf of accredited  
33 nonprofit, private, and independent colleges and universities in  
34 the state, to the California Student Aid Commission for grants to  
35 students at those institutions, in the proportion that funds are  
36 collected on behalf of each institution, who demonstrate eligibility  
37 and need in accordance with the Cal Grant Program pursuant to  
38 Chapter 1.7 (commencing with Section 69430) of Part 42 of the  
39 Education Code, but who did not receive an award based on a  
40 listing prepared by the California Student Aid Commission.

1 (g) The scholarships and grants shall be awarded without regard  
2 to race, religion, creed, sex, or age.

3 (h) The Resources License Plate Fund is hereby abolished and  
4 all remaining funds shall be transferred to the California  
5 Environmental License Plate Fund effective July 1, 2014.

6 SEC. 181. Section 174 of the Water Code is amended to read:

7 174. (a) The Legislature hereby finds and declares that in order  
8 to provide for the orderly and efficient administration of the water  
9 resources of the state, it is necessary to establish a control board  
10 that shall exercise the adjudicatory and regulatory functions of the  
11 state in the field of water resources.

12 (b) It is also the intention of the Legislature to combine the  
13 water rights and the water pollution and water quality functions  
14 of state government to provide for consideration of water pollution  
15 and water quality, and availability of unappropriated water  
16 whenever applications for appropriation of water are granted or  
17 waste discharge requirements or water quality objectives are  
18 established.

19 (c) This section shall become inoperative on July 1, 2014, and,  
20 as of January 1, 2015, is repealed, unless a later enacted statute,  
21 that becomes operative on or before January 1, 2015, deletes or  
22 extends the dates on which it becomes inoperative and is repealed.

23 SEC. 182. Section 174 is added to the Water Code, to read:

24 174. (a) The Legislature hereby finds and declares that in order  
25 to provide for the orderly and efficient administration of the water  
26 resources of the state, it is necessary to establish a control board  
27 that shall exercise the adjudicatory and regulatory functions of the  
28 state in the field of water resources.

29 (b) It is also the intention of the Legislature to combine the  
30 water rights, water quality, and drinking water functions of the  
31 state government to provide for coordinated consideration of water  
32 rights, water quality, and safe and reliable drinking water.

33 (c) This section shall become operative on July 1, 2014.

34 SEC. 183. Section 10783 of the Water Code is amended to  
35 read:

36 10783. (a) The Legislature finds and declares that protecting  
37 the state's groundwater for beneficial use, particularly sources and  
38 potential sources of drinking water, is of paramount concern.

39 (b) The Legislature further finds and declares that strategic,  
40 scientifically based groundwater monitoring of the state's oil and

1 gas fields is critical to allaying the public's concerns regarding  
2 well stimulation treatments of oil and gas wells.

3 (c) On or before July 1, 2015, in order to assess the potential  
4 effects of well stimulation treatments, as defined in Article 3  
5 (commencing with Section 3150) of Chapter 1 of Division 3 of  
6 the Public Resources Code, on the state's groundwater resources  
7 in a systematic way, the state board shall develop model  
8 groundwater monitoring criteria, to be implemented either on a  
9 well-by-well basis for a well subject to well stimulation treatment  
10 or on a regional scale. The model criteria shall address a range of  
11 spatial sampling scales from methods for conducting appropriate  
12 monitoring on individual oil and gas wells subject to a well  
13 stimulation treatment, to methods for conducting a regional  
14 groundwater monitoring program. The state board shall take into  
15 consideration the recommendations received pursuant to  
16 subdivision (d) and shall include in the model criteria, at a  
17 minimum, the components identified in subdivision (f). The state  
18 board shall prioritize monitoring of groundwater that is or has the  
19 potential to be a source of drinking water, but shall protect all  
20 waters designated for any beneficial use.

21 (d) The state board, in consultation with the Department of  
22 Conservation, Division of Oil, Gas, and Geothermal Resources,  
23 shall seek the advice of experts on the design of the model  
24 groundwater monitoring criteria. The experts shall assess and make  
25 recommendations to the state board on the model criteria. These  
26 recommendations shall prioritize implementation of regional  
27 groundwater monitoring programs statewide, as warranted, based  
28 upon the prevalence of well stimulation treatments of oil and gas  
29 wells and groundwater suitable as a source of drinking water.

30 (e) The state board shall also seek the advice of stakeholders  
31 representing the diverse interests of the oil- and gas-producing  
32 areas of the state. The stakeholders shall include the oil and gas  
33 industry, agriculture, environmental justice, and local government,  
34 among others, with regional representation commensurate with  
35 the intensity of oil and gas development in that area. The  
36 stakeholders shall also make recommendations to the state board  
37 regarding the development and implementation of groundwater  
38 monitoring criteria, including priority locations for implementation.

39 (f) The scope and nature of the model groundwater monitoring  
40 criteria shall include the determination of all of the following:

- 1 (1) An assessment of the areas to conduct groundwater quality  
2 monitoring and their appropriate boundaries.
- 3 (2) A list of the constituents to measure and assess water quality.
- 4 (3) The location, depth, and number of monitoring wells  
5 necessary to detect groundwater contamination at spatial scales  
6 ranging from an individual oil and gas well to a regional  
7 groundwater basin including one or more oil and gas fields.
- 8 (4) The frequency and duration of the monitoring.
- 9 (5) A threshold criteria indicating a transition from well-by-well  
10 monitoring to a regional monitoring program.
- 11 (6) Data collection and reporting protocols.
- 12 (7) Public access to the collected data under paragraph (6).
- 13 (g) Factors to consider in addressing subdivision (f) shall  
14 include, but are not limited to, all of the following:
  - 15 (1) The existing quality and existing and potential use of the  
16 groundwater.
  - 17 (2) Groundwater that is not a source of drinking water consistent  
18 with the United States Environmental Protection Agency's  
19 definition of an Underground Source of Drinking Water as  
20 containing less than 10,000 milligrams per liter total dissolved  
21 solids in groundwater (40 C.F.R. 144.3), including exempt aquifers  
22 pursuant to Section 146.4 of Title 40 of the Code of Federal  
23 Regulations.
  - 24 (3) Proximity to human population, public water service wells,  
25 and private groundwater use, if known.
  - 26 (4) The presence of existing oil and gas production fields,  
27 including the distribution, physical attributes, and operational status  
28 of oil and gas wells therein.
  - 29 (5) Events, including well stimulation treatments and oil and  
30 gas well failures, among others, that have the potential to  
31 contaminate groundwater, appropriate monitoring to evaluate  
32 whether groundwater contamination can be attributable to a  
33 particular event, and any monitoring changes necessary if  
34 groundwater contamination is observed.
- 35 (h) (1) On or before January 1, 2016, the state board or  
36 appropriate regional board shall begin implementation of the  
37 regional groundwater monitoring programs based upon the model  
38 criteria developed under subdivision (c).
- 39 (2) In the absence of state implementation of a regional  
40 groundwater monitoring program, a well owner or operator may

1 develop and implement an area-specific groundwater monitoring  
2 program, for the purpose of subparagraph (D) of paragraph (3) of  
3 subdivision (d) of Section 3160 of the Public Resources Code,  
4 based upon the model criteria developed under subdivision (c),  
5 subject to approval by the state or regional board, and that meets  
6 the requirements of this section.

7 (i) The model criteria for either a well-by-well basis for a well  
8 subject to well stimulation treatment, or for a regional groundwater  
9 monitoring program, shall be used to satisfy the permitting  
10 requirements for well stimulation treatments on oil and gas wells  
11 pursuant to Section 3160 of the Public Resources Code. The model  
12 criteria used on a well-by-well basis for a well subject to a well  
13 stimulation treatment shall be used where no regional groundwater  
14 monitoring plan approved by the state or regional board, if  
15 applicable, exists and has been implemented by either the state or  
16 regional board or the well owner or operator.

17 (j) The model criteria shall accommodate monitoring where  
18 surface access is limited. Monitoring is not required for oil and  
19 gas wells where the wells do not penetrate groundwater of  
20 beneficial use, as determined by a regional water quality control  
21 board, or solely penetrate exempt aquifers pursuant to Section  
22 146.4 of Title 40 of the Code of Federal Regulations.

23 (k) (1) The model criteria and groundwater monitoring  
24 programs shall be reviewed and updated periodically, as needed.

25 (2) The use of the United States Environmental Protection  
26 Agency's definition of an Underground Source of Drinking Water  
27 as containing less than 10,000 milligrams per liter total dissolved  
28 solids in groundwater (40 C.F.R. 144.3) and whether exempt  
29 aquifers pursuant to Section 146.4 of Title 40 of the Code of  
30 Federal Regulations shall be subject to groundwater monitoring  
31 shall be reviewed by the state board through a public process on  
32 or before January 1, 2020.

33 (l) (1) All groundwater quality data collected pursuant to  
34 subparagraph (F) of paragraph (1) of subdivision (d) of Section  
35 3160 of the Public Resources Code shall be submitted to the state  
36 board in an electronic format that is compatible with the state  
37 board's GeoTracker database, following the guidelines detailed in  
38 Chapter 30 (commencing with Section 3890) of Division 3 of Title  
39 23 of the California Code of Regulations.

1 (2) A copy of the reported data under paragraph (1) shall be  
2 transferred by the state board to a public, nonprofit  
3 doctoral-degree-granting educational institution located in the San  
4 Joaquin Valley, administered pursuant to Section 9 of Article IX  
5 of the California Constitution, in order to form the basis of a  
6 comprehensive groundwater quality data repository to promote  
7 research, foster interinstitutional collaboration, and seek  
8 understanding of the numerous factors influencing the state's  
9 groundwater.

10 (m) The adoption of criteria required pursuant to this section is  
11 exempt from the rulemaking provisions of the Administrative  
12 Procedure Act (Chapter 3.5 (commencing with Section 11340) of  
13 Part 1 of Division 3 of Title 2 of the Government Code). The  
14 adoption of criteria pursuant to this section shall instead be  
15 accomplished by means of a public process reasonably calculated  
16 to give those persons interested in their adoption an opportunity  
17 to be heard.

18 SEC. 184. Section 13272 of the Water Code is amended to  
19 read:

20 13272. (a) Except as provided by subdivision (b), any person  
21 who, without regard to intent or negligence, causes or permits any  
22 oil or petroleum product to be discharged in or on any waters of  
23 the state, or discharged or deposited where it is, or probably will  
24 be, discharged in or on any waters of the state, shall, as soon as  
25 (1) that person has knowledge of the discharge, (2) notification is  
26 possible, and (3) notification can be provided without substantially  
27 impeding cleanup or other emergency measures, immediately  
28 notify the Office of Emergency Services of the discharge in  
29 accordance with the spill reporting provision of the California oil  
30 spill contingency plan adopted pursuant to Article 3.5 (commencing  
31 with Section 8574.1) of Chapter 7 of Division 1 of Title 2 of the  
32 Government Code.

33 (b) The notification required by this section shall not apply to  
34 a discharge in compliance with waste discharge requirements or  
35 other provisions of this division.

36 (c) Any person who fails to provide the notice required by this  
37 section is guilty of a misdemeanor and shall be punished by a fine  
38 of not less than five hundred dollars (\$500) or more than five  
39 thousand dollars (\$5,000) per day for each day of failure to notify,  
40 or imprisonment of not more than one year, or both. Except where

1 a discharge to the waters of this state would have occurred but for  
2 cleanup or emergency response by a public agency, this subdivision  
3 shall not apply to any discharge to land that does not result in a  
4 discharge to the waters of this state. This subdivision shall not  
5 apply to any person who is fined by the federal government for a  
6 failure to report a discharge of oil.

7 (d) Notification received pursuant to this section or information  
8 obtained by use of that notification shall not be used against any  
9 person providing the notification in any criminal case, except in  
10 a prosecution for perjury or giving a false statement.

11 (e) Immediate notification to the appropriate regional board of  
12 the discharge, in accordance with reporting requirements set under  
13 Section 13267 or 13383, shall constitute compliance with the  
14 requirements of subdivision (a).

15 (f) The reportable quantity for oil or petroleum products shall  
16 be one barrel (42 gallons) or more, by direct discharge to the  
17 receiving waters, unless a more restrictive reporting standard for  
18 a particular body of water is adopted.

19 SEC. 185. Section 13350 of the Water Code is amended to  
20 read:

21 13350. (a) A person who (1) violates a cease and desist order  
22 or cleanup and abatement order hereafter issued, reissued, or  
23 amended by a regional board or the state board, or (2) in violation  
24 of a waste discharge requirement, waiver condition, certification,  
25 or other order or prohibition issued, reissued, or amended by a  
26 regional board or the state board, discharges waste, or causes or  
27 permits waste to be deposited where it is discharged, into the waters  
28 of the state, or (3) causes or permits any oil or any residuary  
29 product of petroleum to be deposited in or on any of the waters of  
30 the state, except in accordance with waste discharge requirements  
31 or other actions or provisions of this division, shall be liable civilly,  
32 and remedies may be proposed, in accordance with subdivision  
33 (d) or (e).

34 (b) (1) A person who, without regard to intent or negligence,  
35 causes or permits a hazardous substance to be discharged in or on  
36 any of the waters of the state, except in accordance with waste  
37 discharge requirements or other provisions of this division, shall  
38 be strictly liable civilly in accordance with subdivision (d) or (e).

39 (2) For purposes of this subdivision, the term “discharge”  
40 includes only those discharges for which Section 13260 directs

1 that a report of waste discharge shall be filed with the regional  
2 board.

3 (3) For purposes of this subdivision, the term “discharge” does  
4 not include an emission excluded from the applicability of Section  
5 311 of the Clean Water Act (33 U.S.C. Sec. 1321) pursuant to  
6 Environmental Protection Agency regulations interpreting Section  
7 311(a)(2) of the Clean Water Act (33 U.S.C. Sec. 1321(a)(2)).

8 (c) A person shall not be liable under subdivision (b) if the  
9 discharge is caused solely by any one or combination of the  
10 following:

11 (1) An act of war.

12 (2) An unanticipated grave natural disaster or other natural  
13 phenomenon of an exceptional, inevitable, and irresistible  
14 character, the effects of which could not have been prevented or  
15 avoided by the exercise of due care or foresight.

16 (3) Negligence on the part of the state, the United States, or any  
17 department or agency thereof. However, this paragraph shall not  
18 be interpreted to provide the state, the United States, or any  
19 department or agency thereof a defense to liability for any  
20 discharge caused by its own negligence.

21 (4) An intentional act of a third party, the effects of which could  
22 not have been prevented or avoided by the exercise of due care or  
23 foresight.

24 (5) Any other circumstance or event that causes the discharge  
25 despite the exercise of every reasonable precaution to prevent or  
26 mitigate the discharge.

27 (d) The court may impose civil liability either on a daily basis  
28 or on a per gallon basis, but not on both.

29 (1) The civil liability on a daily basis shall not exceed fifteen  
30 thousand dollars (\$15,000) for each day the violation occurs.

31 (2) The civil liability on a per gallon basis shall not exceed  
32 twenty dollars (\$20) for each gallon of waste discharged.

33 (e) The state board or a regional board may impose civil liability  
34 administratively pursuant to Article 2.5 (commencing with Section  
35 13323) of Chapter 5 either on a daily basis or on a per gallon basis,  
36 but not on both.

37 (1) The civil liability on a daily basis shall not exceed five  
38 thousand dollars (\$5,000) for each day the violation occurs.

39 (A) When there is a discharge, and a cleanup and abatement  
40 order is issued, except as provided in subdivision (f), the civil

1 liability shall not be less than five hundred dollars (\$500) for each  
2 day in which the discharge occurs and for each day the cleanup  
3 and abatement order is violated.

4 (B) When there is no discharge, but an order issued by the  
5 regional board is violated, except as provided in subdivision (f),  
6 the civil liability shall not be less than one hundred dollars (\$100)  
7 for each day in which the violation occurs.

8 (2) The civil liability on a per gallon basis shall not exceed ten  
9 dollars (\$10) for each gallon of waste discharged.

10 (f) A regional board shall not administratively impose civil  
11 liability in accordance with paragraph (1) of subdivision (e) in an  
12 amount less than the minimum amount specified, unless the  
13 regional board makes express findings setting forth the reasons  
14 for its action based upon the specific factors required to be  
15 considered pursuant to Section 13327.

16 (g) The Attorney General, upon request of a regional board or  
17 the state board, shall petition the superior court to impose, assess,  
18 and recover the sums. Except in the case of a violation of a cease  
19 and desist order, a regional board or the state board shall make the  
20 request only after a hearing, with due notice of the hearing given  
21 to all affected persons. In determining the amount to be imposed,  
22 assessed, or recovered, the court shall be subject to Section 13351.

23 (h) Article 3 (commencing with Section 13330) and Article 6  
24 (commencing with Section 13360) apply to proceedings to impose,  
25 assess, and recover an amount pursuant to this article.

26 (i) A person who incurs any liability established under this  
27 section shall be entitled to contribution for that liability from a  
28 third party, in an action in the superior court and upon proof that  
29 the discharge was caused in whole or in part by an act or omission  
30 of the third party, to the extent that the discharge is caused by the  
31 act or omission of the third party, in accordance with the principles  
32 of comparative fault.

33 (j) Remedies under this section are in addition to, and do not  
34 supersede or limit, any and all other remedies, civil or criminal,  
35 except that no liability shall be recoverable under subdivision (b)  
36 for any discharge for which liability is recovered under Section  
37 13385.

38 (k) Notwithstanding any other law, all funds generated by the  
39 imposition of liabilities pursuant to this section shall be deposited  
40 into the Waste Discharge Permit Fund. These moneys shall be

1 separately accounted for, and shall be available for expenditure,  
2 upon appropriation by the Legislature, for the following purposes:

3 (1) To the state board to assist regional boards, and other public  
4 agencies with authority to clean up waste or abate the effects of  
5 the waste, in cleaning up or abating the effects of the waste on  
6 waters of the state, or for the purposes authorized in Section 13443,  
7 or to assist in implementing Chapter 7.3 (commencing with Section  
8 13560).

9 (2) Up to five hundred thousand dollars (\$500,000) per fiscal  
10 year, to assist the Department of Fish and Wildlife to address the  
11 impacts of marijuana cultivation on the natural resources of the  
12 state.

13 (l) This section shall remain in effect only until July 1, 2017,  
14 and as of that date is repealed, unless a later enacted statute, that  
15 is enacted before July 1, 2017, deletes or extends that date.

16 SEC. 186. Section 13350 is added to the Water Code, to read:

17 13350. (a) A person who (1) violates a cease and desist order  
18 or cleanup and abatement order hereafter issued, reissued, or  
19 amended by a regional board or the state board, or (2) in violation  
20 of a waste discharge requirement, waiver condition, certification,  
21 or other order or prohibition issued, reissued, or amended by a  
22 regional board or the state board, discharges waste, or causes or  
23 permits waste to be deposited where it is discharged, into the waters  
24 of the state, or (3) causes or permits any oil or any residuary  
25 product of petroleum to be deposited in or on any of the waters of  
26 the state, except in accordance with waste discharge requirements  
27 or other actions or provisions of this division, shall be liable civilly,  
28 and remedies may be proposed, in accordance with subdivision  
29 (d) or (e).

30 (b) (1) A person who, without regard to intent or negligence,  
31 causes or permits a hazardous substance to be discharged in or on  
32 any of the waters of the state, except in accordance with waste  
33 discharge requirements or other provisions of this division, shall  
34 be strictly liable civilly in accordance with subdivision (d) or (e).

35 (2) For purposes of this subdivision, the term “discharge”  
36 includes only those discharges for which Section 13260 directs  
37 that a report of waste discharge shall be filed with the regional  
38 board.

39 (3) For purposes of this subdivision, the term “discharge” does  
40 not include an emission excluded from the applicability of Section

1 311 of the Clean Water Act (33 U.S.C. Sec. 1321) pursuant to  
2 Environmental Protection Agency regulations interpreting Section  
3 311(a)(2) of the Clean Water Act (33 U.S.C. Sec. 1321(a)(2)).

4 (c) A person shall not be liable under subdivision (b) if the  
5 discharge is caused solely by any one or combination of the  
6 following:

7 (1) An act of war.

8 (2) An unanticipated grave natural disaster or other natural  
9 phenomenon of an exceptional, inevitable, and irresistible  
10 character, the effects of which could not have been prevented or  
11 avoided by the exercise of due care or foresight.

12 (3) Negligence on the part of the state, the United States, or any  
13 department or agency thereof. However, this paragraph shall not  
14 be interpreted to provide the state, the United States, or any  
15 department or agency thereof a defense to liability for any  
16 discharge caused by its own negligence.

17 (4) An intentional act of a third party, the effects of which could  
18 not have been prevented or avoided by the exercise of due care or  
19 foresight.

20 (5) Any other circumstance or event that causes the discharge  
21 despite the exercise of every reasonable precaution to prevent or  
22 mitigate the discharge.

23 (d) The court may impose civil liability either on a daily basis  
24 or on a per gallon basis, but not on both.

25 (1) The civil liability on a daily basis shall not exceed fifteen  
26 thousand dollars (\$15,000) for each day the violation occurs.

27 (2) The civil liability on a per gallon basis shall not exceed  
28 twenty dollars (\$20) for each gallon of waste discharged.

29 (e) The state board or a regional board may impose civil liability  
30 administratively pursuant to Article 2.5 (commencing with Section  
31 13323) of Chapter 5 either on a daily basis or on a per gallon basis,  
32 but not on both.

33 (1) The civil liability on a daily basis shall not exceed five  
34 thousand dollars (\$5,000) for each day the violation occurs.

35 (A) When there is a discharge, and a cleanup and abatement  
36 order is issued, except as provided in subdivision (f), the civil  
37 liability shall not be less than five hundred dollars (\$500) for each  
38 day in which the discharge occurs and for each day the cleanup  
39 and abatement order is violated.

1 (B) When there is no discharge, but an order issued by the  
2 regional board is violated, except as provided in subdivision (f),  
3 the civil liability shall not be less than one hundred dollars (\$100)  
4 for each day in which the violation occurs.

5 (2) The civil liability on a per gallon basis shall not exceed ten  
6 dollars (\$10) for each gallon of waste discharged.

7 (f) A regional board shall not administratively impose civil  
8 liability in accordance with paragraph (1) of subdivision (e) in an  
9 amount less than the minimum amount specified, unless the  
10 regional board makes express findings setting forth the reasons  
11 for its action based upon the specific factors required to be  
12 considered pursuant to Section 13327.

13 (g) The Attorney General, upon request of a regional board or  
14 the state board, shall petition the superior court to impose, assess,  
15 and recover the sums. Except in the case of a violation of a cease  
16 and desist order, a regional board or the state board shall make the  
17 request only after a hearing, with due notice of the hearing given  
18 to all affected persons. In determining the amount to be imposed,  
19 assessed, or recovered, the court shall be subject to Section 13351.

20 (h) Article 3 (commencing with Section 13330) and Article 6  
21 (commencing with Section 13360) apply to proceedings to impose,  
22 assess, and recover an amount pursuant to this article.

23 (i) A person who incurs any liability established under this  
24 section shall be entitled to contribution for that liability from a  
25 third party, in an action in the superior court and upon proof that  
26 the discharge was caused in whole or in part by an act or omission  
27 of the third party, to the extent that the discharge is caused by the  
28 act or omission of the third party, in accordance with the principles  
29 of comparative fault.

30 (j) Remedies under this section are in addition to, and do not  
31 supersede or limit, any and all other remedies, civil or criminal,  
32 except that no liability shall be recoverable under subdivision (b)  
33 for any discharge for which liability is recovered under Section  
34 13385.

35 (k) Notwithstanding any other law, all funds generated by the  
36 imposition of liabilities pursuant to this section shall be deposited  
37 into the Waste Discharge Permit Fund. These moneys shall be  
38 separately accounted for, and shall be expended by the state board,  
39 upon appropriation by the Legislature, to assist regional boards,  
40 and other public agencies with authority to clean up waste or abate

1 the effects of the waste, in cleaning up or abating the effects of the  
2 waste on waters of the state, or for the purposes authorized in  
3 Section 13443, or to assist in implementing Chapter 7.3  
4 (commencing with Section 13560).

5 (l) This section shall become operative on July 1, 2017.

6 SEC. 187. Section 13478 of the Water Code is amended to  
7 read:

8 13478. (a) The board may undertake any of the following:

9 (1) Enter into agreements with the federal government for  
10 federal contributions to the fund.

11 (2) Accept federal contributions to the fund.

12 (3) Enter into an agreement with, and accept matching funds  
13 from, a municipality. A municipality that seeks to enter into an  
14 agreement with the board and provide matching funds pursuant to  
15 this subdivision shall provide to the board evidence of the  
16 availability of those funds in the form of a written resolution  
17 adopted by the governing body of the municipality before it  
18 requests a preliminary financial assistance commitment.

19 (4) Use moneys in the fund for the purposes permitted by the  
20 federal act.

21 (5) Provide for the deposit of matching funds and any other  
22 available and necessary moneys into the fund.

23 (6) Make requests on behalf of the state for deposit into the fund  
24 of available federal moneys under the federal act and determine  
25 on behalf of the state appropriate maintenance of progress toward  
26 compliance with the enforceable deadlines, goals, and requirements  
27 of the federal act.

28 (7) Determine on behalf of the state that publicly owned  
29 treatment works that receive financial assistance from the fund  
30 will meet the requirements of, and otherwise be treated as required  
31 by, the federal act.

32 (8) Provide for appropriate audit, accounting, and fiscal  
33 management services, plans, and reports relative to the fund.

34 (9) Take additional incidental action as appropriate for the  
35 adequate administration and operation of the fund.

36 (10) Charge municipalities that elect to provide matching funds  
37 a fee to cover the actual cost of obtaining the federal funds pursuant  
38 to Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7))  
39 and processing the financial assistance application. The fee shall

1 be waived by the board if sufficient funds to cover those costs are  
2 available from other sources.

3 (11) Use money returned to the fund under clause (ii) of  
4 subparagraph (D) of paragraph (1) of subdivision (b) of Section  
5 13480, and any other source of matching funds, if not prohibited  
6 by statute, as matching funds for the federal administrative  
7 allowance under Section 603(d)(7) of the federal act (33 U.S.C.  
8 Sec. 1383(d)(7)).

9 (12) Expend money repaid by financial assistance recipients for  
10 financial assistance service under clauses (i) and (ii) of  
11 subparagraph (D) of paragraph (1) of subdivision (b) of Section  
12 13480 to pay administrative costs incurred by the board under this  
13 chapter.

14 (b) This section shall become inoperative on July 1, 2014, and,  
15 as of January 1, 2015, is repealed, unless a later enacted statute,  
16 that becomes operative on or before January 1, 2015, deletes or  
17 extends the dates on which it becomes inoperative and is repealed.

18 SEC. 188. Section 13478 is added to the Water Code, to read:

19 13478. (a) The board may undertake any of the following:

20 (1) Enter into agreements with the federal government for  
21 federal contributions to the fund.

22 (2) Accept federal contributions to the fund.

23 (3) Enter into an agreement with, and accept matching funds  
24 from, a municipality. A municipality that seeks to enter into an  
25 agreement with the board and provide matching funds pursuant to  
26 this subdivision shall provide to the board evidence of the  
27 availability of those funds in the form of a written resolution  
28 adopted by the governing body of the municipality before it  
29 requests a preliminary financial assistance commitment.

30 (4) Use moneys in the fund for the purposes permitted by the  
31 federal act.

32 (5) Provide for the deposit of matching funds and any other  
33 available and necessary moneys into the fund.

34 (6) Make requests on behalf of the state for deposit into the fund  
35 of available federal moneys under the federal act and determine  
36 on behalf of the state appropriate maintenance of progress toward  
37 compliance with the enforceable deadlines, goals, and requirements  
38 of the federal act.

39 (7) Determine on behalf of the state that publicly owned  
40 treatment works that receive financial assistance from the fund

1 will meet the requirements of, and otherwise be treated as required  
2 by, the federal act.

3 (8) Provide for appropriate audit, accounting, and fiscal  
4 management services, plans, and reports relative to the fund.

5 (9) Take additional incidental action as appropriate for the  
6 adequate administration and operation of the fund.

7 (10) Charge municipalities that elect to provide matching funds  
8 a fee to cover the actual cost of obtaining the federal funds pursuant  
9 to Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7))  
10 and processing the financial assistance application. The fee shall  
11 be waived by the board if sufficient funds to cover those costs are  
12 available from other sources.

13 (11) Use money returned to the fund under clause (ii) of  
14 subparagraph (D) of paragraph (1) of subdivision (b) of Section  
15 13480, and any other source of matching funds, if not prohibited  
16 by statute, as matching funds for the federal administrative  
17 allowance under Section 603(d)(7) of the federal act (33 U.S.C.  
18 Sec. 1383(d)(7)).

19 (12) Expend money repaid by financial assistance recipients for  
20 financial assistance service under clauses (i) and (ii) of  
21 subparagraph (D) of paragraph (1) of subdivision (b) of Section  
22 13480 to pay administrative costs incurred by the board under this  
23 chapter.

24 (13) Engage in the transfer of capitalization grant funds, as  
25 authorized by Section 35.3530(c) of Title 40 of the Code of Federal  
26 Regulations and reauthorized by Public Law 109-54, to the extent  
27 set forth in an Intended Use Plan, that shall be subject to approval  
28 by the board.

29 (14) Cross-collateralize revenue bonds with the Safe Drinking  
30 Water State Revolving Fund created pursuant to Section 116760.30  
31 of the Health and Safety Code, as authorized by Section 35.3530(d)  
32 of Title 40 of the Code of Federal Regulations.

33 (b) This section shall become operative on July 1, 2014.

34 SEC. 189. Section 13485 of the Water Code is amended to  
35 read:

36 13485. (a) The board may adopt rules and regulations  
37 necessary or convenient to implement this chapter and to meet  
38 federal requirements pursuant to the federal act.

39 (b) This section shall become inoperative on July 1, 2014, and,  
40 as of January 1, 2015, is repealed, unless a later enacted statute,

1 that becomes operative on or before January 1, 2015, deletes or  
2 extends the dates on which it becomes inoperative and is repealed.

3 SEC. 190. Section 13485 is added to the Water Code, to read:  
4 13485. (a) The board may adopt rules and regulations  
5 necessary or convenient to implement this chapter and to meet  
6 federal requirements pursuant to the federal act.

7 (b) The board may implement this chapter through a policy  
8 handbook that shall not be subject to the requirements of Chapter  
9 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
10 the Government Code.

11 (c) This section shall become operative on July 1, 2014.

12 SEC. 191. Section 13528.5 is added to the Water Code, to read:  
13 13528.5. (a) The state board may carry out the duties and  
14 authority granted to a regional board pursuant to this chapter.

15 (b) This section shall become operative on July 1, 2014.

16 SEC. 192. (a) The Director of Finance may make available  
17 for expenditure in the 2014–15 fiscal year from the Oil Spill  
18 Prevention and Administration Fund, established pursuant to  
19 Section 8670.38 of the Government Code, an augmentation of  
20 Item 0860-001-0320 of the Budget Act of 2014 in an amount equal  
21 to the reasonable costs incurred by the State Board of Equalization  
22 associated with amendments made to Section 8670.40 of the  
23 Government Code in the 2013–14 Regular Session.

24 (b) Any augmentation shall be authorized no sooner than 30  
25 days following the transmittal of the approval to the Chairperson  
26 of the Joint Legislative Budget Committee.

27 SEC. 193. Notwithstanding any other law, the unencumbered  
28 balance of the appropriation provided for in Item 4265-111-0001  
29 of Chapter 2 of the Statutes of 2014, for the purposes specified in  
30 Provision 3 of that item, is hereby appropriated to the State Water  
31 Resources Control Board, as of June 30, 2014. This fund shall be  
32 available for encumbrance or expenditure until June 30, 2016, for  
33 purposes consistent with subdivisions (a) and (c) of Section 75021  
34 of the Public Resources Code for grants pursuant to the Public  
35 Water System Drought Emergency Funding Guidelines adopted  
36 by the State Department of Public Health on March 28, 2014, for  
37 public water systems to address drought-related drinking water  
38 emergencies. The State Water Resources Control Board shall make  
39 every effort to use other funds available to address drinking water

1 emergencies, including federal funds made available for the drought  
2 prior to using the funds specified in this section.

3 SEC. 194. No reimbursement is required by this act pursuant  
4 to Section 6 of Article XIII B of the California Constitution because  
5 the only costs that may be incurred by a local agency or school  
6 district will be incurred because this act creates a new crime or  
7 infraction, eliminates a crime or infraction, or changes the penalty  
8 for a crime or infraction, within the meaning of Section 17556 of  
9 the Government Code, or changes the definition of a crime within  
10 the meaning of Section 6 of Article XIII B of the California  
11 Constitution.

12 SEC. 195. This act is a bill providing for appropriations related  
13 to the Budget Bill within the meaning of subdivision (e) of Section  
14 12 of Article IV of the California Constitution, has been identified  
15 as related to the budget in the Budget Bill, and shall take effect  
16 immediately.

O