

AMENDED IN ASSEMBLY JUNE 10, 2014
AMENDED IN ASSEMBLY JANUARY 8, 2014
AMENDED IN ASSEMBLY AUGUST 26, 2013
AMENDED IN ASSEMBLY AUGUST 12, 2013
AMENDED IN ASSEMBLY AUGUST 5, 2013

SENATE BILL

No. 445

Introduced by Senator Hill

February 21, 2013

An act to amend ~~Section 25299.43~~ of Sections 25299.32, 25299.43, 25299.50, 25299.50.2, 25299.50.3, 25299.50.4, 25299.51, 25299.57, 25299.70, 25299.78, 25299.81, 25299.101, 25299.104, 25299.105, 25299.106, and 25299.107 of, and to add Sections 25292.05, 25299.50.6, 25299.71, 25299.80, 25299.80.5, 25299.80.6, and 25299.82 to, the Health and Safety Code, relating to ~~underground storage tanks~~ hazardous substances, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 445, as amended, Hill. Underground storage tanks: ~~petroleum: hazardous substances:~~ *petroleum: groundwater and surface water contamination.*

(1) Existing law provides for the regulation of underground storage tanks by the State Water Resources Control Board. Existing law requires underground storage tanks that are used to store hazardous substances and that are installed after January 1, 1984, to meet certain requirements, including that the primary containment be product tight and that the tank's secondary containment meet specified standards.

However, in lieu of these generally applied requirements, existing law authorizes underground storage tanks for motor vehicle fuels installed before January 1, 1997, to be designed and constructed in accordance with alternative requirements. Existing law imposes various monitoring, inspection, replacement, and upgrading requirements on underground storage tanks installed on or before January 1, 1984, and used for the storage of hazardous substances.

This bill would require the owners or operators of these 2 types of underground storage tanks to permanently close them by December 31, 2020, or by December 31, 2018, if they are within 1,000 feet of a public drinking water well, unless the tanks meet specified requirements.

~~Under~~

(2) *Under existing law, the Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989, which is repealed on January 1, 2016, every owner of an underground storage tank is required to pay a storage fee for each gallon of petroleum placed in the tank. The fees are required to be deposited in the Underground Storage Tank Cleanup Fund and the State Water Resources Control Board is authorized to expend the moneys in the fund, upon appropriation by the Legislature, for various purposes, including the payment of claims to aid owners and operators of petroleum underground storage tanks who take corrective action to clean up unauthorized releases from those tanks, corrective actions undertaken by the board, a California regional water quality board, or a local agency, the cleanup and oversight of unauthorized releases at abandoned tank sites, and grants to small businesses to retrofit certain hazardous substance underground storage tanks. Existing law imposes a \$0.001 charge per gallon of a petroleum placed in an underground storage tank until January 1, 2016, and repeals the act on that date. Existing law also specifies that certain associated rights, obligations, and authorities that apply prior to the January 1, 2016, repeal date do not terminate until the moneys in the fund are exhausted. Existing law establishes, until July 1, 2016, the School District Account in the Underground Storage Tank Cleanup Fund for the payment of claims filed by a school district that takes corrective action to clean up an unauthorized release from a petroleum underground storage tank.*

This bill would extend the operation of the act and the School District Account until January 1, 2020. By extending the operation of the act, the bill would impose a state-mandated local program by continuing the operation of certain crimes regarding the furnishing of information under penalty of perjury.

~~This~~

The bill would, as of the first day of the first calendar quarter commencing more than 90 days after the effective date of this act, require payment of an additional \$0.006 per gallon of petroleum stored in an underground storage tank until January 1, 2016. This bill would constitute a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature. 2020. The bill would require \$0.003 of that \$0.006 to be expended only for transfer to the School District Account, for transfer to the Petroleum Underground Storage Tank Financing Account, as specified below, or for transfer to the Site Cleanup Subaccount, which this bill would establish in the Underground Storage Tank Cleanup Fund. The board would be authorized to expend the funds from that subaccount, upon appropriation by the Legislature, to pay for reasonable and necessary expenditures that the board, a regional board, or a local agency incurs to identify the source of surface or groundwater contamination, or to remediate the harm or threat of harm to human health, safety, and the environment caused by existing or threatened surface or groundwater contamination, or for the board to make grants for the reasonable and necessary costs of actions to remediate the harm or threat of harm to human health, safety, and the environment caused by existing or threatened surface or groundwater contamination, as specified . The bill would require the board to specify the information to be included in a grant application and would authorize the board to adopt procedures to implement the grant program.

(3) Existing law establishes the Underground Storage Tank Petroleum Contamination Orphan Site Cleanup Fund in the State Treasury, for expenditure by the board, upon appropriation by the Legislature, for the costs of response actions to remediate the harm caused by a petroleum contamination from an underground storage tank. Existing law imposes specified requirements with regard to the expenditure of those moneys, including that the site meet the conditions of a brownfield, as defined.

This bill would delete the requirement for the expenditure of funds from this fund that the site meet the conditions for a brownfield and would make other conforming changes.

(4) Existing law prohibits the board from reimbursing a claim for corrective action costs that is received by the board more than 365 days

after the date of issuance of a closure letter or after the issuance or activation of a letter of commitment, except as specified.

This bill would prohibit the board from reimbursing a claim for a corrective action costs that is received by the board more than 2 years after the date the cost was incurred or more than 2 years after the date of issuance or activation of a letter of commitment, except as specified.

(5) Existing law specifies that the costs incurred by the fund for corrective action and other expenses are to be recovered by the Attorney General, upon the request of the board.

This bill would instead authorize the board to recover those costs.

(6) The Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989 requires an owner or operator to furnish, under penalty of perjury, any information on fees, financial responsibility, unauthorized releases, or corrective action as a local agency, regional board, or the state board may require.

The bill would subject to a civil penalty a person that refuses to furnish that information. The bill would authorize the executive director of the board to permanently disqualify a person convicted of making a false statement to the board, or found civilly liable for specified conduct relating to any claim, from receiving any moneys from the fund, if the executive director makes one of a specified set of findings with regard to claimants. The bill would also impose a civil penalty upon a person that makes a misrepresentation in a claim submitted to the fund. The bill would require the Attorney General, upon the request of the board, to bring an action in superior court to impose these civil penalties and would authorize the executive director of the board to impose these civil penalties administratively.

The bill would also provide that a person who knowingly makes or causes to be made a false statement, material misrepresentation, or false certification in support of a claim is punishable by a criminal fine or imprisonment, or by both that fine and imprisonment.

The bill would authorize the board to review the imposition of civil penalties by the executive director in a specified manner.

The bill would require that these fines and civil penalties be deposited into the fund. The bill would authorize the board to expend the moneys in the fund to pay for the expenditures of the board associated with investigation and enforcement under the act. The bill would also make conforming changes with regard to this enforcement.

By creating a new crime with regard to the filing of claims, the bill would impose a state-mandated local program.

The bill would also make conforming changes with regard to the amounts deposited in the fund, the purposes for which the money in the fund would be expended, and the continued existence, after the repeal of the act, of certain authority in the act to take specified legal actions. The board would be prohibited from accepting claim applications for reimbursement for corrective action costs or compensation of 3rd parties that are submitted to the fund after January 1, 2019, unless the board makes a specified finding, and would prohibit the board from accepting requests for reimbursement for those purposes after July 1, 2019.

(7) Existing law requires owners and operators of underground storage tanks systems containing hazardous substances to maintain evidence of financial responsibility. Existing law also requires petroleum underground storage tanks to establish and maintain specified evidence of financial responsibility for taking corrective action and compensating 3rd parties for bodily injury and property damage arising from operating an underground storage tank, except that certain owners or operators eligible for payment of a claim from the fund are deemed in compliance with those financial responsibility requirements.

This bill would allow all claimants to use the fund to establish and maintain evidence of financial responsibility for purposes of the requirements imposed upon petroleum underground storage tanks but would prohibit, on and after January 1, 2019, an owner or operator of a tank for which a permit is in effect from using the fund as a mechanism to demonstrate compliance with certain financial responsibility requirements and specified federal statutory requirements.

(8) Existing law, until January 1, 2022, requires the board to conduct a loan program to assist small businesses to upgrade, replace, or remove tanks used for the purpose of storing petroleum to meet applicable local, state, or federal standards and to conduct a grant program to assist small businesses to comply with certain requirements imposed on those tanks with regard to specified testing and containment systems and enhanced leak detection. Existing law provides that the maximum amount that the board may grant an applicant is \$50,000.

This bill would expand the purposes for which the board may issue those grants and loans to include the upgrade, removal, or replacement of those tanks to meet specified requirements with regard to the permanent closure of underground storage tanks. The bill would increase the maximum amount that the board may grant an applicant to \$70,000. The bill would authorize the board to waive certain permitting and other requirements for a grant applicant that is ineligible

for a loan pursuant to the program and will remove a tank without replacing it.

(9) *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.

(10) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: $\frac{2}{3}$. Appropriation: ~~no~~-yes. Fiscal committee: yes.
 State-mandated local program: ~~no~~-yes.

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

1 SECTION 1. Section 25292.05 is added to the Health and
 2 Safety Code, to read:

3 25292.05. (a) *On or before December 31, 2018, the owner or*
 4 *operator of an underground storage tank shall permanently close*
 5 *that underground storage tank in accordance with Section 25298*
 6 *and the regulations adopted pursuant to that section, if the*
 7 *underground storage tank is located within 1,000 feet of a public*
 8 *drinking water well identified pursuant to Section 25292.4 and*
 9 *the underground storage tank meets either of the following*
 10 *conditions:*

11 (1) *The underground storage tank is designed and constructed*
 12 *in accordance with paragraph (7) of subdivision (a) of Section*
 13 *25291 and does not meet the requirements of paragraphs (1) to*
 14 *(6), inclusive, of subdivision (a) of Section 25291.*

15 (2) *The underground storage tank was installed on or before*
 16 *January 1, 1984, and does not meet the requirements of paragraphs*
 17 *(1) to (6), inclusive, of subdivision (a) of Section 25291.*

18 (b) *Except as otherwise provided in subdivision (a), on or before*
 19 *December 31, 2020, the owner or operator of an underground*
 20 *storage tank shall permanently close that underground storage*
 21 *tank in accordance with Section 25298 and the regulations adopted*
 22 *pursuant to that section, if the underground storage tank is*
 23 *described in either paragraph (1) or (2) of subdivision (a).*

24 SEC. 2. Section 25299.32 of the Health and Safety Code is
 25 amended to read:

1 25299.32. (a) (1) ~~Claimants who meet~~ Except as provided in
2 subdivision (f), a claimant who meets any of the following
3 requirements may use the fund to establish and maintain evidence
4 of financial responsibility:

5 (2) A claimant who meets the qualifications of paragraph (1)
6 of subdivision (b) of Section 25299.52 shall be deemed in
7 compliance with Section 25299.31 if the claimant is eligible for
8 reimbursement from the fund pursuant to Section ~~25299.54 and~~
9 ~~25299.54~~, subdivision (d) of ~~Sections 25299.57 and~~ Section
10 25299.57, and subdivision (b) of Section 25299.58.

11 ~~(2) For claimants who meet~~

12 (3) If a claimant meets the qualifications of paragraph (2) or (3)
13 of subdivision (b) of Section 25299.52, the level of financial
14 responsibility required to be obtained pursuant to Section 25299.31
15 shall be at least five thousand dollars (\$5,000) for each occurrence
16 and at least five thousand dollars (\$5,000) annual aggregate
17 coverage for taking corrective action.

18 ~~(3) For claimants who meet~~

19 (4) If a claimant meets the qualifications of paragraph (4) of
20 subdivision (b) of Section 25299.52, the level of financial
21 responsibility required to be obtained pursuant to Section 25299.31
22 shall be at least ten thousand dollars (\$10,000) for each occurrence,
23 and at least ten thousand dollars (\$10,000) annual aggregate
24 coverage for taking corrective action.

25 (b) The level of financial responsibility required to be obtained
26 pursuant to Section 25299.31 for each occurrence for bodily injury
27 and property damage shall be in the amount specified by the board
28 in the regulations adopted pursuant to Section 25299.77.

29 (c) The level of financial responsibility required to be obtained
30 pursuant to Section 25299.31 shall be in the amount specified by
31 the board for annual aggregate coverage for both corrective action
32 and bodily injury and property damage.

33 (d) The board may periodically increase the minimum level of
34 financial responsibility specified in subdivision (a) upon its
35 determination that private insurance is available and affordable.

36 (e) The changes made to this section by ~~the act adding this~~
37 ~~subdivision~~ Chapter 1191 of the Statutes of 1994 shall apply to all
38 claimants with claims, or portions of claims, for corrective action
39 at sites that have not been completed, and for which reimbursement
40 by the fund has not been fully paid by the board.

1 (f) (1) *On and after January 1, 2019, an owner or operator of*
2 *a tank for which a permit that is issued pursuant to Section 25284*
3 *is in effect shall not use the fund as a mechanism to demonstrate*
4 *compliance with the financial responsibility requirements of*
5 *Sections 25292.2 and 25299.31 and with the federal act.*

6 (2) *On or before December 31, 2018, an owner or operator who*
7 *previously used the fund as a mechanism to demonstrate*
8 *compliance with financial responsibility requirements shall submit,*
9 *to the local agency that issued the permit for the operation of the*
10 *tank pursuant to Section 25284, evidence of the alternative*
11 *financial responsibility mechanism that will be used, on and after*
12 *January 1, 2019, to comply with Sections 25292.2 and 25299.31*
13 *and with the federal act.*

14 *SEC. 3. Section 25299.43 of the Health and Safety Code is*
15 *amended to read:*

16 25299.43. (a) To implement the changes to this chapter made
17 by Chapter 1191 of the Statutes of 1994, and consistent with
18 Section 25299.40, effective January 1, 1995, every owner subject
19 to Section 25299.41 shall pay a storage fee of one mill (\$0.001)
20 for each gallon of petroleum placed in an underground storage
21 tank that the person owns, in addition to the fee required by Section
22 25299.41.

23 (b) On and after January 1, 1996, the storage fee imposed under
24 subdivision (a) shall be increased by two mills (\$0.002) for each
25 gallon of petroleum placed in an underground storage tank.

26 (c) On and after January 1, 1997, the storage fee increased under
27 subdivision (b) shall be increased by an additional three mills
28 (\$0.003) for each gallon of petroleum placed in an underground
29 storage tank.

30 (d) On and after January 1, 2005, the storage fee increased under
31 subdivision (c) shall be increased by an additional one mill (\$0.001)
32 for each gallon of petroleum placed in an underground storage
33 tank.

34 (e) On and after January 1, 2006, the storage fee increased under
35 subdivision (d) shall be increased by an additional one mill
36 (\$0.001) for each gallon of petroleum placed in an underground
37 storage tank.

38 (f) On and after January 1, 2010, the storage fee increased under
39 subdivision (e) shall be increased by an additional six mills
40 (\$0.006) for each gallon of petroleum placed in an underground

1 storage tank. The increase provided for in this subdivision shall
2 be effective until January 1, 2014, at which time, the fee shall
3 revert back to the fee pursuant to subdivision (e).

4 (g) (1) *On and after the first day of the first calendar quarter*
5 *commencing 90 days after the effective date of the act adding this*
6 *paragraph, the storage fee increased under subdivision (e) shall*
7 *be increased by an additional six mills (\$0.006) for each gallon*
8 *of petroleum placed in an underground storage tank. The increase*
9 *provided for in this subdivision shall be effective until January 1,*
10 *2020, at which time the fee shall revert back to the fee established*
11 *pursuant to subdivision (e).*

12 (2) *Three mills (\$0.003) of the six mills (\$0.006) for each gallon*
13 *of petroleum placed in an underground storage tank collected*
14 *pursuant to this subdivision shall be available for expenditure by*
15 *the board only for purposes provided in subdivision (o) of Section*
16 *25299.51.*

17 ~~(g)~~

18 (h) The fee imposed under this section shall be paid to the State
19 Board of Equalization under Part 26 (commencing with Section
20 50101) of Division 2 of the Revenue and Taxation Code in the
21 same manner as, and consistent with, the fees imposed under
22 Section 25299.41.

23 ~~(h)~~

24 (i) The State Board of Equalization shall amend the regulations
25 adopted under Section 25299.41 to carry out this section.

26 *SEC. 4. Section 25299.50 of the Health and Safety Code is*
27 *amended to read:*

28 25299.50. (a) The Underground Storage Tank Cleanup Fund
29 is hereby created in the State Treasury. The money in the fund
30 may be expended by the board, upon appropriation by the
31 Legislature, for purposes of this chapter. From time to time, the
32 board may modify existing accounts or create accounts in the fund
33 or other funds administered by the board, which the board
34 determines are appropriate or necessary for proper administration
35 of this chapter.

36 ~~(b) Except for funds transferred to the Drinking Water Treatment~~
37 ~~and Research Fund created pursuant to subdivision (e) of Section~~
38 ~~116367, all~~ All of the following amounts shall be deposited in the
39 fund:

1 (1) Money appropriated by the Legislature for deposit in the
2 fund.

3 (2) The fees, interest, and penalties collected pursuant to Article
4 5 (commencing with Section 25299.40).

5 (3) Notwithstanding Section 16475 of the Government Code,
6 any interest earned upon the money deposited in the fund.

7 (4) Any money recovered by the fund pursuant to Section
8 25299.70.

9 (5) Any civil *and criminal* penalties collected by the board or
10 regional board pursuant to Section 25299.76, 25299.78, 25299.80,
11 *or 25299.80.5*.

12 (6) *Money recovered as compensation for expenditures*
13 *associated with investigations or enforcement actions pursuant to*
14 *subdivision (j) or (n) of Section 25299.51.*

15 (7) *Money recovered to correct a previously overpaid*
16 *expenditure issued pursuant to this chapter.*

17 (c) Notwithstanding subdivision (a), any funds appropriated by
18 the Legislature in the annual Budget Act for payment of a claim
19 for the costs of a corrective action in response to an unauthorized
20 release, that are encumbered for expenditure for a corrective action
21 pursuant to a letter of credit issued by the board pursuant to
22 subdivision (e) of Section 25299.57, but are subsequently not
23 expended for that corrective action claim, may be reallocated by
24 the board for payment of other claims for corrective action pursuant
25 to Section 25299.57.

26 *SEC. 5. Section 25299.50.2 of the Health and Safety Code is*
27 *amended to read:*

28 25299.50.2. (a) The Underground Storage Tank Petroleum
29 Contamination Orphan Site Cleanup Fund is hereby established
30 in the State Treasury.

31 (b) (1) Except as provided in paragraph (2), the sum of ten
32 million dollars (\$10,000,000) is hereby transferred, for each of the
33 2008–09, 2009–10, and 2010–11 fiscal years, from the
34 Underground Storage Tank Cleanup Fund to the Underground
35 Storage Tank Petroleum Contamination Orphan Site Cleanup Fund.

36 (2) Available federal moneys may be deposited in the
37 Underground Storage Tank Petroleum Contamination Orphan Site
38 Cleanup Fund. The amount transferred pursuant to paragraph (1)
39 in a fiscal year shall be reduced by the amount of federal moneys

1 deposited in the Underground Storage Tank Petroleum
2 Contamination Orphan Site Cleanup Fund in that fiscal year.

3 (c) The board may expend the moneys in the Underground
4 Storage Tank Petroleum Contamination Orphan Site Cleanup Fund,
5 upon appropriation by the Legislature, for the costs of response
6 actions to remediate the harm caused by a petroleum contamination,
7 including contamination caused by a refined product of petroleum
8 or a petroleum derivative, *contamination* at a site that meets all of
9 the following conditions:

10 ~~(1) The site meets the conditions described in paragraph (2) of~~
11 ~~subdivision (a) of Section 25395.20.~~

12 ~~(2)~~

13 ~~(1) The petroleum contamination is the principal source of~~
14 ~~contamination at the site.~~

15 ~~(3)~~

16 ~~(2) The source of the petroleum contamination is, or was, an~~
17 ~~underground storage tank.~~

18 ~~(4)~~

19 ~~(3) A financially responsible party has not been identified to~~
20 ~~pay for remediation at the site.~~

21 ~~(5)~~

22 ~~(4) If the expenditure includes federal moneys deposited in the~~
23 ~~Underground Storage Tank Petroleum Contamination Orphan Site~~
24 ~~Cleanup Fund, the expenditure at the site is consistent with all~~
25 ~~applicable requirements for expenditure of the federal moneys.~~

26 (d) Any funds in the Underground Storage Tank Petroleum
27 Contamination Orphan Site Cleanup Fund that are not expended
28 in the 2009–10, 2010–11, or 2011–12 fiscal years shall remain in
29 the Underground Storage Tank Petroleum Contamination Orphan
30 Site Cleanup Fund until they are encumbered.

31 (e) Notwithstanding Section 16304.1 of the Government Code,
32 a disbursement in liquidation of an encumbrance may be made
33 before or during the four years following the last day the
34 appropriation is available for encumbrance.

35 ~~(f) A recipient of a grant that was awarded pursuant to former~~
36 ~~Section 25299.50.2, as that section read on December 31, 2007,~~
37 ~~and whose encumbrance under the grant was not liquidated within~~
38 ~~the time period prescribed in Section 16304.1 of the Government~~
39 ~~Code, may receive the undisbursed balance of the encumbrance~~
40 ~~from the Underground Storage Tank Petroleum Contamination~~

1 ~~Orphan Site Cleanup Fund consistent with the terms of the grant~~
2 ~~until June 30, 2011.~~

3 *SEC. 6. Section 25299.50.3 of the Health and Safety Code is*
4 *amended to read:*

5 25299.50.3. (a) For purposes of this section, “school district”
6 means a school district as defined in Section 80 of the Education
7 Code, or a county office of education.

8 (b) The School District Account is hereby created in the
9 Underground Storage Tank Cleanup Fund, for expenditure by the
10 board to pay a claim filed by a district that is a school district and
11 has a priority based on paragraph (2), (3), or (4) of subdivision (b)
12 of Section 25299.52. Notwithstanding Section 25299.52, in the
13 2009–10, 2010–11, and 2011–12 fiscal years, the board shall pay
14 a claim filed by a district that is a school district and has a priority
15 based on paragraph (4) of subdivision (b) of Section 25299.52
16 only from funds appropriated from the School District Account.

17 (c) (1) The sum of ten million dollars (\$10,000,000) per year
18 shall be transferred, in the 2009–10, 2010–11, and 2011–12 fiscal
19 years, from the Underground Storage Tank Cleanup Fund to the
20 School District Account, for expenditure, upon appropriation by
21 the Legislature, for the payment of claims filed by a district that
22 is a school district with a priority based on paragraph (2), (3), or
23 (4) of subdivision (b) of Section 25299.52. The ten million dollars
24 (\$10,000,000) shall be transferred to the School District Account
25 prior to allocating the remaining available funds to each priority
26 ranking in paragraphs (1), (2), (3), and (4) of subdivision (b) of
27 Section 25299.52.

28 (2) The board shall consult with the Department of Toxic
29 Substances Control in allocating the funds transferred to the School
30 District Account.

31 (3) The board shall pay claims from a school district with a
32 priority based on paragraph (4) of subdivision (b) of Section
33 25299.52 from the School District Account in the order of the date
34 of the filing of the claim application to the Underground Storage
35 Tank Cleanup Fund. In each of the fiscal years identified in
36 subdivision (b), if the board estimates that money will be available
37 in the School District Account after the board has allocated funding
38 for all submitted claims from school districts with a priority based
39 on paragraph (4) of subdivision (b) of Section 25299.52, School
40 District Account funds may be used to fund school district claims

1 with a priority based on paragraph (2) or (3) of subdivision (b) of
2 Section 25299.52.

3 (d) Funds in the School District Account that are not expended
4 in a fiscal year shall remain in the School District Account. Funds
5 remaining in the School District Account on January 1, ~~2016~~, 2020,
6 shall be transferred to the Underground Storage Tank Cleanup
7 Fund.

8 (e) The board shall include information on the expenditure of
9 the funds transferred to the School District Account, as well as the
10 amount of all claims filed by districts that are school districts and
11 the amount of reimbursements made to districts that are school
12 districts from the Underground Storage Tank Cleanup Fund, in its
13 annual report, and shall, in consultation with the Department of
14 Toxic Substances Control, estimate the amount of funds needed
15 to reimburse anticipated future claims by districts that are school
16 districts. The board shall provide a copy of this report to the State
17 Allocation Board and the State Department of Education.

18 (f) This section does not affect the priority of a district that is a
19 school district and has a priority based on paragraph (2) or (3) of
20 subdivision (b) of Section 25299.52.

21 (g) The board shall waive the requirements of paragraph (4) of
22 subdivision (d) of Section 25299.57 for a claim that is reimbursed
23 from the School District Account pursuant to this section, if the
24 superintendent of the school district receiving the reimbursement
25 certifies to the board that petroleum was not delivered on or after
26 January 1, 2003, to the tank that is the subject of the claim or that
27 the tank was removed before January 1, 2003.

28 (h) This section shall remain in effect only until January 1, ~~2016~~,
29 2020, and as of that date is repealed, unless a later enacted statute,
30 that is enacted before January 1, ~~2016~~, 2020, deletes or extends
31 that date.

32 *SEC. 7. Section 25299.50.4 of the Health and Safety Code is*
33 *amended to read:*

34 25299.50.4. (a) It is the intent of the Legislature that the board
35 and the Department of Toxic Substances Control, using information
36 gathered and reported pursuant to subdivision (e) of Section
37 25299.50.3, propose changes to Section 25299.50.3 that may be
38 necessary to ensure that adequate funds are available to reimburse
39 anticipated future claims by districts that are school districts and

1 have a priority based on paragraph (4) of subdivision (b) of Section
2 25299.52.

3 (b) This section shall remain in effect only until July 1, ~~2014,~~
4 2018, and as of that date is repealed, unless a later enacted statute,
5 that is enacted before July 1, ~~2014,~~ 2018, deletes or extends that
6 date.

7 *SEC. 8. Section 25299.50.6 is added to the Health and Safety*
8 *Code, to read:*

9 25299.50.6. (a) *The Site Cleanup Subaccount is hereby*
10 *established in the Underground Storage Tank Cleanup Fund.*

11 (b) *The board may expend the funds in the Site Cleanup*
12 *Subaccount, upon appropriation by the Legislature, for the*
13 *following purposes:*

14 (1) *To pay for reasonable and necessary expenditures that the*
15 *board, a regional board, or a local agency incurs to identify the*
16 *source of surface or groundwater contamination.*

17 (2) *To pay for reasonable and necessary expenditures that the*
18 *board, a regional board, or a local agency incurs to remediate*
19 *the harm or threat of harm to human health, safety, and the*
20 *environment caused by existing or threatened surface or*
21 *groundwater contamination. The board shall consider the following*
22 *factors when approving expenditures for specific locations:*

23 (A) *The degree to which human health, safety, and the*
24 *environment are threatened by contamination at the location.*

25 (B) *Whether the location is located in a small or financially*
26 *disadvantaged community.*

27 (C) *The cost and potential environmental benefit of the*
28 *investigation or cleanup.*

29 (D) *Whether there are other potential sources of funding for*
30 *the investigation or cleanup.*

31 (E) *Any other information the board identifies as necessary for*
32 *consideration.*

33 (3) *To issue grants pursuant to this section for the reasonable*
34 *and necessary costs of actions to remediate the harm or threat of*
35 *harm to human health, safety, and the environment caused by*
36 *existing or threatened surface or groundwater contamination at*
37 *a location that meets both of the following conditions:*

38 (A) *The board, a regional board, or local agency requires the*
39 *responsible parties to undertake or contract for investigation or*
40 *cleanup, pursuant to an oral or written order, directive,*

1 notification, or approval issued pursuant to Section 25296.10, or
2 pursuant to a cleanup and abatement order issued under Section
3 13304 of the Water Code. The board may waive this requirement
4 if the board finds that it is infeasible for an order to be issued
5 before initiation of remediation.

6 (B) The responsible parties lack sufficient financial resources
7 to pay for the required response actions.

8 (c) At least annually, the board shall review grant applications
9 and adopt a list of applicants to be awarded grants pursuant to
10 paragraph (3) of subdivision (b). In addition to the conditions
11 specified in paragraph (3) of subdivision (b), the board shall
12 consider all of the following factors when awarding grants:

13 (1) The degree to which human health, safety, and the
14 environment are threatened by surface water or groundwater
15 contamination at the location.

16 (2) Whether the location is located in a small or financially
17 disadvantaged community.

18 (3) The cost and potential environmental benefit of the
19 investigation or cleanup.

20 (4) Whether there are other potential sources of funding for the
21 investigation or cleanup.

22 (5) Any other information the board identifies as necessary for
23 consideration.

24 (d) (1) The board shall specify the information that shall be
25 included in a grant application, consistent with this section,
26 including, but not limited to, a provision requiring the applicant
27 to make a sworn verification of the information in the application
28 to the best of the applicant's knowledge.

29 (2) The board may adopt procedures to implement this section.

30 (3) The board shall post any procedures or information
31 requirements adopted pursuant to this section on its Internet Web
32 site.

33 (e) (1) The recipient of grant moneys shall expend those funds
34 only for the reasonable costs necessary to protect human health,
35 safety, and the environment, incurred on or after the effective date
36 of the act adding this section.

37 (2) The board shall not issue a grant for any costs for which
38 the applicant has been, or will be, paid by another source.

39 (3) The board may terminate a grant and may bar the applicant
40 from receiving any future grants from the Site Cleanup Subaccount

1 *if the board finds that the applicant has made a misrepresentation*
2 *or false claim.*

3 *(f) (1) Any funds in the Site Cleanup Subaccount that are not*
4 *expended in a fiscal year shall remain in the subaccount until they*
5 *are encumbered.*

6 *(2) Notwithstanding Section 16304.1 of the Government Code,*
7 *a disbursement in liquidation of an encumbrance may be made*
8 *before or during the four years following the last day the*
9 *appropriation is available for encumbrance.*

10 *(g) The Attorney General may recover the actual, reasonable*
11 *costs of investigation or cleanup undertaken pursuant to this*
12 *section in a civil action, upon request from the board, from any*
13 *responsible party. All money recovered by the Attorney General*
14 *pursuant to this section shall be deposited in the fund.*

15 *SEC. 9. Section 25299.51 of the Health and Safety Code is*
16 *amended to read:*

17 25299.51. The board may expend the money in the fund for
18 all the following purposes:

19 (a) In addition to the purposes specified in subdivisions (c), (d),
20 and (e), for the costs of implementing this chapter and for
21 implementing Section 25296.10 for a tank that is subject to this
22 chapter.

23 (b) To pay for the administrative costs of the State Board of
24 Equalization in collecting the fee imposed by Article 5
25 (commencing with Section 25299.40).

26 (c) To pay for the reasonable and necessary costs of corrective
27 action pursuant to Section 25299.36, up to one million five hundred
28 thousand dollars (\$1,500,000) per occurrence. The Legislature
29 may appropriate the money in the fund for expenditure by the
30 board, without regard to fiscal year, for prompt action in response
31 to any unauthorized release.

32 (d) To pay for the costs of an agreement for the abatement of,
33 and oversight of the abatement of, an unauthorized release of
34 hazardous substances from underground storage tanks, by a local
35 agency, as authorized by Section 25297.1 or by any other provision
36 of law, except that, for the purpose of expenditure of these funds,
37 only underground storage tanks, as defined in Section 25299.24,
38 shall be the subject of the agreement.

39 (e) To pay for the costs of cleanup and oversight of unauthorized
40 releases at abandoned tank sites. The board shall not expend more

1 than 25 percent of the total amount of money collected and
2 deposited in the fund annually for the purposes of this subdivision
3 and subdivision (h).

4 (f) To pay claims pursuant to Section 25299.57.

5 (g) To pay, upon order of the Controller, for refunds pursuant
6 to Part 26 (commencing with Section 50101) of Division 2 of the
7 Revenue and Taxation Code.

8 (h) To pay for the reasonable and necessary costs of corrective
9 action pursuant to subdivision (f) of Section 25296.10, in response
10 to an unauthorized release from an underground storage tank
11 subject to this chapter.

12 (i) To pay claims pursuant to Section 25299.58.

13 (j) To pay for expenditures by the board associated with
14 discovering violations of, and enforcing, or assisting in the
15 enforcement of, the requirements of Chapter 6.7 (commencing
16 with Section 25280) with regard to petroleum underground storage
17 tanks.

18 (k) For transfer to the Petroleum Underground Storage Tank
19 Financing Account, for purposes of Chapter 6.76 (commencing
20 with Section 25299.100).

21 *(l) Upon repeal of Chapter 6.76 (commencing with Section*
22 *25299.100), to pay for expenditures authorized by subdivision (b)*
23 *of Section 25299.117 as that section reads as of December 31,*
24 *2021.*

25 *(m) For transfer to the Site Cleanup Subaccount to pay for*
26 *expenditures by the board pursuant to Section 25299.50.6,*
27 *including costs for regulatory oversight of sites funded pursuant*
28 *to that section.*

29 *(n) To pay for reasonable and necessary expenditures by the*
30 *board associated with discovering violations of and enforcing, or*
31 *assisting in the enforcement of, the requirements of this chapter,*
32 *including actions relating to the submission of false information*
33 *to the fund.*

34 *(o) (1) For transfer to the School District Account to pay for*
35 *expenditures by the board pursuant to Section 25299.50.3 or for*
36 *transfer pursuant to subdivision (k) or (m).*

37 *(2) This subdivision shall apply only to the moneys collected*
38 *pursuant to paragraph (2) of subdivision (g) of Section 25299.43.*

39 *SEC. 10. Section 25299.57 of the Health and Safety Code is*
40 *amended to read:*

1 25299.57. (a) If the board makes the determination specified
2 in subdivision (d), the board may only pay for the costs of a
3 corrective action that exceed the level of financial responsibility
4 required to be obtained pursuant to Section 25299.32, but not more
5 than one million five hundred thousand dollars (\$1,500,000) for
6 each occurrence. In the case of an owner or operator who, as of
7 January 1, 1988, was required to perform corrective action, who
8 initiated that corrective action in accordance with Division 7
9 (commencing with Section 13000) of the Water Code or Chapter
10 6.7 (commencing with Section 25280), and who is undertaking
11 the corrective action in compliance with waste discharge
12 requirements or other orders issued pursuant to Division 7
13 (commencing with Section 13000) of the Water Code or Chapter
14 6.7 (commencing with Section 25280), the owner or operator may
15 apply to the board for satisfaction of a claim filed pursuant to this
16 article. The board shall notify claimants applying for satisfaction
17 of claims from the fund of eligibility for reimbursement in a prompt
18 and timely manner and that a letter of credit or commitment that
19 will obligate funds for reimbursement shall follow the notice of
20 eligibility as soon thereafter as possible.

21 (b) (1) For claims eligible for reimbursement pursuant to
22 subdivision (c) of Section 25299.55, the claimant shall submit the
23 actual cost of corrective action to the board, which shall either
24 approve or disapprove the costs incurred as reasonable and
25 necessary. At least 15 days before the board proposes to disapprove
26 the reimbursement of corrective action costs that have been
27 incurred on the grounds that the costs were unreasonable or
28 unnecessary, the board shall issue a notice advising the claimant
29 and the lead agency of the proposed disallowance, to allow review
30 and comment.

31 (2) The board shall not reject any actual costs of corrective
32 action in a claim solely on the basis that the invoices submitted
33 fail to sufficiently detail the actual costs incurred, if all of the
34 following apply:

35 (A) Auxiliary documentation is provided that documents to the
36 board's satisfaction that the invoice is for necessary corrective
37 action work.

38 (B) The costs of corrective action work in the claim are
39 reasonably commensurate with similar corrective action work

1 performed during the same time period covered by the invoice for
2 which reimbursement is sought.

3 (C) The invoices include a brief description of the work
4 performed, the date that the work was performed, the vendor, and
5 the amount.

6 (c) (1) For claims eligible for prepayment pursuant to
7 subdivision (c) of Section 25299.55, the claimant shall submit the
8 estimated cost of the corrective action to the board, which shall
9 approve or disapprove the reasonableness of the cost estimate.

10 (2) If the claim is for reimbursement of costs incurred pursuant
11 to a performance-based contract, Article 6.5 (commencing with
12 Section 25299.64) shall apply to that claim.

13 (d) Except as provided in subdivision (j), a claim specified in
14 subdivision (a) may be paid if the board makes all of the following
15 findings:

16 (1) There has been an unauthorized release of petroleum into
17 the environment from an underground storage tank.

18 (2) The claimant is required to undertake or contract for
19 corrective action pursuant to Section 25296.10, under the federal
20 act, or under Section 6973 of Title 42 of the United States Code,
21 or, as of January 1, 1988, the claimant has initiated corrective
22 action in accordance with Division 7 (commencing with Section
23 13000) of the Water Code.

24 (3) The claimant has complied with Section 25299.31.

25 (4) (A) Except as provided in subparagraphs (B), (C), and (F),
26 the claimant has complied with the permit requirements of Chapter
27 6.7 (commencing with Section 25280). A claimant shall obtain a
28 permit required by subdivision (a) of Section 25284 for the
29 underground storage tank that is the subject of the claim when the
30 claimant becomes subject to subdivision (a) of Section 25284 or
31 when the applicable local agency begins issuing permits pursuant
32 to subdivision (a) of Section 25284, whichever occurs later.

33 (B) A claimant who acquires real property on which an
34 underground storage tank is situated and, despite the exercise of
35 reasonable diligence, was unaware of the existence of the
36 underground storage tank when the real property was acquired,
37 has obtained a permit required by subdivision (a) of Section 25284
38 for the underground storage tank that is the subject of the claim
39 within a reasonable period, not to exceed one year, from when the
40 claimant should have become aware of the existence of the

1 underground storage tank, or when the applicable local agency
2 began issuing permits pursuant to Section 25284, whichever occurs
3 later.

4 (C) All claimants who file their claim on or after January 1,
5 2008, and who do not obtain a permit required by subdivision (a)
6 of Section 25284 in accordance with subparagraph (A) or (B) may
7 seek a waiver of the requirement to obtain a permit. The board
8 shall waive the provisions of subparagraphs (A) and (B) as a
9 condition for payment from the fund if the board finds all of the
10 following:

11 (i) The claimant was unaware of the permit requirement, and
12 upon becoming aware of the permit requirement, the claimant
13 complies with either subdivision (a) of Section 25284 or Section
14 25298 and the regulations adopted to implement those sections
15 within a reasonable period, not to exceed one year, from when the
16 claimant became aware of the permit requirement.

17 (ii) Prior to submittal of the application to the fund, the claimant
18 has complied with Section 25299.31 and has obtained and paid
19 for all permits currently required by this paragraph.

20 (iii) Prior to submittal of the application to the fund, the claimant
21 has paid all fees, interest, and penalties imposed pursuant to Article
22 5 (commencing with Section 25299.40) of this chapter and Part
23 26 (commencing with Section 50101) of Division 2 of the Revenue
24 and Taxation Code for the underground storage tank that is the
25 subject of the claim.

26 (D) (i) A claimant exempted pursuant to subparagraph (C) and
27 who has complied, on or before December 22, 1998, either with
28 subdivision (a) of Section 25284 or Section 25298 and the
29 regulations adopted to implement those sections, shall obtain a
30 level of financial responsibility twice as great as the amount that
31 the claimant is otherwise required to obtain pursuant to subdivision
32 (a) of Section 25299.32, but not less than ten thousand dollars
33 (\$10,000). All other claimants exempted pursuant to subparagraph
34 (C) shall obtain a level of financial responsibility that is four times
35 as great as the amount that the claimant is otherwise required to
36 obtain pursuant to subdivision (a) of Section 25299.32, but not
37 less than twenty thousand dollars (\$20,000).

38 (ii) The board may waive the requirements of clause (i) if the
39 claimant can demonstrate that the conditions specified in clauses
40 (i) to (iii), inclusive, of subparagraph (C) were satisfied prior to

1 the causing of any contamination. That demonstration may be
2 made through a certification issued by the permitting agency based
3 on a site evaluation and tank tests at the time of permit application
4 or in any other manner acceptable to the board.

5 (E) All claimants who file a claim before January 1, 2008, and
6 who are not eligible for a waiver of the permit requirements
7 pursuant to applicable statutes or regulations in effect on the date
8 of the filing of the claim may resubmit a new claim pursuant to
9 subparagraph (C) on or after January 1, 2008. The board shall rank
10 all claims resubmitted pursuant to subparagraph (C) lower than
11 all claims filed before January 1, 2008, within their respective
12 priority classes specified in subdivision (b) of Section 25299.52.

13 (F) The board shall waive the provisions of subparagraph (A)
14 as a condition for payment from the fund for a claimant who filed
15 his or her claim on or after January 1, 2008, and before July 1,
16 2009, but is not eligible for a waiver of the permit requirement
17 pursuant to the regulations adopted by the board in effect on the
18 date of the filing of the claim, and who did not obtain or apply for
19 a permit required by subdivision (a) of Section 25284, if the board
20 finds all of the following:

21 (i) The claim is filed pursuant to paragraph (2) of subdivision
22 (h) of Section 25299.54 and the claim otherwise satisfies the
23 eligibility requirements of that paragraph.

24 (ii) The claimant became the owner or de facto owner of an
25 underground storage tank prior to December 22, 1998.

26 (iii) The claimant did not, and does not, operate the underground
27 storage tank.

28 (iv) Within three years after becoming the owner or de facto
29 owner of the underground storage tank but not after December 22,
30 1998, the claimant caused the underground storage tank to be
31 removed and closed in accordance with applicable law, and
32 commenced no later than December 22, 1998, to perform corrective
33 action pursuant to Section 25296.10 of this code or pursuant to
34 Division 7 (commencing with Section 13000) of the Water Code.

35 (G) The board shall rank all claims submitted pursuant to
36 subparagraph (F) in their respective priority classes specified in
37 subdivision (b) of Section 25299.52 in the order in which the claims
38 are received by the board, but subsequent to any claim filed on a
39 previous date in each of those priority classes.

1 (H) For purposes of clauses (ii) and (iv) of subparagraph (F),
2 “de facto owner of an underground storage tank” means a person
3 who purchases or otherwise acquires real property, as defined in
4 subparagraph (D) of paragraph (5) of subdivision (h) of Section
5 25299.54, and has actual possession of, and control over, an
6 underground storage tank that has been abandoned by its previous
7 owner.

8 (5) The board has approved either the costs incurred for the
9 corrective action pursuant to subdivision (b) or the estimated costs
10 for corrective action pursuant to subdivision (c).

11 (6) The claimant has paid all fees, interest, and penalties imposed
12 pursuant to Article 5 (commencing with Section 29299.40) and
13 Part 26 (commencing with Section 50101) of Division 2 of the
14 Revenue and Taxation Code for the underground storage tank that
15 is the subject of the claim.

16 (e) The board shall provide the claimant, whose cost estimate
17 has been approved, a letter of commitment authorizing payment
18 of the costs from the fund.

19 (f) The claimant may submit a request for partial payment to
20 cover the costs of corrective action performed in stages, as
21 approved by the board.

22 (g) (1) A claimant who submits a claim for payment to the
23 board shall submit multiple bids for prospective costs as prescribed
24 in regulations adopted by the board pursuant to Section 25299.77.

25 (2) A claimant who submits a claim to the board for the payment
26 of professional engineering and geologic work shall submit
27 multiple proposals and fee estimates, as required by the regulations
28 adopted by the board pursuant to Section 25299.77. The claimant’s
29 selection of the provider of these services is not required to be
30 based on the lowest estimated fee, if the fee estimate conforms
31 with the range of acceptable costs established by the board.

32 (3) A claimant who submits a claim for payment to the board
33 for remediation construction contracting work shall submit multiple
34 bids, as required in the regulations adopted by the board pursuant
35 to Section 25299.77.

36 (4) Paragraphs (1), (2), and (3) do not apply to a tank owned or
37 operated by a public agency if the prospective costs are for private
38 professional services within the meaning of Chapter 10
39 (commencing with Section 4525) of Division 5 of Title 1 of the

1 Government Code and those services are procured in accordance
2 with the requirements of that chapter.

3 (h) The board shall provide, upon the request of a claimant,
4 assistance to the claimant in the selection of contractors retained
5 by the claimant to conduct reimbursable work related to corrective
6 actions. The board shall develop a summary of expected costs for
7 common corrective actions. This summary of expected costs may
8 be used by claimants as a guide in the selection and supervision
9 of consultants and contractors.

10 (i) (1) To the extent funding is available, the board shall pay,
11 within 60 days from the date of receipt of an invoice of
12 expenditures, all costs specified in the work plan developed
13 pursuant to Section 25296.10, and all costs that are otherwise
14 necessary to comply with an order issued by a local, state, or
15 federal agency.

16 (2) If corrective action costs, third-party compensation costs,
17 or regulatory technical assistance costs submitted by a claimant
18 are approved for reimbursement by the board but funding is not
19 available for payment to the claimant at the time of approval, the
20 board shall reimburse carrying costs incurred by the claimant after
21 November 7, 2008, but before June 30, 2010, subject to all of the
22 following limitations:

23 (A) The reimbursement for carrying costs shall not exceed the
24 carrying costs actually incurred by the claimant from the date the
25 corrective action costs, third-party compensation costs, or
26 regulatory technical assistance costs are approved for payment by
27 the board until the date that a check for the reimbursement request
28 is issued by the Controller.

29 (B) The reimbursement for carrying costs shall not exceed an
30 amount equivalent to a maximum annual percentage rate of 7
31 percent as applied to the amount approved for reimbursement and
32 for the period calculated pursuant to subparagraph (A).

33 (C) The board shall not reimburse carrying costs that amount
34 to less than one hundred dollars (\$100) per reimbursement request.

35 (D) The board shall not reimburse carrying costs that exceed 9
36 percent of the total amount of costs approved for the reimbursement
37 to which the carrying costs apply.

38 (E) A claimant may submit a request for reimbursement of
39 carrying costs after receipt of fund reimbursement for the corrective
40 action costs, third-party compensation costs, or regulatory technical

1 assistance costs to which the carrying costs apply. Additional
2 carrying costs associated with a reimbursement request for carrying
3 costs submitted pursuant to this paragraph are not eligible for
4 payment.

5 (F) This paragraph does not apply to tank owners or operators
6 that are not described in paragraphs (1), (2), or (3) of subdivision
7 (b) of Section 25299.52.

8 (3) For the purposes of paragraph (2), “carrying cost” means
9 the interest expense incurred by a claimant to acquire money to
10 pay costs approved for reimbursement by the board but for which
11 reimbursement is delayed because funds are unavailable.

12 (j) (1) The board shall pay a claim of not more than three
13 thousand dollars (\$3,000) per occurrence for regulatory technical
14 assistance to an owner or operator who is otherwise eligible for
15 reimbursement under this chapter.

16 (2) For the purposes of this subdivision, regulatory technical
17 assistance is limited to assistance from a person, other than the
18 claimant, in the preparation and submission of a claim to the fund.
19 Regulatory technical assistance does not include assistance in
20 connection with proceedings under Section 25296.40, 25299.39.2,
21 or 25299.56 or any action in court.

22 (k) (1) Notwithstanding any other provision of this section, the
23 board shall pay a claim for the costs of corrective action to a person
24 who owns property on which is located a release from a petroleum
25 underground storage tank that has been the subject of a completed
26 corrective action and for which additional corrective action is
27 required because of additionally discovered contamination from
28 the previous release, only if the person who carried out the earlier
29 and completed corrective action was eligible for, and applied for,
30 reimbursement pursuant to subdivision (b), and only to the extent
31 that the amount of reimbursement for the earlier corrective action
32 did not exceed the amount of reimbursement authorized by
33 subdivision (a). Reimbursement to a claimant on a reopened site
34 shall occur when funds are available, and reimbursement
35 commitment shall be made ahead of any new letters of commitment
36 to be issued, as of the date of the reopening of the claim, if funding
37 has occurred on the original claim, in which case funding shall
38 occur at the time it would have occurred under the original claim.

39 (2) For purposes of this subdivision, a corrective action is
40 completed when the local agency or regional board with

1 jurisdiction over the site or the board issues a closure letter pursuant
2 to subdivision (g) of Section 25296.10.

3 ~~(l) (1) Claims~~ *Except as provided in subdivision (m), claims*
4 *for reimbursement of corrective action costs that are received by*
5 *the board more than 365 days after the date of issuance of a closure*
6 *letter issued pursuant to subdivision (g) of Section 25296.10 or*
7 *after the issuance or activation of a letter of commitment,*
8 *whichever occurs later, shall not be reimbursed unless either of*
9 *the following applies:*

10 (A) Claims for corrective action costs are submitted to the board
11 pursuant to paragraph (1) of subdivision (k).

12 (B) The board finds that submission within the time period
13 specified in this paragraph was beyond the claimant's reasonable
14 control, ongoing work is required for closure that will result in
15 submission of claims beyond that time period, or that under the
16 circumstances of the particular case, it would be unreasonable or
17 inequitable to impose the time period specified in this paragraph.

18 (2) This section does not limit or abrogate the rights of a
19 claimant in disputing reimbursement determinations or suspension
20 of claims.

21 (3) For cases that have been issued a closure letter pursuant to
22 subdivision (g) of Section 25296.10 prior to January 1, 2012, the
23 board shall notify claimants of the 365-day filing deadline specified
24 in paragraph (1) on or before March 31, 2012, or upon issuance
25 of a letter of commitment, whichever occurs later.

26 *(m) (1) The board shall not reimburse a claim for*
27 *reimbursement of a corrective action cost that is received by the*
28 *board more than two years after the date the cost was incurred or*
29 *more than two years after the date of the issuance or activation of*
30 *a letter of commitment, whichever occurs later, except under one*
31 *or both of the following conditions:*

32 (A) *The board may reimburse a claim for a cost incurred before*
33 *January 1, 2015, by a claimant that has an active letter of*
34 *commitment on January 1, 2015, that was received by the board*
35 *on or before December 31, 2015, or within two years of the date*
36 *the cost was incurred, whichever occurs later.*

37 (B) *The executive director finds that submission within the time*
38 *period specified in this subdivision was beyond the claimant's*
39 *reasonable control or that, under the circumstances of the*

1 *particular case, it would be unreasonable or inequitable to impose*
2 *the time period specified in this subdivision.*

3 (2) *For the purposes of this subdivision, a cost is incurred on*
4 *the date that the task to be paid for is completed.*

5 *SEC. 11. Section 25299.70 of the Health and Safety Code is*
6 *amended to read:*

7 25299.70. (a) ~~Any~~*The board may recover any costs incurred*
8 *and payable from the fund pursuant to subdivisions (c), (e), and*
9 ~~(h)~~ *(h), and (n) of Section 25299.51 shall be recovered by the*
10 ~~Attorney General, upon request of the board,~~ *from the owner or*
11 *operator of the underground storage tank which released the*
12 *petroleum and which is the subject of those costs or from any other*
13 *responsible party.*

14 (b) *The liability of an owner or operator shall be the full and*
15 *total costs specified in subdivision (a) if the owner or operator has*
16 *not complied with the requirements of Article 3 (commencing with*
17 *Section 25299.30) or has violated Section 25296.10 or any*
18 *corrective action order, directive, notification or approval order*
19 *issued pursuant to this chapter, Chapter 6.7 (commencing with*
20 *Section 25280), or Division 7 (commencing with Section 13000)*
21 *of the Water Code. The liability of a responsible party who is not*
22 *an owner or operator shall be the full and total costs specified in*
23 *subdivision (a).*

24 (c) *The amount of costs determined pursuant to this section*
25 *shall be recoverable in a civil action. This section does not deprive*
26 *a party of any defense the party may have.*

27 (d) ~~All money recovered by the Attorney General~~ *board* ~~pursuant~~
28 ~~to this section shall be deposited in the fund.~~

29 (e) *The amount of the costs constitutes a lien on the affected*
30 *property upon service of a copy of the notice of lien on the owner*
31 *and upon the recordation of a notice of lien, if the notice identifies*
32 *the property on which the condition was abated, the amount of the*
33 *lien, and the owner of record of the property, in the office of the*
34 *county recorder of the county in which the property is located.*
35 *Upon recordation, the lien shall have the same force, effect, and*
36 *priority as a judgment lien, except that it attaches only to the*
37 *property posted and described in the notice of lien, and shall*
38 *continue for 10 years from the time of the recording of the notice,*
39 *unless sooner released or otherwise discharged. Not later than 45*
40 *days from the date of receipt of a notice of lien, the owner may*

1 petition the court for an order releasing the property from the lien
2 or reducing the amount of the lien. In that court action, the
3 governmental agency that incurred the cleanup costs shall establish
4 that the costs were reasonable and necessary. The lien may be
5 foreclosed by an action brought by the board for a money judgment.

6 *SEC. 12. Section 25299.71 is added to the Health and Safety*
7 *Code, to read:*

8 *25299.71. (a) (1) Except as provided in subdivisions (b) and*
9 *(c), if a person is convicted under Section 25299.80.5 or is found*
10 *to be civilly liable under Section 25299.78 or 25299.80, the*
11 *executive director of the board may permanently disqualify that*
12 *person from receiving any moneys from the fund. If the executive*
13 *director of the board determines that the disqualified person is a*
14 *contractor or consultant, a claimant shall not submit invoices to*
15 *the fund for any work performed or directed by that person.*

16 *(2) For purposes of this section, “contractor or consultant”*
17 *means a person whose professional services are engaged to*
18 *perform work that is the subject of a claim specified in paragraph*
19 *(2) of subdivision (d) of Section 25299.57.*

20 *(b) If the person convicted under Section 25299.80.5 or found*
21 *to be civilly liable under Section 25299.78 or 25299.80 is a*
22 *claimant, the executive director of the board may permanently*
23 *disqualify the claimant from further participation in the fund, with*
24 *respect to the fund claims that are the subject of that conviction*
25 *under Section 25299.80.5 or that civil liability under Section*
26 *25299.78 or 25299.80, only if the executive director makes a*
27 *finding that the alleged violation is knowing, willful, or intentional.*

28 *(c) If the person convicted under Section 25299.80.5 or found*
29 *to be civilly liable under Section 25299.78 or 25299.80 is a*
30 *claimant, the executive director of the board may permanently*
31 *disqualify the claimant from further participation in the fund,*
32 *including fund claims that are not the subject of that conviction*
33 *under Section 25299.80.5 or civil liability under Section 25299.78*
34 *or 25299.80, only if the executive director makes one of the*
35 *following findings:*

36 *(1) The alleged violation is knowing, willful, or intentional.*

37 *(2) The claimant received a material economic benefit from the*
38 *action which caused the violation.*

1 (3) *The alleged violation is chronic or the claimant is a*
2 *recalcitrant violator, as determined pursuant to subdivision (g) of*
3 *Section 13399 of the Water Code.*

4 (d) *In addition to the requirements of subdivisions (b) and (c),*
5 *in determining the extent to which a person, including, but not*
6 *limited to, a claimant, convicted under Section 25299.80.5 or found*
7 *to be civilly liable under Section 25299.78 or 25299.80 may be*
8 *disqualified from receiving any money from the fund, including*
9 *the extent to which the person may be reimbursed for pending or*
10 *future claims from the fund, the executive director of the board,*
11 *or the court, as the case may be, shall take into account the nature,*
12 *circumstances, extent, and gravity of the violation, the person's*
13 *ability to pay, any prior history of misrepresentations by the person*
14 *to the board, or local agency, any economic benefits or savings*
15 *that resulted or would have resulted from the false statement, and*
16 *any other matters as justice may require.*

17 SEC. 13. *Section 25299.78 of the Health and Safety Code is*
18 *amended to read:*

19 25299.78. (a) *To carry out the purposes of this chapter, any*
20 *authorized representative of the local agency, regional board, or*
21 *board shall have the authority specified in Section 25185, with*
22 *respect to any place where underground storage tanks are located,*
23 *and in Section 25185.5, with respect to any real property which is*
24 *within 2,000 feet of any place where underground storage tanks*
25 *are located.*

26 (b) *An owner or operator shall furnish, under penalty of perjury,*
27 *any information on fees imposed pursuant to Article 5*
28 *(commencing with Section 25299.40), financial responsibility,*
29 *unauthorized releases, or corrective action as the local agency,*
30 *regional board, or board may require.*

31 (c) *A person who fails or refuses to furnish information under*
32 *subdivision (b) or furnishes false information to the fund is subject,*
33 *in accordance with the requirements of subdivision (d), to civil*
34 *liability of not more than ten thousand dollars (\$10,000) for each*
35 *violation of this subdivision.*

36 (d) (1) *Except as provided in subdivision (2), a claimant shall*
37 *not be liable under subdivision (c) unless one of the following is*
38 *established by the court, if the action is brought pursuant to*
39 *subdivision (e), or the executive director, if the action is brought*
40 *pursuant to subdivision (f):*

1 (A) *The alleged violation is knowing, willful, or intentional.*

2 (B) *The claimant received a material economic benefit from the*
3 *action which caused the alleged violation.*

4 (C) *The alleged violation is chronic or that the claimant is a*
5 *recalcitrant violator, as determined pursuant to subdivision (g) of*
6 *Section 13399 of the Water Code.*

7 (2) *If a claimant is in violation of subdivision (c), but does not*
8 *meet any of the conditions specified in paragraph (1), the claimant*
9 *may be held liable only if the board or an authorized representative*
10 *of the board issues a notice to comply pursuant to Chapter 5.8*
11 *(commencing with Section 13399) of Division 7 of the Water Code*
12 *before an action is taken pursuant to subdivision (e) or (f).*

13 (e) *The Attorney General, upon request of the board, shall bring*
14 *an action in superior court to impose the civil liability specified*
15 *in subdivision (c).*

16 (f) *The executive director of the board may impose the civil*
17 *liability specified in subdivision (c) administratively in the same*
18 *manner as the executive director of the board is authorized to*
19 *impose civil liability pursuant to Article 2.5 (commencing with*
20 *section 13323) of Chapter 5 of Division 7 of the Water Code.*

21 (g) *In determining the amount of any civil liability imposed*
22 *under this section, the executive director of the board, or the court,*
23 *as the case may be, shall take into account the nature,*
24 *circumstances, extent, and gravity of the false statement or refusal*
25 *or failure to furnish information, the person's ability to pay, any*
26 *prior history by the person of misrepresentations to or*
27 *noncooperation with the board or local agency, any economic*
28 *benefits or savings that resulted or would have resulted from the*
29 *false statement or refusal or failure to furnish information, and*
30 *other matters as justice may require.*

31 (h) *Remedies under this section are in addition to, and do not*
32 *supersede or limit, any other civil, administrative or criminal*
33 *remedies.*

34 (i) *All funds collected pursuant to this section shall be deposited*
35 *into the fund.*

36 *SEC. 14. Section 25299.80 is added to the Health and Safety*
37 *Code, to read:*

38 *25299.80. (a) A person who makes a misrepresentation in any*
39 *claim, including, but not limited to, a record, report, certification,*
40 *application, invoice, form, or other document that is submitted to*

1 *the fund relating to a claim, is subject to civil liability of not more*
2 *than five hundred thousand dollars (\$500,000) for each violation*
3 *of this subdivision.*

4 *(b) Except as provided in subdivision (d), the Attorney General,*
5 *upon request of the state board, shall bring an action in superior*
6 *court to impose the civil liability specified in subdivision (a).*

7 *(c) Except as provided in subdivision (d), the executive director*
8 *of the board may impose the civil liability specified in subdivision*
9 *(a) administratively in the same manner as the executive director*
10 *of the board is authorized to impose civil liability pursuant to*
11 *Article 2.5 (commencing with section 13323) of Chapter 5 of*
12 *Division 7 of the Water Code.*

13 *(d) If the violation by a claimant of subdivision (a) is not*
14 *knowing, willful, or intentional, the board or an authorized*
15 *representative shall first issue a notice to comply pursuant to*
16 *Chapter 5.8 (commencing with Section 13399) of Division 7 of the*
17 *Water Code before an action may be taken pursuant to subdivision*
18 *(b) or (c).*

19 *(e) In determining the amount of civil liability imposed under*
20 *this section, the executive director of the board, or the court, as*
21 *the case may be, shall take into account the nature, circumstance,*
22 *extent, and gravity of the violation, the person's ability to pay, any*
23 *prior history of misrepresentations by the person to the board or*
24 *local agency, any economic benefits or savings that resulted or*
25 *would have resulted from the false statement, and other matters*
26 *as justice may require.*

27 *(f) Remedies under this section are in addition to, and do not*
28 *supersede or limit, any other civil, administrative, or criminal*
29 *remedies.*

30 *(g) All money collected pursuant to this section shall be*
31 *deposited into the fund.*

32 *(h) The board shall file a complaint with any applicable*
33 *licensing board against any person licensed or otherwise regulated*
34 *by that licensing board who is found to be liable under this section.*

35 *SEC. 15. Section 25299.80.5 is added to the Health and Safety*
36 *Code, to read:*

37 *25299.80.5. (a) A person who knowingly makes or causes to*
38 *be made any false statement, material misrepresentation, or false*
39 *certification in support of any claim under this chapter, including,*
40 *but not limited to, in an application, record, report, certification,*

1 *plan, invoice, form, or other document that is submitted, filed, or*
2 *required to be maintained under this chapter for purposes of a*
3 *claim, shall, upon conviction, be punished by a fine of not more*
4 *than ten thousand dollars (\$10,000), or by imprisonment in a*
5 *county jail for not more than one year, or in the state prison for*
6 *16 months, two, or three years, or by both that fine and*
7 *imprisonment.*

8 *(b) The Attorney General, upon request of the board, may bring*
9 *an action in superior court to impose the criminal penalty specified*
10 *in subdivision (a).*

11 *(c) Remedies under this section are in addition to, and do not*
12 *supersede or limit, any other civil or criminal remedies.*

13 *(d) All funds collected pursuant to this section shall be deposited*
14 *into the fund.*

15 *(e) The board shall file a complaint with any applicable*
16 *licensing board against any person licensed or otherwise regulated*
17 *by that licensing board who is convicted under this section.*

18 *SEC. 16. Section 25299.80.6 is added to the Health and Safety*
19 *Code, to read:*

20 *25299.80.6. An action by the executive director to impose civil*
21 *liability under this chapter is subject to review by the board in the*
22 *same manner as provided for the review by the State Water*
23 *Resources Control Board of actions of a regional board under*
24 *Section 13320 of the Water Code.*

25 *SEC. 17. Section 25299.81 of the Health and Safety Code is*
26 *amended to read:*

27 *25299.81. (a) Except as provided in subdivisions (b) and (c),*
28 *this chapter shall remain in effect only until January 1, ~~2016~~, 2020,*
29 *and as of that date is repealed, unless a later enacted statute, which*
30 *is enacted before January 1, ~~2016~~, 2020, deletes or extends that*
31 *date.*

32 *(b) Notwithstanding subdivision (a), Article 1 (commencing*
33 *with Section 25299.10), Article 2 (commencing with Section*
34 *25299.11), and Article 4 (commencing with Section 25299.36)*
35 *shall not be repealed and shall remain in effect on January 1, ~~2016~~*
36 *2020.*

37 *(c) The repeal of certain portions of this chapter does not*
38 *terminate any of the following rights, obligations, or authorities,*
39 *or any provision necessary to carry out these rights and obligations:*

1 (1) The filing and payment of claims against the fund, including
2 the costs specified in subdivisions (c), (e), and (h) of Section
3 25299.51, claims filed under Section 25299.50.3, and claims for
4 commingled plumes, as specified in Article 11 (commencing with
5 Section 25299.90), until the moneys in the fund are exhausted.
6 Upon exhaustion of the fund, any remaining claims shall be invalid.

7 (2) The repayment of loans, outstanding as of January 1, ~~2016~~,
8 2020, due and payable to the board.

9 (3) The recovery of moneys reimbursed to a claimant to which
10 the claimant is not entitled, or the resolution of any cost recovery
11 action.

12 (4) The collection of unpaid fees that are imposed pursuant to
13 Article 5 (commencing with Section 25299.40), as that article read
14 on December 31, ~~2015~~, 2019, or have become due before January
15 1, ~~2016~~, 2020, including any interest or penalties that accrue before,
16 on, or after January 1, ~~2016~~, 2020, associated with those unpaid
17 fees.

18 (5) (A) The filing of an application for funds from, and the
19 making of payments from, the Underground Storage Tank
20 Petroleum Contamination Orphan Site Cleanup Fund pursuant to
21 Section 25299.50.2, any action for the recovery of moneys paid
22 pursuant to Section 25299.50.2 to which the recipient is not
23 entitled, and the resolution of that cost recovery action.

24 (B) Upon liquidation of funds in the Underground Storage Tank
25 Petroleum Contamination Orphan Site Cleanup Fund, the obligation
26 to make a payment from the Underground Storage Tank Petroleum
27 Contamination Orphan Site Cleanup Fund is terminated.

28 (6) (A) The payment of loans and grants, consistent with the
29 terms of agreements that were effective prior to January 1, ~~2016~~,
30 2020, from the Underground Storage Tank Cleanup Fund, pursuant
31 to this chapter or the Petroleum Underground Storage Tank
32 Financing Account pursuant to Chapter 6.76 (commencing with
33 Section 25299.100). Upon exhaustion of the Underground Storage
34 Tank Cleanup Fund, any remaining claims for payment of grants
35 or loans shall be invalid.

36 (B) The amount of money disbursed for grants and loans
37 pursuant to Chapter 6.76 (commencing with Section 25299.100)
38 shall not exceed the sum of following:

39 (i) The amount that reverts to the Underground Storage Tank
40 Cleanup Fund pursuant to Section 25299.111.

1 (ii) Amounts recovered through the repayment of loans granted
2 pursuant to Chapter 6.76 (commencing with Section 25299.100).

3 (iii) The resolution of any cost recovery action filed prior to
4 January 1, ~~2016~~, 2020, or the initiation of an action or other
5 collection process to recover defaulted loan moneys due to the
6 board or to recover money paid to a grant or loan recipient pursuant
7 to Chapter 6.76 (commencing with Section 25299.100) to which
8 the recipient is not entitled.

9 (7) (A) *The imposition and collection of civil liability pursuant*
10 *to Article 7 (commencing with Section 25299.70), as that article*
11 *read on December 31, 2019.*

12 (B) *Subparagraph (A) shall not be construed as extending or*
13 *modifying any applicable statute of limitations.*

14 (d) The board shall continuously post and update on its Internet
15 Web site, but at a minimum, annually on or before September 30,
16 information that describes the status of the fund and shall make
17 recommendations, when appropriate, to improve the efficiency of
18 the program.

19 *SEC. 18. Section 25299.82 is added to the Health and Safety*
20 *Code, to read:*

21 *25299.82. To ensure that the phase out of the Underground*
22 *Storage Tank Cleanup Fund program, as provided in Section*
23 *25299.81, is achieved in an orderly manner that enables owners*
24 *and operators to maintain continuous coverage for financial*
25 *responsibility obligations required by Sections 25292.2 and*
26 *25299.31 and the federal act, the board shall take the following*
27 *actions:*

28 (a) *The board shall not accept claim applications submitted to*
29 *the fund pursuant to Section 25299.57 or 25299.58 after January*
30 *1, 2019, unless the board finds that the unauthorized release that*
31 *is the subject of the claim was discovered before January 1, 2019,*
32 *and the submission of a claim application by that date was beyond*
33 *the claimant's reasonable control.*

34 (b) *The board shall not accept requests for reimbursements*
35 *submitted to the fund pursuant to Section 25299.57 or 25299.58*
36 *after July 1, 2019.*

37 *SEC. 19. Section 25299.101 of the Health and Safety Code is*
38 *amended to read:*

39 *25299.101. (a) The board shall conduct a loan program*
40 *pursuant to this chapter, to assist small businesses in upgrading,*

1 replacing, or removing tanks to meet applicable local, state, or
2 federal standards. Loan funds may also be used for corrective
3 actions, as defined in Section 25299.14.

4 (b) The board shall also conduct a grant program, pursuant to
5 this chapter, to assist small businesses to ~~comply with Sections~~
6 ~~25284.1 and 25292.4~~ upgrade, remove, or replace project tanks
7 to comply with Section 25284.1, 25292.05, 25292.4, or 41954.

8 *SEC. 20. Section 25299.104 of the Health and Safety Code is*
9 *amended to read:*

10 25299.104. (a) The minimum amount that the board may loan
11 an applicant is ten thousand dollars (\$10,000), and the maximum
12 amount that the board may loan an applicant is seven hundred fifty
13 thousand dollars (\$750,000).

14 (b) The term of the loan shall be for a maximum of 20 years if
15 secured by real property, and for 10 years if not secured by real
16 property. The interest rate for loans shall be set at the rate equal
17 to one-half of the most recent general obligation bond rate obtained
18 by the office of the Treasurer at the time of the loan commitment.

19 (c) Loan funds may be used to finance up to 100 percent of the
20 costs necessary to upgrade, remove, or replace project tanks,
21 including corrective actions, to meet applicable local, state, or
22 federal standards, including, but not limited to, any design,
23 construction, monitoring, operation, or maintenance requirements
24 adopted pursuant to ~~Sections~~ Section 25284.1, 25292.05, 25292.4,
25 ~~and~~ or 41954.

26 (d) The board may charge a loan fee to loan applicants of up to
27 2 percent of the requested loan amount. The loan fee shall be
28 deposited in the Petroleum Underground Storage Tank Financing
29 Account.

30 (e) The inoperation or repeal of this chapter pursuant to Section
31 25299.117 shall not extinguish a loan obligation and shall not
32 impair the deed of trust or other collateral made pursuant to this
33 chapter or the authority of the state to pursue appropriate action
34 for collection.

35 *SEC. 21. Section 25299.105 of the Health and Safety Code is*
36 *amended to read:*

37 25299.105. (a) The board shall make grant funds available
38 from the Petroleum Underground Storage Tank Financing Account
39 to eligible grant applicants who meet all of the following eligibility
40 requirements:

1 (1) The grant applicant is a small business, pursuant to the
2 following requirements:

3 (A) The grant applicant meets the conditions for a small business
4 concern as defined in Section 632 of Title 15 of the United States
5 Code, and in the federal regulations adopted to implement that
6 section, as specified in Part 121 (commencing with Section
7 121.101) of Chapter I of Title 13 of the Code of Federal
8 Regulations.

9 (B) The grant applicant employs fewer than 20 full-time and
10 part-time employees, is independently owned and operated, and
11 is not dominant in its field of operation.

12 (2) The principal office of the grant applicant is domiciled in
13 the state and the officers of the grant applicant are domiciled in
14 this state.

15 (3) All tanks owned and operated by the grant applicant are
16 subject to compliance with Chapter 6.7 (commencing with Section
17 25280) and the regulations adopted pursuant to that chapter.

18 (4) The facility where the project tank is located has sold at
19 retail less than 900,000 gallons of gasoline annually for each of
20 the two years preceding the submission of the grant application.
21 The number of gallons sold shall be based upon taxable sales
22 figures provided to the State Board of Equalization for that facility.

23 (5) ~~The~~ *Except as provided in subdivision (b), the* grant applicant
24 owns or operates a tank that is in compliance with all of the
25 following:

26 (A) Section 41954.

27 (B) Any of the following:

28 (i) Section 25290.1.

29 (ii) Section 25290.2.

30 (iii) Section 25291.

31 (iv) Subdivisions (d) and (e) of Section 25292.

32 (C) Any regulation implementing the applicable sections
33 required for compliance with subparagraphs (A) and (B).

34 (6) The facility where the project tank is located was legally in
35 business retailing gasoline after January 1, 1999.

36 (b) *The board may grant a waiver from requirements of*
37 *paragraph (5) of subdivision (a) if the board finds all of the*
38 *following:*

39 (1) *The grant applicant owns or operates a project tank.*

1 (2) *The project tank will be removed and will not be replaced*
2 *with another tank.*

3 (3) *The grant applicant does not meet the requirements to obtain*
4 *a loan pursuant to this chapter.*

5 (b)

6 (c) Grant funds may only be used to pay the costs necessary to
7 ~~comply with the requirements of Section 25284.1, 25292.4,~~
8 ~~25292.5, or 41954~~ *upgrade, remove, or replace project tanks to*
9 *comply with Section 25284.1, 25292.05, 25292.4, 25292.5, or*
10 *41954.*

11 *SEC. 22. Section 25299.106 of the Health and Safety Code is*
12 *amended to read:*

13 25299.106. A complete grant application shall include all of
14 the following information:

15 (a) Evidence of eligibility.

16 (b) The board shall develop a standard list of documents required
17 of all applicants, and may also request from individual applicants
18 additional financial and legal documents not provided on this list.

19 (c) An explanation of the actions the applicant is required to
20 take to comply with the requirements of ~~Sections~~ *Section 25284.1*
21 ~~and 25292.4 or Section 41954, 25292.05, 25292.4, 25292.5, or~~
22 *41954.*

23 (d) A detailed cost estimate of the actions that are required to
24 be completed for the project tanks to comply with applicable local,
25 state, or federal standards, if applicable.

26 (e) Any other information that the board determines to be
27 necessary to include in an application form.

28 *SEC. 23. Section 25299.107 of the Health and Safety Code is*
29 *amended to read:*

30 25299.107. (a) The minimum amount that the board may grant
31 an applicant is three thousand dollars (\$3,000), and the maximum
32 amount that the board may grant an applicant is ~~fifty thousand~~
33 ~~dollars (\$50,000)~~ *seventy thousand dollars (\$70,000).*

34 (b) Grant funds may be used to finance up to 100 percent of the
35 costs necessary to ~~comply with Sections 25284.1, upgrade, remove,~~
36 ~~or replace project tanks to comply with Section 25284.1, 25292.05,~~
37 ~~25292.4, 25292.5, and or 41954.~~

38 (c) If the board received the applicant's grant application on or
39 before April 1, 2009, grant funds may be used to reimburse up to
40 100 percent of the costs that the applicant incurred after the board

1 received the grant application to comply with the Enhanced Vapor
2 Recovery Phase II regulations.

3 (d) A person or entity is not eligible to receive more than ~~fifty~~
4 ~~thousand dollars (\$50,000)~~ *seventy thousand dollars (\$70,000)* in
5 grant funds pursuant to this chapter.

6 *SEC. 24. No reimbursement is required by this act pursuant*
7 *to Section 6 of Article XIII B of the California Constitution because*
8 *the only costs that may be incurred by a local agency or school*
9 *district will be incurred because this act creates a new crime or*
10 *infraction, eliminates a crime or infraction, or changes the penalty*
11 *for a crime or infraction, within the meaning of Section 17556 of*
12 *the Government Code, or changes the definition of a crime within*
13 *the meaning of Section 6 of Article XIII B of the California*
14 *Constitution.*

15 *SEC. 25. This act is an urgency statute necessary for the*
16 *immediate preservation of the public peace, health, or safety within*
17 *the meaning of Article IV of the Constitution and shall go into*
18 *immediate effect. The facts constituting the necessity are:*

19 *In order to protect the health and safety of the people of the state*
20 *from the dangers of surface water and groundwater contamination*
21 *and protect the environment from hazardous substance releases,*
22 *it is necessary that this act take effect immediately.*

23 ~~SECTION 1. Section 25299.43 of the Health and Safety Code~~
24 ~~is amended to read:~~

25 ~~25299.43. (a) To implement the changes to this chapter made~~
26 ~~by Chapter 1191 of the Statutes of 1994, and consistent with~~
27 ~~Section 25299.40, effective January 1, 1995, every owner subject~~
28 ~~to Section 25299.41 shall pay a storage fee of one mill (\$0.001)~~
29 ~~for each gallon of petroleum placed in an underground storage~~
30 ~~tank that the person owns, in addition to the fee required by Section~~
31 ~~25299.41.~~

32 ~~(b) On and after January 1, 1996, the storage fee imposed under~~
33 ~~subdivision (a) shall be increased by two mills (\$0.002) for each~~
34 ~~gallon of petroleum placed in an underground storage tank.~~

35 ~~(c) On and after January 1, 1997, the storage fee increased under~~
36 ~~subdivision (b) shall be increased by an additional three mills~~
37 ~~(\$0.003) for each gallon of petroleum placed in an underground~~
38 ~~storage tank.~~

39 ~~(d) On and after January 1, 2005, the storage fee increased under~~
40 ~~subdivision (c) shall be increased by an additional one mill (\$0.001)~~

1 for each gallon of petroleum placed in an underground storage
2 tank.

3 ~~(e) On and after January 1, 2006, the storage fee increased under~~
4 ~~subdivision (d) shall be increased by an additional one mill~~
5 ~~(\$0.001) for each gallon of petroleum placed in an underground~~
6 ~~storage tank.~~

7 ~~(f) On and after January 1, 2010, the storage fee increased under~~
8 ~~subdivision (e) shall be increased by an additional six mills~~
9 ~~(\$0.006) for each gallon of petroleum placed in an underground~~
10 ~~storage tank. The increase provided for in this subdivision shall~~
11 ~~be effective until January 1, 2016, at which time, the fee shall~~
12 ~~revert back to the fee pursuant to subdivision (e).~~

13 ~~(g) The fee imposed under this section shall be paid to the State~~
14 ~~Board of Equalization under Part 26 (commencing with Section~~
15 ~~50101) of Division 2 of the Revenue and Taxation Code in the~~
16 ~~same manner as, and consistent with, the fees imposed under~~
17 ~~Section 25299.41.~~

18 ~~(h) The State Board of Equalization shall amend the regulations~~
19 ~~adopted under Section 25299.41 to carry out this section.~~