

AMENDED IN ASSEMBLY AUGUST 22, 2014  
AMENDED IN ASSEMBLY AUGUST 18, 2014  
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**

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**Introduced by Senator Hill**

February 21, 2013

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An act to amend Sections 25299.32, 25299.43, 25299.50, 25299.50.2, 25299.50.3, 25299.50.4, 25299.51, 25299.51.2, 25299.57, 25299.58, 25299.59, 25299.70, 25299.78, 25299.81, 25299.94, 25299.101, 25299.104, 25299.105, 25299.106, and 25299.107 of, to add Sections 25292.05, ~~25299.50.6, 25299.71~~, 25299.50.6, 25299.51.3, 25299.51.4, 25299.71, 25299.80, 25299.80.5, 25299.80.6, and 25299.82 to, and to add and repeal ~~Sections~~ *Section* 25299.50.7 ~~and 25299.51.3~~ of, the Health and Safety Code, relating to 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: 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, 2025, and would authorize the board to adopt regulations to require the owner or operator to permanently close such an underground storage tank before December 31, 2025, if the underground storage tank poses a high threat to water quality or public health.

(2) Under existing law, the Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989 (the act), portions of which are 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, up to \$1,500,000 per occurrence for 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 requires the board to post on its Internet Web site the results of any program audit or fiscal audit within 90 days after its completion.~~ 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 January 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 those portions of the act and the School District Account until January 1, 2026. ~~The bill would require the board, by December 31, 2020, and at least once every 5 years thereafter, to commission an independent program audit and fiscal audit of the fund.~~ 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. The bill would require the state board, until January 1, 2026, to establish the Expedited Claim Pilot Project to investigate and implement methods to improve claim processing procedures ~~to expedite the funding of claims and the completion of~~ *reduce the overall cost for site cleanup and time to reach closure*. The bill would, until January 1, 2026, establish the Expedited Claim Account in the Underground Storage Tank Cleanup Fund and would, upon appropriation by the Legislature, require the moneys in the account be expended for the implementation of the pilot program. The bill would, for the 2015–16 fiscal year, transfer \$100,000,000 from the Underground Storage Tank Cleanup Fund to the Expedited Claim Account. ~~The bill would, on or before June 1, 2015, would~~ require the state board, in collaboration with specified entities, ~~to initiate~~ *conduct* a study to determine the ~~cost effectiveness~~ *cost-effectiveness and feasibility* of issuing revenue bonds to ~~generate proceeds to pay claims satisfy obligations~~ against the Underground Storage Tank Cleanup Fund and ~~to submit a report on the study to the Legislature, on or before September 1, 2016 post a report on the study, by March 1, 2018, on the board's Internet Web site.~~

The bill would, as of the first day of the first calendar quarter commencing more than 90 days after the effective date of the bill, require payment of an additional \$0.006 per gallon of petroleum stored in an underground storage tank until January 1, 2026. 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 the bill would establish in the ~~Underground Storage Tank Cleanup Fund~~ *State Treasury*. 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, or to provide grants 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.

The bill would decrease the amount that the board may pay from the Underground Storage Tank Cleanup Fund for corrective action costs to \$1,000,000 per occurrence.

(3) Existing law establishes the Underground Storage Tank Petroleum Contamination Orphan Site Cleanup Fund in the State Treasury, and authorizes the board to expend the moneys in the fund, 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 that meets specified requirements, including that the site meets 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. *The bill would limit the amount of the grants the board may issue from that fund for an occurrence to \$1,500,000 for applications filed before December 31, 2014, and \$1,000,000 for applications filed after that date.*

(4) Existing law authorizes the board to pay claims from the Underground Storage Tank Cleanup Fund of up to \$1,500,000 per occurrence, as defined, to aid owners and operators of petroleum underground storage tanks who take corrective action to clean up unauthorized releases from those tanks. The board is also required to pay a claim of up to \$3,000 for regulatory technical assistance. Existing law requires the board to pay a claim for the costs of corrective action to a person who owns property on which is located a release from a petroleum underground storage tank that has been the subject of a corrective action, and for which additional corrective action is required because of additionally discovered contamination from the previous release, if the person who carried out the earlier and completed corrective action was eligible for, and applied for, reimbursement pursuant to specified provisions, only to the extent that the amount of reimbursement for the earlier corrective action did not exceed the amount of \$1,500,000. 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 decrease the maximum amount the board is authorized to pay for those corrective action claims filed on or after January 1, 2015, to \$1,000,000 and would increase the limit for regulatory technical assistance to \$5,000, plus the amount for submission of ~~invoices~~ *documents* using an approved electronic data system. The bill would require the board to pay a claim for the costs of corrective action to a person who owns property on which is located a release from a petroleum underground storage tank that has been removed if the site has been the subject of a corrective action, additional corrective action is required because of additionally discovered contamination from the previous release, the person who owns the property meets specified requirements and is required to perform corrective action pursuant to those provisions because of additionally discovered contamination, and the person who carried out the earlier and completed corrective action did not apply for reimbursement, as prescribed. The bill would authorize the board to reimburse a claim for 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, in certain circumstances, as specified.

(5) Existing law specifies that the costs incurred and payable from the fund for corrective action and other expenses are to be recovered by the Attorney General, upon the request of the board, from the owner or operator of the underground storage tank or from any other responsible party.

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

(6) *Existing law requires the board to post on its Internet Web site the results of any program audit or fiscal audit within 90 days after its completion.*

*The bill would require the board, by December 31, 2019, and at least once every 5 years thereafter, to commission an independent program audit and fiscal audit of the fund. The bill would require the audit to include a review of projected expenses and revenue for the 5 years subsequent to the date of the audit and proposals for the appropriate amount of the petroleum storage fee for that 5-year period.*

*The bill would require the board, by June 1, 2016, to conduct an analysis on whether the priority ranking criteria for the payment of claims to small businesses should be revised and to post the results on*

*the board's Internet Web site within 90 days after completing the analysis.*

(6)

(7) The act requires an owner or operator of an underground storage tank 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 who fails or refuses to furnish that information or furnishes false 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, contractors, or consultants. 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. By creating a new crime, the bill would impose a state-mandated local program.

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, upon appropriation, 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.

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 portions of the act on January 1, 2026, of certain authority in the act to take specified legal actions. The bill would prohibit the board from accepting claim applications for reimbursement for corrective action costs or compensation of 3rd parties that are submitted to the fund after January 1, 2025, unless the board makes a specified finding,

and would prohibit the board from accepting requests for reimbursement for those purposes after July 1, 2025.

(7)

(8) 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 the 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~~, 2025, 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)

(9) 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. Existing law transfers specified funds from the Underground Storage Tank Cleanup Fund to the Petroleum Underground Storage Tank Financing Account and appropriates those funds for the purpose of making those grants and loans.

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 and would increase the maximum amount that the board may grant an applicant to \$70,000, thereby making an appropriation. *The bill would also authorize the board to make a grant of up to \$140,000 for the removal and replacement of tanks located at a fueling station that meets specified*

*requirements.* 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)

(10) 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.

(11) *The bill would incorporate changes to Sections 25299.50 and 25299.51 of the Health and Safety Code proposed by SB 1458, which would become operative if both bills amend those code sections and this bill is enacted after SB 1458, in which case those provisions, as amended by SB 1458, would become operative when that bill becomes operative.*

(10)

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

Vote:  $\frac{2}{3}$ . 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 25292.05 is added to the Health and  
 2 Safety Code, to read:  
 3 25292.05. (a) On or before December 31, 2025, 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 meets either of the following conditions:  
 8 (1) The underground storage tank is designed and constructed  
 9 in accordance with paragraph (7) of subdivision (a) of Section  
 10 25291 and does not meet the requirements of paragraphs (1) to  
 11 (6), inclusive, of subdivision (a) of Section 25291.  
 12 (2) The underground storage tank was installed on or before  
 13 January 1, 1984, and does not meet the requirements of paragraphs  
 14 (1) to (6), inclusive, of subdivision (a) of Section 25291.  
 15 (b) Notwithstanding subdivision (a), the board may adopt  
 16 regulations to require the owner or operator of an underground

1 storage tank to permanently close that underground storage tank  
2 before December 31, 2025, in accordance with Section 25298 and  
3 the regulations adopted pursuant to that section, if the underground  
4 storage tank meets the conditions specified in either paragraph (1)  
5 or (2) of subdivision (a) and the underground storage tank poses  
6 a high threat to water quality or public health. The board shall  
7 consult with stakeholders before adopting regulations pursuant to  
8 this subdivision.

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

11 25299.32. (a) Except as provided in subdivision (f), a claimant  
12 who meets any of the following requirements may use the fund to  
13 establish and maintain evidence of financial responsibility:

14 (1) A claimant who meets the qualifications of paragraph (1)  
15 of subdivision (b) of Section 25299.52 shall be deemed in  
16 compliance with Section 25299.31 if the claimant is eligible for  
17 reimbursement from the fund pursuant to Section 25299.54,  
18 subdivision (d) of Section 25299.57, and subdivision (b) of Section  
19 25299.58.

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

26 (3) If a claimant meets the qualifications of paragraph (4) of  
27 subdivision (b) of Section 25299.52, the level of financial  
28 responsibility required to be obtained pursuant to Section 25299.31  
29 shall be at least ten thousand dollars (\$10,000) for each occurrence,  
30 and at least ten thousand dollars (\$10,000) annual aggregate  
31 coverage for taking corrective action.

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

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

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

4 (e) The changes made to this section by Chapter 1191 of the  
5 Statutes of 1994 shall apply to all claimants with claims, or portions  
6 of claims, for corrective action at sites that have not been  
7 completed, and for which reimbursement by the fund has not been  
8 fully paid by the board.

9 (f) (1) On and after January 1, ~~2019~~, 2025, an owner or operator  
10 of a tank for which a permit that is issued pursuant to Section  
11 25284 is in effect shall not use the fund as a mechanism to  
12 demonstrate compliance with the financial responsibility  
13 requirements of Sections 25292.2 and 25299.31 and with the  
14 federal act.

15 (2) On or before December 31, ~~2018~~, 2024, an owner or operator  
16 who previously used the fund as a mechanism to demonstrate  
17 compliance with financial responsibility requirements shall submit,  
18 to the local agency that issued the permit for the operation of the  
19 tank pursuant to Section 25284, evidence of the alternative financial  
20 responsibility mechanism that will be used, on and after January  
21 1, ~~2019~~, 2025, to comply with Sections 25292.2 and 25299.31 and  
22 with the federal act.

23 SEC. 3. Section 25299.43 of the Health and Safety Code is  
24 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, 2014, at which time, the fee shall  
12 revert back to the fee pursuant to subdivision (e).

13 (g) (1) On and after the first day of the first calendar quarter  
14 commencing more than 90 days after the effective date of the act  
15 adding this paragraph, the storage fee increased under subdivision  
16 (e) shall be increased by an additional six mills (\$0.006) for each  
17 gallon of petroleum placed in an underground storage tank. The  
18 increase provided for in this subdivision shall be effective until  
19 January 1, 2026, at which time ~~the fee shall revert back to the fee~~  
20 ~~established pursuant to subdivision (e):~~ *increase provided for in*  
21 *this section shall not be operative.*

22 (2) Three mills (\$0.003) of the six mills (\$0.006) for each gallon  
23 of petroleum placed in an underground storage tank collected  
24 pursuant to this subdivision shall be available for expenditure by  
25 the board only for purposes provided in subdivision (o) of Section  
26 25299.51.

27 (3) *The board shall annually provide an informational*  
28 *presentation at a board meeting, with the opportunity for public*  
29 *comment, before determining how the funds collected pursuant to*  
30 *this subdivision will be allocated among the purposes provided in*  
31 *subdivision (o) of Section 25299.51.*

32 (h) The fee imposed under this section shall be paid to the State  
33 Board of Equalization under Part 26 (commencing with Section  
34 50101) of Division 2 of the Revenue and Taxation Code in the  
35 same manner as, and consistent with, the fees imposed under  
36 Section 25299.41.

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

39 SEC. 4. Section 25299.50 of the Health and Safety Code is  
40 amended to read:

1 25299.50. (a) The Underground Storage Tank Cleanup Fund  
2 is hereby created in the State Treasury. The money in the fund  
3 may be expended by the board, upon appropriation by the  
4 Legislature, for purposes of this chapter. From time to time, the  
5 board may modify existing accounts or create accounts in the fund  
6 or other funds administered by the board, which the board  
7 determines are appropriate or necessary for proper administration  
8 of this chapter.

9 (b) All of the following amounts shall be deposited in the fund:

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

12 (2) The fees, interest, and penalties collected pursuant to Article  
13 5 (commencing with Section 25299.40).

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

16 (4) Any money recovered by the fund pursuant to Section  
17 25299.70.

18 (5) Any civil and criminal penalties collected by the board or  
19 regional board pursuant to Section 25299.76, 25299.78, 25299.80,  
20 or 25299.80.5.

21 (6) Money recovered as compensation for expenditures  
22 associated with investigations or enforcement actions pursuant to  
23 subdivision (j) or (n) of Section 25299.51.

24 (7) Money recovered to correct a previously overpaid  
25 expenditure issued pursuant to this chapter.

26 (c) Notwithstanding subdivision (a), any funds appropriated by  
27 the Legislature in the annual Budget Act for payment of a claim  
28 for the costs of a corrective action in response to an unauthorized  
29 release, that are encumbered for expenditure for a corrective action  
30 pursuant to a letter of credit issued by the board pursuant to  
31 subdivision (e) of Section 25299.57, but are subsequently not  
32 expended for that corrective action claim, may be reallocated by  
33 the board for payment of other claims for corrective action pursuant  
34 to Section 25299.57.

35 *SEC. 5. Section 25299.50 of the Health and Safety Code is*  
36 *amended to read:*

37 25299.50. (a) The Underground Storage Tank Cleanup Fund  
38 is hereby created in the State Treasury. The money in the fund  
39 may be expended by the board, upon appropriation by the  
40 Legislature, for purposes of this chapter. From time to time, the

1 board may modify existing accounts or create accounts in the fund  
2 or other funds administered by the board, which the board  
3 determines are appropriate or necessary for proper administration  
4 of this chapter.

5 ~~(b) Except for funds transferred to the Drinking Water Treatment~~  
6 ~~and Research Fund created pursuant to subdivision (e) of Section~~  
7 ~~116367, all~~ All of the following amounts shall be deposited in the  
8 fund:

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

11 (2) The fees, interest, and penalties collected pursuant to Article  
12 5 (commencing with Section 25299.40).

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

15 (4) Any money recovered by the fund pursuant to Section  
16 25299.70.

17 (5) Any civil or criminal penalties collected by the board or  
18 regional board pursuant to Section ~~25299.76~~, 25299.76, 25299.78,  
19 25299.80, or 25299.80.5.

20 (6) Money recovered as compensation for expenditures  
21 associated with investigations or enforcement actions pursuant to  
22 subdivision (j) or (n) of Section 25299.51.

23 (7) Money recovered to correct a previously overpaid  
24 expenditure issued pursuant to this chapter.

25 (c) Notwithstanding subdivision (a), any funds appropriated by  
26 the Legislature in the annual Budget Act for payment of a claim  
27 for the costs of a corrective action in response to an unauthorized  
28 release, that are encumbered for expenditure for a corrective action  
29 pursuant to a letter of credit issued by the board pursuant to  
30 subdivision (e) of Section 25299.57, but are subsequently not  
31 expended for that corrective action claim, may be reallocated by  
32 the board for payment of other claims for corrective action pursuant  
33 to Section 25299.57.

34 ~~SEC. 5.~~

35 SEC. 6. Section 25299.50.2 of the Health and Safety Code is  
36 amended to read:

37 25299.50.2. (a) The Underground Storage Tank Petroleum  
38 Contamination Orphan Site Cleanup Fund is hereby established  
39 in the State Treasury.

1 (b) (1) Except as provided in paragraph (2), the sum of ten  
2 million dollars (\$10,000,000) is hereby transferred, for each of the  
3 2008–09, 2009–10, and 2010–11 fiscal years, from the  
4 Underground Storage Tank Cleanup Fund to the Underground  
5 Storage Tank Petroleum Contamination Orphan Site Cleanup Fund.

6 (2) Available federal moneys may be deposited in the  
7 Underground Storage Tank Petroleum Contamination Orphan Site  
8 Cleanup Fund. The amount transferred pursuant to paragraph (1)  
9 in a fiscal year shall be reduced by the amount of federal moneys  
10 deposited in the Underground Storage Tank Petroleum  
11 Contamination Orphan Site Cleanup Fund in that fiscal year.

12 (c) The board may expend the moneys in the Underground  
13 Storage Tank Petroleum Contamination Orphan Site Cleanup Fund,  
14 upon appropriation by the Legislature, for the costs of response  
15 actions to remediate the harm caused by petroleum contamination  
16 at a site that meets all of the following conditions:

17 (1) The petroleum contamination is the principal source of  
18 contamination at the site.

19 (2) The source of the petroleum contamination is, or was, an  
20 underground storage tank.

21 (3) A financially responsible party has not been identified to  
22 pay for remediation at the site.

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

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

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

36 (f) (1) *If the board determines that an applicant who filed a*  
37 *grant application on or before December 31, 2014, is eligible for*  
38 *a grant pursuant to this section, the board shall not issue more*  
39 *than one million five hundred thousand dollars (\$1,500,000) in*  
40 *grants from the Underground Storage Tank Petroleum*

1 Contamination Orphan Site Cleanup Fund for the occurrence for  
2 which the applicant applied.

3 (2) If the board determines that an applicant who filed a grant  
4 application after December 31, 2014, is eligible for a grant  
5 pursuant to this section, the board may not issue more than one  
6 million dollars (\$1,000,000) in grants from the Underground  
7 Storage Tank Petroleum Contamination Orphan Site Cleanup  
8 Fund for the occurrence for which the applicant applied.

9 (3) The board shall include the amount of any grants awarded  
10 by the board from the Underground Storage Tank Petroleum  
11 Contamination Orphan Site Cleanup Subaccount pursuant to  
12 former Section 25299.50.2, as that section read on December 31,  
13 2007, toward the total amount available per occurrence for grants  
14 awarded from the Underground Storage Tank Petroleum  
15 Contamination Orphan Site Cleanup Fund pursuant to this section.

16 ~~SEC. 6.~~

17 SEC. 7. Section 25299.50.3 of the Health and Safety Code is  
18 amended to read:

19 25299.50.3. (a) For purposes of this section, “school district”  
20 means a school district as defined in Section 80 of the Education  
21 Code, or a county office of education.

22 (b) The School District Account is hereby created in the  
23 Underground Storage Tank Cleanup Fund, for expenditure by the  
24 board to pay a claim filed by a district that is a school district and  
25 has a priority based on paragraph (2), (3), or (4) of subdivision (b)  
26 of Section 25299.52. Notwithstanding Section 25299.52, in the  
27 2009–10, 2010–11, and 2011–12 fiscal years, the board shall pay  
28 a claim filed by a district that is a school district and has a priority  
29 based on paragraph (4) of subdivision (b) of Section 25299.52  
30 only from funds appropriated from the School District Account.

31 (c) (1) The sum of ten million dollars (\$10,000,000) per year  
32 shall be transferred, in the 2009–10, 2010–11, and 2011–12 fiscal  
33 years, from the Underground Storage Tank Cleanup Fund to the  
34 School District Account, for expenditure, upon appropriation by  
35 the Legislature, for the payment of claims filed by a district that  
36 is a school district with a priority based on paragraph (2), (3), or  
37 (4) of subdivision (b) of Section 25299.52. The ten million dollars  
38 (\$10,000,000) shall be transferred to the School District Account  
39 prior to allocating the remaining available funds to each priority

1 ranking in paragraphs (1), (2), (3), and (4) of subdivision (b) of  
2 Section 25299.52.

3 (2) The board shall consult with the Department of Toxic  
4 Substances Control in allocating the funds transferred to the School  
5 District Account.

6 (3) The board shall pay claims from a school district with a  
7 priority based on paragraph (4) of subdivision (b) of Section  
8 25299.52 from the School District Account in the order of the date  
9 of the filing of the claim application to the Underground Storage  
10 Tank Cleanup Fund. In each of the fiscal years identified in  
11 subdivision (b), if the board estimates that money will be available  
12 in the School District Account after the board has allocated funding  
13 for all submitted claims from school districts with a priority based  
14 on paragraph (4) of subdivision (b) of Section 25299.52, School  
15 District Account funds may be used to fund school district claims  
16 with a priority based on paragraph (2) or (3) of subdivision (b) of  
17 Section 25299.52.

18 (d) (1) Funds in the School District Account that are not  
19 expended in a fiscal year shall remain in the School District  
20 Account. Funds remaining in the School District Account on  
21 January 1, 2026, shall be transferred to the Underground Storage  
22 Tank Cleanup Fund.

23 (2) *Notwithstanding Section 16304.1 of the Government Code,*  
24 *the board shall encumber the funds appropriated pursuant to this*  
25 *section within three years of the appropriation and the board may*  
26 *make a disbursement in liquidation of an encumbrance before or*  
27 *during the three years following the last day the appropriation is*  
28 *available for encumbrance.*

29 (e) The board shall include information on the expenditure of  
30 the funds transferred to the School District Account, as well as the  
31 amount of all claims filed by districts that are school districts and  
32 the amount of reimbursements made to districts that are school  
33 districts from the Underground Storage Tank Cleanup Fund, in its  
34 annual report, and shall, in consultation with the Department of  
35 Toxic Substances Control, estimate the amount of funds needed  
36 to reimburse anticipated future claims by districts that are school  
37 districts. The board shall provide a copy of this report to the State  
38 Allocation Board and the State Department of Education.

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

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

11 (h) This section shall remain in effect only until January 1, 2026,  
12 and as of that date is repealed, unless a later enacted statute, that  
13 is enacted before January 1, 2026, deletes or extends that date.

14 ~~SEC. 7.~~

15 *SEC. 8.* Section 25299.50.4 of the Health and Safety Code is  
16 amended to read:

17 25299.50.4. (a) It is the intent of the Legislature that the board  
18 and the Department of Toxic Substances Control, using information  
19 gathered and reported pursuant to subdivision (e) of Section  
20 25299.50.3, propose changes to Section 25299.50.3 that may be  
21 necessary to ensure that adequate funds are available to reimburse  
22 anticipated future claims by districts that are school districts and  
23 have a priority based on paragraph (4) of subdivision (b) of Section  
24 25299.52.

25 (b) This section shall remain in effect only until July 1, 2018,  
26 and as of that date is repealed, unless a later enacted statute, that  
27 is enacted before July 1, 2018, deletes or extends that date.

28 ~~SEC. 8.~~

29 *SEC. 9.* Section 25299.50.6 is added to the Health and Safety  
30 Code, to read:

31 25299.50.6. (a) The Site Cleanup Subaccount is hereby  
32 established in the ~~Underground Storage Tank Cleanup Fund~~ *State*  
33 *Treasury. Moneys shall be deposited in the subaccount pursuant*  
34 *to subdivision (m) of Section 25299.51.*

35 (b) The board may expend the funds in the Site Cleanup  
36 Subaccount, upon appropriation by the Legislature, for the  
37 following purposes:

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

1 (2) To pay for reasonable and necessary expenditures that the  
2 board, a regional board, or a local agency incurs to remediate the  
3 harm or threat of harm to human health, safety, and the  
4 environment caused by existing or threatened surface or  
5 groundwater contamination. The board shall consider the following  
6 factors when approving expenditures for specific locations:

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

9 (B) Whether the location is located in a small or financially  
10 disadvantaged community.

11 (C) The cost and potential environmental benefit of the  
12 investigation or cleanup.

13 (D) Whether there are other potential sources of funding for the  
14 investigation or cleanup.

15 (E) Any other information the board identifies as necessary for  
16 consideration.

17 (3) To issue grants pursuant to this section for the reasonable  
18 and necessary costs of actions to remediate the harm or threat of  
19 harm to human health, safety, and the environment caused by  
20 existing or threatened surface or groundwater contamination at a  
21 location that meets both of the following conditions:

22 (A) The board, a regional board, or local agency requires the  
23 responsible parties to undertake or contract for investigation or  
24 cleanup, pursuant to an oral or written order, directive, notification,  
25 or approval issued pursuant to Section 25296.10, or pursuant to a  
26 cleanup and abatement order issued under Section 13304 of the  
27 Water Code. The board may waive this requirement if the board  
28 finds that it is infeasible for an order to be issued before initiation  
29 of remediation.

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

32 (4) *For payments to the Attorney General by the board pursuant*  
33 *to subdivision (g).*

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

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

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

6 (3) The cost and potential environmental benefit of the  
7 investigation or cleanup.

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

10 (5) Any other information the board identifies as necessary for  
11 consideration.

12 (d) (1) The board shall specify the information that shall be  
13 included in a grant application, consistent with this section,  
14 including, but not limited to, a provision requiring the applicant  
15 to make a sworn verification of the information in the application  
16 to the best of the applicant's knowledge.

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

18 (3) The board shall post any procedures or information  
19 requirements adopted pursuant to this section on its Internet Web  
20 site.

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

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

27 (3) The board may terminate a grant and may bar the applicant  
28 from receiving any future grants from the Site Cleanup Subaccount  
29 if the board finds that the applicant has made a misrepresentation  
30 or false claim.

31 (f) (1) Any funds in the Site Cleanup Subaccount that are not  
32 expended in a fiscal year shall remain in the subaccount until they  
33 are encumbered.

34 (2) Notwithstanding Section 16304.1 of the Government Code,  
35 ~~a disbursement in liquidation of an encumbrance may be made~~  
36 ~~before or during the four years following the last day the~~  
37 ~~appropriation is available for encumbrance the board shall~~  
38 *encumber the funds appropriated pursuant to this section within*  
39 *three years of the appropriation and the board may make a*  
40 *disbursement in liquidation of an encumbrance before or during*

1 *the three years following the last day the appropriation is available*  
2 *for encumbrance.*

3 (3) *Notwithstanding Section 16475 of the Government Code,*  
4 *any interest earned upon the money in the Site Cleanup Subaccount*  
5 *shall be deposited in the Site Cleanup Subaccount.*

6 (g) The Attorney General may recover the actual, reasonable  
7 costs of investigation or cleanup undertaken pursuant to this section  
8 in a civil action, upon request from the board, from any responsible  
9 party. All money recovered by the Attorney General pursuant to  
10 this section shall be deposited in the ~~fund~~ *Site Cleanup Subaccount.*

11 ~~SEC. 9.~~

12 *SEC. 10.* Section 25299.50.7 is added to the Health and Safety  
13 Code, to read:

14 25299.50.7. (a) The Expedited Claim Account is hereby  
15 created in the Underground Storage Tank Cleanup Fund for  
16 expenditure by the board to pay claims that have been selected to  
17 participate in the pilot project established by this section.

18 (b) The sum of one hundred million dollars (\$100,000,000) shall  
19 be transferred in the 2015–16 fiscal year from the Underground  
20 Storage Tank Cleanup Fund to the Expedited Claim Account for  
21 expenditure, upon appropriation by the Legislature, for the payment  
22 of claims pursuant to this section. Claims shall be paid from the  
23 Expedited Claim Account until moneys in the account are  
24 exhausted.

25 (c) Funds in the Expedited Claim Account that are not expended  
26 in a fiscal year shall remain in the Expedited Claim Account. Funds  
27 remaining in the Expedited Claim Account on January 1, 2026,  
28 shall be transferred to the Underground Storage Tank Cleanup  
29 Fund.

30 (d) The board shall, *with stakeholder input*, establish the  
31 Expedited Claim Pilot Project to ~~investigate and implement~~  
32 ~~methods to improve administrative and claim processing~~  
33 ~~procedures. The goals of the improvements are to expedite the~~  
34 ~~funding of claims and thus expedite the completion of site cleanup.~~  
35 *reduce the overall cost for site cleanup and the time to reach*  
36 *closure by increasing coordination with the responsible party,*  
37 *consultant, regulator, and the fund and by using multiyear budgets.*

38 ~~(1) The board shall investigate potential methods for improving~~  
39 ~~claim processing, including, but not limited to, alternate means of~~  
40 ~~staffing for claim processing procedures, administrative flexibility~~

1 ~~in assigning annual funding for individual claims, expedited~~  
2 ~~reviews of claim forms, increased collaboration between fund staff,~~  
3 ~~regulatory staff and claimants and their contractors, and~~  
4 ~~establishment of multiyear funding for claims.~~

5 *(1) The board shall, with stakeholder input, investigate potential*  
6 *methods for reducing the overall cost for site cleanup and the time*  
7 *to reach closure including, but not limited to, establishment of*  
8 *multiyear funding for claims, increased collaboration between*  
9 *fund staff, regulatory staff, and claimants and their contractors,*  
10 *establishment of project milestones and cost estimates, and*  
11 *establishment of reimbursement submission schedules.*

12 (2) The board shall solicit fund claims from all priority rankings  
13 for participation in the pilot project to implement potential  
14 improvement methods. The board shall select a limited number of  
15 claims to participate in the project.

16 (3) The board shall develop criteria for the selection of claims  
17 to participate in the pilot project and, at a minimum, shall consider  
18 the threat to human health, safety, or the environment caused by  
19 contamination at the site that is the subject of the claim, the priority  
20 ranking assigned to the claim pursuant to Section 25299.52, and  
21 the progress of cleanup at the site that is the subject of the claim.

22 (4) The development of criteria and procedures pursuant to this  
23 subdivision shall not be considered as regulations subject to, and  
24 shall be exempt from, Chapter 3.5 (commencing with Section  
25 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

26 (e) The board shall include information on the expenditure of  
27 funds transferred to the Expedited Claim Account, as well as the  
28 amount of all claims filed by claimants participating in the  
29 Expedited Claim Pilot Project and the amount of reimbursements  
30 made to claimants in the pilot project, in its annual report.

31 (f) ~~After July 1, 2020,~~ *On or before January 1, 2018,* the board  
32 shall prepare a report analyzing the effectiveness and efficiency  
33 of the Expedited Claim Pilot Project in expediting the funding of  
34 claims and ~~thus expediting~~ completions of site cleanups. *The board,*  
35 *in consultation with stakeholders, shall work to develop metrics*  
36 *to forecast long-term demand on the fund and shall include this*  
37 *information in the report.* This report shall be posted on the board's  
38 Internet Web ~~site:~~ *site, and updated periodically.*

1 (g) This section shall remain in effect only until January 1, 2026,  
2 and as of that date is repealed, unless a later enacted statute, that  
3 is enacted before January 1, 2026, deletes or extends that date.

4 ~~SEC. 10.~~

5 *SEC. 11.* Section 25299.51 of the Health and Safety Code is  
6 amended to read:

7 25299.51. The board may expend the money in the fund for  
8 all the following purposes:

9 (a) In addition to the purposes specified in subdivisions (c), (d),  
10 and (e), for the costs of implementing this chapter and for  
11 implementing Section 25296.10 for a tank that is subject to this  
12 chapter.

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

16 (c) To pay for the reasonable and necessary costs of corrective  
17 action pursuant to Section 25299.36, up to one million dollars  
18 (\$1,000,000) per occurrence. The Legislature may appropriate the  
19 money in the fund for expenditure by the board, without regard to  
20 fiscal year, for prompt action in response to any unauthorized  
21 release.

22 (d) To pay for the costs of an agreement for the abatement of,  
23 and oversight of the abatement of, an unauthorized release of  
24 hazardous substances from underground storage tanks, by a local  
25 agency, as authorized by Section 25297.1 or by any other provision  
26 of law, except that, for the purpose of expenditure of these funds,  
27 only underground storage tanks, as defined in Section 25299.24,  
28 shall be the subject of the agreement.

29 (e) To pay for the costs of cleanup and oversight of unauthorized  
30 releases at abandoned tank sites. The board shall not expend more  
31 than 25 percent of the total amount of money collected and  
32 deposited in the fund annually for the purposes of this subdivision  
33 and subdivision (h).

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

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

38 (h) To pay for the reasonable and necessary costs of corrective  
39 action pursuant to subdivision (f) of Section 25296.10, in response

1 to an unauthorized release from an underground storage tank  
2 subject to this chapter.

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

4 (j) To pay for expenditures by the board associated with  
5 discovering violations of, and enforcing, or assisting in the  
6 enforcement of, the requirements of Chapter 6.7 (commencing  
7 with Section 25280) with regard to petroleum underground storage  
8 tanks.

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

12 (l) Upon repeal of Chapter 6.76 (commencing with Section  
13 25299.100), to pay for expenditures authorized by subdivision (b)  
14 of Section 25299.117 as that section reads as of December 31,  
15 2021.

16 (m) For transfer to the Site Cleanup Subaccount to pay for  
17 expenditures by the board pursuant to Section 25299.50.6,  
18 including costs for regulatory oversight of sites funded pursuant  
19 to that section.

20 (n) To pay for reasonable and necessary expenditures by the  
21 board associated with discovering violations of and enforcing, or  
22 assisting in the enforcement of, the requirements of this chapter,  
23 including actions relating to the submission of false information  
24 to the fund.

25 (o) (1) For transfer to the School District Account to pay for  
26 expenditures by the board pursuant to Section 25299.50.3 or for  
27 transfer pursuant to subdivision (k) or (m).

28 (2) This subdivision shall apply only to the moneys collected  
29 pursuant to paragraph (2) of subdivision (g) of Section 25299.43.

30 *SEC. 12. Section 25299.51 of the Health and Safety Code is*  
31 *amended to read:*

32 25299.51. The board may expend the ~~money in the fund~~ *moneys*  
33 *in the Underground Storage Tank Cleanup Fund, created under*  
34 *subdivision (a) of Section 25299.50, for all the following purposes:*

35 (a) In addition to the purposes specified in subdivisions (c), (d),  
36 and (e), for the costs of implementing this chapter and for  
37 implementing Section 25296.10 for a tank that is subject to this  
38 chapter.

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

4 (c) To pay for the reasonable and necessary costs of corrective  
5 action pursuant to Section 25299.36, up to one million ~~five hundred~~  
6 ~~thousand dollars (\$1,500,000)~~ *dollars (\$1,000,000)* per occurrence.  
7 The Legislature may appropriate the money in the fund for  
8 expenditure by the board, without regard to fiscal year, for prompt  
9 action in response to any unauthorized release.

10 (d) To pay for the costs of an agreement for the abatement of,  
11 and oversight of the abatement of, an unauthorized release of  
12 hazardous substances from underground storage tanks, by a local  
13 agency, as authorized by Section 25297.1 or by any other provision  
14 of law, except that, for the purpose of expenditure of these funds,  
15 only underground storage tanks, as defined in Section 25299.24,  
16 shall be the subject of the agreement.

17 (e) To pay for the costs of cleanup and oversight of unauthorized  
18 releases at abandoned tank sites. The board shall not expend more  
19 than 25 percent of the total amount of money collected and  
20 deposited in the fund annually for the purposes of this subdivision  
21 and subdivision (h).

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

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

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

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

31 (j) To pay for expenditures by the board associated with  
32 discovering violations of, and enforcing, or assisting in the  
33 enforcement of, the requirements of Chapter 6.7 (commencing  
34 with Section 25280) with regard to petroleum underground storage  
35 tanks.

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

39 *(l) Upon repeal of Chapter 6.76 (commencing with Section*  
40 *25299.100), to pay for expenditures authorized by subdivision (b)*

1 of Section 25299.117 as that section reads as of December 31,  
2 2021, immediately preceding its repeal.

3 (m) For transfer to the Site Cleanup Subaccount to pay for  
4 expenditures by the board pursuant to Section 25299.50.6,  
5 including costs for regulatory oversight of sites funded pursuant  
6 to that section.

7 (n) To pay for reasonable and necessary expenditures by the  
8 board associated with discovering violations of and enforcing, or  
9 assisting in the enforcement of, the requirements of this chapter,  
10 including actions relating to the submission of false information  
11 to the fund.

12 (o) (1) For transfer to the School District Account to pay for  
13 expenditures by the board pursuant to Section 25299.50.3 or for  
14 transfer pursuant to subdivision (k) or (m).

15 (2) This subdivision shall apply only to the moneys collected  
16 pursuant to paragraph (2) of subdivision (g) of Section 25299.43.

17 ~~SEC. 11.~~

18 SEC. 13. Section 25299.51.2 of the Health and Safety Code is  
19 amended to read:

20 25299.51.2. (a) On or before December 31, ~~2020~~, 2019, and  
21 at least once every five years thereafter, the board shall commission  
22 an independent program audit and a fiscal audit of the fund by an  
23 independent auditor.

24 (b) Within 90 days of the completion of the independent program  
25 audit or fiscal audit of the fund, the board shall post the results of  
26 the program audit or fiscal audit on the board's Internet Web site.

27 (c) The audit shall include a review of projected expenses and  
28 revenue for the five years subsequent to the date of the audit and  
29 shall include proposals for the appropriate amount of the fee under  
30 Section 25299.43 for that five-year period. When establishing and  
31 analyzing those proposals, the auditor may consult with  
32 appropriate agencies, including the board, the State Energy  
33 Resources Conservation and Development Commission, the State  
34 Board of Equalization, and any other entity that may provide  
35 information or analysis pertinent to implementing this subdivision.

36 ~~SEC. 12.~~

37 SEC. 14. Section 25299.51.3 is added to the Health and Safety  
38 Code, to read:

39 25299.51.3. (a) ~~On or before June 1, 2015, the board shall~~  
40 ~~initiate a study to determine the cost-effectiveness of issuing~~

1 revenue bonds to generate proceeds to be used to pay claims against  
 2 the fund. *The board shall conduct a study to determine the*  
 3 *cost-effectiveness and the feasibility of issuing bonds to satisfy*  
 4 *the obligations against the fund existing on the effective date of*  
 5 *this section. The proceeds from the bonds would be used to expedite*  
 6 *the payment of active claims and those claims on the priority list*  
 7 *awaiting reimbursement. At a minimum, the study shall include*  
 8 *participants from the board, the Department of Finance, the*  
 9 *Treasurer's Office, the California Infrastructure and Economic*  
 10 *Development Bank, and fund stakeholders, including claimant and*  
 11 *industry representatives.*

12 ~~(b) No later than September 1, 2016, the board shall provide to~~  
 13 ~~the Legislature, pursuant to Section 9795 of the Government Code,~~  
 14 ~~a report on the study.~~

15 ~~(c) Pursuant to Section 10231.5 of the Government Code, this~~  
 16 ~~section is repealed on January 1, 2021.~~

17 *(b) The board shall, on or before March 1, 2018, post a report*  
 18 *of the study conducted pursuant to this section on the board's*  
 19 *Internet Web site.*

20 *SEC. 15. Section 25299.51.4 is added to the Health and Safety*  
 21 *Code, to read:*

22 *25299.51.4. (a) On or before June 1, 2016, the board shall*  
 23 *conduct an analysis of whether the ranking criteria for the payment*  
 24 *of claims pursuant to Sections 25299.57 and 25299.58, with regard*  
 25 *to owners and operators of tanks that are small businesses, as*  
 26 *specified in subparagraph (A) of paragraph (2) of subdivision (b)*  
 27 *of Section 25299.52, should be revised to better achieve the goal*  
 28 *of ranking claims based on the claimant's ability to pay for*  
 29 *cleanup. The board shall consider, but is not limited to*  
 30 *consideration of, all of the following factors in its analysis:*

31 *(1) Whether single location revenues or other factors should*  
 32 *be considered rather than aggregate affiliate income.*

33 *(2) Whether gallons of fuel throughput should be considered*  
 34 *rather than aggregate affiliate income.*

35 *(3) Whether other factors should be considered to ensure*  
 36 *equitable qualification under subparagraph (A) of paragraph (2)*  
 37 *of subdivision (b) of Section 25299.52.*

38 *(b) The board shall consult with stakeholders of the*  
 39 *Underground Storage Tank Cleanup Fund, including claimant*

1 *and industry representatives, when preparing the analysis required*  
2 *by this section.*

3 *(c) The board shall coordinate with the State Board of*  
4 *Equalization and the State Energy Resources Conservation and*  
5 *Development Commission to obtain data collected by these*  
6 *agencies that would be relevant to the conduct of the analysis*  
7 *required by this section.*

8 *(d) Within 90 days after completing the analysis required by*  
9 *this section, the board shall post the results on the board's Internet*  
10 *Web site.*

11 ~~SEC. 13.~~

12 *SEC. 16.* Section 25299.57 of the Health and Safety Code is  
13 amended to read:

14 25299.57. (a) (1) If the board makes the determination  
15 specified in subdivision (d) for a claim filed on or before December  
16 31, 2014, the board may only pay for the costs of a corrective  
17 action that exceed the level of financial responsibility required to  
18 be obtained pursuant to Section 25299.32, but not more than one  
19 million five hundred thousand dollars (\$1,500,000) for each  
20 occurrence.

21 (2) If the board makes the determination specified in subdivision  
22 (d) for a claim filed on or after January 1, 2015, the board may  
23 only pay for the costs of a corrective action that exceed the level  
24 of financial responsibility required to be obtained pursuant to  
25 Section 25299.32, but not more than one million dollars  
26 (\$1,000,000) for each occurrence.

27 (3) In the case of an owner or operator who, as of January 1,  
28 1988, was required to perform corrective action, who initiated that  
29 corrective action in accordance with Division 7 (commencing with  
30 Section 13000) of the Water Code or Chapter 6.7 (commencing  
31 with Section 25280), and who is undertaking the corrective action  
32 in compliance with waste discharge requirements or other orders  
33 issued pursuant to Division 7 (commencing with Section 13000)  
34 of the Water Code or Chapter 6.7 (commencing with Section  
35 25280), the owner or operator may apply to the board for  
36 satisfaction of a claim filed pursuant to this article.

37 (4) The board shall notify claimants applying for satisfaction  
38 of claims from the fund of eligibility for reimbursement in a prompt  
39 and timely manner and that a letter of credit or commitment that

1 will obligate funds for reimbursement shall follow the notice of  
2 eligibility as soon thereafter as possible.

3 (b) (1) For claims eligible for reimbursement pursuant to  
4 subdivision (c) of Section 25299.55, the claimant shall submit the  
5 actual cost of corrective action to the board, which shall either  
6 approve or disapprove the costs incurred as reasonable and  
7 necessary. At least 15 days before the board proposes to disapprove  
8 the reimbursement of corrective action costs that have been  
9 incurred on the grounds that the costs were unreasonable or  
10 unnecessary, the board shall issue a notice advising the claimant  
11 and the lead agency of the proposed disallowance, to allow review  
12 and comment.

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

17 (A) Auxiliary documentation is provided that documents to the  
18 board's satisfaction that the invoice is for necessary corrective  
19 action work.

20 (B) The costs of corrective action work in the claim are  
21 reasonably commensurate with similar corrective action work  
22 performed during the same time period covered by the invoice for  
23 which reimbursement is sought.

24 (C) The invoices include a brief description of the work  
25 performed, the date that the work was performed, the vendor, and  
26 the amount.

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

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

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

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

39 (2) The claimant is required to undertake or contract for  
40 corrective action pursuant to Section 25296.10, under the federal

1 act, or under Section 6973 of Title 42 of the United States Code,  
2 or, as of January 1, 1988, the claimant has initiated corrective  
3 action in accordance with Division 7 (commencing with Section  
4 13000) of the Water Code.

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

6 (4) (A) Except as provided in subparagraphs (B), (C), and (F),  
7 the claimant has complied with the permit requirements of Chapter  
8 6.7 (commencing with Section 25280). A claimant shall obtain a  
9 permit required by subdivision (a) of Section 25284 for the  
10 underground storage tank that is the subject of the claim when the  
11 claimant becomes subject to subdivision (a) of Section 25284 or  
12 when the applicable local agency begins issuing permits pursuant  
13 to subdivision (a) of Section 25284, whichever occurs later. For  
14 the purpose of this subparagraph, a claimant shall demonstrate  
15 compliance with the permit requirements of Chapter 6.7  
16 (commencing with Section 25280) by submitting copies of the  
17 required permits or other documentation that demonstrate  
18 compliance to the satisfaction of the board.

19 (B) A claimant who acquires real property on which an  
20 underground storage tank is situated and, despite the exercise of  
21 reasonable diligence, was unaware of the existence of the  
22 underground storage tank when the real property was acquired,  
23 has obtained a permit required by subdivision (a) of Section 25284  
24 for the underground storage tank that is the subject of the claim  
25 within a reasonable period, not to exceed one year, from when the  
26 claimant should have become aware of the existence of the  
27 underground storage tank, or when the applicable local agency  
28 began issuing permits pursuant to Section 25284, whichever occurs  
29 later.

30 (C) All claimants who file their claim on or after January 1,  
31 2008, and who do not obtain a permit required by subdivision (a)  
32 of Section 25284 in accordance with subparagraph (A) or (B) may  
33 seek a waiver of the requirement to obtain a permit. The board  
34 shall waive the provisions of subparagraphs (A) and (B) as a  
35 condition for payment from the fund if the board finds all of the  
36 following:

37 (i) The claimant was unaware of the permit requirement, and  
38 upon becoming aware of the permit requirement, the claimant  
39 complies with either subdivision (a) of Section 25284 or Section  
40 25298 and the regulations adopted to implement those sections

1 within a reasonable period, not to exceed one year, from when the  
2 claimant became aware of the permit requirement.

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

6 (iii) Prior to submittal of the application to the fund, the claimant  
7 has paid all fees, interest, and penalties imposed pursuant to Article  
8 5 (commencing with Section 25299.40) of this chapter and Part  
9 26 (commencing with Section 50101) of Division 2 of the Revenue  
10 and Taxation Code for the underground storage tank that is the  
11 subject of the claim.

12 (D) (i) A claimant exempted pursuant to subparagraph (C) and  
13 who has complied, on or before December 22, 1998, either with  
14 subdivision (a) of Section 25284 or Section 25298 and the  
15 regulations adopted to implement those sections, shall obtain a  
16 level of financial responsibility twice as great as the amount that  
17 the claimant is otherwise required to obtain pursuant to subdivision  
18 (a) of Section 25299.32, but not less than ten thousand dollars  
19 (\$10,000). All other claimants exempted pursuant to subparagraph  
20 (C) shall obtain a level of financial responsibility that is four times  
21 as great as the amount that the claimant is otherwise required to  
22 obtain pursuant to subdivision (a) of Section 25299.32, but not  
23 less than twenty thousand dollars (\$20,000).

24 (ii) The board may waive the requirements of clause (i) if the  
25 claimant can demonstrate that the conditions specified in clauses  
26 (i) to (iii), inclusive, of subparagraph (C) were satisfied prior to  
27 the causing of any contamination. That demonstration may be  
28 made through a certification issued by the permitting agency based  
29 on a site evaluation and tank tests at the time of permit application  
30 or in any other manner acceptable to the board.

31 (E) All claimants who file a claim before January 1, 2008, and  
32 who are not eligible for a waiver of the permit requirements  
33 pursuant to applicable statutes or regulations in effect on the date  
34 of the filing of the claim may resubmit a new claim pursuant to  
35 subparagraph (C) on or after January 1, 2008. The board shall rank  
36 all claims resubmitted pursuant to subparagraph (C) lower than  
37 all claims filed before January 1, 2008, within their respective  
38 priority classes specified in subdivision (b) of Section 25299.52.

39 (F) The board shall waive the provisions of subparagraph (A)  
40 as a condition for payment from the fund for a claimant who filed

1 his or her claim on or after January 1, 2008, and before July 1,  
2 2009, but is not eligible for a waiver of the permit requirement  
3 pursuant to the regulations adopted by the board in effect on the  
4 date of the filing of the claim, and who did not obtain or apply for  
5 a permit required by subdivision (a) of Section 25284, if the board  
6 finds all of the following:

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

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

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

14 (iv) Within three years after becoming the owner or de facto  
15 owner of the underground storage tank but not after December 22,  
16 1998, the claimant caused the underground storage tank to be  
17 removed and closed in accordance with applicable law, and  
18 commenced no later than December 22, 1998, to perform corrective  
19 action pursuant to Section 25296.10 of this code or pursuant to  
20 Division 7 (commencing with Section 13000) of the Water Code.

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

26 (H) For purposes of clauses (ii) and (iv) of subparagraph (F),  
27 “de facto owner of an underground storage tank” means a person  
28 who purchases or otherwise acquires real property, as defined in  
29 subparagraph (D) of paragraph (5) of subdivision (h) of Section  
30 25299.54, and has actual possession of, and control over, an  
31 underground storage tank that has been abandoned by its previous  
32 owner.

33 (5) The board has approved either the costs incurred for the  
34 corrective action pursuant to subdivision (b) or the estimated costs  
35 for corrective action pursuant to subdivision (c).

36 (6) (A) The claimant has paid all fees, interest, and penalties  
37 imposed pursuant to Article 5 (commencing with Section 25299.40)  
38 and Part 26 (commencing with Section 50101) of Division 2 of  
39 the Revenue and Taxation Code, for the underground storage tank  
40 that is the subject of the claim.

1     (B) *The board may accept a claimant's statement certifying to*  
2 *the best of the claimant's knowledge that payment was made to*  
3 *the State Board of Equalization to demonstrate satisfaction of the*  
4 *requirements of subparagraph (A) if both of the following apply:*

5     (1) *Records maintained by the State Board of Equalization show*  
6 *that fees and, if applicable, interest and penalties, have been paid*  
7 *by the claimant for the period corresponding to the claimant's*  
8 *ownership or operation of the tank that is the subject of the claim.*

9     (2) *The State Board of Equalization and the claimant are not*  
10 *able to document that the payments received by the State Board*  
11 *of Equalization were or were not specifically related to the tank*  
12 *that is the subject of the claim.*

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

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

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

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

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

33     (4) Paragraphs (1), (2), and (3) do not apply to a tank owned or  
34 operated by a public agency if the prospective costs are for private  
35 professional services within the meaning of Chapter 10  
36 (commencing with Section 4525) of Division 5 of Title 1 of the  
37 Government Code and those services are procured in accordance  
38 with the requirements of that chapter.

39     (h) The board shall provide, upon the request of a claimant,  
40 assistance to the claimant in the selection of contractors retained

1 by the claimant to conduct reimbursable work related to corrective  
2 actions. The board shall develop a summary of expected costs for  
3 common corrective actions. This summary of expected costs may  
4 be used by claimants as a guide in the selection and supervision  
5 of consultants and contractors.

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

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

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

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

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

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

34 (E) A claimant may submit a request for reimbursement of  
35 carrying costs after receipt of fund reimbursement for the corrective  
36 action costs, third-party compensation costs, or regulatory technical  
37 assistance costs to which the carrying costs apply. Additional  
38 carrying costs associated with a reimbursement request for carrying  
39 costs submitted pursuant to this paragraph are not eligible for  
40 payment.

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

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

8 (j) (1) The board shall pay a claim of not more than five  
9 thousand dollars (\$5,000) per occurrence for regulatory technical  
10 assistance to an owner or operator who is otherwise eligible for  
11 reimbursement under this chapter, except that reasonable and  
12 necessary regulatory technical assistance costs associated with the  
13 electronic submission of ~~invoices~~ *documents* to the fund using an  
14 electronic data system approved by the board shall not be subject  
15 to this limit.

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 pursuant to paragraph (2) or (3) for the  
24 costs of corrective action to a person who owns property on which  
25 is located a release from a petroleum underground storage tank  
26 that has been removed, if the site has been the subject of a  
27 completed corrective action, and for which additional corrective  
28 action is required because of additionally discovered contamination  
29 from the previous release.

30 (2) (A) The board shall pay a claim pursuant to this paragraph  
31 if the person who carried out the earlier and completed corrective  
32 action was eligible for, and applied for, reimbursement pursuant  
33 to subdivision (b).

34 (B) Reimbursement for additional corrective action shall be  
35 available only to the extent that the amount of reimbursement for  
36 the earlier corrective action did not exceed the amount of  
37 reimbursement authorized by subdivision (a).

38 (C) Reimbursement to a claimant on a reopened site pursuant  
39 to this paragraph shall occur when funds are available, and the  
40 reimbursement commitment shall be made ahead of any new letters

1 of commitment to be issued, as of the date of the reopening of the  
2 claim, if funding has occurred on the original claim.

3 (D) If funding has not occurred on the original claim, funding  
4 shall occur at the time it would have occurred under the original  
5 claim.

6 (3) (A) The board may reimburse a claim pursuant to this  
7 paragraph if all of the following conditions are satisfied:

8 (i) The person who carried out the earlier and completed  
9 corrective action did not apply for reimbursement pursuant to  
10 subdivision (b).

11 (ii) The person who owns the property is required to perform  
12 corrective action because of additionally discovered contamination.

13 (iii) The person who owns the property is the owner or operator  
14 of an underground storage tank located on the property at the time  
15 of application to the fund.

16 (iv) The person who owns the property is in compliance with  
17 the requirements to pay the fee pursuant to Article 5 (commencing  
18 with Section 25299.40).

19 (v) The person who owns the property is in compliance with  
20 the requirements to obtain a permit pursuant to Chapter 6.7  
21 (commencing with Section 25280).

22 (B) The board shall assign the person submitting a claim  
23 pursuant to this paragraph a priority ranking consistent with the  
24 categories described in Section 25299.52.

25 (C) The board shall limit reimbursement for a claim pursuant  
26 to this paragraph to the amounts described in Section 25299.59  
27 and for the incurred corrective action costs that are necessary and  
28 reasonable.

29 (4) For purposes of this subdivision, a corrective action is  
30 completed when the local agency or regional board with  
31 jurisdiction over the site or the board issues a closure letter pursuant  
32 to subdivision (g) of Section 25296.10.

33 (l) (1) Except as provided in subdivision (m), claims for  
34 reimbursement of corrective action costs that are received by the  
35 board more than 365 days after the date of issuance of a closure  
36 letter issued pursuant to subdivision (g) of Section 25296.10 or  
37 after the issuance or activation of a letter of commitment,  
38 whichever occurs later, shall not be reimbursed unless either of  
39 the following applies:

1 (A) Claims for corrective action costs are submitted to the board  
2 pursuant to subdivision (k).

3 (B) The board finds that submission within the time period  
4 specified in this paragraph was beyond the claimant’s reasonable  
5 control, ongoing work is required for closure that will result in  
6 submission of claims beyond that time period, or that under the  
7 circumstances of the particular case, it would be unreasonable or  
8 inequitable to impose the time period specified in this paragraph.

9 (2) This section does not limit or abrogate the rights of a  
10 claimant in disputing reimbursement determinations or suspension  
11 of claims.

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

17 (m) (1) The board shall not reimburse a claim for  
18 reimbursement of a corrective action cost that is received by the  
19 board more than two years after the date the cost was incurred or  
20 more than two years after the date of the issuance or activation of  
21 a letter of commitment, whichever occurs later, except under one  
22 or both of the following conditions:

23 (A) The board may reimburse a claim for a cost incurred before  
24 January 1, 2015, by a claimant that has an active letter of  
25 commitment on January 1, 2015, that was received by the board  
26 on or before December 31, 2015, or within two years of the date  
27 the cost was incurred, whichever occurs later.

28 (B) The executive director finds that submission within the time  
29 period specified in this subdivision was beyond the claimant’s  
30 reasonable control or that, under the circumstances of the particular  
31 case, it would be unreasonable or inequitable to impose the time  
32 period specified in this subdivision.

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

35 ~~SEC. 14.~~

36 *SEC. 17.* Section 25299.58 of the Health and Safety Code is  
37 amended to read:

38 25299.58. (a) Except as provided in subdivision (d), if the  
39 board makes the determination specified in subdivision (b), the  
40 board may reimburse only those costs that are related to the

1 compensation of third parties for bodily injury and property  
2 damages and that exceed the level of financial responsibility  
3 required to be obtained pursuant to Section 25299.32, but not more  
4 than one million dollars (\$1,000,000) for each occurrence.

5 (b) A claim may be paid if the board makes all of the following  
6 findings:

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

9 (2) The claimant has been ordered to pay a settlement or final  
10 judgment for third-party bodily injury or property damage arising  
11 from operating an underground storage tank.

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

13 (4) (A) Except as provided in subparagraphs (B) and (C), the  
14 claimant has complied with the permit requirements of Chapter  
15 6.7 (commencing with Section 25280). A claimant shall obtain a  
16 permit required by subdivision (a) of Section 25284 for the  
17 underground storage tank that is the subject of the claim when the  
18 claimant becomes subject to subdivision (a) of Section 25284 or  
19 when the applicable local agency begins issuing permits pursuant  
20 to subdivision (a) of Section 25284, whichever occurs later. For  
21 the purpose of this subparagraph, a claimant shall demonstrate  
22 compliance with the permit requirements of Chapter 6.7  
23 (commencing with Section 25280) by submitting copies of the  
24 required permits or other documentation that demonstrates  
25 compliance to the satisfaction of the board.

26 (B) A claimant who acquires real property on which an  
27 underground storage tank is situated and, despite the exercise of  
28 reasonable diligence, was unaware of the existence of the  
29 underground storage tank when the real property was acquired,  
30 has obtained a permit required by subdivision (a) of Section 25284  
31 for the underground storage tank that is the subject of the claim  
32 within a reasonable period, not to exceed one year, from when the  
33 claimant should have become aware of the existence of the  
34 underground storage tank, or when the applicable local agency  
35 began issuing permits pursuant to Section 25284, whichever occurs  
36 later.

37 (C) All claimants who file their claim on or after January 1,  
38 2008, and who do not obtain a permit required by subdivision (a)  
39 of Section 25284 in accordance with subparagraph (A) or (B) may  
40 seek a waiver of the requirement to obtain a permit. The board

1 shall waive the provisions of subparagraphs (A) and (B) as a  
2 condition for payment from the fund if the board finds all of the  
3 following:

4 (i) The claimant was unaware of the permit requirement, and  
5 upon becoming aware of the permit requirement, the claimant  
6 complies with subdivision (a) of Section 25284 or Section 25298  
7 and the regulations adopted to implement those sections within a  
8 reasonable period, not to exceed one year, from when the claimant  
9 became aware of the permit requirement.

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

13 (iii) Prior to submittal of the application to the fund, the claimant  
14 has paid all fees, interest, and penalties imposed pursuant to Article  
15 5 (commencing with Section 25299.40) of this chapter and Part  
16 26 (commencing with Section 50101) of Division 2 of the Revenue  
17 and Taxation Code for the underground storage tank that is the  
18 subject of the claim.

19 (D) (i) A claimant who is exempted pursuant to subparagraph  
20 (C) and who has complied, on or before December 22, 1998, with  
21 subdivision (a) of Section 25284 or Section 25298 and the  
22 regulations adopted to implement those sections, shall obtain a  
23 level of financial responsibility in an amount twice as great as the  
24 amount that the claimant is otherwise required to obtain pursuant  
25 to subdivision (a) of Section 25299.32, but in no event less than  
26 ten thousand dollars (\$10,000). All other claimants exempted  
27 pursuant to subparagraph (C) shall obtain a level of financial  
28 responsibility that is four times as great as the amount that the  
29 claimant is otherwise required to obtain pursuant to subdivision  
30 (a) of Section 25299.32, but in no event less than twenty thousand  
31 dollars (\$20,000).

32 (ii) The board may waive the requirements of clause (i) if the  
33 claimant can demonstrate that the conditions specified in clauses  
34 (i) to (iii), inclusive, of subparagraph (C) were satisfied prior to  
35 any contamination having been caused. The demonstration may  
36 be made through a certification issued by the permitting agency  
37 based on a site evaluation and tank tests at the time of permit  
38 application or in any other manner as may be acceptable to the  
39 board.

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

9 (5) The claimant is required to undertake or contract for  
10 corrective action pursuant to Section 25296.10, under the federal  
11 act, or under Section 6973 of Title 42 of the United States Code,  
12 or, as of January 1, 1988, the claimant has initiated corrective  
13 action in accordance with Division 7 (commencing with Section  
14 13000) of the Water Code or Chapter 6.7 (commencing with  
15 Section 25280).

16 (6) (A) The claimant has paid all fees, interest, and penalties  
17 imposed pursuant to Article 5 (commencing with Section ~~29299.40~~  
18 25299.40) of this chapter and Part 26 (commencing with Section  
19 50101) of Division 2 of the Revenue and Taxation Code for the  
20 underground storage tank that is the subject of the claim.

21 (B) *The board may accept a claimant's statement certifying to*  
22 *the best of the claimant's knowledge that payment was made to*  
23 *the State Board of Equalization to demonstrate satisfaction of the*  
24 *requirements of subparagraph (A) if both of the following apply:*

25 (1) *Records maintained by the State Board of Equalization show*  
26 *that fees and, if applicable, interest and penalties, have been paid*  
27 *by the claimant for the period corresponding to the claimant's*  
28 *ownership or operation of the tank that is the subject of the claim.*

29 (2) *The State Board of Equalization and the claimant are not*  
30 *able to document that the payments received by the State Board*  
31 *of Equalization were or were not specifically related to the tank*  
32 *that is the subject of the claim.*

33 (c) A claimant may be reimbursed by the fund for compensation  
34 of third parties for only the following:

35 (1) Medical expenses.

36 (2) Actual lost wages or business income.

37 (3) Actual expenses for remedial action to remedy the effects  
38 of damage to the property of the third party caused by the  
39 unauthorized release of petroleum from an underground storage  
40 tank.

1 (4) The fair market value of the property rendered permanently  
2 unsuitable for use by the unauthorized release of petroleum from  
3 an underground storage tank.

4 (d) The board shall pay a claim submitted by a person eligible  
5 to submit a claim pursuant to subdivision (e) of Section 25299.54  
6 for the costs related to the compensation of third parties for bodily  
7 injury and property damages that exceed the level of financial  
8 responsibility required to be obtained pursuant to paragraph (2) of  
9 subdivision (a) of Section 25299.32, but not more than one million  
10 dollars (\$1,000,000) for each occurrence.

11 ~~SEC. 15.~~

12 *SEC. 18.* Section 25299.59 of the Health and Safety Code is  
13 amended to read:

14 25299.59. (a) If the board has paid out of the fund for any  
15 costs of corrective action, the board shall not pay any other claim  
16 out of the fund for the same costs.

17 (b) (1) Notwithstanding Sections 25299.57 and 25299.58, for  
18 a claim filed on or before December 31, 2014, the board shall not  
19 reimburse or authorize prepayment of any claim in an aggregate  
20 amount exceeding one million five hundred thousand dollars  
21 (\$1,500,000), less the minimum level of financial responsibility  
22 specified in Section 25299.32, for a claim arising from the same  
23 event or occurrence. If a claim exceeds one million dollars  
24 (\$1,000,000) for an occurrence, the board may only reimburse  
25 costs submitted pursuant to Section 25299.57 for those costs in  
26 excess of one million dollars (\$1,000,000).

27 (2) If a claim is filed on or after January 1, 2015, the board shall  
28 not reimburse or authorize prepayment of the claim in an aggregate  
29 amount exceeding one million dollars (\$1,000,000), less the  
30 minimum level of financial responsibility specified in Section  
31 25299.32, for a claim arising from the same event or occurrence.

32 (c) The board may conduct an audit of any corrective action  
33 claim honored pursuant to this chapter. The claimant shall  
34 reimburse the state for any costs disallowed in the audit. A claimant  
35 shall preserve, and make available, upon request of the board or  
36 the board's designee, all records pertaining to the corrective action  
37 claim for a period of three years after the final payment is made  
38 to the claimant.

1 ~~SEC. 16.~~

2 *SEC. 19.* Section 25299.70 of the Health and Safety Code is  
3 amended to read:

4 25299.70. (a) The board may recover any costs incurred and  
5 payable from the fund pursuant to subdivisions (c), (e), (h), and  
6 (n) of Section 25299.51 from the owner or operator of the  
7 underground storage tank which released the petroleum and which  
8 is the subject of those costs or from any other responsible party.

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

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

22 (d) All money recovered by the board pursuant to this section  
23 shall be deposited in the fund.

24 (e) The amount of the costs constitutes a lien on the affected  
25 property upon service of a copy of the notice of lien on the owner  
26 and upon the recordation of a notice of lien, if the notice identifies  
27 the property on which the condition was abated, the amount of the  
28 lien, and the owner of record of the property, in the office of the  
29 county recorder of the county in which the property is located.  
30 Upon recordation, the lien shall have the same force, effect, and  
31 priority as a judgment lien, except that it attaches only to the  
32 property posted and described in the notice of lien, and shall  
33 continue for 10 years from the time of the recording of the notice,  
34 unless sooner released or otherwise discharged. Not later than 45  
35 days from the date of receipt of a notice of lien, the owner may  
36 petition the court for an order releasing the property from the lien  
37 or reducing the amount of the lien. In that court action, the  
38 governmental agency that incurred the cleanup costs shall establish  
39 that the costs were reasonable and necessary. The lien may be  
40 foreclosed by an action brought by the board for a money judgment.

1     ~~SEC. 17.~~

2     *SEC. 20.* Section 25299.71 is added to the Health and Safety  
3 Code, to read:

4     25299.71. (a) (1) Except as provided in subdivisions (b) and  
5 (c), if a person is convicted under Section 25299.80.5 or is found  
6 to be civilly liable under Section 25299.78 or 25299.80, the  
7 executive director of the board may permanently disqualify that  
8 person from receiving any moneys from the fund. If the executive  
9 director of the board determines that the disqualified person is a  
10 contractor or consultant, a claimant shall not submit invoices to  
11 the fund for any work performed or directed by that person.

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

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

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

- 34     (1) The alleged violation is knowing, willful, or intentional.
- 35     (2) The contractor or consultant received a material economic  
36 benefit from the action that caused the violation.
- 37     (3) The alleged violation is chronic or the contractor or  
38 consultant is a recalcitrant violator, as determined pursuant to  
39 subdivision (g) of Section 13399 of the Water Code.

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

15 ~~SEC. 18.~~

16 *SEC. 21.* Section 25299.78 of the Health and Safety Code is  
17 amended to read:

18 25299.78. (a) To carry out the purposes of this chapter, any  
19 authorized representative of the local agency, regional board, or  
20 board shall have the authority specified in Section 25185, with  
21 respect to any place where underground storage tanks are located,  
22 and in Section 25185.5, with respect to any real property which is  
23 within 2,000 feet of any place where underground storage tanks  
24 are located.

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

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

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

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

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

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

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

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

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

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

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

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

35 ~~SEC. 19.~~

36 *SEC. 22.* 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  
17 the Water Code before an action may be taken pursuant to  
18 subdivision (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 licensing  
33 board against any person licensed or otherwise regulated by that  
34 licensing board who is found to be liable under this section.

35 ~~SEC. 20.~~

36 *SEC. 23.* Section 25299.80.5 is added to the Health and Safety  
37 Code, to read:

38 25299.80.5. (a) A person who knowingly makes or causes to  
39 be made any false statement, material misrepresentation, or false  
40 certification in support of any claim under this chapter, including,

1 but not limited to, in an application, record, report, certification,  
2 plan, invoice, form, or other document that is submitted, filed, or  
3 required to be maintained under this chapter for purposes of a  
4 claim, shall, upon conviction, be punished by a fine of not more  
5 than ten thousand dollars (\$10,000), or by imprisonment in a county  
6 jail for not more than one year, or in the state prison for 16 months,  
7 two years, or three years, or by both that fine and 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 licensing  
16 board against any person licensed or otherwise regulated by that  
17 licensing board who is convicted under this section.

18 ~~SEC. 21.~~

19 *SEC. 24.* Section 25299.80.6 is added to the Health and Safety  
20 Code, to read:

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

26 ~~SEC. 22.~~

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

29 25299.81. (a) Except as provided in subdivisions (b) and (c),  
30 this chapter shall remain in effect only until January 1, 2026, and  
31 as of that date is repealed, unless a later enacted statute, which is  
32 enacted before January 1, 2026, deletes or extends that date.

33 (b) Notwithstanding subdivision (a), Article 1 (commencing  
34 with Section 25299.10), Article 2 (commencing with Section  
35 25299.11), and Article 4 (commencing with Section 25299.36)  
36 shall not be repealed and shall remain in effect on January 1, 2026.

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, 2026,  
8 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, 2025, or have become due before January 1,  
15 2026, including any interest or penalties that accrue before, on, or  
16 after January 1, 2026, associated with those unpaid fees.

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

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

27 (6) (A) The payment of loans and grants, consistent with the  
28 terms of agreements that were effective prior to January 1, 2026,  
29 from the Underground Storage Tank Cleanup Fund, pursuant to  
30 this chapter or the Petroleum Underground Storage Tank Financing  
31 Account pursuant to Chapter 6.76 (commencing with Section  
32 25299.100). Upon exhaustion of the Underground Storage Tank  
33 Cleanup Fund, any remaining claims for payment of grants or  
34 loans shall be invalid.

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

38 (i) The amount that reverts to the Underground Storage Tank  
39 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, 2026, or the initiation of an action or other collection  
5 process to recover defaulted loan moneys due to the board or to  
6 recover money paid to a grant or loan recipient pursuant to Chapter  
7 6.76 (commencing with Section 25299.100) to which the recipient  
8 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, 2025.

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. 23.~~

20 *SEC. 26.* Section 25299.82 is added to the Health and Safety  
21 Code, to read:

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

29 (a) The board shall not accept claim applications submitted to  
30 the fund pursuant to Section 25299.57 or 25299.58 after January  
31 1, 2025, unless the board finds that the unauthorized release that  
32 is the subject of the claim was discovered before January 1, 2025,  
33 and the submission of a claim application by that date was beyond  
34 the claimant's reasonable control.

35 (b) The board shall not accept requests for reimbursements  
36 submitted to the fund pursuant to Section 25299.57 or 25299.58  
37 after July 1, 2025.

38 ~~SEC. 24.~~

39 *SEC. 27.* Section 25299.94 of the Health and Safety Code is  
40 amended to read:

1 25299.94. (a) (1) The board may pay the cost of corrective  
2 actions and third-party compensation claims that are submitted as  
3 part of a joint claim filed on or before December 31, 2014, and  
4 that exceed the amount specified in subdivision (b), but do not  
5 exceed an amount equal to one million five hundred thousand  
6 dollars (\$1,500,000) per occurrence, for which an owner or operator  
7 named in the joint claim is eligible for reimbursement under this  
8 chapter.

9 (2) If a claim from a contributing site exceeds one million dollars  
10 (\$1,000,000) for an occurrence, the board may only reimburse  
11 costs submitted pursuant to Section 25299.57 for those costs in  
12 excess of one million dollars (\$1,000,000).

13 (3) If a joint claim is filed on or after January 1, 2015, the board  
14 may pay the cost of corrective actions and third-party compensation  
15 claims that are submitted as part of a joint claim and that exceed  
16 the amount specified in subdivision (b), but do not exceed an  
17 amount equal to one million dollars (\$1,000,000) per occurrence,  
18 for which an owner or operator named in the joint claim is eligible  
19 for reimbursement under this chapter.

20 (b) For each joint claim, the board may only pay for the costs  
21 of corrective action and third-party compensation claims that  
22 exceed the aggregate of the levels of financial responsibility  
23 required pursuant to Section 25299.32 for each owner or operator  
24 named in the joint claim.

25 (c) The costs of corrective action determined eligible for  
26 reimbursement shall be paid before third-party compensation  
27 claims.

28 (d) Except as provided in paragraph (1) of subdivision (e),  
29 reimbursement for costs of corrective action is limited to costs  
30 incurred by the joint claimants after executing an agreement under  
31 paragraph (7) of subdivision (a) of Section 25299.93.

32 (e) Both of the following costs of corrective action incurred at  
33 a contributing site may be reimbursed in accordance with  
34 subdivision (f):

35 (1) Costs incurred by an owner or operator before executing an  
36 agreement described in paragraph (7) of subdivision (a) of Section  
37 25299.93.

38 (2) Costs relating to unauthorized releases that do not contribute  
39 to the commingled plume, but which are included in the occurrence  
40 which is the subject of the joint claim.

1 (f) An owner or operator may seek reimbursement of costs  
2 described in subdivision (e) by doing either of the following:

3 (1) Including a payment request for those corrective action costs  
4 with the claim filed under this article.

5 (2) Filing a claim or maintaining an existing claim under Article  
6 6 (commencing with Section 25299.50).

7 (g) Any reimbursement received pursuant to subdivision (f) and  
8 any amount excluded from the payment based on the amount of  
9 financial responsibility required to be maintained shall be applied  
10 toward the limitations prescribed in subdivision (a).

11 (h) The board shall not reimburse a claimant or joint claimant  
12 for any eligible costs for which the claimant or joint claimant has  
13 been, or will be, compensated by another party.

14 ~~SEC. 25.~~

15 *SEC. 28.* Section 25299.101 of the Health and Safety Code is  
16 amended to read:

17 25299.101. (a) The board shall conduct a loan program  
18 pursuant to this chapter, to assist small businesses in upgrading,  
19 replacing, or removing tanks to meet applicable local, state, or  
20 federal standards. Loan funds may also be used for corrective  
21 actions, as defined in Section 25299.14.

22 (b) The board shall also conduct a grant program, pursuant to  
23 this chapter, to assist small businesses to upgrade, remove, or  
24 replace project tanks to comply with Section 25284.1, 25292.05,  
25 25292.4, or 41954.

26 ~~SEC. 26.~~

27 *SEC. 29.* Section 25299.104 of the Health and Safety Code is  
28 amended to read:

29 25299.104. (a) The minimum amount that the board may loan  
30 an applicant is ten thousand dollars (\$10,000), and the maximum  
31 amount that the board may loan an applicant is seven hundred fifty  
32 thousand dollars (\$750,000).

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

38 (c) Loan funds may be used to finance up to 100 percent of the  
39 costs necessary to upgrade, remove, or replace project tanks,  
40 including corrective actions, to meet applicable local, state, or

1 federal standards, including, but not limited to, any design,  
2 construction, monitoring, operation, or maintenance requirements  
3 adopted pursuant to Section 25284.1, 25292.05, 25292.4, or 41954.

4 (d) The board may charge a loan fee to loan applicants of up to  
5 2 percent of the requested loan amount. The loan fee shall be  
6 deposited in the Petroleum Underground Storage Tank Financing  
7 Account.

8 (e) The inoperation or repeal of this chapter pursuant to Section  
9 25299.117 shall not extinguish a loan obligation and shall not  
10 impair the deed of trust or other collateral made pursuant to this  
11 chapter or the authority of the state to pursue appropriate action  
12 for collection.

13 (f) *Notwithstanding Section 16304.1 of the Government Code,*  
14 *the board shall encumber the funds appropriated pursuant to*  
15 *Section 25299.109 for purposes of this section within three years*  
16 *of the appropriation and the board may make a disbursement in*  
17 *liquidation of an encumbrance before or during the three years*  
18 *following the last day the appropriation is available for*  
19 *encumbrance.*

20 ~~SEC. 27:~~

21 ~~SEC. 30.~~ Section 25299.105 of the Health and Safety Code is  
22 amended to read:

23 25299.105. (a) The board shall make grant funds available  
24 from the Petroleum Underground Storage Tank Financing Account  
25 to eligible grant applicants who meet all of the following eligibility  
26 requirements:

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

29 (A) The grant applicant meets the conditions for a small business  
30 concern as defined in Section 632 of Title 15 of the United States  
31 Code, and in the federal regulations adopted to implement that  
32 section, as specified in Part 121 (commencing with Section  
33 121.101) of Chapter I of Title 13 of the Code of Federal  
34 Regulations.

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

38 (2) The principal office of the grant applicant is domiciled in  
39 the state and the officers of the grant applicant are domiciled in  
40 this state.

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

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

9 (5) Except as provided in subdivision (b), the grant applicant  
10 owns or operates a tank that is in compliance with all of the  
11 following:

12 (A) Section 41954.

13 (B) Any of the following:

14 (i) Section 25290.1.

15 (ii) Section 25290.2.

16 (iii) Section 25291.

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

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

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

22 (b) The board may grant a waiver from requirements of  
23 paragraph (5) of subdivision (a) if the board finds all of the  
24 following:

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

26 (2) The project tank will be removed and will not be replaced  
27 with another tank.

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

30 (c) Grant funds may only be used to pay the costs necessary to  
31 upgrade, remove, or replace project tanks to comply with Section  
32 25284.1, 25292.05, 25292.4, 25292.5, or 41954.

33 ~~SEC. 28.~~

34 *SEC. 31.* Section 25299.106 of the Health and Safety Code is  
35 amended to read:

36 25299.106. A complete grant application shall include all of  
37 the following information:

38 (a) Evidence of eligibility.

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

4 (c) An explanation of the actions the applicant is required to  
5 take to comply with the requirements of Section 25284.1 ,  
6 25292.05, 25292.4, 25292.5, or 41954.

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

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

12 ~~SEC. 29.~~

13 *SEC. 32.* Section 25299.107 of the Health and Safety Code is  
14 amended to read:

15 25299.107. (a) ~~The~~ *Except as provided in subdivision (e), the*  
16 *minimum amount that the board may grant an applicant is three*  
17 *thousand dollars (\$3,000), and the maximum amount that the board*  
18 *may grant an applicant is seventy thousand dollars (\$70,000).*

19 (b) Grant funds may be used to finance up to 100 percent of the  
20 costs necessary to upgrade, remove, or replace project tanks to  
21 comply with Section 25284.1, 25292.05, 25292.4, 25292.5, or  
22 41954.

23 (c) If the board received the applicant's grant application on or  
24 before April 1, 2009, grant funds may be used to reimburse up to  
25 100 percent of the costs that the applicant incurred after the board  
26 received the grant application to comply with the Enhanced Vapor  
27 Recovery Phase II regulations.

28 (d) ~~A~~ *Except as provided in subdivision (e), a person or entity*  
29 *is not eligible to receive more than seventy thousand dollars*  
30 *(\$70,000) in grant funds pursuant to this chapter.*

31 (e) (1) *Notwithstanding subdivisions (a) and (d), if the project*  
32 *tank is located at a fueling station that is available for public use*  
33 *and there is no other fueling station available for public use within*  
34 *a radius of 15 miles from the fueling station, the board may make*  
35 *a grant in the maximum amount of one hundred forty thousand*  
36 *dollars (\$140,000) to assist the grant applicant to remove and*  
37 *replace tanks that are required to be permanently closed pursuant*  
38 *to Section 25292.05.*

1 (2) Any grant issued pursuant to paragraph (1) shall not be  
2 included in the maximum amount that a person or entity may  
3 receive in grant funds pursuant to subdivision (d).

4 ~~SEC. 30.~~

5 SEC. 33. No reimbursement is required by this act pursuant to  
6 Section 6 of Article XIII B of the California Constitution because  
7 the only costs that may be incurred by a local agency or school  
8 district will be incurred because this act creates a new crime or  
9 infraction, eliminates a crime or infraction, or changes the penalty  
10 for a crime or infraction, within the meaning of Section 17556 of  
11 the Government Code, or changes the definition of a crime within  
12 the meaning of Section 6 of Article XIII B of the California  
13 Constitution.

14 SEC. 34. Section 5 of this bill incorporates amendments to  
15 Section 25299.50 of the Health and Safety Code proposed by both  
16 this bill and Senate Bill 1458. It shall only become operative if (1)  
17 both bills are enacted and become effective on or before January  
18 1, 2015, but this bill becomes operative first, (2) each bill amends  
19 Section 25299.50 of the Health and Safety Code, and (3) this bill  
20 is enacted after Senate Bill 1458, in which case Section 25299.50  
21 of the Health and Safety Code, as amended by Section 4 of this  
22 bill, shall remain operative only until the operative date of Senate  
23 Bill 1458, at which time Section 5 of this bill shall become  
24 operative.

25 SEC. 35. Section 12 of this bill incorporates amendments to  
26 Section 25299.51 of the Health and Safety Code proposed by both  
27 this bill and Senate Bill 1458. It shall only become operative if (1)  
28 both bills are enacted and become effective on or before January  
29 1, 2015, but this bill becomes operative first, (2) each bill amends  
30 Section 25299.51 of the Health and Safety Code, and (3) this bill  
31 is enacted after Senate Bill 1458, in which case Section 25299.51  
32 of the Health and Safety Code, as amended by Section 11 of this  
33 bill, shall remain operative only until the operative date of Senate  
34 Bill 1458, at which time Section 12 of this bill shall become  
35 operative.

36 ~~SEC. 31.~~

37 SEC. 36. This act is an urgency statute necessary for the  
38 immediate preservation of the public peace, health, or safety within  
39 the meaning of Article IV of the Constitution and shall go into  
40 immediate effect. The facts constituting the necessity are:

1 In order to protect the health and safety of the people of the state  
2 from the dangers of surface water and groundwater contamination  
3 and protect the environment from hazardous substance releases,  
4 it is necessary that this act take effect immediately.

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