

AMENDED IN SENATE APRIL 16, 2013

SENATE BILL

No. 763

Introduced by Senator Fuller

February 22, 2013

~~An act to amend Section 41700 of the Health and Safety Code, relating to air resources.~~ *An act to amend Sections 25284.1, 25299.51, 25299.102, 25299.103, 25299.104, 25299.105, 25299.106, and 25299.109, of, to repeal Sections 25299.111, 25299.113, and 25299.117 of, and to repeal and add Section 25299.110 of, the Health and Safety Code, relating to underground storage tanks, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 763, as amended, Fuller. ~~Air resources: discharges.~~ *State Water Resources Control Board: underground storage tanks.*

(1) Existing law provides for the regulation of underground storage tanks by the State Water Resources Control Board. Existing law, until January 1, 2016, requires the board to conduct a loan and grant program to assist small businesses in upgrading, replacing, or removing tanks meeting applicable local, state, or federal standards (UST upgrade program). Under existing law, the interest rate for loans is set at the rate earned by the Surplus Money Investment Fund at the time of the loan commitment. Existing law establishes the Petroleum Underground Storage Tank Financing Account (financing account) and, upon appropriation by the Legislature, requires moneys in the account to be used by the board to make loans and grants for purposes of the UST upgrade program. Existing law requires interest earned from the investment of the moneys in the account to be deposited into a subaccount, available upon appropriation by the Legislature for

administrative expenses of the board. Existing law requires the board annually to make available not more than 33% of the available funds from the account for the purposes of providing grants.

This bill would extend the loan and grant program indefinitely and revise loan eligibility and grant award requirements. The bill would require the board to annually make available not more than 15% of the available funds from the account for the purposes of providing grants. The bill would set the interest rate for loans at the rate equal to $\frac{1}{2}$ of the most recent general obligation rate obtained by the office of the Treasurer at the time of commitment. The bill would instead require interest earned from moneys in the financing account to be deposited into that account and would eliminate the subaccount. The bill would require loan fees and various other moneys received in the implementation of the loan and grant program to be deposited into the financing account. The bill would specify that moneys in the financing account are permitted to be used, in addition to making loans and grants, to service loans, to recover defaulted loan moneys, to protect the state's position as a lender creditor, and for administration costs, as specified.

(2) Existing law establishes the Underground Storage Tank Cleanup Fund in the State Treasury and requires specified moneys to be deposited into the fund. Under existing law, moneys in the fund may be expended by the board, upon appropriation by the Legislature, for purposes of the Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989.

This bill would transfer \$8,000,000 from the fund to the financing account and appropriate these funds for the purpose of making grants and loans and administering specific provisions, as prescribed.

(3) This bill would also make technical, nonsubstantive changes to various provisions.

~~Existing law, until January 1, 2014, authorizes a local air pollution control district or air quality management district to adopt a rule or regulation, consistent with protecting the public's comfort, repose, health, and safety, and not causing injury, detriment, nuisance, or annoyance, that ensures district staff and resources are not used to investigate complaints, determined to be repeated and unsubstantiated, alleging a nuisance odor violation of that discharge prohibition. If a district adopts such a rule or regulation, the district is required to submit the rule or regulation to the Senate Committee on Environmental Quality~~

and the Assembly Committee on Natural Resources within 30 days of adopting the rule or regulation:

Existing law, operative on January 1, 2014, provides that, except as specified, a person is prohibited from discharging a quantity of air contaminants or other material that causes injury, detriment, nuisance, or annoyance to the public, or that endangers the comfort, repose, health, or safety of the public, or that causes injury or damage to business or property, as provided:

This bill would make technical, nonsubstantive changes to the above-referenced provisions that become operative on January 1, 2014.

Vote: majority. Appropriation: ~~no~~yes. Fiscal committee: ~~no~~yes. State-mandated local program: no.

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

1 SECTION 1. Section 25284.1 of the Health and Safety Code
2 is amended to read:

3 25284.1. (a) The board shall take all of the following actions
4 with regard to the prevention of unauthorized releases from
5 petroleum underground storage tanks:

6 (1) On or before June 1, 2000, initiate a field-based research
7 program to quantify the probability and environmental significance
8 of releases from underground storage tank systems meeting the
9 1998 upgrade requirements specified in Section 25284, as that
10 section read on January 1, 2002. The research program shall do
11 all of the following:

12 (A) Seek to identify the source and causes of releases and any
13 deficiencies in leak detection systems.

14 (B) Include single-walled, double-walled, and hybrid tank
15 systems, and avoid bias towards known leaking underground
16 storage tank systems by including a statistically valid sample of
17 all operating underground storage tank systems.

18 (C) Include peer review.

19 (2) Complete the research program on or before June 1, 2002.

20 (3) Use the results of the research program to develop
21 appropriate changes in design, construction, monitoring, operation,
22 and maintenance requirements for tank systems.

23 (4) On or before January 1, 2001, adopt regulations to do all of
24 the following:

1 (A) (i) Require underground storage tank owners, operators,
2 service technicians, installers, and inspectors to meet minimum
3 industry-established training standards and require tank facilities
4 to be operated in a manner consistent with industry-established
5 best management practices.

6 (ii) The board shall implement an outreach effort to educate
7 small business owners or operators on the importance of the
8 regulations adopted pursuant to this subparagraph.

9 (B) (i) Except as provided in clauses (ii) and (iii), require testing
10 of the secondary containment components, including
11 under-dispenser and pump turbine containment components, upon
12 initial installation of a secondary containment component and
13 periodically thereafter, to ensure that the system is capable of
14 containing releases from the primary containment until a release
15 is detected and cleaned up. The board shall consult with the
16 petroleum industry and local government to assess the appropriate
17 test or tests that would comply with this subparagraph.

18 (ii) Secondary containment components that are part of an
19 emergency generator tank system may be tested using enhanced
20 leak detection, if the test is performed at the frequency specified
21 by the board for testing of secondary containment pursuant to
22 Section 2644.1 of Title 23 of the California Code of Regulations.
23 If the results of the enhanced leak detection test indicate that any
24 component of the emergency generator tank system is leaking
25 liquid or vapor, the owner or operator shall take appropriate actions
26 to correct the leakage, and the owner or operator shall retest the
27 system using enhanced leak detection until the system is no longer
28 leaking liquid or vapor.

29 (iii) Any tank or piping that is part of an emergency generator
30 tank system and located within a structure as described in paragraph
31 (2) of subdivision (a) of Section 25283.5 is exempt from the
32 secondary containment testing required by clause ~~(i)~~ of
33 ~~subparagraph (B) of paragraph (4), (i)~~, if the owner or operator
34 conducts visual inspections of tank or piping each time the tank
35 system is operated, but no less than monthly, and maintains a log
36 of inspection results for review by the local agency. ~~The provisions~~
37 ~~of this~~ *This clause* ~~are~~ *is* not applicable if the board adopts
38 regulations pursuant to Section 25299.3 that address the design,
39 construction, upgrade, and monitoring of unburied tanks that are
40 part of an emergency generator tank system.

1 (C) Require annual testing of release detection sensors and
2 alarms, including under-dispenser and pump turbine containment
3 sensors and alarms. The board shall consult with the petroleum
4 industry and local government to assess the appropriate test or
5 tests that would comply with this subparagraph.

6 (5) (A) Require an owner or operator of an underground storage
7 tank installed after July 1, 1987, if a tank is located within 1,000
8 feet of a public drinking water well, as identified pursuant to the
9 state GIS mapping database, to have the underground storage tank
10 system fitted, on or before July 1, 2001, with under-dispenser
11 containment or a spill containment or control system that is
12 approved by the board as capable of containing any accidental
13 release.

14 (B) Require all underground storage tanks installed after January
15 1, 2000, to have the tank system fitted with under-dispenser
16 containment or a spill containment or control system to meet the
17 requirements of subparagraph (A).

18 (C) Require an owner or operator of an underground storage
19 tank that is not otherwise subject to subparagraph (A), and not
20 subject to subparagraph (B), to have the underground storage tank
21 system fitted to meet the requirements of subparagraph (A), on or
22 before December 31, 2003.

23 (D) On and after January 1, 2002, no person shall install, repair,
24 maintain, or calibrate monitoring equipment for an underground
25 storage tank unless that person satisfies both of the following
26 requirements:

27 (i) The person has fulfilled training standards identified by the
28 board in regulations adopted pursuant to this section.

29 (ii) The person possesses a tank testing license issued by the
30 board pursuant to Section 25284.4, or a Class "A" General
31 Engineering Contractor License, C-10 Electrical Contractor
32 License, C-34 Pipeline Contractor License, C-36 Plumbing
33 Contractor License, or C-61 (D40) Limited Specialty Service
34 Station Equipment and Maintenance Contractor License issued by
35 the Contractors' State License Board.

36 (E) Loans and grants for the installation of under-dispenser
37 containment or a spill containment or control system shall be made
38 available pursuant to ~~Chapter 8.5 6.76~~ (commencing with Section
39 ~~15399.10~~) of Part 6.7 of Division 3 of Title 2 of the Government
40 ~~Code: 25299.10~~).

1 (6) Convene a panel of local agency and regional board
2 representatives to review existing enforcement authority and
3 procedures and to advise the board of any changes that are needed
4 to enable local agencies to take adequate enforcement action against
5 owners and operators of noncompliant underground storage tank
6 facilities. The panel shall make its recommendations to the board
7 on or before September 30, 2001. Based on the recommendations
8 of the panel, the board shall also establish effective enforcement
9 procedures in cases involving fraud.

10 (b) On or before July 1, 2001, the Contractors' State License
11 Board, in consultation with the board, the petroleum industry, air
12 pollution control districts, air quality management districts, and
13 local government, shall review its requirements for petroleum
14 underground storage tank system installation and removal
15 contractors and make changes, where appropriate, to ensure these
16 contractors are qualified.

17 *SEC. 2. Section 25299.51 of the Health and Safety Code is*
18 *amended to read:*

19 25299.51. The board may expend the money in the fund for
20 all the following purposes:

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

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

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

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

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

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

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

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

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

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

20 (k) For transfer to the Petroleum Underground Storage Tank
21 Financing Account, for purposes of Chapter ~~6.77 (commencing~~
22 ~~with Section 25299.200)~~: *6.76 (commencing with Section*
23 *25299.100)*.

24 *SEC. 3. Section 25299.102 of the Health and Safety Code is*
25 *amended to read:*

26 25299.102. The board shall only make loan funds available to
27 loan applicants that meet all of the following eligibility
28 requirements:

29 (a) The loan applicant is a small business, either as defined in
30 Section 632 of Title 15 of the United States Code, and in the federal
31 regulations adopted to implement that section, as specified in Part
32 121 (commencing with Section ~~121.1011~~) *121.101*) of Chapter 1
33 of Title 13 of the Code of Federal Regulations, or employs fewer
34 than 500 full-time and part-time employees, is independently
35 owned and operated, and is not dominant in its field of operation.
36 In either case, the principal office of the small business shall be
37 domiciled in the state, and the officers of the small business shall
38 be domiciled in this state. The board shall give priority to awarding
39 loans to small businesses that meet the definition of small business

1 specified in subdivision (d) of Section 14837 of the Government
2 Code.

3 (b) The loan applicant owns or operates a project tank.

4 ~~(e) Loan funds are not obtainable, upon reasonable terms, from~~
5 ~~private financial institutions, the California Pollution Control~~
6 ~~Financing Authority, or any other government board.~~

7 ~~(d)~~

8 (c) The loan applicant demonstrates the ability to repay the loan,
9 and the availability of adequate collateral to secure the loan.

10 (e)

11 (d) All tanks owned and operated by the loan applicant are
12 subject to compliance with Chapter 6.7 (commencing with Section
13 25280), and the regulations adopted pursuant to that chapter.

14 (f)

15 (e) The loan applicant has complied, or will comply, with the
16 financial responsibility requirements specified in Section 25299.31
17 and the regulations adopted pursuant to this section.

18 *SEC. 4. Section 25299.103 of the Health and Safety Code is*
19 *amended to read:*

20 25299.103. (a) A complete loan application shall include all
21 of the following:

22 (1) Evidence of eligibility.

23 (2) An environmental audit, as specified in Section ~~5268~~ 5260
24 of Title 10 of the California Code of Regulations.

25 (3) Financial and legal documents necessary to demonstrate the
26 applicant’s ability to repay and provide collateral for the loan. The
27 ~~department~~ board shall develop a standard list of documents
28 required of all applicants, and may also request from individual
29 applicants additional financial and legal documents not provided
30 on this list.

31 (4) An explanation of the reasons why the project tank is not in
32 compliance with applicable local, state, or federal standards, and
33 evidence that tanks not included in the list of project tanks are
34 currently in compliance with applicable local, state, or federal
35 standards.

36 (5) A detailed cost estimate of the tasks ~~which~~ that are required
37 to be completed in order for the project tanks to comply with
38 applicable local, state, or federal standards.

39 (6) Any other information that the ~~department~~ board determines
40 to be necessary to include in an application form.

1 (b) Notwithstanding paragraph (4) of subdivision (a), the
2 ~~department~~ board may not refuse to grant a loan to an applicant
3 solely because the applicant has failed to obtain a permit pursuant
4 to the requirements of Chapter 6.7 (commencing with Section
5 25280).

6 *SEC. 5. Section 25299.104 of the Health and Safety Code is*
7 *amended to read:*

8 25299.104. (a) The minimum amount that the board may loan
9 an applicant is ten thousand dollars (\$10,000), and the maximum
10 amount that the board may loan an applicant is seven hundred fifty
11 thousand dollars (\$750,000).

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

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

24 ~~(d) The repeal of this chapter pursuant to Section 25299.117~~
25 ~~shall not extinguish a loan obligation and shall not impair the deed~~
26 ~~of trust or other collateral made pursuant to this chapter or the~~
27 ~~authority of the state to pursue appropriate action for collection.~~

28 (e)

29 (d) The board may charge a loan fee to loan applicants of up to
30 2 percent of the requested loan amount. The loan fee shall be
31 deposited in the Petroleum *Underground Storage Tank* Financing
32 ~~Collection~~ Account.

33 *SEC. 6. Section 25299.105 of the Health and Safety Code is*
34 *amended to read:*

35 25299.105. (a) The board shall make grant funds available
36 from the Petroleum Underground Storage Tank Financing Account
37 to eligible grant applicants who meet all of the following eligibility
38 requirements:

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

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

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

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

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

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

21 (5) The grant applicant owns or operates a tank that is in
22 compliance with all of the following:

23 (A) Section 41954.

24 (B) Any of the following:

25 (i) Section 25290.1.

26 (ii) Section 25290.2.

27 (iii) Section 25291.

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

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

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

33 (b) Grant funds may only be used to pay the costs necessary to
34 comply with the requirements of Section 25284.1, 25292.4, or
35 25292.5.

36 ~~(e) If the total amount of grant requests by eligible grant~~
37 ~~applicants to the board pursuant to this section exceeds, or is~~
38 ~~anticipated to exceed, the amount in the Petroleum Underground~~
39 ~~Storage Tank Financing Account, the board may adopt a priority~~
40 ~~ranking list to award grants based upon the level of demonstrated~~

1 ~~financial hardship of the eligible grant applicant or the relative~~
2 ~~impact upon the local community where the project tank is located~~
3 ~~if the claim is denied.~~

4 *SEC. 7. Section 25299.106 of the Health and Safety Code is*
5 *amended to read:*

6 25299.106. A complete grant application shall include all of
7 the following information:

8 (a) Evidence of eligibility.

9 ~~(b) Financial and legal documents necessary to demonstrate the~~
10 ~~applicant's financial hardship, if any. The board shall develop a~~
11 ~~standard list of documents required of all applicants, and may also~~
12 ~~request from individual applicants additional financial and legal~~
13 ~~documents not provided on this list.~~

14 (c) An explanation of the actions the applicant is required to
15 take to comply with the requirements of Sections 25284.1 and
16 25292.4.

17 ~~(d) (1) A detailed cost estimate of the actions that are required~~
18 ~~to be completed for the project tanks to comply with applicable~~
19 ~~local, state, or federal standards, if applicable.~~

20 ~~(2) A detailed description of the costs incurred to perform work~~
21 ~~and complete the Enhanced Vapor Recovery Phase II upgrade, as~~
22 ~~required by Section 41954 and implementing regulations, if~~
23 ~~applicable.~~

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

26 *SEC. 8. Section 25299.109 of the Health and Safety Code is*
27 *amended to read:*

28 25299.109. (a) The Petroleum Underground Storage Tank
29 Financing Account is hereby created in the State Treasury. ~~The~~
30 ~~Petroleum Underground Storage Tank Financing Account is created~~
31 ~~for both of the following purposes: All of the following moneys~~
32 ~~shall be deposited in the Petroleum Underground Storage Tank~~
33 ~~Financing Account:~~

34 ~~(1) Receiving federal, Federal, state, and local money: funds~~
35 ~~transferred for deposit in the account.~~

36 ~~(2) Receiving repayments Repayments of loans and interest and~~
37 ~~late fees on those accounts: loans issued pursuant to this chapter.~~

38 ~~(3) Repayments of loans and interest and late fees on loans~~
39 ~~issued pursuant to former Chapter 8.5 (commencing with Section~~

1 15399.10) of Part 6.7 of Division 3 of Title 2 of the Government
2 Code, as that chapter existed on December 31, 2003.

3 (4) Moneys collected pursuant to Section 25299.110 and
4 subdivision (d) of Section 25299.104.

5 (5) Repayments of loan and grant moneys paid to a loan or
6 grant applicant to which the applicant is not entitled.

7 (6) Notwithstanding Section 16305.7 of the Government Code,
8 all interest earned upon moneys that are deposited in the account.

9 (7) All unexpended moneys in a subaccount of the account that
10 is consolidated into the account by the act adding this paragraph.

11 (8) All unexpended moneys in the Petroleum Financing
12 Collection Account established pursuant to Section 25299.110, as
13 added by Section 1 of Chapter 624 of the Statutes of 2004.

14 (b) Upon appropriation by the Legislature, funds in the account
15 shall be used by the board ~~only~~ to make loans and ~~grants pursuant~~
16 ~~to grants, service loans, recover defaulted loan moneys due, protect~~
17 ~~the state's position as a lender creditor, and administer this~~
18 ~~chapter.~~

19 (c) The board shall annually make available not more than ~~33~~
20 ~~15~~ percent of the available funds from the account for the purposes
21 of providing grants pursuant to this chapter. ~~Funds transferred~~
22 ~~pursuant to subdivision (e) shall not be used in calculating the~~
23 ~~maximum amount that may be made available for grant funding.~~

24 ~~(d) Notwithstanding Section 16305.7 of the Government Code,~~
25 ~~all interest or other increments resulting from the investment of~~
26 ~~the funds in the Petroleum Underground Storage Tank Financing~~
27 ~~Account pursuant to Article 4 (commencing with Section 16470)~~
28 ~~of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government~~
29 ~~Code shall be deposited in a subaccount of the Petroleum~~
30 ~~Underground Storage Tank Financing Account, and expended only~~
31 ~~pursuant to Section 25299.113.~~

32 ~~(e) (1) The sum of eight million dollars (\$8,000,000) is hereby~~
33 ~~transferred from the subaccount established in subdivision (d) to~~
34 ~~the Petroleum Underground Storage Tank Financing Account and~~
35 ~~is appropriated for the purpose of making grants and loans pursuant~~
36 ~~to this chapter in the 2008-09 and 2009-10 fiscal years.~~

37 ~~(2) An application for grant funding pursuant to this subdivision~~
38 ~~must have been received not later than June 30, 2009.~~

39 ~~(3) If a grant or loan from moneys transferred pursuant to this~~
40 ~~subdivision is being requested for the purpose of compliance with~~

1 Enhanced Vapor Recovery Phase II regulations, then the applicant
2 must have applied for or obtained a permit from the air quality
3 management district by April 1, 2009, and have obtained an
4 enforcement agreement or other binding obligation by June 30,
5 2009.

6 (d) Eight million dollars (\$8,000,000) is hereby transferred
7 from the fees collected pursuant to Section 25299.43 in the
8 Underground Storage Tank Cleanup Fund, to the Petroleum
9 Underground Storage Tank Financing Account, and is hereby
10 appropriated for the purposes of making grants and loans pursuant
11 to this chapter and administering this chapter.

12 SEC. 9. Section 25299.110 of the Health and Safety Code is
13 repealed.

14 ~~25299.110.~~ (a) There is hereby created, in the California
15 Economic Development Grant and Loan Fund, the Petroleum
16 Financing Collection Account. The Petroleum Financing Collection
17 Account is created solely for the purpose of receiving charges,
18 fees, and income, including, but not limited to, the charges and
19 costs collected pursuant to subdivision (c).

20 (b) To defray the costs of the board in administrating the loan
21 program created pursuant to this chapter, the board may do all of
22 the following:

23 (1) Impose reasonable charges on all applications and impose
24 the loan fee specified in subdivision (e) of Section 25299.104.

25 (2) Recover collection costs from the borrower or other party.

26 (3) Earn income on any asset recovered pursuant to a loan
27 default.

28 (e) The board shall deposit the charges and costs collected
29 pursuant to subdivision (b), including the loan fees charged
30 pursuant to subdivision (c) of Section 25299.104, in the Petroleum
31 Financing Collection Account. Notwithstanding Section 13340 of
32 the Government Code, all money deposited in the Petroleum
33 Financing Collection Account shall be continuously appropriated
34 to the board for those costs necessary to protect the state's position
35 as a lender-creditor. These costs shall be broadly construed to
36 include, but not be limited to, foreclosure expenses, auction fees,
37 title searches, appraisals, real estate brokerage fees, attorney fees,
38 mortgage payments, insurance payments, utility costs, repair costs,
39 removal and storage costs for repossessed equipment and inventory;

1 and additional expenditures to purchase a senior lien in foreclosure
2 or bankruptcy proceedings.

3 *SEC. 10. Section 25299.110 is added to the Health and Safety*
4 *Code, to read:*

5 *25299.110. To defray the costs of the board in administering*
6 *the loan program created pursuant to this chapter, the board may*
7 *do all of the following:*

8 (a) *Impose reasonable charges on all applications and impose*
9 *the loan fee specified in subdivision (d) of Section 25299.104.*

10 (b) *Recover collection costs from the borrower or other party.*

11 (c) *Earn income on any asset recovered pursuant to a loan*
12 *default.*

13 *SEC. 11. Section 25299.111 of the Health and Safety Code is*
14 *repealed.*

15 ~~25299.111. If this chapter is repealed pursuant to Section~~
16 ~~25299.117, then following the day on which the authority ceases~~
17 ~~to exist, all moneys in the Petroleum Underground Storage Tank~~
18 ~~Financing Account and all moneys due that account shall revert~~
19 ~~to, and accrue to the benefit of, the Underground Storage Tank~~
20 ~~Cleanup Fund in the State Treasury.~~

21 *SEC. 12. Section 25299.113 of the Health and Safety Code is*
22 *repealed.*

23 ~~25299.113. (a) The board may, upon appropriation by the~~
24 ~~Legislature in the annual Budget Act, expend the funds in the~~
25 ~~subaccount established in the Petroleum Underground Storage~~
26 ~~Tank Financing Account in subdivision (d) of Section 25299.109~~
27 ~~for the administrative expenses in carrying out this chapter.~~

28 (b) ~~Commencing on the effective date of this chapter, the~~
29 ~~Controller shall do all of the following:~~

30 (1) ~~Transfer the interest payments from loan applicants and~~
31 ~~interest earned on the funds in the Petroleum Underground Storage~~
32 ~~Tank Financing Account received from July 1, 2002, to the~~
33 ~~effective date of this chapter, inclusive, into the subaccount~~
34 ~~established in subdivision (d) of Section 25299.109.~~

35 (2) ~~Direct to the Petroleum Underground Storage Tank~~
36 ~~Financing Account repayments of principal of loans issued pursuant~~
37 ~~to former Chapter 8.5 (commencing with Section 15399.10) of~~
38 ~~Part 6.7 of Division 3 of Title 2 of the Government Code, as that~~
39 ~~chapter existed on December 31, 2003.~~

1 ~~(3) Direct to the subaccount established in subdivision (d) of~~
2 ~~Section 25299.109, the payment of interest on loans issued pursuant~~
3 ~~to former Chapter 8.5 (commencing with Section 15399.10) of~~
4 ~~Part 6.7 of Division 3 of Title 2 of the Government Code, as that~~
5 ~~chapter existed on December 31, 2003.~~

6 ~~(e) For the 2004-05 fiscal year, using funds available in the~~
7 ~~subaccount established in subdivision (d) of Section 25299.109,~~
8 ~~the Department of Finance may augment the board's budget for~~
9 ~~the reasonable amount necessary to implement this chapter and~~
10 ~~may administratively establish necessary positions. Pursuant to~~
11 ~~subdivision (a), the board shall request the continuation of the~~
12 ~~necessary positions and funding for the 2005-06 fiscal year, and~~
13 ~~succeeding years, through the annual Budget Act.~~

14 *SEC. 13. Section 25299.117 of the Health and Safety Code is*
15 *repealed.*

16 ~~25299.117. This chapter is repealed as of January 1, 2016,~~
17 ~~unless a later enacted statute that is enacted on or before January~~
18 ~~1, 2016, deletes or extends that date.~~

19 ~~SECTION 1. Section 41700 of the Health and Safety Code, as~~
20 ~~added by Section 2 of Chapter 411 of the Statutes of 2010, is~~
21 ~~amended to read:~~

22 ~~41700. (a) Except as otherwise provided in Section 41705, a~~
23 ~~person shall not discharge from any source whatsoever a quantity~~
24 ~~of air contaminants or other material that causes injury, detriment,~~
25 ~~nuisance, or annoyance to any considerable number of persons or~~
26 ~~to the public, or that endangers the comfort, repose, health, or~~
27 ~~safety of any of those persons or the public, or that causes, or has~~
28 ~~a natural tendency to cause, injury or damage to business or~~
29 ~~property.~~

30 ~~(b) This section shall become operative on January 1, 2014.~~