

AMENDED IN ASSEMBLY AUGUST 6, 2013

AMENDED IN SENATE APRIL 23, 2013

AMENDED IN SENATE APRIL 16, 2013

**SENATE BILL**

**No. 763**

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**Introduced by Senator Fuller**

February 22, 2013

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An act to amend Sections 25284.1, 25299.51, 25299.81, 25299.102, 25299.103, 25299.104, 25299.105, 25299.106, 25299.107, and 25299.109 of, to repeal Sections 25299.111; *and* 25299.113; ~~and 25299.117~~ of, and to repeal and add ~~Section~~ *Sections* 25299.110 and 25299.117 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. 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 *operation of the loan and grant program indefinitely and until the board determines the moneys in the financing account are exhausted and would repeal the program on the subsequent January 1 of the date the board makes that determination, except as specified with regard to certain authority.*

*The bill would* revise loan eligibility and grant award requirements. The bill would require the board to annually make available not more than ~~15%~~ 25% 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. The bill would additionally authorize the board to provide grants and loans for the purposes of compliance with performance standards for the control of gasoline vapor emissions during gasoline marketing operations.

(2) Existing law establishes the Underground Storage Tank Cleanup Fund in the State Treasury and requires specified moneys to be deposited into the fund, including charges imposed upon owners of underground storage tanks. Under existing law, moneys in the fund may be expended by the board, upon appropriation by the Legislature, for various purposes, including for the Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989 and for transfer to the financing account.

This bill would transfer \$8,000,000 of a specified portion of those charges 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.

Vote: majority. Appropriation: yes. Fiscal committee: 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:

25 (A) (i) Require underground storage tank owners, operators,  
26 service technicians, installers, and inspectors to meet minimum  
27 industry-established training standards and require tank facilities  
28 to be operated in a manner consistent with industry-established  
29 best management practices.

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

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

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

21 (iii) Any tank or piping that is part of an emergency generator  
22 tank system and located within a structure as described in paragraph  
23 (2) of subdivision (a) of Section 25283.5 is exempt from the  
24 secondary containment testing required by clause (i), if the owner  
25 or operator conducts visual inspections of tank or piping each time  
26 the tank system is operated, but no less than monthly, and maintains  
27 a log of inspection results for review by the local agency. This  
28 clause is not applicable if the board adopts regulations pursuant  
29 to Section 25299.3 that address the design, construction, upgrade,  
30 and monitoring of unburied tanks that are part of an emergency  
31 generator tank system.

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

37 (5) (A) Require an owner or operator of an underground storage  
38 tank installed after July 1, 1987, if a tank is located within 1,000  
39 feet of a public drinking water well, as identified pursuant to the  
40 state GIS mapping database, to have the underground storage tank

1 system fitted, on or before July 1, 2001, with under-dispenser  
2 containment or a spill containment or control system that is  
3 approved by the board as capable of containing any accidental  
4 release.

5 (B) Require all underground storage tanks installed after January  
6 1, 2000, to have the tank system fitted with under-dispenser  
7 containment or a spill containment or control system to meet the  
8 requirements of subparagraph (A).

9 (C) Require an owner or operator of an underground storage  
10 tank that is not otherwise subject to subparagraph (A), and not  
11 subject to subparagraph (B), to have the underground storage tank  
12 system fitted to meet the requirements of subparagraph (A), on or  
13 before December 31, 2003.

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

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

20 (ii) The person possesses a tank testing license issued by the  
21 board pursuant to Section 25284.4, or a Class "A" General  
22 Engineering Contractor License, C-10 Electrical Contractor  
23 License, C-34 Pipeline Contractor License, C-36 Plumbing  
24 Contractor License, or C-61 (D40) Limited Specialty Service  
25 Station Equipment and Maintenance Contractor License issued by  
26 the Contractors' State License Board.

27 (E) Loans and grants for the installation of under-dispenser  
28 containment or a spill containment or control system shall be made  
29 available pursuant to Chapter 6.76 (commencing with Section  
30 25299.100).

31 (6) Convene a panel of local agency and regional board  
32 representatives to review existing enforcement authority and  
33 procedures and to advise the board of any changes that are needed  
34 to enable local agencies to take adequate enforcement action against  
35 owners and operators of noncompliant underground storage tank  
36 facilities. The panel shall make its recommendations to the board  
37 on or before September 30, 2001. Based on the recommendations  
38 of the panel, the board shall also establish effective enforcement  
39 procedures in cases involving fraud.

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

8 SEC. 2. Section 25299.51 of the Health and Safety Code is  
9 amended to read:

10 25299.51. The board may expend the money in the fund for  
11 all the following purposes:

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

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

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

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

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

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

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

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

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

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

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

14 *SEC. 3. Section 25299.81 of the Health and Safety Code is*  
15 *amended to read:*

16 25299.81. (a) Except as provided in subdivisions (b) and (c),  
17 this chapter shall remain in effect only until January 1, 2016, and  
18 as of that date is repealed, unless a later enacted statute, which is  
19 enacted before January 1, 2016, deletes or extends that date.

20 (b) Notwithstanding subdivision (a), Article 1 (commencing  
21 with Section 25299.10), Article 2 (commencing with Section  
22 25299.11), and Article 4 (commencing with Section 25299.36)  
23 shall not be repealed and shall remain in effect on January 1, 2016.

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

27 (1) The filing and payment of claims against the fund, including  
28 the costs specified in subdivisions (c), (e), and (h) of Section  
29 25299.51, claims filed under Section 25299.50.3, and claims for  
30 commingled plumes, as specified in Article 11 (commencing with  
31 Section 25299.90), until the moneys in the fund are exhausted.  
32 Upon exhaustion of the fund, any remaining claims shall be invalid.

33 (2) The repayment of loans, outstanding as of January 1, 2016,  
34 due and payable to the board.

35 (3) The recovery of moneys reimbursed to a claimant to which  
36 the claimant is not entitled, or the resolution of any cost recovery  
37 action.

38 (4) The collection of unpaid fees that are imposed pursuant to  
39 Article 5 (commencing with Section 25299.40), as that article read  
40 on December 31, 2015, or have become due before January 1,

1 2016, including any interest or penalties that accrue before, on, or  
2 after January 1, 2016, associated with those unpaid fees.

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

9 (B) Upon liquidation of funds in the Underground Storage Tank  
10 Petroleum Contamination Orphan Site Cleanup Fund, the obligation  
11 to make a payment from the Underground Storage Tank Petroleum  
12 Contamination Orphan Site Cleanup Fund is terminated.

13 ~~(6) (A) The payment of loans and grants, consistent with the~~  
14 ~~terms of agreements that were effective prior to January 1, 2016,~~  
15 ~~from the Underground Storage Tank Cleanup Fund, pursuant to~~  
16 ~~this chapter or the Petroleum Underground Storage Tank Financing~~  
17 ~~Account pursuant to Chapter 6.76 (commencing with Section~~  
18 ~~25299.100). Upon exhaustion of the Underground Storage Tank~~  
19 ~~Cleanup Fund, any remaining claims for payment of grants or~~  
20 ~~loans shall be invalid.~~

21 ~~(B) The amount of money disbursed for grants and loans~~  
22 ~~pursuant to Chapter 6.76 (commencing with Section 25299.100)~~  
23 ~~shall not exceed the sum of following:~~

24 ~~(i) The amount that reverts to the Underground Storage Tank~~  
25 ~~Cleanup Fund pursuant to Section 25299.111.~~

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

28 ~~(iii) The resolution of any cost recovery action filed prior to~~  
29 ~~January 1, 2016, or the initiation of an action or other collection~~  
30 ~~process to recover defaulted loan moneys due to the board or to~~  
31 ~~recover money paid to a grant or loan recipient pursuant to Chapter~~  
32 ~~6.76 (commencing with Section 25299.100) to which the recipient~~  
33 ~~is not entitled.~~

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



1 ~~SEC. 3.~~

2 *SEC. 4.* Section 25299.102 of the Health and Safety Code is  
3 amended to read:

4 25299.102. The board shall only make loan funds available to  
5 loan applicants that meet all of the following eligibility  
6 requirements:

7 (a) The loan applicant is a small business, either as defined in  
8 Section 632 of Title 15 of the United States Code, and in the federal  
9 regulations adopted to implement that section, as specified in Part  
10 121 (commencing with Section 121.101) of Chapter ~~I~~ of Title  
11 13 of the Code of Federal Regulations, or employs fewer than 500  
12 full-time and part-time employees, is independently owned and  
13 operated, and is not dominant in its field of operation. In either  
14 case, the principal office of the small business shall be domiciled  
15 in the state, and the officers of the small business shall be domiciled  
16 in this state. The board shall give priority to awarding loans to  
17 small businesses that meet the definition of small business specified  
18 in subdivision (d) of Section 14837 of the Government Code.

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

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

22 (d) All tanks owned and operated by the loan applicant are  
23 subject to compliance with Chapter 6.7 (commencing with Section  
24 25280), and the regulations adopted pursuant to that chapter.

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

28 ~~SEC. 4.~~

29 *SEC. 5.* Section 25299.103 of the Health and Safety Code is  
30 amended to read:

31 25299.103. (a) A complete loan application shall include all  
32 of the following:

33 (1) Evidence of eligibility.

34 (2) An environmental audit, as specified in Section 5260 of Title  
35 10 of the California Code of Regulations.

36 (3) Financial and legal documents necessary to demonstrate the  
37 applicant's ability to repay and provide collateral for the loan. The  
38 board shall develop a standard list of documents required of all  
39 applicants, and may also request from individual applicants  
40 additional financial and legal documents not provided on this list.

1 (4) An explanation of the reasons why the project tank is not in  
2 compliance with applicable local, state, or federal standards, and  
3 evidence that tanks not included in the list of project tanks are  
4 currently in compliance with applicable local, state, or federal  
5 standards.

6 (5) A detailed cost estimate of the tasks that are required to be  
7 completed in order for the project tanks to comply with applicable  
8 local, state, or federal standards.

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

11 (b) Notwithstanding paragraph (4) of subdivision (a), the board  
12 may not refuse to grant a loan to an applicant solely because the  
13 applicant has failed to obtain a permit pursuant to the requirements  
14 of Chapter 6.7 (commencing with Section 25280).

15 ~~SEC. 5.~~

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

18 25299.104. (a) The minimum amount that the board may loan  
19 an applicant is ten thousand dollars (\$10,000), and the maximum  
20 amount that the board may loan an applicant is seven hundred fifty  
21 thousand dollars (\$750,000).

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

27 (c) Loan funds may be used to finance up to 100 percent of the  
28 costs necessary to upgrade, remove, or replace project tanks,  
29 including corrective actions, to meet applicable local, state, or  
30 federal standards, including, but not limited to, any design,  
31 construction, monitoring, operation, or maintenance requirements  
32 adopted pursuant to Sections 25284.1, 25292.4, and 41954.

33 (d) The board may charge a loan fee to loan applicants of up to  
34 2 percent of the requested loan amount. The loan fee shall be  
35 deposited in the Petroleum Underground Storage Tank Financing  
36 Account.

37 (e) *The inoperation or repeal of this chapter pursuant to Section*  
38 *25299.117 shall not extinguish a loan obligation and shall not*  
39 *impair the deed of trust or other collateral made pursuant to this*

1 *chapter or the authority of the state to pursue appropriate action*  
2 *for collection.*

3 ~~SEC. 6.~~

4 *SEC. 7.* Section 25299.105 of the Health and Safety Code is  
5 amended to read:

6 25299.105. (a) The board shall make grant funds available  
7 from the Petroleum Underground Storage Tank Financing Account  
8 to eligible grant applicants who meet all of the following eligibility  
9 requirements:

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

12 (A) The grant applicant meets the conditions for a small business  
13 concern as defined in Section 632 of Title 15 of the United States  
14 Code, and in the federal regulations adopted to implement that  
15 section, as specified in Part 121 (commencing with Section  
16 121.101) of Chapter I of Title 13 of the Code of Federal  
17 Regulations.

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

21 (2) The principal office of the grant applicant is domiciled in  
22 the state and the officers of the grant applicant are domiciled in  
23 this state.

24 (3) All tanks owned and operated by the grant applicant are  
25 subject to compliance with Chapter 6.7 (commencing with Section  
26 25280) and the regulations adopted pursuant to that chapter.

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

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

34 (A) Section 41954.

35 (B) Any of the following:

36 (i) Section 25290.1.

37 (ii) Section 25290.2.

38 (iii) Section 25291.

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

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

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

5 (b) Grant funds may only be used to pay the costs necessary to  
6 comply with the requirements of Section 25284.1, 25292.4,  
7 25292.5, or 41954.

8 ~~SEC. 7.~~

9 *SEC. 8.* Section 25299.106 of the Health and Safety Code is  
10 amended to read:

11 25299.106. A complete grant application shall include all of  
12 the following information:

13 (a) Evidence of eligibility.

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

17 (c) An explanation of the actions the applicant is required to  
18 take to comply with the requirements of Sections 25284.1 and  
19 25292.4 or Section 41954.

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

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

25 ~~SEC. 8.~~

26 *SEC. 9.* Section 25299.107 of the Health and Safety Code is  
27 amended to read:

28 25299.107. (a) The minimum amount that the board may grant  
29 an applicant is three thousand dollars (\$3,000), and the maximum  
30 amount that the board may grant an applicant is fifty thousand  
31 dollars (\$50,000).

32 (b) Grant funds may be used to finance up to 100 percent of the  
33 costs necessary to comply with Sections 25284.1, 25292.4,  
34 25292.5, and 41954.

35 (c) If the board received the applicant's grant application on or  
36 before April 1, 2009, grant funds may be used to reimburse up to  
37 100 percent of the costs that the applicant incurred after the board  
38 received the grant application to comply with the Enhanced Vapor  
39 Recovery Phase II regulations.

1 (d) A person or entity is not eligible to receive more than fifty  
2 thousand dollars (\$50,000) in grant funds pursuant to this chapter.

3 ~~SEC. 9.~~

4 *SEC. 10.* Section 25299.109 of the Health and Safety Code is  
5 amended to read:

6 25299.109. (a) The Petroleum Underground Storage Tank  
7 Financing Account is hereby created in the State Treasury. All of  
8 the following moneys shall be deposited in the Petroleum  
9 Underground Storage Tank Financing Account:

10 (1) Federal, state, and local funds transferred for deposit in the  
11 account.

12 (2) Repayments of loans and interest and late fees on loans  
13 issued pursuant to this chapter.

14 (3) Repayments of loans and interest and late fees on loans  
15 issued pursuant to former Chapter 8.5 (commencing with Section  
16 15399.10) of Part 6.7 of Division 3 of Title 2 of the Government  
17 Code, as that chapter existed on December 31, 2003.

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

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

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

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

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

29 (b) Upon appropriation by the Legislature, funds in the account  
30 shall be used by the board to make loans and grants, service loans,  
31 recover defaulted loan moneys due, protect the state's position as  
32 a lender creditor, and administer this chapter.

33 (c) The board shall annually make available not more than ~~15~~  
34 25 percent of the available funds from the account for the purposes  
35 of providing grants pursuant to this chapter.

36 (d) Eight million dollars (\$8,000,000) is hereby transferred from  
37 the portion of the fees collected pursuant to subdivisions (a) to (e),  
38 inclusive, of Section 25299.43 in the Underground Storage Tank  
39 Cleanup Fund, to the Petroleum Underground Storage Tank  
40 Financing Account, and is hereby appropriated for the purposes

1 of making grants and loans pursuant to this chapter and  
2 administering this chapter.

3 ~~SEC. 10.~~

4 *SEC. 11.* Section 25299.110 of the Health and Safety Code is  
5 repealed.

6 ~~SEC. 11.~~

7 *SEC. 12.* Section 25299.110 is added to the Health and Safety  
8 Code, to read:

9 25299.110. To defray the costs of the board in administering  
10 the loan program created pursuant to this chapter, the board may  
11 do all of the following:

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

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

15 (c) Earn income on any asset recovered pursuant to a loan  
16 default.

17 ~~SEC. 12.~~

18 *SEC. 13.* Section 25299.111 of the Health and Safety Code is  
19 repealed.

20 ~~SEC. 13.~~

21 *SEC. 14.* Section 25299.113 of the Health and Safety Code is  
22 repealed.

23 ~~SEC. 14.~~

24 *SEC. 15.* Section 25299.117 of the Health and Safety Code is  
25 repealed.

26 *SEC. 16.* Section 25299.117 is added to the Health and Safety  
27 Code, to read:

28 25299.117. (a) *This chapter shall become inoperative on the*  
29 *date when the board issues a determination that no funds remain*  
30 *in the Underground Storage Tank Cleanup Fund for the purposes*  
31 *of making grants and loans pursuant to this chapter. Upon making*  
32 *that determination, the board shall not make any further grants*  
33 *and loans and any remaining claims for the payment of grants or*  
34 *loans shall be invalid.*

35 (b) *Upon making a determination pursuant to subdivision (a),*  
36 *the board shall notify the Secretary of State and the Office of the*  
37 *Legislative Counsel of that determination and the date of the repeal*  
38 *of this chapter, as specified in subdivision (c).*

39 (c) *This chapter is repealed as of the subsequent January 1 of*  
40 *the date of the notification made pursuant to subdivision (b), unless*

1 *a later enacted statute, that is enacted on or before that January*  
2 *1, deletes or extends that date.*

3 *(d) Notwithstanding subdivision (c), the repeal of this chapter*  
4 *does not terminate any of the following rights, obligations, or*  
5 *authority, or any other provision necessary to carry out those*  
6 *rights or obligations, or that authority:*

7 *(1) The repayment of loans due and payable to the board.*

8 *(2) The resolution of any cost recovery action or the initiation*  
9 *of an action or other collection process to recover defaulted loan*  
10 *moneys due to the board or to recover grant moneys paid but to*  
11 *which the recipient is not entitled.*

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