

AMENDED IN ASSEMBLY SEPTEMBER 6, 2013

AMENDED IN ASSEMBLY AUGUST 19, 2013

AMENDED IN ASSEMBLY AUGUST 6, 2013

AMENDED IN SENATE APRIL 23, 2013

AMENDED IN SENATE APRIL 16, 2013

SENATE BILL

No. 763

Introduced by Senator Fuller

(Principal coauthor: Assembly Member Wieckowski)

February 22, 2013

An act to amend Sections 25284.1, 25299.43, 25299.51, 25299.102, 25299.103, 25299.104, 25299.105, 25299.106, 25299.107, 25299.109, and 25299.117 of, *to add Section 25299.50.1 to*, to repeal Section 25299.113 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. 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 until January 1, 2022, 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 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) Under the existing Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989, every owner of an underground storage tank is required to pay a storage fee for each gallon of petroleum placed in the tank. The fees are required to be deposited in the Underground Storage Tank Cleanup Fund and the State Water Resources Control Board is authorized to expend the moneys in the fund, upon appropriation by the Legislature, for various purposes, including the payment of claims to aid owners and operators of petroleum underground storage tanks who take corrective action to clean up unauthorized releases from those tanks, corrective actions undertaken by the board, a California regional water quality board, or a local agency, the cleanup and oversight of unauthorized releases at abandoned tank sites, and grants to small businesses to retrofit certain hazardous substance underground storage tanks. Existing law repeals the act on January 1, 2016, but specifies that certain associated rights, obligations, and authorities that apply prior to the repeal date do not terminate until the moneys in the fund are exhausted.

Existing law, until January 1, 2014, provides for an increase in the fee for storage in an underground tank of \$0.006 per gallon of petroleum.

This bill would require payment of the additional \$0.006 per gallon until January 1, 2016.

The bill would require the board, no later than March 31, 2014, to make specified information relating to the payment of claims and case closures available on its Internet Web site.

This bill would constitute a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

(3)

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

Vote: ~~majority~~^{2/3}. 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.
33 (B) (i) Except as provided in clauses (ii) and (iii), require testing
34 of the secondary containment components, including
35 under-dispenser and pump turbine containment components, upon
36 initial installation of a secondary containment component and
37 periodically thereafter, to ensure that the system is capable of
38 containing releases from the primary containment until a release

1 is detected and cleaned up. The board shall consult with the
2 petroleum industry and local government to assess the appropriate
3 test or tests that would comply with this subparagraph.

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

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

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

31 (5) (A) Require an owner or operator of an underground storage
32 tank installed after July 1, 1987, if a tank is located within 1,000
33 feet of a public drinking water well, as identified pursuant to the
34 state GIS mapping database, to have the underground storage tank
35 system fitted, on or before July 1, 2001, with under-dispenser
36 containment or a spill containment or control system that is
37 approved by the board as capable of containing any accidental
38 release.

39 (B) Require all underground storage tanks installed after January
40 1, 2000, to have the tank system fitted with under-dispenser

1 containment or a spill containment or control system to meet the
2 requirements of subparagraph (A).

3 (C) Require an owner or operator of an underground storage
4 tank that is not otherwise subject to subparagraph (A), and not
5 subject to subparagraph (B), to have the underground storage tank
6 system fitted to meet the requirements of subparagraph (A), on or
7 before December 31, 2003.

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

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

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

21 (E) Loans and grants for the installation of under-dispenser
22 containment or a spill containment or control system shall be made
23 available pursuant to Chapter 6.76 (commencing with Section
24 25299.100).

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

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

1 *SEC. 2. Section 25299.43 of the Health and Safety Code is*
2 *amended to read:*

3 25299.43. (a) To implement the changes to this chapter made
4 by Chapter 1191 of the Statutes of 1994, and consistent with
5 Section 25299.40, effective January 1, 1995, every owner subject
6 to Section 25299.41 shall pay a storage fee of one mill (\$0.001)
7 for each gallon of petroleum placed in an underground storage
8 tank that the person owns, in addition to the fee required by Section
9 25299.41.

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

13 (c) On and after January 1, 1997, the storage fee increased under
14 subdivision (b) shall be increased by an additional three mills
15 (\$0.003) for each gallon of petroleum placed in an underground
16 storage tank.

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

21 (e) On and after January 1, 2006, the storage fee increased under
22 subdivision (d) shall be increased by an additional one mill
23 (\$0.001) for each gallon of petroleum placed in an underground
24 storage tank.

25 (f) On and after January 1, 2010, the storage fee increased under
26 subdivision (e) shall be increased by an additional six mills
27 (\$0.006) for each gallon of petroleum placed in an underground
28 storage tank. The increase provided for in this subdivision shall
29 be effective until January 1, ~~2014~~, 2016, at which time, the fee
30 shall revert back to the fee pursuant to subdivision (e).

31 (g) The fee imposed under this section shall be paid to the State
32 Board of Equalization under Part 26 (commencing with Section
33 50101) of Division 2 of the Revenue and Taxation Code in the
34 same manner as, and consistent with, the fees imposed under
35 Section 24299.41.

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

38 *SEC. 3. Section 25299.50.1 is added to the Health and Safety*
39 *Code, to read:*

1 25299.50.1. In addition to the requirement in subdivision (d)
2 of Section 25299.81, and to the extent permitted by existing laws
3 protecting the confidentiality of records and the release of personal
4 information, the board shall, no later than March 31, 2014, also
5 make the following information, including information for
6 underground storage tanks that are provided moneys from the
7 fund and those not provided any money from the fund where
8 appropriate, available on its Internet Web site:

9 (a) An update on the number of underground storage tank cases
10 remaining open, the number of closed cases, the number of closed
11 cases still awaiting funding, and an estimate of the total fund
12 liability given known or expected claims for all cases managed
13 both by the board and by a local oversight program certified
14 pursuant to Section 25297.01 or regional boards.

15 (b) A review and analysis as to whether an individual local
16 oversight program or regional board is interpreting the Low-Threat
17 Closure Policy adopted by the board pursuant to this chapter in
18 a manner consistent with its intent and with the interpretation of
19 the board, and whether cases are being closed by a local oversight
20 program or regional board at rates determined appropriate by
21 the board.

22 (c) The total projected number of underground storage tank
23 cases, as determined by the board, in consultation with local
24 oversight programs and regional boards, that are ready for
25 closure, but that have not yet been closed.

26 (d) A review of the local oversight program certification process
27 implemented by the board pursuant to Section 25297.01, including
28 the progress towards closure of those cases under the jurisdiction
29 of the certified local oversight program agencies.

30 (e) A projection of the fiscal state of the fund for both existing
31 and pending claims using a variety of fee levels, with an average
32 claim closure expectation of five years, to provide fund claim
33 reimbursement scenarios based upon these differing fee levels.

34 (f) A projection of the time periods, for both existing and pending
35 claims, in which all existing claims might be completed, based on
36 the various fee level projections.

37 (g) The total number of claims that have been processed and
38 are only awaiting reimbursement, with the information segregated
39 by the class of the claimant.

1 (h) *An itemization of actual administrative expenses paid out*
2 *of moneys in the fund during the previous five fiscal years,*
3 *including, to the extent possible, payments to previous local*
4 *implementing agencies, local oversight program agencies, and*
5 *regional boards. To the extent possible, the itemization shall also*
6 *include a five-year projection of annual payments by the board to*
7 *local oversight program agencies in connection with administrative*
8 *expenses related to the implementation of the local oversight*
9 *program.*

10 (i) *To the extent possible, a current estimate of the average*
11 *claim duration in the fund by class, and a projection of average*
12 *claim duration in the fund for the next five years, segregated by*
13 *claimant class.*

14 ~~SEC. 2.~~

15 *SEC. 4.* Section 25299.51 of the Health and Safety Code is
16 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

21 ~~SEC. 3.~~

22 *SEC. 5.* Section 25299.102 of the Health and Safety Code is
23 amended to read:

24 25299.102. The board shall only make loan funds available to
25 loan applicants that meet all of the following eligibility
26 requirements:

27 (a) The loan applicant is a small business, either as defined in
28 Section 632 of Title 15 of the United States Code, and in the federal
29 regulations adopted to implement that section, as specified in Part
30 121 (commencing with Section 121.101) of Chapter I of Title 13
31 of the Code of Federal Regulations, or employs fewer than 500
32 full-time and part-time employees, is independently owned and
33 operated, and is not dominant in its field of operation. In either
34 case, the principal office of the small business shall be domiciled
35 in the state, and the officers of the small business shall be domiciled
36 in this state. The board shall give priority to awarding loans to
37 small businesses that meet the definition of small business specified
38 in subdivision (d) of Section 14837 of the Government Code.

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

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

3 (d) All tanks owned and operated by the loan applicant are
4 subject to compliance with Chapter 6.7 (commencing with Section
5 25280), and the regulations adopted pursuant to that chapter.

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

9 ~~SEC. 4.~~

10 *SEC. 6.* Section 25299.103 of the Health and Safety Code is
11 amended to read:

12 25299.103. (a) A complete loan application shall include all
13 of the following:

14 (1) Evidence of eligibility.

15 (2) An environmental audit, as specified in Section 5260 of Title
16 10 of the California Code of Regulations.

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

22 (4) An explanation of the reasons why the project tank is not in
23 compliance with applicable local, state, or federal standards, and
24 evidence that tanks not included in the list of project tanks are
25 currently in compliance with applicable local, state, or federal
26 standards.

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

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

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

36 ~~SEC. 5.~~

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

39 25299.104. (a) The minimum amount that the board may loan
40 an applicant is ten thousand dollars (\$10,000), and the maximum

1 amount that the board may loan an applicant is seven hundred fifty
2 thousand dollars (\$750,000).

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

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

14 (d) The board may charge a loan fee to loan applicants of up to
15 2 percent of the requested loan amount. The loan fee shall be
16 deposited in the Petroleum Underground Storage Tank Financing
17 Account.

18 (e) The inoperation or repeal of this chapter pursuant to Section
19 25299.117 shall not extinguish a loan obligation and shall not
20 impair the deed of trust or other collateral made pursuant to this
21 chapter or the authority of the state to pursue appropriate action
22 for collection.

23 ~~SEC. 6.~~

24 *SEC. 8.* Section 25299.105 of the Health and Safety Code is
25 amended to read:

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

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

32 (A) The grant applicant meets the conditions for a small business
33 concern as defined in Section 632 of Title 15 of the United States
34 Code, and in the federal regulations adopted to implement that
35 section, as specified in Part 121 (commencing with Section
36 121.101) of Chapter I of Title 13 of the Code of Federal
37 Regulations.

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

1 (2) The principal office of the grant applicant is domiciled in
2 the state and the officers of the grant applicant are domiciled in
3 this state.

4 (3) All tanks owned and operated by the grant applicant are
5 subject to compliance with Chapter 6.7 (commencing with Section
6 25280) and the regulations adopted pursuant to that chapter.

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

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

14 (A) Section 41954.

15 (B) Any of the following:

16 (i) Section 25290.1.

17 (ii) Section 25290.2.

18 (iii) Section 25291.

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

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

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

24 (b) Grant funds may only be used to pay the costs necessary to
25 comply with the requirements of Section 25284.1, 25292.4,
26 25292.5, or 41954.

27 ~~SEC. 7.~~

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

30 25299.106. A complete grant application shall include all of
31 the following information:

32 (a) Evidence of eligibility.

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

36 (c) An explanation of the actions the applicant is required to
37 take to comply with the requirements of Sections 25284.1 and
38 25292.4 or Section 41954.

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

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

6 ~~SEC. 8.~~

7 *SEC. 10.* Section 25299.107 of the Health and Safety Code is
8 amended to read:

9 25299.107. (a) The minimum amount that the board may grant
10 an applicant is three thousand dollars (\$3,000), and the maximum
11 amount that the board may grant an applicant is fifty thousand
12 dollars (\$50,000).

13 (b) Grant funds may be used to finance up to 100 percent of the
14 costs necessary to comply with Sections 25284.1, 25292.4,
15 25292.5, and 41954.

16 (c) If the board received the applicant’s grant application on or
17 before April 1, 2009, grant funds may be used to reimburse up to
18 100 percent of the costs that the applicant incurred after the board
19 received the grant application to comply with the Enhanced Vapor
20 Recovery Phase II regulations.

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

23 ~~SEC. 9.~~

24 *SEC. 11.* Section 25299.109 of the Health and Safety Code is
25 amended to read:

26 25299.109. (a) The Petroleum Underground Storage Tank
27 Financing Account is hereby created in the State Treasury. All of
28 the following moneys shall be deposited in the Petroleum
29 Underground Storage Tank Financing Account:

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

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

34 (3) Repayments of loans and interest and late fees on loans
35 issued pursuant to former Chapter 8.5 (commencing with Section
36 15399.10) of Part 6.7 of Division 3 of Title 2 of the Government
37 Code, as that chapter existed on December 31, 2003.

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

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

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

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

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

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

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

17 (d) Eight million dollars (\$8,000,000) is hereby transferred from
18 the portion of the fees collected pursuant to subdivisions (a) to (e),
19 inclusive, of Section 25299.43 in the Underground Storage Tank
20 Cleanup Fund, to the Petroleum Underground Storage Tank
21 Financing Account, and is hereby appropriated for the purposes
22 of making grants and loans pursuant to this chapter and
23 administering this chapter.

24 ~~SEC. 10.~~

25 *SEC. 12.* Section 25299.110 of the Health and Safety Code is
26 repealed.

27 ~~SEC. 11.~~

28 *SEC. 13.* Section 25299.110 is added to the Health and Safety
29 Code, to read:

30 25299.110. To defray the costs of the board in administering
31 the loan program created pursuant to this chapter, the board may
32 do all of the following:

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

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

36 (c) Earn income on any asset recovered pursuant to a loan
37 default.

38 ~~SEC. 12.~~

39 *SEC. 14.* Section 25299.113 of the Health and Safety Code is
40 repealed.

1 ~~SEC. 13.~~

2 *SEC. 15.* Section 25299.117 of the Health and Safety Code is
3 amended to read:

4 25299.117. (a) Except as provided in subdivision (b), this
5 chapter is repealed as of January 1, 2022, unless a later enacted
6 statute that is enacted on or before January 1, 2022, deletes or
7 extends that date.

8 (b) Notwithstanding subdivision (a), the repeal of this chapter
9 does not terminate any of the following rights, obligations,
10 authorities, or any provision necessary to carry out these rights,
11 obligations, and authority:

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

13 (2) The resolution of any cost recovery action or the initiation
14 of an action or other collection process to recover defaulted loan
15 moneys due to the board or to recover grant moneys paid but to
16 which the grantee is not entitled.

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