

**Introduced by Committee on Budget and Fiscal Review**

January 9, 2014

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*An act relating to the Budget Act of 2014. An act to amend Section 12025 of the Fish and Game Code, to amend Sections 8574.4, 8574.7, 8574.8, 8670.2, 8670.3, 8670.5, 8670.7, 8670.8, 8670.8.3, 8670.8.5, 8670.9, 8670.12, 8670.14, 8670.19, 8670.25, 8670.25.5, 8670.26, 8670.27, 8670.28, 8670.29, 8670.30.5, 8670.31, 8670.32, 8670.33, 8670.34, 8670.35, 8670.36, 8670.37, 8670.37.5, 8670.37.51, 8670.37.52, 8670.37.53, 8670.37.55, 8670.37.58, 8670.40, 8670.42, 8670.47.5, 8670.48, 8670.48.3, 8670.49, 8670.50, 8670.51, 8670.53, 8670.54, 8670.55, 8670.56.5, 8670.56.6, 8670.61.5, 8670.62, 8670.64, 8670.66, 8670.67, 8670.67.5, 8670.69.4, and 8670.71 of, to add Sections 8670.7.5, 8670.40.5, and 8670.95 to, and to repeal Section 8670.69.7 of, the Government Code, to amend Section 449 of the Harbors and Navigation Code, to amend and repeal Sections 116760.60, 116761.21, 116761.22, 116761.24, and 116761.80 of, and to amend, repeal, and add Sections 116760.10, 116760.20, 116760.30, 116760.39, 116760.40, 116760.42, 116760.43, 116760.44, 116760.46, 116760.50, 116760.55, 116760.70, 116760.79, 116760.80, 116760.90, 116761, 116761.20, 116761.23, 116761.40, 116761.50, 116761.60, 116761.62, 116761.65, 116761.70, 116761.85, 116762.60, and 131110 of, and to add Section 116271 to, the Health and Safety Code, to amend Sections 541.5, 2705, 3160, 3161, 4629.5, 4629.6, 4629.7, 4629.8, 5009, 5010.6, 5010.6.5, 5010.7, 14507.5, 14552, 14581, 21190, 31012, 42476, 42872.1, 42885.5, 42889, 48653, and 71116 of, to add Sections 14581.1 and 30821 to, to add Division 12.5 (commencing with Section 17000) to, and to add and repeal Article 1.5 (commencing with Section 5019.10) of Chapter 1 of Division 5 of, the Public Resources Code, to amend Sections 379.6,*

*1807, and 2851 of the Public Utilities Code, to amend Sections 46002, 46006, 46007, 46010, 46013, 46017, 46023, 46028, and 46101 of, to add Section 46001.5 to, to repeal Sections 46008, 46014, 46015, 46016, 46019, 46024, and 46025 of, and to repeal and add Sections 46011, 46018, and 46027 of, the Revenue and Taxation Code, to amend Section 5024 of the Vehicle Code, and to amend Sections 10783 and 13272 of, to amend, repeal, and add Sections 174, 13350, 13478, and 13485 of, and to add Section 13528.5 to, the Water Code, relating to public resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

SB 861, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2014. Public Resources: trailer bill.~~

*(1) Existing law imposes an assessment on a person who purchases from a retailer a lumber product or an engineered wood product for the storage, use, or other consumption in this state. Existing law requires the retailer to collect the assessment from the person at the time of sale and authorizes the retailer to retain an amount, as determined by the State Board of Equalization via emergency regulations, for any costs associated with the collection of the assessment. Existing regulations, adopted by the state board at its September 10, 2013, meeting, provide that a retailer may retain no more than a total of \$735 per location as reimbursement for startup costs associated with the collection of the assessment.*

*This bill would codify the above regulations adopted at the September 10, 2013, state board meeting. The bill would delete the emergency regulatory authority granted to the state board, for purposes of determining the reimbursement amount.*

*Existing law establishes the Timber Regulation and Forest Restoration Fund in the State Treasury, and requires that all revenues received from the assessments, less amounts deducted for specified refunds and reimbursements, be deposited into the fund and expended, upon appropriation, only for specified purposes including, among other things, to fund existing forest restoration grant programs.*

*This bill would require, with respect to the existing forest restoration grant programs funding, that priority be given to the Fisheries Restoration Grant Program administered by the Department of Fish and Wildlife and to grant programs administered by state conservancies.*

*The bill would also, until July 1, 2017, authorize the revenue in the fund to be used to provide loans to the Department of Fish and Wildlife for activities to address environmental damage occurring on forest lands resulting from marijuana cultivation, as provided. The bill would prohibit the use of moneys from the General Fund to repay the loans.*

*(2) Existing law imposes various civil penalties for a violation of specified provisions of the Fish and Game Code in connection with the production or cultivation of a controlled substance, as defined, on land under the management of specified state and federal agencies or within the ownership of a timberland production zone as prescribed. Existing law requires all civil penalties collected to be apportioned as provided, including 40% of the funds to be distributed to the agency performing the cleanup or abatement of the cultivation or production site.*

*This bill, among other things, would also impose various civil penalties for a violation of those specified provisions of the Fish and Game Code in connection with the production or cultivation of a controlled substance on land that the person owns, leases, or otherwise uses or occupies with the consent of the landowner. The bill would require all civil penalties imposed or collected by a court to be apportioned as provided, including 40% to the Timber Regulation and Forest Restoration Fund.*

*This bill would also authorize the Department of Fish and Wildlife to impose those civil penalties administratively for those violations of the Fish and Game Code, subject to specified requirements relating to the complaint and hearing procedures, among other things. The bill would authorize the department to adopt regulations to implement these provisions and would require the penalties collected to be apportioned in a specified manner.*

*(3) The Lempert-Keene-Seastrand Oil Spill Prevention and Response Act generally requires the administrator for oil spill response, acting at the direction of the Governor, to implement activities relating to oil spill response, including emergency drills and preparedness, and oil spill containment and cleanup, and to represent the state in any coordinated response efforts with the federal government. Existing law directs the Governor to require the administrator to amend, not in conflict with the National Contingency Plan, the California oil spill contingency plan to add a marine oil spill contingency planning section containing specified elements, including an environmentally and ecologically sensitive areas element. Existing law also requires the administrator to adopt and implement regulations governing the*

*adequacy of oil spill contingency plans to be prepared and implemented and requires the regulations to provide for the best achievable protection of coastal and marine waters. Existing law imposes various criminal and administrative civil penalties on a person that violates specified provisions of the act based on whether it was an oil spill or an inland oil spill.*

*This bill would generally expand the act and the administrator's responsibilities relating to oil spills to cover all waters of the state, as defined. By expanding the scope of crimes within the act, the bill would impose a state-mandated local program. The bill would direct the Governor to require the administrator to amend the California oil spill contingency plan to provide for the best achievable protection of all state waters, not solely coastal and marine waters, and to submit the plan to the Governor and the Legislature on or before January 1, 2017. The bill would require the regulations to provide for the best achievable protection of all waters and natural resources of the state. The bill would deem the adoption of regulations by the administrator and the State Board of Equalization an emergency for the purposes of the amendments made by this act. The bill would authorize the emergency regulations adopted by the administrator to be in effect for 12 months or until the administrator readopts those regulations, whichever is earlier. The bill, for purposes of administrative civil penalties, would no longer distinguish between an oil spill and an inland oil spill, subjecting all persons to the oil spill provisions. The bill also would revise various definitions within that act, and would make other conforming and technical changes.*

*Existing law requires the administrator, upon request by a local government, to provide a program for training and certification of a local emergency responder designated as a local spill response manager by a local government with jurisdiction over or directly adjacent to waters of the state.*

*This bill would make the program optional at the discretion of the administrator.*

*Existing law requires the administrator to offer grants to a local government with jurisdiction over or directly adjacent to marine waters to provide oil spill response equipment to be deployed.*

*This bill would instead authorize the administrator to offer the grants to a local government with jurisdiction over or directly adjacent to state waters.*

*Existing law requires the administrator, within 5 working days after receipt of a contingency plan, prepared as specified, to send a notice that the plan is available for review to the Oil Spill Technical Advisory Committee.*

*This bill instead would require the administrator, within 5 working days after receipt of a contingency plan, to post a notice that the plan is available for review.*

*Existing law requires the administrator to establish a network of rescue and rehabilitation stations for sea birds, sea otters, and marine mammals affected by an oil spill in marine waters.*

*This bill instead would require the administrator to establish a network of rescue, as specified, for wildlife injured by oil spills in waters of the state, including sea otters and other marine mammals. The bill also would authorize the administrator to establish additional stations or facilities in the interior of the state for the rescue and rehabilitation of wildlife affected by inland spills.*

*Existing law imposes an oil spill prevention and administration fee in an amount determined by the administrator to be sufficient to implement oil spill prevention activities, but not to exceed \$0.065 per barrel of crude oil or petroleum products and, beginning January 1, 2015, to an amount not to exceed \$0.05, on persons owning crude oil or petroleum products at a marine terminal. The fee is deposited into the Oil Spill Prevention and Administration Fund in the State Treasury. Upon appropriation by the Legislature, moneys in the fund are available for specified purposes.*

*This bill would delete the provision that would reduce the fee beginning on January 1, 2015. The bill would additionally impose this fee on a person owning crude oil or petroleum products at the time the crude oil or petroleum products are received at a refinery, as specified, by any mode of delivery that passed over, across, under, or through waters of the state, whether from within or outside the state. The bill would create a rebuttable presumption that crude oil or petroleum products received at a marine terminal or refinery passed over, across, under, or through waters of the state, as specified. The bill would prohibit the State Board of Equalization from accepting or considering a petition for redetermination of fees or a claim for refund of fees if the claim is founded upon grounds the crude oil or petroleum products did or did not pass over, across, under, or through waters of the state, as specified. The bill would require the amendments made to these provisions by this act to be operative 90 days after the effective date of*

*the act. The bill would authorize the Director of Finance to augment a specified appropriation in the Budget Act of 2014 for the reasonable costs incurred by the State Board of Equalization related to the collection of the oil spill prevention and administration fee, as specified, thereby making an appropriation.*

*This bill would require every person who operates an oil refinery, marine terminal, or a pipeline to register with the State Board of Equalization.*

*Existing law imposes a uniform oil spill response fee on specified persons, except specified independent crude oil producers, owning petroleum products and on pipeline operators transporting petroleum products into the state by means of a pipeline operating across, under, or through the marine waters of the state, during any period that the Oil Spill Response Trust Fund contains less than a designated amount. The money in the fund is continuously appropriated for specified purposes, including, to pay for the costs of rescue, medical treatment, rehabilitation, and disposition of oiled wildlife, as specified. Existing law authorizes a person to apply to the fund for compensation for damages and losses suffered as a result of an oil spill in the marine waters of the state under specified conditions.*

*This bill would delete the fee exception for independent crude oil producers, and would delete the provision authorizing the moneys in the fund to be used to pay for the costs of rescue, medical treatment, rehabilitation, and disposition of oiled wildlife. The bill would additionally impose the fee on pipeline operators transporting petroleum products into the state by means of a pipeline operating across, under, or through any waters of the state, thereby making an appropriation by increasing the amount of moneys deposited into a continuously appropriated fund. The bill would authorize moneys in the fund to be used to respond to an imminent threat of a spill and would additionally authorize a person to apply to the fund for compensation for damages and losses suffered as a result of an oil spill in other waters of the state. By expanding the purposes of a continuously appropriated fund, the bill would make an appropriation.*

*Existing law, until June 30, 2014, provides that if a loan or other transfer of money from the Oil Spill Response Trust Fund to the General Fund pursuant to the Budget Act reduces the balance of the fund to less than or equal to 95% of the designated amount, the administrator is not required to collect oil spill response fees if the annual Budget Act requires the transfer or loan to be repaid (A) to the fund with interest*

calculated at a rate earned by the Pooled Money Investment Account and (B) on or before June 30, 2014.

This bill would extend that date to June 30, 2017, and would provide that these provisions would be repealed on July 1, 2017.

Existing law establishes the Oil Spill Technical Advisory Committee to provide public input and independent judgment of the actions of the administrator. The committee is composed of 10 members.

This bill would increase the number of members from 10 to 14 and would require the Speaker of the Assembly and the Senate Committee on Rules to each appoint one additional member who has knowledge of environmental protection and the study of ecosystems, and also would require the Governor to appoint 2 additional members, with one having knowledge of the railroad industry and another having knowledge of the oil production industry.

(4) Existing law requires all cities and counties to collect a fee from each applicant for a building permit, with each fee for Group R occupancies, as defined, assessed at the rate of \$13 per \$100,000, and all other buildings assessed at the rate of \$21 per \$100,000. Those fees are deposited in the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund, for expenditure by the Department of Conservation, upon appropriation by the Legislature, to pay for seismic hazards mapping and for the strong-motion instrumentation program.

This bill would increase the assessed fee for Group R occupancies to \$13 per \$100,000 and would also increase the assessed fee for all other buildings to \$28 per \$100,000. The bill would additionally authorize the department to use the moneys in the fund for the identification of earthquake fault zones in order to assist cities and counties in their planning, zoning, and building-regulation functions.

(5) Existing law authorizes the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation to regulate the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. Existing law requires the division, on or before January 1, 2015, to finalize and implement regulations specific to well stimulation treatments, as defined.

This bill would instead require the division to finalize those regulations on or before January 1, 2015, and would specify that those regulations shall become effective on July 1, 2015.

Existing law requires an operator proposing to perform a well stimulation treatment to apply to the State Oil and Gas Supervisor or a district deputy for a permit to perform the well stimulation treatment.

*Existing law prohibits additional environmental review or additional mitigation measures for the well stimulation activities if the supervisor determines that activities proposed in the well stimulation permit have met the requirements of the California Environmental Quality Act.*

*This bill would delete that prohibition.*

*Existing law requires the State Water Resources Control Board, on or before July 1, 2015, to adopt model groundwater monitoring criteria to assess the potential effects of well stimulation treatments. Existing law provides that monitoring is not required for oil and gas wells if the wells do not penetrate exempt aquifers, as specified.*

*This bill would instead provide that monitoring is not required if the wells solely penetrate those exempt aquifers.*

*Existing law requires the state board or a regional water quality control board, on or before January 1, 2016, to begin implementation of regional groundwater monitoring programs based on the model groundwater monitoring criteria. In the absence of the implementation of a regional groundwater monitoring program, existing law authorizes a well owner or operator to develop an area-specific groundwater monitoring program based on the model groundwater monitoring criteria subject to the approval of the state board or a regional board. Existing law requires the well stimulation permit application to contain, among other things, information on a groundwater monitoring plan for the well subject to the well stimulation treatment which may be an existing regional groundwater monitoring program for the vicinity of the well, an existing area-specific groundwater monitoring plan for the vicinity of the well, or a well-specific monitoring plan that has been submitted to the appropriate regional board for review. Existing law authorizes the supervisor or district deputy to approve the permit application if the application is complete.*

*This bill would authorize the supervisor or a district deputy, in the absence of the implementation of a regional groundwater monitoring program, to approve a well stimulation permit application prior to the approval of an area-specific groundwater monitoring program but would prohibit the commencement of well stimulation treatment pursuant to the permit until the approval of the area-specific groundwater monitoring program. Because a violation of this prohibition would be a crime, this bill would impose a state-mandated local program.*

*Existing law authorizes the division to allow, until those regulations described above are finalized and implemented, well stimulation activities if specified requirements are met, including a requirement*

*that the division conduct an environmental impact report pursuant to the California Environmental Quality Act. Existing law prohibits that report from conflicting with an environmental impact report conducted by a local lead agency that is certified on or before July 1, 2015. Existing law provides the division with emergency regulatory authority implementing the above purposes. Existing law requires emergency regulations be approved by the Office of Administrative Law.*

*This bill would revise and recast those requirements and would delete the prohibition regarding the environmental impact report prepared by the division. The bill would prohibit the Office of Administrative Law from disapproving emergency regulations.*

*(6) Existing law vests with the Department of Parks and Recreation control of the state park system, and provides funds for the support and administration of the department and specified park construction development, repair, and improvement projects. Existing law authorizes the Department of Finance to delegate to the Department of Parks and Recreation the right to exercise specified authority to plan, construct, and administer contracts and professional services for capital outlay projects, as specified. Existing law repeals this authority on January 1, 2019, unless a later enacted statute deletes or extends that date.*

*This bill would establish the Parks Project Revolving Fund in the State Treasury, and would require, upon the approval of the Department of Finance, except as provided, the transfer to, or deposit in, the fund of all money appropriated, contributed, or made available from any source, including sources other than state appropriations, for expenditure on work within the powers and duties of the department with respect to the construction, alteration, repair, and improvement of state park facilities, as specified.*

*This bill would make money transferred from state sources for major construction available to the department without regard to fiscal years and irrespective of specified limitations for encumbrance, thereby making an appropriation.*

*These provisions would become inoperative on a date that is 3 years after the date the Department of Parks and Recreation's authority to plan, construct, and administer contracts and professional services for capital outlay projects is repealed.*

*Existing law appropriates \$20,500,000 from the State Parks and Recreation Fund to the Department of Parks and Recreation, which is available for encumbrance for the 2012–13 and 2013–14 fiscal years and expended, as specified.*

*This bill would make the above moneys available for encumbrance until June 30, 2016, and for liquidation until June 30, 2018, thereby making an appropriation.*

*Existing law requires the Department of Parks and Recreation to develop a revenue generation program as an essential component of a long-term sustainable park funding strategy. Existing law requires the department, on or before October 1, 2012, to assign a 2-year revenue generation target to each district under the department's control and authorizes the department to annually amend the revenue target. Existing law requires incremental revenue generated by the revenue generation program to be deposited into the State Parks and Recreation Fund. Existing law requires that revenue generated by the revenue generation program identified as being in excess of the revenue targets be transferred to the State Parks and Revenue Incentive Subaccount.*

*This bill would require the department, on or before July 1, 2014, and annually thereafter, to assign a revenue generation target to each district under its control. This bill would instead require that revenue generated by the revenue generation program be deposited into the State Parks and Recreation Fund. The bill would require that the moneys be transferred from the fund to the State Parks Revenue Incentive Subaccount to be expended, as specified, thereby making an appropriation.*

*Existing law establishes the California State Park Enterprise Fund and upon appropriation by the Legislature, makes moneys in the fund available to the Department of Parks and Recreation for specified purposes. Existing law makes the moneys in the fund available for encumbrance and expenditure until June 30, 2014, and for liquidation until June 30, 2016. Existing law authorizes the department to deposit moneys received from private contributions and other public funding sources into the fund.*

*This bill would extend the time period in which moneys in the fund are available for encumbrance and expenditure to June 30, 2019, and for liquidation to June 30, 2021. The bill would instead authorize the Department of Parks and Recreation to expend moneys in the fund for capital outlay or support expenditures for revenue generation investments in state parks, as specified. The bill would require the department to prepare guidelines for districts to apply for funds for capital projects. The bill would instead authorize the department to deposit moneys received from private contributions and other public funding sources into the State Parks Revenue Incentive Subaccount.*

*Existing law establishes, until June 30, 2021, the State Parks Revenue Incentive Subaccount, a continuously appropriated subaccount, and requires the Controller to transfer annually \$15,340,000 from the State Parks and Recreation Fund to the subaccount. Existing law authorizes the Department of Parks and Recreation to expend these moneys for capital outlay projects that are consistent with the mission of the department. Existing law prohibits the Department of Parks and Recreation from expending annually more than \$11,000,000 from the subaccount. Existing law makes the moneys in the subaccount available for encumbrance until June 30, 2019, and for liquidate until June 30, 2016. Existing law require the Controller, on July 1, 2026, to transfer any unexpended funds remaining in the subaccount to the State Parks and Recreation Fund.*

*This bill would extend the time period in which the moneys in the subaccount are available for encumbrance to June 30, 2016, and for liquidation to June 30, 2021. The bill would extend the duration of the subaccount to June 30, 2021, and would require the Controller, on July 1, 2021, to transfer any unexpended moneys in the subaccount to the State Parks and Recreation Fund. The bill would reduce the amount of moneys to be transferred from the fund to the subaccount to \$4,340,000, thereby making an appropriation. The bill would revise and recast provision governing the expenditure from the subaccount to, among other things, authorize expenditures for activities, programs, and projects that increase the Department of Parks and Recreation's capacity to generate revenue and to implement revenue generation programs, thereby making an appropriation.*

*Existing law establishes the State Park Contingent Fund and requires that moneys derived from gifts, bequests, or county or municipal appropriations or donations be deposited in the fund and used for the improvement or administration of state parks or the acquisition of additional lands and properties, in accordance with the terms of the gift, bequest, appropriation, or donation.*

*This bill would instead require moneys from contractual agreements, donations, gifts, bequests, or local government appropriations be deposited in the fund and specify that the moneys deposited shall also be used for the maintenance and operation of the state parks, in accordance with the terms of the agreement, donation, gift, bequest, or local government appropriation. This bill would also make various technical, nonsubstantive changes.*

(7) Existing law, the California Beverage Container Recycling and Litter Reduction Act, requires a distributor of specified beverage containers to pay a redemption payment to the Department of Resources Recycling and Recovery for each beverage container sold or transferred to a dealer, for deposit in the California Beverage Container Recycling Fund (beverage fund). Existing law annually appropriates from the fund, among other things, \$15,000,000, adjusted for cost of living, to the department, for grants to certified community conservation corps and community conservation corps for beverage container litter reduction programs and recycling programs, subject to reduction if the department determines there are insufficient funds. Under existing law, the Electronic Waste Recycling Act of 2003 requires a retailer selling a covered electronic device in this state to collect an electronic waste recycling fee, the revenues of which are deposited in the Electronic Waste Recovery and Recycling Account. The California Tire Recycling Act imposes a California tire fee on a new tire purchased in the state and the revenue generated from the fee is deposited in the California Tire Recycling Management Fund. The California Oil Recycling Enhancement Act imposes a charge on oil manufacturers, the revenues of which are deposited in the California Used Oil Recycling Fund for purposes of the used oil recycling program.

This bill would, upon appropriation by the Legislature, require the department to issue grants to the corps, as follows: (A) \$4,000,000 for the 2014–15 fiscal year and \$8,000,000 each fiscal year thereafter, from funds in the Electronic Waste Recovery and Recycling Account for the corps to implement programs relating to the collection and recovery of covered electronic waste, (B) \$2,500,000 for the 2014–15 fiscal year and \$5,000,000 each fiscal year thereafter, from funds in the California Tire Recycling Management Fund for grants relating to implementing programs to cleanup and abate waste tires and to reuse and recycle waste tires, and (C) \$1,000,000 for the 2014–15 fiscal year and \$2,000,000 each fiscal year thereafter, from funds in the California Used Oil Recycling Fund for the corps for grants to implement programs relating to the collection of used oil. The bill would, instead of the \$15,000,000, as adjusted for cost of living, referenced above, provide that the amount required to be expended from the beverage fund for grants to the corps for beverage container litter reduction programs and recycling programs is \$20,974,000, as adjusted for cost of living, less \$15,000,000, augmented by \$7,500,000 for the 2014–15 fiscal year only. The bill would make an appropriation by changing the conditions

*under which moneys are continuously appropriated to the corps from the beverage fund.*

*The California Beverage Container Recycling and Litter Reduction Act requires the department to establish and implement an auditing system to ensure that information collected, and refund values and redemption payments paid, comply with the purposes of the act. The act authorizes the department to audit and investigate any action taken up to 3 years before the onset of the audit or investigation and authorizes the department to take an enforcement action at any time within 2 years after the department discovers, or should have discovered, a violation of the act. A violation of the act is a crime and is punishable by a fine, as specified.*

*This bill would extend the department's authorization to audit or investigate an action to 5 years before the onset of the audit or investigation and would expand the department's authorization to take an enforcement action to 5 years after the department discovers, or should have discovered, a violation of the act.*

*(8) Existing law, the Rubberized Asphalt Concrete Market Development Act, requires the Department of Resources Recycling and Recovery, in accordance with the tire recycling program, to award grants for certain public agency projects that utilize rubberized asphalt concrete, pursuant to specified conditions.*

*This bill would rename this act the Rubberized Pavement Market Development Act, and would instead require the department to award grants for those public agency projects that utilize rubberized pavement, in accordance with those conditions.*

*(9) Existing law, the California Coastal Act of 1976, establishes the California Coastal Commission and declares that the California coastal zone is a distinct and valuable natural resources of vital and enduring interest and exists as a delicately balanced ecosystem. Existing law establishes the San Francisco Bay Conservation and Development Commission to regulate fill and development within a specified area in and along the shoreline of the San Francisco Bay, and to implement a comprehensive plan for the preservation and protection of the Suisun Marsh. Existing law establishes the State Coastal Conservancy in the Natural Resources Agency and authorizes the conservancy to acquire, manage, direct the management of, and conserve specified coastal lands and wetlands in the state. Existing law establishes the Coastal Trust Fund in the State Treasury to receive and disburse funds paid to the conservancy in trust. Existing law authorizes the conservancy to expend*

*the moneys in the fund for purposes of the San Francisco Bay Area Conservancy Program and for other specified purposes.*

*This bill would establish the California Climate Resilience Account in the Coastal Trust Fund and would continuously appropriate funds in the account, except as specified, to the State Coastal Conservancy, for expenditure by the State Coastal Conservancy, the California Coastal Commission, and the San Francisco Bay Conservation and Development Commission for coastal zone management planning and implementation activities to address the risks and impacts of climate change. The bill would require that funds be allocated to these 3 agencies according to a specific formula, except as specified, and would allow up to 10% of the funds to be available for administrative costs. The bill would require that funds in the account be spent solely for their specified purposes and would require, to the extent that any funds are appropriated into the account by the Legislature in the annual Budget Act, those funds be segregated for purposes of accounting.*

*The California Coastal Act of 1976 requires a person undertaking development in the coastal zone to obtain a coastal development permit in accordance with prescribed procedures. Existing law authorizes the superior court to impose civil liability on a person who performs or undertakes development that is in violation of the act or that is inconsistent with a previously issued coastal development permit, and on a person who violates the act in any other manner.*

*This bill would authorize the California Coastal Commission to impose upon a person who violates the public access provisions of the act an administrative civil penalty, by a majority vote of the commissioners, upon consideration of various factors, and in an amount not to exceed 75% of the maximum civil penalty that may be imposed in the superior court. The bill would authorize the penalty to be assessed for each day the violation persists, but for no more than 5 years. The bill would prohibit a person from being subject to both this monetary civil liability imposed by the commission and a monetary civil liability imposed by the superior court for the same act or failure to act. The bill would also allow the commission to record a lien on the property of a violator in the amount of the penalty assessed by the commission if the violator fails to pay the penalty. The bill would prohibit the assessment of administrative penalties in certain cases if the property owner corrects the violations.*

*(10) Existing law establishes the California Environmental Protection Program, which provides funding for various environmental protection*

*purposes including, among other things, projects and programs related to pollution control, land acquisitions for natural areas or ecological reserves, environmental education, and the protection and preservation of wildlife. Existing law authorizes the issuance of environmental license plates, as defined, for vehicles, upon application and payment of certain fees, and requires that specified revenue derived from those fees for issuance, renewal, retention, duplication, and transfer of the environmental license plates be deposited in the California Environmental License Plate Fund in the State Treasury, and used, upon appropriation by the Legislature, for specified program purposes.*

*This bill would additionally authorize the expenditure of moneys in the fund that are available for the program, upon appropriation by the Legislature, for scientific research on the risks to California's natural resources and communities caused by the impacts of climate change.*

*Existing law requires the Department of Motor Vehicles (DMV) to issue special commemorative collegiate reflectorized license plates upon the request of the owner of the vehicle for which the plates are issued. Existing law imposes certain additional fees for the issuance, renewal, transfer, and replacement of the plates, and requires the DMV, after deducting its costs, to deposit 50% of the fees into the Resources License Plate Fund. Under existing law, moneys in the Resources License Plate Fund are available, upon appropriation, for the purposes of natural resources preservation, enhancement, and restoration.*

*Existing law also authorizes the DMV to issue environmental license plates and imposes certain fees for the issuance, renewal, and transfer of those plates. Existing law requires those fees to be deposited in the California Environmental License Plate Fund, and makes moneys in the fund available, upon appropriation, for certain purposes relating to the preservation and protection of the state's environment.*

*This bill would abolish the Resources License Plate Fund and would transfer moneys in that fund to the California Environmental License Plate Fund effective July 1, 2014. The bill would also update a cross-reference and delete obsolete provisions.*

*(11) Existing law establishes the Environmental Justice Small Grant Program and authorizes the California Environmental Protection Agency to award grants to eligible community groups located in areas adversely affected by environmental pollution and hazards that work to address environmental justice issues. Existing law establishes the maximum amount of a grant to not exceed \$20,000. Existing law provides that the above provision is to be implemented only during*

*fiscal years for which an appropriation is provided for in the annual Budget Act or in another statute for the above purpose.*

*This bill would increase the maximum amount of a grant to not exceed \$50,000. This bill would instead authorize the Secretary for Environmental Protection to expend up to \$1,500,000 per year for the above purposes. The bill would authorize the boards, departments, and offices within the agency to allocate funds from various special funds, settlements, and penalties to implement the program.*

*(12) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires the Public Utilities Commission to require the administration, until January 1, 2016, of a self-generation incentive program for distributed generation resources. Existing law authorizes the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to authorize electrical corporations to annually collect not more than the amount authorized for the program in the 2008 calendar year through December 31, 2014.*

*This bill would extend the authority of the Public Utilities Commission to authorize the electrical corporations to continue making the annual collection through December 31, 2019. The bill would extend the administration of the program to January 1, 2021.*

*Existing law limits eligibility for incentives under the self-generation incentive program to distributed energy resources that the Public Utilities Commission, in consultation with the State Air Resources Board, determines will achieve reductions in emissions of greenhouse gases pursuant to the California Global Warming Solutions Act of 2006.*

*This bill would further limit eligibility for incentives under the self-generation incentive program to distributed energy resource technologies that the Public Utilities Commission determines meet specified additional requirements. The bill would require the commission to determine a capacity factor for each distributed generation system energy resource technology in the program.*

*This bill would require the Public Utilities Commission to evaluate the self-generation incentive program's overall success and impact based on specified performance measures.*

*This bill would require the Public Utilities Commission, on or before July 1, 2015, to update the factor for avoided greenhouse gas emissions based on certain information. The bill would require the Public Utilities Commission, in allocating funds between eligible technologies, to*

*consider the relative amount and cost of certain factors. The bill would require recipients of the self-generation incentive program funds to provide to the Public Utilities Commission and the State Air Resources Board relevant data and would subject them to inspection to verify equipment operation and performance.*

*Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.*

*Because a violation of the requirements of the program that would be extended under the provisions of this bill would be a crime, this bill would impose a state-mandated local program.*

*(13) Existing law provides compensation for reasonable advocate's fees, reasonable expert witness fees, and other reasonable costs to public utility customers of participation or intervention in any proceeding of the Public Utilities Commission. Existing law requires an award for that compensation be paid by the public utility that is the subject of the hearing, investigation, or proceeding within 30 days. Existing law provides that an award shall be allowed by the commission as an expense for the purpose of establishing rates of the public utility. Under existing law, an existing decision of the commission establishes the intervenor compensation program fund for quasi-legislative or rulemaking proceedings funded through commission reimbursement fees collected on an annual basis from electrical, gas, telephone, and water corporations.*

*This bill would authorize the commission to pay to the Avondale Glen Elder Neighborhood Association the difference between the amount received from the bankruptcy court and the amount awarded by the commission by increasing the fees collected pursuant to these provisions for the limited purpose of that specified decision.*

*(14) Decisions of the Public Utilities Commission adopted the California Solar Initiative administered by the state's 3 largest electrical corporations and subject to the commission's supervision. Existing law specifies that the financial components of the California Solar Initiative consist of, among other programs, the New Solar Homes Partnership Program, which is administered by the State Energy Resources Conservation and Development Commission (Energy Commission). Existing law requires the program to be funded by charges in the amount of \$400,000,000 collected from customers of those electrical corporations. If moneys from the Renewable Resource Trust Fund for the program is exhausted, existing law authorizes the Public Utilities*

*Commission, upon notification by the Energy Commission, to require those electrical corporations to continue the administration of the program pursuant to the guidelines established by the Energy Commission for the program until the above monetary limit is reached.*

*This bill would additionally require that the Public Utilities Commission be notified by the Energy Commission that other funding sources for the program have been exhausted before requiring those electrical corporations to continue administration of the program until the monetary limit is reached.*

*(15) Existing law, including the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Department of Public Health various duties and responsibilities for the regulation and control of drinking water in the State of California. Existing law requires the department to conduct research, studies, and demonstration projects relating to the provision of a dependable, safe supply of drinking water, to adopt regulations to implement the state act, and to enforce provisions of the federal Safe Drinking Water Act.*

*The Safe Drinking Water State Revolving Fund Law of 1997 establishes the Safe Drinking Water State Revolving Fund to provide grants or revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Under that law, the department is required to undertake specified actions to implement the fund, including entering into agreements with the federal government for federal contributions to the fund.*

*This bill would, effective July 1, 2014, transfer to the State Water Resources Control Board the authority, duties, powers, purposes, functions, responsibilities, and jurisdiction of the department for the purposes of the administration of specified drinking water programs. The bill would require the state board to appoint a deputy director, as specified, for drinking water programs.*

*The bill would, among other things, authorize the board, in order to administer the fund, to engage in the transfer of capitalization grant funds, as specified, and to cross-collateralize revenue bonds with the State Water Pollution Control Revolving Fund. The bill would also authorize the board to implement the provisions of the Safe Drinking Water State Revolving Fund Law of 1997 through a policy handbook, as specified, and make the repeal of, or operation of, various provisions*

*of law contingent upon the adoption of the policy handbook. The bill would make various other changes.*

*The Budget Act of 2003 makes available to the State Department of Public Health \$15,000,000 for encumbrance until June 30, 2016, for the purposes of providing grants of up to \$500,000 per project for public water systems to address drought-related drinking water emergencies or threatened emergencies.*

*This bill would appropriate the unencumbered balance of the above moneys to the State Water Resources Control Board for the above purposes. The bill would require the board to make every effort to use other funds available to address drinking water emergencies before using the moneys transferred.*

*(16) Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements in accordance with the federal Clean Water Act and the Porter-Cologne Water Quality Control Act. The state act imposes various penalties for a violation of its requirements. The state act requires specified penalties be deposited into the Waste Discharge Permit Fund and separately accounted. The state act requires moneys in the fund, upon appropriation, to be expended by the state board to assist regional boards and prescribed other public agencies in cleaning up or abating the effects of waste on waters of the state or to assist a regional board attempting to remedy a significant unforeseen water pollution problem.*

*This bill would, until July 1, 2017, authorize up to \$500,000 per fiscal year from the moneys in the fund, upon appropriation, to be expended to assist the Department of Fish and Wildlife to address the impacts of marijuana cultivation on the natural resources of the state.*

*(17) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

*(18) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.*

*This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2014.*

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

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

1     *SECTION 1. Section 12025 of the Fish and Game Code is*  
2     *amended to read:*

3     12025. (a) In addition to any penalties imposed by any other  
4     law, a person found to have violated Section 1602, 5650, or 5652  
5     in connection with the production or cultivation of a controlled  
6     substance on land under the management of the Department of  
7     Parks and Recreation, the Department of Fish and Wildlife, the  
8     Department of Forestry and Fire Protection, the State Lands  
9     Commission, a regional park district, the United States Forest  
10    Service, or the Bureau of Land Management, or within the  
11    respective ownership of a timberland production zone, as defined  
12    in Chapter 6.7 (commencing with Section 51100) of Division 1 of  
13    Title 5 of the Government Code, of more than 50,000 acres, *or*  
14    *while trespassing on other public or private land in connection*  
15    *with the production or cultivation of a controlled substance, shall*  
16    *be liable for a civil penalty in the following amounts:*

17    (1) A person who violates Section 1602 in connection with the  
18    production or cultivation of a controlled substance is subject to a  
19    civil penalty of not more than ten thousand dollars (\$10,000) for  
20    each violation.

21    (2) A person who violates Section 5650 in connection with the  
22    production or cultivation of a controlled substance is subject to a  
23    civil penalty of not more than forty thousand dollars (\$40,000) for  
24    each violation.

25    (3) A person who violates Section 5652 in connection with the  
26    production or cultivation of a controlled substance is subject to a  
27    civil penalty of not more than forty thousand dollars (\$40,000) for  
28    each violation.

29    (b) (1) *In addition to any penalties imposed by any other law,*  
30    *a person found to have violated Section 1602, 5650, or 5652 in*  
31    *connection with the production or cultivation of a controlled*  
32    *substance on land that the person owns, leases, or otherwise uses*  
33    *or occupies with the consent of the landowner may be liable for a*  
34    *civil penalty in the following amounts:*

35    (A) *A person who violates Section 1602 in connection with the*  
36    *production or cultivation of a controlled substance is subject to a*  
37    *civil penalty of not more than eight thousand dollars (\$8,000) for*  
38    *each violation.*

1 (B) A person who violates Section 5650 in connection with the  
2 production or cultivation of a controlled substance is subject to a  
3 civil penalty of not more than twenty thousand dollars (\$20,000)  
4 for each violation.

5 (C) A person who violates Section 5652 in connection with the  
6 production or cultivation of a controlled substance is subject to a  
7 civil penalty of not more than twenty thousand dollars (\$20,000)  
8 for each violation.

9 (2) Each day that a violation of Section 1602, 5650, or 5652  
10 described in this subdivision occurs or continues to occur shall  
11 constitute a separate violation.

12 ~~(b)~~

13 (c) The civil penalty imposed for each separate violation  
14 pursuant to this section is in addition to any other civil penalty  
15 imposed for another violation of this section, or any violation of  
16 any other law.

17 ~~(e)~~

18 (d) All civil penalties *imposed or collected by a court* for a  
19 separate violation pursuant to this section shall not be considered  
20 to be fines or forfeitures, as described in Section 13003, and shall  
21 be apportioned in the following manner:

22 (1) Thirty percent shall be distributed to the county in which  
23 the violation was committed pursuant to Section 13003. The county  
24 board of supervisors shall first use any revenues from those  
25 penalties to reimburse the costs incurred by the district attorney  
26 or city attorney in investigating and prosecuting the violation.

27 (2) (A) Thirty percent shall be distributed to the investigating  
28 agency to be used to reimburse the cost of any investigation directly  
29 related to the violations described in this section.

30 (B) *If the department receives reimbursement pursuant to this*  
31 *paragraph for activities funded pursuant to subdivision (f) of*  
32 *Section 4629.6 of the Public Resources Code, the reimbursement*  
33 *funds shall be deposited into the Timber Regulation and Forest*  
34 *Restoration Fund, created by Section 4629.3 of the Public*  
35 *Resources Code, if there is an unpaid balance for a loan authorized*  
36 *by subdivision (f) of Section 4629.6 of the Public Resources Code.*

37 (3) Forty percent shall be ~~distributed to the agency performing~~  
38 ~~the cleanup or abatement of the cultivation or production site for~~  
39 ~~the reimbursement for all reasonable costs associated with the~~  
40 ~~cleanup or abatement.~~ *deposited into the Timber Regulation and*

1 *Forest Restoration Fund, created by Section 4629.3 of the Public*  
2 *Resources Code, and used for grants authorized pursuant to*  
3 *Section 4629.6 of the Public Resources Code that improve forest*  
4 *health by remediating former marijuana growing operations.*

5 *(e) Civil penalties authorized pursuant to this section may be*  
6 *imposed administratively by the department if all the following*  
7 *occur:*

8 *(1) The chief deputy director or law enforcement division*  
9 *assistant chief in charge of marijuana-related enforcement issues*  
10 *a complaint to any person or entity on which an administrative*  
11 *civil penalty may be imposed pursuant to this section. The*  
12 *complaint shall allege the act or failure to act that constitutes a*  
13 *violation, any facts related to natural resources impacts, the*  
14 *provision of law authorizing the civil penalty to be imposed, and*  
15 *the proposed penalty amount.*

16 *(2) The complaint and order is served by personal notice or*  
17 *certified mail and informs the party served that the party may*  
18 *request a hearing no later than 20 days from the date of service.*  
19 *If a hearing is requested, it shall be scheduled before the director*  
20 *or his or her designee, which designee shall not be the chief deputy*  
21 *or assistant chief issuing the complaint and order. A request for*  
22 *a hearing shall contain a brief statement of the material facts the*  
23 *party claims support his or her contention that no administrative*  
24 *penalty should be imposed or that an administrative penalty of a*  
25 *lesser amount is warranted. A party served with a complaint*  
26 *pursuant to this subdivision waives the right to a hearing if no*  
27 *hearing is requested within 20 days of service of the complaint, in*  
28 *which case the order imposing the administrative penalty shall*  
29 *become final.*

30 *(3) The director, or his or her designee, shall control the nature*  
31 *and order of hearing proceedings. Hearings shall be informal in*  
32 *nature, and need not be conducted according to the technical rules*  
33 *relating to evidence. The director or his or her designee shall issue*  
34 *a final order within 45 days of the close of the hearing. A final*  
35 *copy of the order shall be served by certified mail upon the party*  
36 *served with the complaint.*

37 *(4) A party may obtain review of the final order by filing a*  
38 *petition for a writ of mandate with the superior court within 30*  
39 *days of the date of service of the final order. The administrative*  
40 *penalty shall be due and payable to the department within 60 days*

1 *after the time to seek judicial review has expired, or, where the*  
2 *party has not requested a hearing of the order, within 20 days*  
3 *after the order imposing an administrative penalty becomes final.*

4 *(5) The department may adopt regulations to implement this*  
5 *subdivision.*

6 *(f) All administrative penalties imposed or collected by the*  
7 *department for a separate violation pursuant to this section shall*  
8 *not be considered to be fines or forfeitures, as described in Section*  
9 *13003, and shall be deposited into the Timber Regulation and*  
10 *Forest Restoration Fund, created by Section 4629.3 of the Public*  
11 *Resources Code, to repay any unpaid balance of a loan authorized*  
12 *by subdivision (f) of Section 4629.6 of the Public Resources Code.*  
13 *Any remaining funds from administrative penalties collected*  
14 *pursuant to this section shall be apportioned in the following*  
15 *manner:*

16 *(1) Fifty percent shall be deposited into the Timber Regulation*  
17 *and Forest Restoration Fund for grants authorized pursuant to*  
18 *subdivision (h) of Section 4629.6 of the Public Resources Code,*  
19 *with priority given to grants that improve forest health by*  
20 *remediating former marijuana growing operations.*

21 *(2) Fifty percent shall be deposited into the Fish and Game*  
22 *Preservation Fund.*

23 ~~(g)~~

24 *(g) For purposes of this section, “controlled substance” has the*  
25 *same meaning as defined in Section 11007 of the Health and Safety*  
26 *Code.*

27 *SEC. 2. Section 8574.4 of the Government Code is amended*  
28 *to read:*

29 *8574.4. State agencies designated to implement the contingency*  
30 *plan shall account for all state expenditures made under the plan*  
31 *with respect to each oil spill. Expenditures accounted for under*  
32 *this section from an oil spill in ~~marine~~ waters of the state shall be*  
33 *paid from the Oil Spill Response Trust Fund created pursuant to*  
34 *Section 8670.46. All other expenditures accounted for under this*  
35 *section shall be paid from the State Water Pollution Cleanup and*  
36 *Abatement Account in the State Water Quality Control Fund*  
37 *provided for in Article 3 (commencing with Section 13440) of*  
38 *Chapter 6 of Division 7 of the Water Code. If the party responsible*  
39 *for the spill is identified, that party shall be liable for the*  
40 *expenditures accounted for under this section, in addition to any*

1 other liability ~~which~~ *that* may be provided for by law, in an action  
2 brought by the Attorney General. The proceeds from any ~~such~~  
3 action for a spill in marine waters shall be paid into the Oil Spill  
4 Response Trust Fund.

5 *SEC. 3. Section 8574.7 of the Government Code is amended*  
6 *to read:*

7 8574.7. The Governor shall require the administrator, not in  
8 conflict with the National Contingency Plan, to amend the  
9 California oil spill contingency plan ~~by adding a marine oil spill~~  
10 ~~contingency planning section that provides~~ *to provide* for the best  
11 achievable protection of ~~the coast and marine waters of the state.~~  
12 “Administrator” for purposes of this section means the  
13 administrator appointed by the Governor pursuant to Section  
14 8670.4. ~~The marine oil spill contingency planning section plan~~  
15 shall consist of all of the following elements:

16 (a) A state ~~marine~~ response element that specifies the hierarchy  
17 for state and local agency response to an oil spill. The element  
18 shall define the necessary tasks for oversight and control of cleanup  
19 and removal activities associated with ~~a marine~~ *an* oil spill and  
20 shall specify each agency’s particular responsibility in carrying  
21 out these tasks. The element shall also include an organizational  
22 chart of the state ~~marine~~ oil spill response organization and a  
23 definition of the resources, capabilities, and response assignments  
24 of each agency involved in cleanup and removal actions in ~~a marine~~  
25 *an* oil spill.

26 (b) A regional and local planning element that shall provide the  
27 framework for the involvement of regional and local agencies in  
28 the state effort to respond to ~~a marine~~ *an* oil spill, and shall ensure  
29 the effective and efficient use of regional and local resources, *as*  
30 *appropriate*, in all of the following:

- 31 (1) Traffic and crowd control.
- 32 (2) Firefighting.
- 33 (3) Boating traffic control.
- 34 (4) Radio and communications control and provision of access  
35 to equipment.
- 36 (5) Identification and use of available local and regional  
37 equipment or other resources suitable for use in cleanup and  
38 removal actions.

1 (6) Identification of private and volunteer resources or personnel  
2 with special or unique capabilities relating to ~~marine~~ oil spill  
3 cleanup and removal actions.

4 (7) Provision of medical emergency services.

5 (8) Consideration of the identification and use of private working  
6 craft and mariners, including commercial fishing vessels and  
7 licensed commercial fishing men and women, in containment,  
8 cleanup, and removal actions.

9 (c) A coastal protection element that establishes the state  
10 standards for coastline protection. The administrator, in  
11 consultation with the Coast Guard and Navy and the shipping  
12 industry, shall develop criteria for coastline protection. If  
13 appropriate, the administrator shall consult with representatives  
14 from the States of Alaska, Washington, and Oregon, the Province  
15 of British Columbia in Canada, and the Republic of Mexico. The  
16 criteria shall designate at least all of the following:

17 (1) Appropriate shipping lanes and navigational aids for tankers,  
18 barges, and other commercial vessels to reduce the likelihood of  
19 collisions between tankers, barges, and other commercial vessels.  
20 Designated shipping lanes shall be located off the coastline at a  
21 distance sufficient to significantly reduce the likelihood that  
22 disabled vessels will run aground along the coast of the state.

23 (2) Ship position reporting and communications requirements.

24 (3) Required predeployment of protective equipment for  
25 sensitive environmental areas along the coastline.

26 (4) Required emergency response vessels that are capable of  
27 preventing disabled tankers from running aground.

28 (5) Required emergency response vessels that are capable of  
29 commencing oil cleanup operations before spilled oil can reach  
30 the shoreline.

31 (6) An expedited decisionmaking process for dispersant use in  
32 coastal waters. Prior to adoption of the process, the administrator  
33 shall ensure that a comprehensive testing program is carried out  
34 for any dispersant proposed for use in California marine waters.  
35 The testing program shall evaluate toxicity and effectiveness of  
36 the dispersants.

37 (7) Required rehabilitation facilities for wildlife injured by  
38 spilled oil.

1 (8) An assessment of how activities that usually require a permit  
2 from a state or local agency may be expedited or issued by the  
3 administrator in the event of an oil spill.

4 (d) An environmentally and ecologically sensitive areas element  
5 that shall provide the framework for prioritizing and ensuring the  
6 protection of environmentally and ecologically sensitive areas.  
7 The environmentally and ecologically sensitive areas element shall  
8 be developed by the administrator, in conjunction with appropriate  
9 local agencies, and shall include all of the following:

10 (1) Identification and prioritization of environmentally and  
11 ecologically sensitive areas in ~~marine state~~ waters and along the  
12 coast. Identification and prioritization of environmentally and  
13 ecologically sensitive areas shall not prevent or excuse the use of  
14 all reasonably available containment and cleanup resources from  
15 being used to protect every environmentally and ecologically  
16 sensitive area possible. Environmentally and ecologically sensitive  
17 areas shall be prioritized through the evaluation of criteria,  
18 including, but not limited to, all of the following:

19 (A) Risk of contamination by oil after a spill.

20 (B) Environmental, ecological, recreational, and economic  
21 importance.

22 (C) Risk of public exposure should the area be contaminated.

23 (2) Regional maps depicting environmentally and ecologically  
24 sensitive areas in ~~marine state~~ waters or along the coast that shall  
25 be distributed to facilities and local and state agencies. The maps  
26 shall designate those areas that have particularly high priority for  
27 protection against oil spills.

28 (3) A plan for protection actions required to be taken in the  
29 event of an oil spill for each of the environmentally and  
30 ecologically sensitive areas and protection priorities for the first  
31 24 to 48 hours after an oil spill shall be specified.

32 (4) The location of available response equipment and the  
33 availability of trained personnel to deploy the equipment to protect  
34 the priority environmentally and ecologically sensitive areas.

35 (5) A program for systemically testing and revising, if necessary,  
36 protection strategies for each of the priority environmentally and  
37 ecologically sensitive areas.

38 (6) Any recommendations for action that cannot be financed or  
39 implemented pursuant to existing authority of the administrator,

1 which shall also be reported to the Legislature along with  
2 recommendations for financing those actions.

3 ~~(e) This section shall become operative on January 1, 2012.~~

4 ~~(e) A reporting element that requires the reporting of spills of~~  
5 ~~any amount of oil in or on state waters.~~

6 *SEC. 4. Section 8574.8 of the Government Code is amended*  
7 *to read:*

8 8574.8. (a) The administrator shall submit to the Governor  
9 and the Legislature an amended California oil spill contingency  
10 plan required, pursuant to Section 8574.7, by January 1, 1993. The  
11 administrator shall thereafter submit revised plans every three  
12 years, until the amended plan required pursuant to subdivision (b)  
13 is submitted.

14 (b) The administrator shall submit to the Governor and the  
15 Legislature an amended California oil spill contingency plan  
16 required pursuant to Section 8574.7, ~~by on or before~~ January 1,  
17 ~~2010, 2017, that consists of both a addresses marine oil spill~~  
18 ~~contingency planning section and an and inland oil spill~~  
19 ~~contingency planning section.~~ *spills.* The administrator shall  
20 thereafter submit revised plans every three years.

21 *SEC. 5. Section 8670.2 of the Government Code is amended*  
22 *to read:*

23 8670.2. The Legislature finds and declares as follows:

24 (a) Each year, billions of gallons of crude oil and petroleum  
25 products are transported by vessel, *railroad, truck,* or pipeline  
26 *over, across, under,* and through the ~~marine~~ waters of this state.

27 (b) Recent accidents in southern California, Alaska, ~~and~~ other  
28 parts of the nation, *and Canada,* have shown that ~~marine~~  
29 transportation of oil can be a significant threat to the environment  
30 of sensitive ~~coastal~~ areas.

31 (c) Existing prevention programs are not able to reduce  
32 sufficiently the risk of significant discharge of petroleum into  
33 ~~marine state~~ waters.

34 (d) Response and cleanup capabilities and technology are unable  
35 to remove consistently the majority of spilled oil when major oil  
36 spills occur in ~~marine state~~ waters.

37 (e) California's *lakes, rivers, other inland waters,* coastal waters,  
38 estuaries, bays, and beaches are treasured environmental and  
39 economic resources ~~which~~ *that* the state cannot afford to place at  
40 undue risk from an oil spill.

- 1 (f) Because of the inadequacy of existing cleanup and response  
2 measures and technology, the emphasis must be put on prevention,  
3 if the risk and consequences of oil spills are to be minimized.
- 4 (g) Improvements in the design, construction, and operation of  
5 *rail tank cars, tank trucks, tank ships, terminals, and pipelines;*  
6 *improvements in marine safety; maintenance of emergency*  
7 *response stations and personnel; and stronger inspection and*  
8 *enforcement efforts are necessary to reduce the risks of and from*  
9 *a major oil spill.*
- 10 (h) A major oil spill in ~~marine~~ *state* waters is extremely  
11 expensive because of the need to clean up discharged oil, protect  
12 sensitive environmental areas, and restore ecosystem damage.
- 13 (i) Immediate action must be taken to improve control and  
14 cleanup technology in order to strengthen the capabilities and  
15 capacities of cleanup operations.
- 16 (j) California government should improve its response and  
17 management of oil spills that occur in ~~marine~~ *state* waters.
- 18 (k) Those who transport oil through *or near the* ~~marine~~ waters  
19 of the state must meet minimum safety standards and demonstrate  
20 financial responsibility.
- 21 (l) The federal government plays an important role in preventing  
22 and responding to petroleum spills and it is in the interests of the  
23 state to coordinate with agencies of the federal government,  
24 including the Coast Guard *and the United States Environmental*  
25 *Protection Agency, to the greatest degree possible.*
- 26 (m) California has approximately 1,100 miles of coast, including  
27 four marine sanctuaries ~~which~~ *that* occupy 88,767 square miles.  
28 The weather, topography, and tidal currents in and around  
29 California's coastal ports and waterways make vessel navigation  
30 challenging. The state's major ports are among the busiest in the  
31 world. Approximately 700 million barrels of oil are consumed  
32 annually by California, with over 500 million barrels being  
33 transported by vessel. The peculiarities of California's maritime  
34 coast require special precautionary measures regarding oil  
35 pollution.
- 36 (n) *California has approximately 158,500 square miles of*  
37 *interior area where there are approximately 6,800 miles of pipeline*  
38 *used for oil distribution, 5,800 miles of Class I railroad track, and*  
39 *172,100 miles of maintained roads.*

1     *SEC. 6. Section 8670.3 of the Government Code is amended*  
2 *to read:*

3     8670.3. Unless the context requires otherwise, the following  
4 definitions shall govern the construction of this chapter:

5     (a) “Administrator” means the administrator for oil spill response  
6 appointed by the Governor pursuant to Section 8670.4.

7     (b) (1) “Best achievable protection” means the highest level of  
8 protection that can be achieved through both the use of the best  
9 achievable technology and those manpower levels, training  
10 procedures, and operational methods that provide the greatest  
11 degree of protection achievable. The administrator’s determination  
12 of which measures provide the best achievable protection shall be  
13 guided by the critical need to protect valuable ~~coastal~~ *natural*  
14 resources and ~~marine~~ *state* waters, while also considering all of  
15 the following:

- 16     (A) The protection provided by the measure.
- 17     (B) The technological achievability of the measure.
- 18     (C) The cost of the measure.

19     (2) The administrator shall not use a cost-benefit or  
20 cost-effectiveness analysis or any particular method of analysis in  
21 determining which measures provide the best achievable protection.  
22 The administrator shall instead, when determining which measures  
23 provide best achievable protection, give reasonable consideration  
24 to the protection provided by the measures, the technological  
25 achievability of the measures, and the cost of the measures when  
26 establishing the requirements to provide the best achievable  
27 protection for ~~coastal and marine~~ *the natural* resources *of the state*.

28     (c) (1) “Best achievable technology” means that technology  
29 that provides the greatest degree of protection, taking into  
30 consideration both of the following:

31     (A) Processes that are being developed, or could feasibly be  
32 developed anywhere in the world, given overall reasonable  
33 expenditures on research and development.

34     (B) Processes that are currently in use anywhere in the world.

35     (2) In determining what is the best achievable technology  
36 pursuant to this chapter, the administrator shall consider the  
37 effectiveness and engineering feasibility of the technology.

38     (d) “California oil spill contingency plan” means the California  
39 oil spill contingency plan prepared pursuant to Article 3.5  
40 (commencing with Section 8574.1) of Chapter 7.

1     ~~(d)~~

2     (e) “Dedicated response resources” means equipment and  
3 personnel committed solely to oil spill response, containment, and  
4 cleanup that are not used for any other activity that would adversely  
5 affect the ability of that equipment and personnel to provide oil  
6 spill response services in the timeframes for which the equipment  
7 and personnel are rated.

8     ~~(e) “Director” means the Director of Fish and Game.~~

9     (f) “Environmentally sensitive area” means an area defined  
10 pursuant to the applicable area contingency plans *or geographic*  
11 *response plans*, as created and revised by the Coast Guard, *the*  
12 *United States Environmental Protection Agency*, and the  
13 administrator.

14     (g) (1) “Facility” means any of the following located in state  
15 waters or located where an oil spill may impact state waters:

16     (A) A building, structure, installation, or equipment used in oil  
17 exploration, oil well drilling operations, oil production, oil refining,  
18 oil storage, oil gathering, oil processing, oil transfer, oil  
19 distribution, or oil transportation.

20     (B) A marine terminal.

21     (C) A pipeline that transports oil.

22     (D) A railroad that transports oil as cargo.

23     (E) A drill ship, semisubmersible drilling platform, jack-up type  
24 drilling rig, or any other floating or temporary drilling platform.

25     (2) “Facility” does not include any of the following:

26     (A) A vessel, except a vessel located and used for any purpose  
27 described in subparagraph (E) of paragraph (1).

28     (B) An owner or operator subject to Chapter 6.67 (commencing  
29 with Section 25270) or Chapter 6.75 (commencing with Section  
30 25299.10) of Division 20 of the Health and Safety Code.

31     (C) Operations on a farm, nursery, logging site, or construction  
32 site that are either of the following:

33     (i) Do not exceed 20,000 gallons in a single storage tank.

34     (ii) Have a useable tank storage capacity not exceeding 75,000  
35 gallons.

36     (D) A small craft refueling dock.

37     ~~(g) “Inland spill” means a release of at least one barrel (42~~  
38 ~~gallons) of oil into inland waters that is not authorized by any~~  
39 ~~federal, state, or local governmental entity.~~

- 1     ~~(h) “Inland waters” means waters of the state other than marine~~  
2 ~~waters, but not including groundwater.~~
- 3     ~~(i)~~
- 4     ~~(h) “Local government” means a chartered or general law city,~~  
5 ~~a chartered or general law county, or a city and county.~~
- 6     ~~(j) (1) “Marine facility” means any facility of any kind, other~~  
7 ~~than a tank ship or tank barge, that is or was used for the purposes~~  
8 ~~of exploring for, drilling for, producing, storing, handling,~~  
9 ~~transferring, processing, refining, or transporting oil and is located~~  
10 ~~in marine waters, or is located where a discharge could impact~~  
11 ~~marine waters unless the facility is either of the following:~~
- 12         ~~(A) Subject to Chapter 6.67 (commencing with Section 25270)~~  
13 ~~or Chapter 6.75 (commencing with Section 25299.10) of Division~~  
14 ~~20 of the Health and Safety Code.~~
- 15         ~~(B) Placed on a farm, nursery, logging site, or construction site~~  
16 ~~and does not exceed 20,000 gallons in a single storage tank.~~
- 17         ~~(2) For the purposes of this chapter, “marine facility” includes~~  
18 ~~a drill ship, semisubmersible drilling platform, jack-up type drilling~~  
19 ~~rig, or any other floating or temporary drilling platform.~~
- 20         ~~(3) For the purposes of this chapter, “marine facility” does not~~  
21 ~~include a small craft refueling dock.~~
- 22     ~~(k)~~
- 23     ~~(i) (1) “Marine terminal” means any marine facility used for~~  
24 ~~transferring oil to or from a tank ship or tank barge.~~
- 25         ~~(2) “Marine terminal” includes, for purposes of this chapter, all~~  
26 ~~pipng not integrally connected to a tank facility, as defined in~~  
27 ~~subdivision ~~(m)~~ (n) of Section 25270.2 of the Health and Safety~~  
28 ~~Code.~~
- 29     ~~(l) “Marine waters” means those waters subject to tidal~~  
30 ~~influence, and includes the waterways used for waterborne~~  
31 ~~commercial vessel traffic to the Port of Sacramento and the Port~~  
32 ~~of Stockton.~~
- 33     ~~(m)~~
- 34     ~~(j) “Mobile transfer unit” means a small marine fueling facility~~  
35 ~~that is a vehicle, truck, or trailer, including all connecting hoses~~  
36 ~~and piping, used for the transferring of oil at a location where a~~  
37 ~~discharge could impact marine waters of the state.~~
- 38     ~~(n)~~

1 (k) “Nondedicated response resources” means those response  
2 resources identified by an Oil Spill Response Organization for oil  
3 spill response activities that are not dedicated response resources.

4 (l)

5 (l) “Nonpersistent oil” means a petroleum-based oil, such as  
6 gasoline or jet fuel, that evaporates relatively quickly and is an oil  
7 with hydrocarbon fractions, at least 50 percent of which, by  
8 volume, distills at a temperature of 645 degrees Fahrenheit, and  
9 at least 95 percent of which, by volume, distills at a temperature  
10 of 700 degrees Fahrenheit.

11 (m)

12 (m) “Nontank vessel” means a vessel of 300 gross tons or greater  
13 that carries oil, but does not carry that oil as cargo.

14 (n)

15 (n) “Oil” means any kind of petroleum, liquid hydrocarbons,  
16 or petroleum products or any fraction or residues therefrom,  
17 including, but not limited to, crude oil, bunker fuel, gasoline, diesel  
18 fuel, aviation fuel, oil sludge, oil refuse, oil mixed with waste, and  
19 liquid distillates from unprocessed natural gas.

20 (o)

21 (o) “Oil spill cleanup agent” means a chemical, or any other  
22 substance, used for removing, dispersing, or otherwise cleaning  
23 up oil or any residual products of petroleum in, or on, any of the  
24 waters of the state.

25 (p)

26 (p) “Oil spill contingency plan” or “contingency plan” means  
27 the oil spill contingency plan required pursuant to Article 5  
28 (commencing with Section 8670.28).

29 (q)

30 (q) (1) “Oil Spill Response Organization” or “OSRO” means  
31 an individual, organization, association, cooperative, or other entity  
32 that provides, or intends to provide, equipment, personnel, supplies,  
33 or other services directly related to oil spill containment, cleanup,  
34 or removal activities.

35 ~~(2) A “rated OSRO” means an OSRO that has received a~~  
36 ~~satisfactory rating from the administrator for a particular rating~~  
37 ~~level established pursuant to Section 8670.30.~~

38 (3)

39 (2) “OSRO” does not include an owner or operator with an oil  
40 spill contingency plan approved by the administrator or an entity

1 that only provides spill management services, or who provides  
2 services or equipment that are only ancillary to containment,  
3 cleanup, or removal activities.

4 ~~(u) “Onshore facility” means a facility of any kind that is located~~  
5 ~~entirely on lands not covered by marine waters.~~

6 ~~(v)~~

7 (r) (1) “Owner” or “operator” means any of the following:

8 (A) In the case of a vessel, a person who owns, has an ownership  
9 interest in, operates, charters by demise, or ~~leases~~, *leases* the vessel.

10 (B) In the case of a ~~marine~~ facility, a person who owns, has an  
11 ownership interest in, or operates the ~~marine~~ facility.

12 (C) Except as provided in subparagraph (D), in the case of a  
13 vessel or ~~marine~~ facility, where title or control was conveyed due  
14 to bankruptcy, foreclosure, tax delinquency, abandonment, or  
15 similar means to an entity of state or local government, a person  
16 who owned, held an ownership interest in, operated, or otherwise  
17 controlled activities concerning the vessel or ~~marine~~ facility  
18 immediately beforehand.

19 (D) An entity of the state or local government that acquired  
20 ownership or control of a vessel or ~~marine~~ facility, when the entity  
21 of the state or local government has caused or contributed to a spill  
22 or discharge of oil into ~~marine~~ waters *of the state*.

23 (2) “Owner” or “operator” does not include a person who,  
24 without participating in the management of a vessel or ~~marine~~  
25 facility, holds indicia of ownership primarily to protect the person’s  
26 security interest in the vessel or ~~marine~~ facility.

27 (3) “Operator” does not include a person who owns the land  
28 underlying a ~~marine~~ facility or the facility itself if the person is  
29 not involved in the operations of the facility.

30 ~~(w)~~

31 (s) “Person” means an individual, trust, firm, joint stock  
32 company, or corporation, including, but not limited to, a  
33 government corporation, partnership, and association. “Person”  
34 also includes a city, county, city and county, district, and the state  
35 or any department or agency thereof, and the federal government,  
36 or any department or agency thereof, to the extent permitted by  
37 law.

38 ~~(x)~~

39 (t) “Pipeline” means a pipeline used at any time to transport oil.

- 1     ~~(y) “Reasonable worst case spill” means, for the purposes of~~  
2 ~~preparing contingency plans for a nontank vessel, the total volume~~  
3 ~~of the largest fuel tank on the nontank vessel.~~
- 4     ~~(u) “Railroad” means a railroad, railway, rail car, rolling~~  
5 ~~stock, or train.~~
- 6     ~~(v) “Rated OSRO” means an OSRO that has received a~~  
7 ~~satisfactory rating from the administrator for a particular rating~~  
8 ~~level established pursuant to Section 8670.30.~~
- 9     ~~(z)~~
- 10    (w) “Responsible party” or “party responsible” means any of  
11 the following:
- 12    (1) The owner or transporter of oil or a person or entity accepting  
13 responsibility for the oil.
- 14    (2) The owner, operator, or lessee of, or a person that charters  
15 by demise, a vessel or ~~marine~~ facility, or a person or entity  
16 accepting responsibility for the vessel or ~~marine~~ facility.
- 17    ~~(aa)~~
- 18    (x) “Small craft” means a vessel, other than a tank ship or tank  
19 barge, that is less than 20 meters in length.
- 20    ~~(ab)~~
- 21    (y) “Small craft refueling dock” means a waterside operation  
22 that dispenses only nonpersistent oil in bulk and small amounts of  
23 persistent lubrication oil in containers primarily to small craft and  
24 meets both of the following criteria:
- 25    (1) Has tank storage capacity not exceeding 20,000 gallons in  
26 any single storage tank or tank compartment.
- 27    (2) Has total usable tank storage capacity not exceeding 75,000  
28 gallons.
- 29    ~~(ae)~~
- 30    (z) “Small marine fueling facility” means either of the following:
- 31    (1) A mobile transfer unit.
- 32    (2) A fixed facility that is not a marine terminal, that dispenses  
33 primarily nonpersistent oil, that may dispense small amounts of  
34 persistent oil, primarily to small craft, and that meets all of the  
35 following criteria:
- 36    (A) Has tank storage capacity greater than 20,000 gallons but  
37 not more than 40,000 gallons in any single storage tank or storage  
38 tank compartment.
- 39    (B) Has total usable tank storage capacity not exceeding 75,000  
40 gallons.

1 (C) Had an annual throughput volume of over-the-water transfers  
2 of oil that did not exceed 3,000,000 gallons during the most recent  
3 preceding 12-month period.

4 ~~(ad) “Spill” or “discharge”~~

5 ~~(aa) “Spill,” “discharge,” or “oil spill” means a release of at~~  
6 ~~least one barrel (42 gallons) any amount of oil into marine waters~~  
7 ~~of the state that is not authorized by a federal, state, or local~~  
8 ~~government entity.~~

9 ~~(ae) “California oil spill contingency plan” means the California~~  
10 ~~oil spill contingency plan prepared pursuant to Article 3.5~~  
11 ~~(commencing with Section 8574.1) of Chapter 7.~~

12 ~~(af)~~

13 ~~(ab) “Tank barge” means a vessel that carries oil in commercial~~  
14 ~~quantities as cargo but is not equipped with a means of~~  
15 ~~self-propulsion.~~

16 ~~(ag)~~

17 ~~(ac) “Tank ship” means a self-propelled vessel that is~~  
18 ~~constructed or adapted for the carriage of oil in bulk or in~~  
19 ~~commercial quantities as cargo.~~

20 ~~(ah)~~

21 ~~(ad) “Tank vessel” means a tank ship or tank barge.~~

22 ~~(ai)~~

23 ~~(ae) “Vessel” means a watercraft or ship of any kind, including~~  
24 ~~every structure adapted to be navigated from place to place for the~~  
25 ~~transportation of merchandise or persons.~~

26 ~~(aj)~~

27 ~~(af) “Vessel carrying oil as secondary cargo” means a vessel~~  
28 ~~that does not carry oil as a primary cargo, but does carry oil in~~  
29 ~~bulk as cargo or cargo residue. cargo. The administrator may~~  
30 ~~establish minimum oil volume amounts or other criteria by~~  
31 ~~regulations.~~

32 ~~This section shall become operative on January 1, 2012.~~

33 ~~(ag) “Waters of the state” or “state waters” means any surface~~  
34 ~~water, including saline waters, marine waters, and freshwaters,~~  
35 ~~within the boundaries of the state but does not include~~  
36 ~~groundwater.~~

37 ~~SEC. 7. Section 8670.5 of the Government Code is amended~~  
38 ~~to read:~~

39 ~~8670.5. The Governor shall ensure that the state fully and~~  
40 ~~adequately responds to all oil spills in marine waters of the state.~~

1 The administrator, acting at the direction of the Governor, shall  
2 implement activities relating to oil spill response, including drills  
3 and preparedness and oil spill containment and cleanup. The  
4 administrator shall also represent the state in any coordinated  
5 response efforts with the federal government.

6 *SEC. 8. Section 8670.7 of the Government Code is amended*  
7 *to read:*

8 8670.7. (a) The administrator, subject to the Governor, has  
9 the primary authority to direct prevention, removal, abatement,  
10 response, containment, and cleanup efforts with regard to all  
11 aspects of any oil spill in ~~the marine~~ waters of the state, in  
12 accordance with any applicable ~~marine~~ facility or vessel  
13 contingency plan and the California oil spill contingency plan. The  
14 administrator shall cooperate with any federal on-scene coordinator,  
15 as specified in the National Contingency Plan.

16 (b) The administrator shall implement the California oil spill  
17 contingency plan, required pursuant to Section 8574.1, to the fullest  
18 extent possible.

19 (c) The administrator shall do both of the following:

20 (1) Be present at the location of any oil spill of more than  
21 100,000 gallons in ~~marine~~ waters *of the state*, as soon as possible  
22 after notice of the discharge.

23 (2) Ensure that persons trained in oil spill response and cleanup,  
24 whether employed by the responsible party, the state, or another  
25 private or public person or entity, are onsite to respond to, contain,  
26 and clean up any oil spill in ~~marine~~ waters *of the state*, as soon as  
27 possible after notice of the discharge.

28 (d) Throughout the response and cleanup process, the  
29 administrator shall apprise the air quality management district or  
30 air pollution control district having jurisdiction over the area in  
31 which the oil spill occurred and the local government ~~entities~~  
32 *agencies* that are affected by the spill.

33 (e) The administrator, with the assistance, *as needed*, of the  
34 *Office of the State Fire Marshal, the Public Utilities Commission,*  
35 *the State Lands Commission, or other state agency,* and the federal  
36 on-scene coordinator, shall determine the cause and amount of the  
37 discharge.

38 (f) The administrator shall have the state authority over the use  
39 of all response methods, including, but not limited to, in situ  
40 burning, dispersants, and any oil spill cleanup agents in connection

1 with an oil discharge. The administrator shall consult with the  
2 federal on-scene coordinator prior to exercising authority under  
3 this subdivision.

4 (g) (1) The administrator shall conduct workshops, consistent  
5 with the intent of this chapter, with the participation of appropriate  
6 local, state, and federal agencies, including the State Air Resources  
7 Board, air pollution control ~~districts~~, and air quality management  
8 districts, and affected private organizations, on the subject of oil  
9 spill response technologies, including in situ burning. The  
10 workshops shall review the latest research and findings regarding  
11 the efficacy and toxicity of oil spill cleanup agents and other  
12 technologies, their potential public health and safety and  
13 environmental impacts, and any other relevant factors concerning  
14 their use in oil spill response. In conducting these workshops, the  
15 administrator shall solicit the views of all participating parties  
16 concerning the use of these technologies, with particular attention  
17 to any special considerations that apply to coastal areas and ~~marine~~  
18 waters of the state.

19 (2) The administrator shall publish guidelines and conduct  
20 periodic reviews of the policies, procedures, and parameters for  
21 the use of in situ burning, which may be implemented in the event  
22 of an oil spill.

23 (h) (1) The administrator shall ensure that, as part of the  
24 response to any significant spill, biologists or other personnel are  
25 present and provided any support and funding necessary and  
26 appropriate for the assessment of damages to natural resources  
27 and for the collection of data and other evidence that may help in  
28 determining and recovering damages.

29 (2) (A) The administrator shall coordinate all actions required  
30 by state or local agencies to assess injury to, and provide full  
31 mitigation for injury to, or to restore, rehabilitate, or replace, natural  
32 resources, including wildlife, fisheries, wildlife or fisheries habitat,  
33 ~~and beaches~~ *beaches*, and ~~other~~ coastal areas, that are damaged by  
34 an oil spill. For purposes of this subparagraph, “actions required  
35 by state or local agencies” include, but are not limited to, actions  
36 required by state trustees under Section 1006 of the Oil Pollution  
37 Act of 1990 (33 U.S.C. Sec. 2706) and actions required pursuant  
38 to Section 8670.61.5.

39 (B) The responsible party shall be liable for all coordination  
40 costs incurred by the administrator.

1 (3) This subdivision does not give the administrator any  
2 authority to administer state or local laws or to limit the authority  
3 of another state or local agency to implement and enforce state or  
4 local laws under its jurisdiction, nor does this subdivision limit  
5 the authority or duties of the administrator under this chapter or  
6 limit the authority of an agency to enforce existing permits or  
7 permit conditions.

8 (i) (1) The administrator shall enter into a memorandum of  
9 understanding with the executive director of the State Water  
10 Resources Control Board, acting for the State Water Resources  
11 Control Board and the California regional water quality control  
12 boards, and with the approval of the State Water Resources Control  
13 Board, to address discharges, other than dispersants, that are  
14 incidental to, or directly associated with, the response, containment,  
15 and cleanup of an existing or threatened oil spill conducted  
16 pursuant to this chapter.

17 (2) The memorandum of understanding entered into pursuant  
18 to paragraph (1) shall address any permits, requirements, or  
19 authorizations that are required for the specified discharges. The  
20 memorandum of understanding shall be consistent with  
21 requirements that protect state water quality and beneficial uses  
22 and with any applicable provisions of the Porter-Cologne Water  
23 Quality Control Act (Division 7 (commencing with Section 13000)  
24 of the Water Code) or the federal Clean Water Act (33 U.S.C. Sec.  
25 1251 et seq.), and shall expedite efficient oil spill response.

26 ~~(j) This section shall become effective on January 1, 2012.~~

27 *SEC. 9. Section 8670.7.5 is added to the Government Code, to*  
28 *read:*

29 *8670.7.5. (a) The administrator may adopt regulations to*  
30 *implement this chapter pursuant to the Administrative Procedure*  
31 *Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of*  
32 *Division 3).*

33 *(b) (1) An emergency regulation adopted pursuant to*  
34 *amendments made to this chapter by Senate Bill 861 of the 2013–14*  
35 *Regular Session shall be deemed an emergency and necessary to*  
36 *avoid serious harm to the public peace, health, safety, or general*  
37 *welfare for the purposes of Sections 11346.1 and 11349.6, and the*  
38 *administrator is hereby exempt from the requirement that he or*  
39 *she describe facts showing the need for immediate action and from*  
40 *review by the Office of Administrative Law.*

1 (2) *Notwithstanding Section 11346.1, an emergency regulation*  
2 *adopted pursuant to paragraph (1) shall remain in effect for 12*  
3 *months or until readopted by the administrator, whichever is*  
4 *earlier.*

5 *SEC. 10. Section 8670.8 of the Government Code is amended*  
6 *to read:*

7 8670.8. (a) The administrator shall carry out programs to  
8 provide training for individuals in response, containment, and  
9 cleanup operations and equipment, equipment deployment, and  
10 the planning and management of these programs. These programs  
11 may include training for members of the California Conservation  
12 Corps, other response personnel employed by the state, personnel  
13 employed by other public entities, personnel from marine facilities,  
14 commercial fishermen and other mariners, and interested members  
15 of the public. Training may be offered for volunteers.

16 (b) The administrator may offer training to anyone who is  
17 required to take part in response and cleanup efforts under the  
18 California oil spill contingency plan or under local government  
19 contingency plans prepared and approved under this chapter.

20 (c) Upon request by a local government, the administrator ~~shall~~  
21 *may* provide a program for training and certification of a local  
22 emergency responder designated as a local spill response manager  
23 by a local government with jurisdiction over or directly adjacent  
24 to ~~marine~~ *waters of the state.*

25 (d) Trained and certified local spill response managers shall  
26 participate in all drills upon request of the administrator.

27 (e) As part of the training and certification program, the  
28 administrator shall authorize a local spill response manager to train  
29 and certify volunteers.

30 (f) In the event of an oil spill, local spill response managers  
31 trained and certified pursuant to subdivision (c) shall provide the  
32 state onscene coordinator with timely information on activities  
33 and resources deployed by local government in response to the oil  
34 spill. The local spill response manager shall cooperate with the  
35 administrator and respond in a manner consistent with the area  
36 contingency plan to the extent possible.

37 (g) Funding for activities undertaken pursuant to subdivisions  
38 (a) to (c), inclusive, shall be from the Oil Spill Prevention and  
39 Administration Fund created pursuant to Section 8670.38.

1 (h) All training provided by the administrator shall follow the  
 2 requirements of applicable federal and state occupational safety  
 3 and health standards adopted by the Occupational Safety and  
 4 Health Administration of the Department of Labor and the  
 5 ~~California Occupational Safety~~, *Occupational Safety* and Health  
 6 Standards Board.

7 *SEC. 11. Section 8670.8.3 of the Government Code is amended*  
 8 *to read:*

9 8670.8.3. The administrator ~~shall~~ *may* offer grants to a local  
 10 government with jurisdiction over or directly adjacent to ~~marine~~  
 11 *waters of the state* to provide oil spill response equipment to be  
 12 deployed by a local spill response manager certified pursuant to  
 13 Section 8670.8. The administrator ~~shall~~ *may* request the Legislature  
 14 to appropriate funds from the Oil Spill Prevention and  
 15 Administration Fund created pursuant to Section 8670.38 for the  
 16 purposes of this section.

17 *SEC. 12. Section 8670.8.5 of the Government Code is amended*  
 18 *to read:*

19 8670.8.5. The administrator may use volunteer workers in  
 20 response, containment, restoration, wildlife rehabilitation, and  
 21 cleanup efforts for oil spills in ~~marine~~ *waters of the state*. The  
 22 volunteers shall be deemed employees of the state for the purpose  
 23 of workers' compensation under Article 2 (commencing with  
 24 Section 3350) of Chapter 2 of Part 1 of Division 4 of the Labor  
 25 Code. Any payments for workers' compensation pursuant to this  
 26 section shall be made from the Oil Spill Response Trust Fund  
 27 created pursuant to Section 8670.46.

28 *SEC. 13. Section 8670.9 of the Government Code is amended*  
 29 *to read:*

30 8670.9. (a) The administrator shall enter into discussions on  
 31 behalf of the state with the States of Alaska, Hawaii, Oregon, and  
 32 Washington, for the purpose of developing interstate agreements  
 33 regarding oil spill prevention and response. The agreements shall  
 34 address, including, but not limited to, all of the following:

- 35 (1) Coordination of vessel safety and traffic.
- 36 (2) Spill prevention equipment and response required on ~~tank~~  
 37 ~~ships and tank barges and at terminals.~~ *vessels and at facilities.*
- 38 (3) The availability of oil spill response and cleanup equipment  
 39 and personnel.

1 (4) Other matters that may relate to the transport of oil and oil  
2 spill prevention, response, and cleanup.

3 (b) The administrator shall coordinate the development of these  
4 agreements with the Coast Guard, the Province of British Columbia  
5 in Canada, and the Republic of Mexico.

6 *SEC. 14. Section 8670.12 of the Government Code is amended*  
7 *to read:*

8 8670.12. (a) The administrator shall conduct studies and  
9 evaluations necessary for improving oil spill response, containment,  
10 and cleanup and oil spill wildlife rehabilitation in ~~marine~~ waters  
11 *of the state* and ~~marine~~ oil transportation systems. The administrator  
12 may expend moneys from the Oil Spill Prevention and  
13 Administration Fund created pursuant to Section 8670.38, enter  
14 into consultation agreements, and acquire necessary equipment  
15 and services for the purpose of carrying out these studies and  
16 evaluations.

17 (b) The administrator shall study the use and effects of  
18 dispersants, incineration, bioremediation, and any other methods  
19 used to respond to a spill. The study shall periodically be updated  
20 to ensure the best achievable protection from the use of those  
21 methods. Based upon substantial evidence in the record, the  
22 administrator may determine in individual cases that best  
23 achievable protection is provided by establishing requirements  
24 ~~which~~ *that* provide the greatest degree of protection achievable  
25 without imposing costs—~~which~~ *that* significantly outweigh the  
26 incremental protection that would otherwise be provided. The  
27 studies shall do all of the following:

28 (1) Evaluate the effectiveness of dispersants and other chemical  
29 agents in oil spill response under varying environmental conditions.

30 (2) Evaluate potential adverse impacts on the environment and  
31 public health including, but not limited to, adverse toxic impacts  
32 on water quality, fisheries, and wildlife with consideration to  
33 bioaccumulation and synergistic impacts, and the potential for  
34 human exposure, including skin contact and consumption of  
35 contaminated seafood.

36 (3) Recommend appropriate uses and limitations on the use of  
37 dispersants and other chemical agents to ensure they are used only  
38 in situations where the administrator determines they are effective  
39 and safe.

1 (c) The administrator shall evaluate the feasibility of using  
2 commercial fishermen and other mariners for oil spill containment  
3 and cleanup. The study shall examine the following:

- 4 (1) Equipment and technology needs.
- 5 (2) Coordination with private response personnel.
- 6 (3) Liability and insurance.
- 7 (4) Compensation.

8 (d) The studies shall be performed in conjunction with any  
9 studies performed by federal, state, and international entities. The  
10 administrator may enter into contracts for the studies.

11 *SEC. 15. Section 8670.14 of the Government Code is amended*  
12 *to read:*

13 8670.14. The administrator shall coordinate the oil spill  
14 prevention and response programs and ~~marine~~ facility, tank vessel,  
15 and nontank vessel safety standards of the state with federal  
16 programs *as appropriate and* to the maximum extent possible.

17 *SEC. 16. Section 8670.19 of the Government Code is amended*  
18 *to read:*

19 8670.19. (a) The administrator shall periodically conduct a  
20 comprehensive review of all oil spill contingency plans. The  
21 administrator shall do both of the following:

- 22 (1) Segment the ~~coast~~ *state* into appropriate areas as necessary.
- 23 (2) Evaluate the oil spill contingency plans for each area to  
24 determine if deficiencies exist in equipment, personnel, training,  
25 and any other area determined to be necessary, including those  
26 response resources properly authorized for cascading into the area,  
27 to ensure the best achievable protection of ~~the coastline, set forth~~  
28 ~~in the California oil spill contingency plan, including the marine~~  
29 ~~oil spill contingency planning section.~~ *state waters from oil spills.*

30 (b) If the administrator finds that deficiencies exist, the  
31 administrator shall, by the process set forth in Section 8670.31,  
32 remand any oil spill contingency plans to the originating party  
33 with recommendations for amendments necessary to ensure that  
34 ~~the coastline is~~ *waters of the state are* protected.

35 *SEC. 17. Section 8670.25 of the Government Code is amended*  
36 *to read:*

37 8670.25. (a) A person who, without regard to intent or  
38 negligence, causes or permits any oil to be discharged in or on the  
39 ~~marine waters or inland~~ waters of the state shall immediately  
40 contain, clean up, and remove the oil in the most effective manner

1 that minimizes environmental damage and in accordance with the  
2 applicable contingency plans, unless ordered otherwise by the  
3 Coast Guard or the administrator.

4 (b) If there is a spill, an owner or operator shall comply with  
5 the applicable oil spill contingency plan approved by the  
6 administrator.

7 *SEC. 18. Section 8670.25.5 of the Government Code is*  
8 *amended to read:*

9 8670.25.5. (a) (1) Without regard to intent or negligence, any  
10 party responsible for the discharge or threatened discharge of oil  
11 in ~~marine~~ waters *of the state* shall report the discharge immediately  
12 to the Office of Emergency Services pursuant to Section ~~25507~~  
13 *25510* of the Health and Safety Code.

14 (2) If the information initially reported pursuant to paragraph  
15 (1) was inaccurate or incomplete, or if the quantity of oil discharged  
16 has changed, any party responsible for the discharge or threatened  
17 discharge of oil in ~~marine~~ waters *of the state* shall report the  
18 updated information immediately to the Office of Emergency  
19 Services pursuant to paragraph (1). The report shall contain the  
20 accurate or complete information, or the revised quantity of oil  
21 discharged.

22 (b) Immediately upon receiving notification pursuant to  
23 subdivision (a), the Office of Emergency Services shall notify the  
24 administrator, the State Lands Commission, the California Coastal  
25 Commission, the California regional water quality control board  
26 having jurisdiction over the location of the discharged oil, and the  
27 appropriate local governmental agencies in the area surrounding  
28 the discharged oil, and take the actions required by subdivision  
29 (d) of Section 8589.7. If the spill has occurred within the  
30 jurisdiction of the San Francisco Bay Conservation and  
31 Development Commission, the Office of Emergency Services shall  
32 notify that commission. Each public agency specified in this  
33 subdivision shall adopt an internal protocol over communications  
34 regarding the discharge of oil and file the internal protocol with  
35 the Office of Emergency Services.

36 (c) The 24-hour emergency telephone number of the Office of  
37 Emergency Services shall be posted at every *railroad dispatch,*  
38 *pipeline operator control center, and marine* terminal, at the area  
39 of control of every marine facility, and on the bridge of every  
40 tankship in marine waters.

1 ~~(d) This section does not apply to discharges, or potential~~  
2 ~~discharges, of less than one barrel (42 gallons) of oil unless a more~~  
3 ~~restrictive reporting standard is adopted in the California oil spill~~  
4 ~~contingency plan prepared pursuant to Section 8574.1.~~

5 (e)

6 (d) Except as otherwise provided in this section and Section  
7 8589.7, a notification made pursuant to this section shall satisfy  
8 any immediate notification requirement contained in any permit  
9 issued by a permitting agency.

10 *SEC. 19. Section 8670.26 of the Government Code is amended*  
11 *to read:*

12 8670.26. Any local or state agency responding to ~~a spill of an~~  
13 oil *spill* shall notify the Office of Emergency Services, if  
14 notification ~~as is~~ required under Section 8670.25.5, Section 13272  
15 of the Water Code, or any other notification procedure adopted in  
16 the California oil spill contingency plan has not occurred.

17 *SEC. 20. Section 8670.27 of the Government Code is amended*  
18 *to read:*

19 8670.27. (a) (1) All potentially responsible parties for  
20 ~~discharged an oil spill~~ and all of their agents and employees and  
21 all state and local agencies shall carry out response and cleanup  
22 operations in accordance with the applicable contingency plan,  
23 unless directed otherwise by the administrator or the Coast Guard.

24 (2) Except as provided in subdivision (b), the responsible party,  
25 potentially responsible parties, their agents and employees, the  
26 operators of all vessels docked at a marine facility that is the source  
27 of a discharge, and all state and local agencies shall carry out spill  
28 response consistent with the California oil spill contingency plan  
29 or other applicable federal, state, or local spill response plans, and  
30 owners and operators shall carry out spill response consistent with  
31 their applicable response contingency plans, unless directed  
32 otherwise by the administrator or the Coast Guard.

33 (b) If a responsible party or potentially responsible party  
34 reasonably, and in good faith, believes that the directions or orders  
35 given by the administrator pursuant to subdivision (a) will  
36 substantially endanger the public safety or the environment, the  
37 party may refuse to act in compliance with the orders or directions  
38 of the administrator. The responsible party or potentially  
39 responsible party shall state, at the time of the refusal, the reasons  
40 why the party refuses to follow the orders or directions of the

1 administrator. The responsible party or potentially responsible  
2 party shall give the administrator written notice of the reasons for  
3 the refusal within 48 hours of refusing to follow the orders or  
4 directions of the administrator. In any civil or criminal proceeding  
5 commenced pursuant to this section, the burden of proof shall be  
6 on the responsible party or potentially responsible party to  
7 demonstrate, by clear and convincing evidence, why the refusal  
8 to follow the orders or directions of the administrator was justified  
9 under the circumstances.

10 *SEC. 21. Section 8670.28 of the Government Code is amended*  
11 *to read:*

12 8670.28. (a) The administrator, taking into consideration the  
13 ~~marine~~ facility or vessel contingency plan requirements of ~~the~~  
14 ~~national and California contingency plans~~, the State Lands  
15 Commission, the *Office of the State Fire Marshal*, ~~and~~ the  
16 California Coastal Commission, *and other state and federal*  
17 *agencies*, shall adopt and implement regulations governing the  
18 adequacy of oil spill contingency plans to be prepared and  
19 implemented under this article. All regulations shall be developed  
20 in consultation with the Oil Spill Technical Advisory Committee,  
21 and shall be consistent with the California oil spill contingency  
22 plan and not in conflict with the National Contingency Plan. The  
23 regulations shall provide for the best achievable protection of  
24 ~~coastal and marine waters and natural resources of the state~~. The  
25 regulations shall permit the development, application, and use of  
26 an oil spill contingency plan for similar vessels, pipelines,  
27 terminals, and facilities within a single company or organization,  
28 and across companies and organizations. The regulations shall, at  
29 a minimum, ensure all of the following:

30 (1) All areas of ~~the marine state waters of the state~~ are at all  
31 times protected by prevention, response, containment, and cleanup  
32 equipment and operations. ~~For the purposes of this section, "marine~~  
33 ~~waters" includes the waterways used for waterborne commercial~~  
34 ~~vessel traffic to the Port of Stockton and the Port of Sacramento.~~

35 (2) Standards set for response, containment, and cleanup  
36 equipment and operations are maintained and regularly improved  
37 to protect the resources of the state.

38 (3) All appropriate personnel employed by operators required  
39 to have a contingency plan receive training in oil spill response  
40 and cleanup equipment usage and operations.

1 (4) Each oil spill contingency plan provides for appropriate  
2 financial or contractual arrangements for all necessary equipment  
3 and ~~services~~, *services* for the response, containment, and cleanup  
4 of a reasonable worst case oil spill scenario for each ~~part of the~~  
5 ~~coast area~~ the plan addresses.

6 (5) Each oil spill contingency plan demonstrates that all  
7 protection measures are being taken to reduce the possibility of  
8 an oil spill occurring as a result of the operation of the ~~marine~~  
9 facility or vessel. The protection measures shall include, but not  
10 be limited to, response to disabled vessels and an identification of  
11 those measures taken to comply with requirements of Division 7.8  
12 (commencing with Section 8750) of the Public Resources Code.

13 (6) Each oil spill contingency plan identifies the types of  
14 equipment that can be used, the location of the equipment, and the  
15 time taken to deliver the equipment.

16 (7) Each ~~marine~~ facility, *as determined by the administrator*,  
17 conducts a hazard and operability study to identify the hazards  
18 associated with the operation of the facility, including the use of  
19 the facility by vessels, due to operating error, equipment failure,  
20 and external events. For the hazards identified in the hazard and  
21 operability studies, the facility shall conduct an offsite consequence  
22 analysis ~~which~~, *that*, for the most likely hazards, assumes  
23 pessimistic water and air dispersion and other adverse  
24 environmental conditions.

25 (8) Each oil spill contingency plan contains a list of contacts to  
26 call in the event of a drill, threatened discharge of oil, or discharge  
27 of oil.

28 (9) Each oil spill contingency plan identifies the measures to  
29 be taken to protect the recreational and environmentally sensitive  
30 areas that would be threatened by a reasonable worst case oil spill  
31 scenario.

32 (10) Standards for determining a reasonable worst case oil spill.  
33 *However, for a nontank vessel, the reasonable worst case is a spill*  
34 *of the total volume of the largest fuel tank on the nontank vessel.*

35 ~~(11) Each oil spill contingency plan includes a timetable for~~  
36 ~~implementing the plan.~~

37 ~~(12)~~

38 *(11)* Each oil spill contingency plan specifies an agent for service  
39 of process. The agent shall be located in this state.

1 (b) The regulations and guidelines adopted pursuant to this  
2 section shall also include provisions to provide public review and  
3 comment on submitted oil spill contingency ~~plans prior to approval~~  
4 *plans*.

5 (c) The regulations adopted pursuant to this section shall  
6 specifically address the types of equipment that will be necessary,  
7 the maximum time that will be allowed for deployment, the  
8 maximum distance to cooperating response entities, the amounts  
9 of dispersant, and the maximum time required for application,  
10 should the use of dispersants be approved. Upon a determination  
11 by the administrator that booming is appropriate at the site and  
12 necessary to provide best achievable protection, the regulations  
13 shall require that vessels engaged in lightering operations be  
14 boomed prior to the commencement of operations.

15 (d) The administrator shall adopt regulations and guidelines for  
16 oil spill contingency plans with regard to mobile transfer units,  
17 small marine fueling facilities, and vessels carrying oil as secondary  
18 cargo that acknowledge the reduced risk of damage from oil spills  
19 from those units, facilities, and vessels while maintaining the best  
20 achievable protection for the public health and safety and the  
21 environment.

22 (e) The regulations adopted pursuant to subdivision (d) shall be  
23 exempt from review by the Office of Administrative Law.  
24 Subsequent amendments and changes to the regulations shall not  
25 be exempt from *review by the* Office of Administrative ~~Law review~~.  
26 *Law*.

27 ~~(f) This section shall become effective on January 1, 2012.~~

28 *SEC. 22. Section 8670.29 of the Government Code is amended*  
29 *to read:*

30 8670.29. (a) In accordance with the rules, regulations, and  
31 policies established by the administrator pursuant to Section  
32 8670.28, an owner or operator of a ~~marine~~ facility, small marine  
33 fueling facility, or mobile transfer unit, ~~prior to operating in the~~  
34 ~~marine waters of the state or where an oil spill could impact marine~~  
35 ~~waters; and or~~ an owner or operator of a tank vessel, nontank  
36 vessel, or vessel carrying oil as secondary cargo, ~~before while~~  
37 operating in the ~~marine~~ waters of the state *or where a spill could*  
38 *impact waters of the state*, shall ~~prepare and implement~~ *have* an  
39 oil spill contingency plan that has been submitted to, and approved  
40 by, the administrator pursuant to Section 8670.31. An oil spill

1 contingency plan shall ensure the undertaking of prompt and  
2 adequate response and removal action in case of ~~an oil~~ a spill, shall  
3 be consistent with the California oil spill contingency plan, and  
4 shall not conflict with the National Oil and Hazardous Substances  
5 Pollution Contingency Plan (NCP).

6 (b) An oil spill contingency plan shall, at a minimum, meet all  
7 of the following requirements:

8 (1) Be a written document, reviewed for feasibility and  
9 executability, and signed by the owner or operator, or ~~their~~ *his or*  
10 *her* designee.

11 (2) Provide for the use of an incident command system to be  
12 used during a spill.

13 (3) Provide procedures for reporting oil spills to local, state,  
14 and federal agencies, and include a list of contacts to call in the  
15 event of a drill, threatened spill, or spill.

16 (4) Describe the communication plans to be used during a spill,  
17 *if different from those used by a recognized incident command*  
18 *system.*

19 (5) Describe the strategies for the protection of environmentally  
20 sensitive areas.

21 (6) Identify at least one rated OSRO for each rating level  
22 established pursuant to Section 8670.30. Each identified rated  
23 OSRO shall be directly responsible by contract, agreement, or  
24 other approved means to provide oil spill response activities  
25 pursuant to the oil spill contingency plan. A rated OSRO may  
26 provide oil spill response activities individually, or in combination  
27 with another rated OSRO, for a particular owner or operator.

28 (7) Identify a qualified individual.

29 (8) Provide the name, address, and telephone and facsimile  
30 numbers for an agent for service of process, located within the  
31 state and designated to receive legal documents on behalf of the  
32 owner or operator.

33 (9) Provide for training and drills on elements of the plan at  
34 least annually, with all elements of the plan subject to a drill at  
35 least once every three years.

36 (c) An oil spill contingency plan for a vessel shall also include,  
37 but is not limited to, all of the following requirements:

38 (1) The plan shall be submitted to the administrator at least  
39 seven days prior to the vessel entering waters of the state.

- 1 (2) The plan shall provide evidence of compliance with the  
2 International Safety Management Code, established by the  
3 International Maritime Organization, as applicable.
- 4 (3) If the oil spill contingency plan is for a tank vessel, the plan  
5 shall include both of the following:
- 6 (A) The plan shall specify oil and petroleum cargo capacity.  
7 (B) The plan shall specify the types of oil and petroleum cargo  
8 carried.
- 9 (4) If the oil spill contingency plan is for a nontank vessel, the  
10 plan shall include both of the following:
- 11 (A) The plan shall specify the type and total amount of fuel  
12 carried.  
13 (B) The plan shall specify the capacity of the largest fuel tank.
- 14 (d) An oil spill contingency plan for a ~~marine~~ facility shall also  
15 include, but is not limited to, all of the following provisions, *as*  
16 *appropriate*:
- 17 (1) Provisions for site security and control.  
18 (2) Provisions for emergency medical treatment and first aid.  
19 (3) Provisions for safety training, as required by state and federal  
20 safety laws for all personnel likely to be engaged in oil spill  
21 response.  
22 (4) Provisions detailing site layout and locations of  
23 environmentally sensitive areas requiring special protection.  
24 (5) Provisions for vessels that are in the operational control of  
25 the facility for loading and unloading.
- 26 (e) *Unless preempted by federal law or regulations, an oil spill*  
27 *contingency plan for a railroad also shall include, but is not limited*  
28 *to, all of the following:*
- 29 (1) *A list of the types of train cars that may make up the consist.*  
30 (2) *A list of the types of oil and petroleum products that may be*  
31 *transported.*  
32 (3) *A map of track routes and facilities.*  
33 (4) *A list, description, and map of any prestaged spill response*  
34 *equipment and personnel for deployment of the equipment.*
- 35 (e)  
36 (f) The oil spill contingency plan shall be available to response  
37 personnel and to relevant state and federal agencies for inspection  
38 and review.  
39 (f)

1 (g) The oil spill contingency plan shall be reviewed periodically  
 2 and updated as necessary. All updates shall be submitted to the  
 3 administrator pursuant to this article.

4 ~~(g)~~

5 (h) In addition to the regulations adopted pursuant to Section  
 6 8670.28, the administrator shall adopt regulations and guidelines  
 7 to implement this section. The regulations and guidelines shall  
 8 provide for the best achievable protection of ~~coastal and marine~~  
 9 *waters and natural resources of the state*. The administrator may  
 10 establish additional oil spill contingency plan requirements,  
 11 including, but not limited to, requirements based on the different  
 12 geographic regions of the state. All regulations and guidelines shall  
 13 be developed in consultation with the Oil Spill Technical Advisory  
 14 Committee.

15 ~~(h) This section shall become operative on January 1, 2012.~~

16 (i) *Notwithstanding subdivision (a) and paragraph (6) of*  
 17 *subdivision (b), a vessel or facility operating where a spill could*  
 18 *impact state waters that are not tidally influenced shall identify a*  
 19 *rated OSRO in the contingency plan no later than January 1, 2016.*

20 *SEC. 23. Section 8670.30.5 of the Government Code is*  
 21 *amended to read:*

22 8670.30.5. (a) The administrator may review each oil spill  
 23 contingency plan that has been approved pursuant to Section  
 24 8670.29 to determine whether it complies with Sections 8670.28  
 25 and 8670.29.

26 (b) If the administrator finds the approved oil spill contingency  
 27 plan is deficient, the plan shall be returned to the operator with  
 28 written reasons why the approved plan was found inadequate and,  
 29 if practicable, suggested modifications or alternatives. The operator  
 30 shall submit a new or modified plan within ~~90~~ 30 days that  
 31 responds to the deficiencies identified by the administrator.

32 *SEC. 24. Section 8670.31 of the Government Code is amended*  
 33 *to read:*

34 8670.31. (a) Each oil spill contingency plan required under  
 35 this article shall be submitted to the administrator ~~before a tank~~  
 36 ~~vessel, nontank vessel, or vessel carrying oil as secondary cargo~~  
 37 ~~operates in the marine waters of the state, or before a marine~~  
 38 ~~facility, small marine fueling facility, or mobile transfer unit,~~  
 39 ~~operates in the marine waters of the state or where an oil spill~~  
 40 ~~therefrom could impact marine waters.~~ *for review and approval.*

1 (b) The administrator shall review each submitted contingency  
2 plan to determine whether it complies with the administrator's  
3 rules, policies, and regulations adopted pursuant to Section 8670.28  
4 and 8670.29. *The administrator may issue a preliminary approval*  
5 *pending final approval or disapproval.*

6 (c) Each contingency plan submitted shall be approved or  
7 disapproved within ~~180~~ 30 days after receipt by the administrator.  
8 The administrator may approve or disapprove portions of a plan.  
9 A plan is not deemed approved until all portions are approved  
10 pursuant to this section. The disapproved portion shall be subject  
11 to the procedures contained in subdivision (d).

12 (d) If the administrator finds the submitted contingency plan is  
13 inadequate under the rules, policies, and regulations of the  
14 administrator, the plan shall be returned to the submitter with  
15 written reasons why the plan was found inadequate and, if  
16 practicable, suggested modifications or alternatives, if appropriate.  
17 The submitter shall submit a new or modified plan within ~~90~~ 30  
18 days after the earlier plan was returned, responding to the findings  
19 and incorporating any suggested modifications. The resubmittal  
20 shall be treated as a new submittal and processed according to the  
21 provisions of this section, except that the resubmitted plan shall  
22 be deemed approved unless the administrator acts pursuant to  
23 subdivision (c). ~~Failure to gain approval after the second~~  
24 ~~submission may be determined by the administrator to be a~~  
25 ~~violation of this chapter.~~

26 (e) The administrator may make inspections and require drills  
27 of any oil spill contingency plan that is submitted.

28 (f) After the plan has been approved, it shall be resubmitted  
29 every five years thereafter. The administrator may require earlier  
30 or more frequent resubmission, if warranted. Circumstances that  
31 would require an earlier resubmission include, but are not limited  
32 to, changes in regulations, new oil spill response technologies,  
33 deficiencies identified in the evaluation conducted pursuant to  
34 Section 8670.19, or a need for a different oil spill response because  
35 of increased need to protect endangered species habitat. The  
36 administrator may deny approval of the resubmitted plan if it is  
37 no longer considered adequate according to the adopted rules,  
38 regulations, and policies of the administrator at the time of  
39 resubmission.

1 (g) ~~(1)~~—Each *owner or operator* of a tank vessel, *nontank* vessel  
 2 carrying oil as a secondary cargo, or ~~marine~~ facility who is required  
 3 to file an oil spill response plan or update pursuant to provisions  
 4 of federal law regulating ~~marine~~ oil spill response plans shall, ~~for~~  
 5 ~~informational purposes only~~, submit, *for informational purposes*  
 6 *only and upon request of the administrator*, a copy of that plan or  
 7 update to the administrator at the time that it is approved by the  
 8 relevant federal agency.

9 ~~(2) A tank vessel, vessel carrying oil as a secondary cargo, or~~  
 10 ~~marine facility operator is not required to submit a copy of the~~  
 11 ~~response plan or update specified in paragraph (1) to the~~  
 12 ~~administrator if either the vessel or facility is exempt from having~~  
 13 ~~to file a response plan with the state, or if the content of the plan~~  
 14 ~~submitted by the operator pursuant to Section 8670.29 is~~  
 15 ~~substantially the same as the federal response plan or update.~~

16 *SEC. 25. Section 8670.32 of the Government Code is amended*  
 17 *to read:*

18 8670.32. (a) To reduce the risk of an oil spill as a result of  
 19 fuel, cargo, and lube oil transfers, the administrator shall develop  
 20 and implement a screening mechanism and a comprehensive  
 21 risk-based monitoring program for inspecting the bunkering and  
 22 lightering operations of vessels at anchor and alongside a dock.  
 23 This program shall identify those bunkering and lightering  
 24 operations that pose the highest risk of a pollution incident.

25 (b) The administrator shall ensure that all bunkering and  
 26 lightering operations that, pursuant to subdivision (a), pose the  
 27 highest risk of a pollution incident are routinely monitored and  
 28 inspected. The administrator shall coordinate the monitoring and  
 29 inspection program with the ~~United States~~ Coast Guard.

30 (c) The administrator shall establish regulations to provide for  
 31 the best achievable protection during bunkering and lightering  
 32 ~~operations in the marine environment.~~ *operations.*

33 (d) This section shall remain in effect only until January 1, 2015,  
 34 and as of that date is repealed, unless a later enacted statute, that  
 35 is enacted before January 1, 2015, deletes or extends that date.

36 *SEC. 26. Section 8670.33 of the Government Code is amended*  
 37 *to read:*

38 8670.33. (a) If the operator of a tank ship or tank barge for  
 39 which a contingency plan has not been approved desires to have  
 40 the tank ship or tank barge enter ~~marine~~ waters of the state, the

1 administrator may give approval by telephone or facsimile machine  
2 for the entry of the tank ship or tank barge into ~~marine~~ waters of  
3 *the state* under an approved contingency plan applicable to a  
4 terminal or tank ship, if all of the following are met:

5 (1) The terminal or tank ship is the destination of the tank ship  
6 or tank barge.

7 (2) The operator of the terminal or the tank ship provides the  
8 administrator advance written assurance that the operator assumes  
9 all responsibility for the operations of the tank ship or tank barge  
10 while it is in ~~marine~~ waters of *the state* traveling to or from the  
11 terminal. The assurance may be delivered by hand or by mail or  
12 may be sent by facsimile machine, followed by delivery of the  
13 original.

14 (3) The approved terminal or tank ship contingency plan  
15 includes all conditions the administrator requires for the operations  
16 of tank ship or tank barges traveling to and from the terminal.

17 (4) The tank ship or tank barge and its operations meet all  
18 requirements of the contingency plan for the tank ship or terminal  
19 that is the destination of the tank ship or tank barge.

20 (5) The tank ship or tank barge without an approved contingency  
21 plan has not entered ~~marine~~ waters of *the state* more than once in  
22 the 12-month period preceding the request made under this section.

23 (b) At all times that a tank ship or tank barge is in ~~marine~~ waters  
24 of *the state* pursuant to subdivision (a), its operators and all their  
25 agents and employees shall operate the vessel in accordance with  
26 the applicable operations manual or, if there is an oil spill, in  
27 accordance with the directions of the administrator and the  
28 applicable contingency plan.

29 *SEC. 27. Section 8670.34 of the Government Code is amended*  
30 *to read:*

31 8670.34. This article shall not apply to any tank vessel, nontank  
32 vessel, or vessel carrying oil as a secondary cargo that enters  
33 ~~marine~~ waters of the state because of imminent danger to the lives  
34 of crew members or if entering ~~marine~~ waters of the state will  
35 substantially aid in preventing an oil spill or other harm to public  
36 safety or the environment, if the operators of the tank vessel,  
37 nontank vessel, or vessel carrying oil as a secondary cargo comply  
38 with all of the following:

39 (a) The operators or crew of the tank vessel, nontank vessel, or  
40 vessel carrying oil as a secondary cargo ~~complies~~ *comply* at all

1 times with all orders and directions given by the administrator, or  
 2 his or her designee, while the tank vessel, nontank vessel, or vessel  
 3 carrying oil as a secondary cargo is in ~~marine~~ waters of the state,  
 4 unless the orders or directions are contradicted by orders or  
 5 directions of the Coast Guard.

6 (b) Except for fuel, oil may be transferred to or from the tank  
 7 vessel, nontank vessel, or vessel carrying oil as a secondary cargo  
 8 while it is in ~~marine~~ waters of the state only if permission is  
 9 obtained for the transfer of oil and one of the following conditions  
 10 is met:

- 11 (1) The transfer is necessary for the safety of the crew.
- 12 (2) The transfer is necessary to prevent harm to public safety  
 13 or the environment.
- 14 (3) An oil spill contingency plan is approved or made applicable  
 15 to the tank vessel, nontank vessel, or vessel carrying oil as a  
 16 secondary cargo, under subdivision (c).

17 (c) The tank vessel, nontank vessel, or vessel carrying oil as a  
 18 secondary cargo shall leave the ~~marine~~ waters of the state as soon  
 19 as it may do so without imminent risk of harm to the crew, public  
 20 safety, or the environment, unless an oil spill contingency plan is  
 21 approved or made applicable to it under this article.

22 *SEC. 28. Section 8670.35 of the Government Code is amended*  
 23 *to read:*

24 8670.35. (a) The administrator, taking into consideration the  
 25 California oil spill contingency plan, shall promulgate regulations  
 26 regarding the adequacy of oil spill ~~contingency plan~~ elements of  
 27 ~~business and hazardous materials~~ area plans required pursuant to  
 28 Section 25503 of the Health and Safety Code. In developing the  
 29 ~~guidelines, regulations~~, the administrator shall consult with the  
 30 Oil Spill Technical Advisory Committee.

31 (b) ~~Any local government~~ *The administrator may offer, to a*  
 32 *unified program agency* with jurisdiction over or directly adjacent  
 33 ~~to marine waters may apply for of the state~~, a grant to complete,  
 34 update, or revise an oil spill ~~contingency plan~~ *element of the area*  
 35 *plan.*

36 (c) Each ~~contingency plan~~ *oil spill* element established under  
 37 this section shall include provisions for training fire and police  
 38 personnel in oil spill response and cleanup equipment use and  
 39 operations.

1 (d) Each ~~contingency plan~~ *oil spill* element prepared under this  
2 section shall be consistent with the local government's local coastal  
3 program as certified under Section 30500 of the Public Resources  
4 Code, the California oil spill contingency plan, and the National  
5 Contingency Plan.

6 (e) ~~The~~ *If a grant is awarded, the* administrator shall review  
7 and approve each ~~contingency plan~~ *oil spill* element established  
8 pursuant to this section. If, upon review, the administrator  
9 determines that the ~~contingency plan~~ *oil spill* element is inadequate,  
10 the administrator shall return it to the agency that prepared it,  
11 specifying the nature and extent of the inadequacies, and, if  
12 practicable, suggesting modifications. ~~The local government unified~~  
13 *program* agency shall submit a new or modified ~~plan~~ *element*  
14 within 90 days after the ~~plan~~ *element* was returned, responding to  
15 the findings and incorporating any suggested modifications.

16 (f) The administrator shall review the preparedness of ~~local~~  
17 *governments unified program agencies* to determine whether a  
18 program of grants for completing oil spill ~~contingency plan~~  
19 elements is desirable and should be continued. If the administrator  
20 determines that local government preparedness should be improved,  
21 the administrator shall request the Legislature to appropriate funds  
22 from the Oil Spill Prevention and Administration Fund for the  
23 purposes of this section.

24 ~~(g) This section shall become operative on January 1, 2012.~~

25 *SEC. 29. Section 8670.36 of the Government Code is amended*  
26 *to read:*

27 8670.36. ~~(a)~~ The administrator shall, within five working days  
28 after receipt of a contingency plan prepared pursuant to Section  
29 8670.28 or 8670.35, ~~send post~~ a notice that the plan is available  
30 for ~~review to the Oil Spill Technical Advisory Committee.~~ *review.*  
31 The administrator shall send a copy of the plan within two working  
32 days after receiving a request from the Oil Spill Technical Advisory  
33 Committee. The State Lands Commission and the California  
34 Coastal Commission shall review the plans for facilities or local  
35 governments within the coastal zone. The San Francisco Bay  
36 Conservation and Development Commission shall review the plans  
37 for ~~marine~~ facilities or local governments within the area described  
38 in Sections 66610 and 29101 of the Public Resources Code. Any  
39 state agency or committee that comments shall submit its comments  
40 to the administrator within ~~60~~ 15 days of receipt of the plan. The

1 administrator shall consider all ~~comments in approving or~~  
2 ~~disapproving the plan.~~ *comments.*

3 ~~(b) This section shall become operative on January 1, 2012.~~

4 *SEC. 30. Section 8670.37 of the Government Code is amended*  
5 *to read:*

6 8670.37. (a) The administrator, with the assistance of the State  
7 Lands Commission, the California Coastal Commission, ~~and~~ the  
8 executive director of the San Francisco Bay Conservation and  
9 Development Commission, *or other appropriate agency*, shall  
10 carry out studies with regard to improvements to contingency  
11 planning and oil spill response equipment and operations.

12 (b) To the greatest extent possible, these studies shall be  
13 coordinated with studies being done by the federal government,  
14 and other appropriate state and international entities, and  
15 duplication with the efforts of other entities shall be minimized.

16 (c) The administrator, the State Lands Commission, the  
17 California Coastal Commission, ~~and the Executive Director~~  
18 *executive director* of the San Francisco Bay Conservation and  
19 Development Commission, *or other appropriate agency* may be  
20 reimbursed for all costs incurred in carrying out the studies under  
21 this section from the Oil Spill Prevention and Administration Fund.

22 *SEC. 31. Section 8670.37.5 of the Government Code is*  
23 *amended to read:*

24 8670.37.5. (a) The administrator shall establish a network of  
25 rescue and rehabilitation stations for ~~sea birds~~, *wildlife injured by*  
26 *oil spills, including sea otters*, ~~otters~~ and other marine mammals.  
27 In addition to rehabilitative care, the primary focus of the Oiled  
28 Wildlife Care Network shall include proactive oiled wildlife search  
29 and collection rescue efforts. These facilities shall be established  
30 and maintained in a state of preparedness to provide the best  
31 achievable treatment for ~~marine mammals~~ *wildlife, mammals*, and  
32 birds affected by an oil spill in ~~marine~~ *waters of the state*. The  
33 administrator shall consider all feasible management alternatives  
34 for operation of the network.

35 (b) (1) The first rescue and rehabilitation station established  
36 pursuant to this section shall be located within the sea otter range  
37 on the central coast. The administrator *initially* shall establish  
38 regional oiled wildlife rescue and rehabilitation facilities in the  
39 Los Angeles Harbor area, the San Francisco Bay area, the San  
40 Diego area, the Monterey Bay area, the Humboldt County area,

1 and the Santa Barbara ~~area, and~~ *area*. *The administrator also* may  
2 establish ~~these~~ facilities in other ~~coastal~~ areas of the state as the  
3 administrator determines to be necessary. ~~One~~

4 (2) *One* or more of the oiled wildlife rescue and rehabilitation  
5 stations shall be open to the public for educational purposes and  
6 shall be available for ~~marine~~ wildlife health research. Wherever  
7 possible in the establishment of these facilities, the administrator  
8 shall improve existing authorized ~~marine mammal~~ *wildlife*  
9 rehabilitation facilities and may expand or take advantage of  
10 existing educational or scientific programs and institutions for  
11 oiled wildlife rehabilitation purposes. Expenditures shall be  
12 reviewed by the agencies and organizations specified in subdivision  
13 (c).

14 (c) The administrator shall consult with the United States Fish  
15 and Wildlife Service, the National Marine Fisheries Service, the  
16 California Coastal Commission, the ~~Executive Director~~ *executive*  
17 *director* of the San Francisco Bay Conservation and Development  
18 Commission, the Marine Mammal Center, and the International  
19 Bird Rescue ~~Center~~ in the design, planning, construction, and  
20 operation of the rescue and rehabilitation stations. All proposals  
21 for the rescue and rehabilitation stations shall be presented before  
22 a public hearing prior to the construction and operation of any  
23 rehabilitation station, and, upon completion of the coastal  
24 protection element of the California oil spill contingency plan,  
25 shall be consistent with the coastal protection element.

26 (d) The administrator may enter into agreements with nonprofit  
27 organizations to establish and equip wildlife rescue and  
28 rehabilitation stations and to ensure that they are operated in a  
29 professional manner in keeping with the pertinent guidance  
30 documents issued by the ~~Office of Spill Prevention and Response~~  
31 ~~in the Department of Fish and Game.~~ *administrator*. The  
32 implementation of the agreement shall not constitute a California  
33 public works project. The agreement shall be deemed a contract  
34 for wildlife rehabilitation as authorized by Section 8670.61.5.

35 (e) In the event of a spill, the responsible party may request that  
36 the administrator perform the rescue and rehabilitation of oiled  
37 wildlife required of the responsible party pursuant to this chapter  
38 if the responsible party and the administrator enter into an  
39 agreement for the reimbursement of the administrator's costs  
40 incurred in taking the requested action. If the administrator

1 performs the rescue and rehabilitation of oiled wildlife, the  
2 administrator shall primarily utilize the network of rescue and  
3 rehabilitation stations established pursuant to subdivision (a),  
4 unless more immediate care is required. Any of those activities  
5 conducted pursuant to this section or Section 8670.56.5 or  
6 8670.61.5 shall be performed under the direction of the  
7 administrator. This subdivision does not remove the responsible  
8 party from liability for the costs of, ~~nor~~ or the responsibility for,  
9 the rescue and rehabilitation of oiled wildlife, as established by  
10 this chapter. This subdivision does not prohibit an owner or  
11 operator from retaining, in a contingency plan prepared pursuant  
12 to this article, wildlife rescue and rehabilitation services different  
13 from the rescue and rehabilitation stations established pursuant to  
14 this section.

15 (f) (1) The administrator shall appoint a rescue and  
16 rehabilitation advisory board to advise the administrator regarding  
17 operation of the network of rescue and rehabilitation stations  
18 established pursuant to subdivision (a), including the economic  
19 operation and maintenance of the network. For the purpose of  
20 assisting the administrator in determining what constitutes the best  
21 achievable treatment for oiled wildlife, the advisory board shall  
22 provide recommendations to the administrator on the care achieved  
23 by current standard treatment methods, new or alternative treatment  
24 methods, the costs of treatment methods, and any other information  
25 that the advisory board believes that the administrator might find  
26 useful in making that determination. The administrator shall consult  
27 with the advisory board in preparing the administrator's submission  
28 to the Legislature pursuant to ~~subparagraph (A) of paragraph (2)~~  
29 ~~of subdivision (l) of Section 8670.48.~~ *subdivision (a) of Section*  
30 *8670.40.5.* The administrator shall present the recommendations  
31 of the advisory board to the Oil Spill Technical Advisory  
32 Committee created pursuant to Article 8 (commencing with Section  
33 8670.54), upon the request of the committee.

34 (2) The advisory board shall consist of a balance between  
35 representatives of the oil industry, wildlife rehabilitation  
36 organizations, and academia. One academic representative shall  
37 be from a veterinary school within this state. The United States  
38 Fish and Wildlife Service and the National Marine Fisheries  
39 Service shall be requested to participate as ex officio members.

1 (3) (A) The Legislature hereby finds and declares that since  
2 the administrator may rely on the expertise provided by the  
3 volunteer members of the advisory board and may be guided by  
4 their recommendations in making decisions that relate to the  
5 operation of the network of rescue and rehabilitation stations, those  
6 members should be entitled to the same immunity from liability  
7 that is provided other public employees.

8 (B) Members of the advisory board, while performing functions  
9 within the scope of advisory board duties, shall be entitled to the  
10 same rights and immunities granted public employees by Article  
11 3 (commencing with Section 820) of Chapter 1 of Part 2 of  
12 Division 3.6 of Title 1. Those rights and immunities are deemed  
13 to have attached, and shall attach, as of the date of appointment  
14 of the member to the advisory board.

15 (g) The administrator shall ensure the state's ability to prevent  
16 the contamination of wildlife and to identify, collect, rescue, and  
17 treat oiled wildlife through all of the following:

18 (1) Providing for the recruitment and training of an adequate  
19 network of wildlife specialists and volunteers from Oiled Wildlife  
20 Care Network participant organizations who can be called into  
21 immediate action in the event of an oil spill to assist in the field  
22 with collection of live oiled wildlife. The training shall include a  
23 process for certification of trained volunteers and renewal of  
24 certifications. The initial wildlife rescue training shall include field  
25 experience in species identification and appropriate field collection  
26 techniques for species at risk in different spills. In addition to  
27 training in wildlife rescue, the administrator shall provide for  
28 appropriate hazardous materials training for new volunteers and  
29 contract personnel, with refresher courses offered as necessary to  
30 allow for continual readiness of search and collection teams. ~~The~~  
31 ~~Office of Spill Prevention and Response in the Department of Fish~~  
32 ~~and Game is not required~~ *Moneys in the Oil Spill Prevention and*  
33 *Administration Fund shall not be used to reimburse volunteers for*  
34 *time or travel associated with required wildlife rescue or hazardous*  
35 *materials training.*

36 (2) Developing and implementing a plan for the provision of  
37 emergency equipment for wildlife rescue in strategic locations to  
38 facilitate ready deployment in the case of an oil spill. The  
39 administrator shall ensure that the equipment identified as  
40 necessary in his or her wildlife response plan is available and

1 deployed in a timely manner to assist in providing the best  
2 achievable protection and collection efforts.

3 (3) Developing the capacity of the Oiled Wildlife Care Network  
4 to recruit and train an adequate field team for collection of live  
5 oiled wildlife, as specified in paragraph (1), by providing staffing  
6 for field operations, coordination, and volunteer outreach for the  
7 Oiled Wildlife Care Network. The duties of the field operations  
8 and volunteer outreach staff shall include recruitment and  
9 coordination of additional participation in the Oiled Wildlife Care  
10 Network by other existing organizations with experience and  
11 expertise in wildlife rescue and handling, including scientific  
12 organizations, educational institutions, public agencies, and  
13 nonprofit organizations dedicated to wildlife conservation, and  
14 recruitment, training, and supervision of volunteers from Oiled  
15 Wildlife Care Network participating organizations.

16 (4) Ensuring that qualified persons with experience and expertise  
17 in wildlife rescue are assigned to oversee and supervise wildlife  
18 recovery search and collection efforts, as specified in the  
19 administrator's wildlife response plan. The administrator shall  
20 provide for and ensure that all persons involved in field collection  
21 of oiled wildlife receive training in search and capture techniques  
22 and hazardous materials certification, as appropriate.

23 *SEC. 32. Section 8670.37.51 of the Government Code is*  
24 *amended to read:*

25 8670.37.51. (a) ~~No~~A tank vessel or vessel carrying oil as a  
26 secondary cargo ~~may~~ shall not be used to transport oil across  
27 marine waters of the state unless the *owner or operator has applied*  
28 *for and* obtained a certificate of financial responsibility issued by  
29 the administrator for that vessel or for the owner of all of the oil  
30 contained in and to be transferred to or from that vessel.

31 (b) ~~No~~An operator of a marine terminal within the state ~~may~~  
32 shall not transfer oil to or from a tank vessel or vessel carrying oil  
33 as a secondary cargo unless the operator of the marine terminal  
34 has received a copy of a certificate of financial responsibility issued  
35 by the administrator for the operator of that vessel or for all of the  
36 oil contained in and to be transferred to or from that vessel.

37 (c) ~~No~~An operator of a marine terminal within the state ~~may~~  
38 shall not transfer oil to or from any vessel that is or is intended to  
39 be used for transporting oil as cargo to or from a second vessel  
40 unless the operator of the marine terminal has first received a copy

1 of a certificate of financial responsibility issued by the  
2 administrator for the person responsible for both the first and  
3 second vessels or all of the oil contained in both vessels, as well  
4 as all the oil to be transferred to or from both vessels.

5 ~~(d) No person operate a marine facility unless the owner or~~  
6 ~~operator of the marine facility has first obtained~~ *An owner or*  
7 *operator of a facility where a spill could impact waters of the state*  
8 *shall apply for and obtain a certificate of financial responsibility*  
9 ~~from issued by the administrator for the marine facility or the oil~~  
10 *to be handled, stored, or transported by the facility.*

11 ~~(e) No tank vessel or vessel carrying oil as a secondary cargo~~  
12 ~~may be used to transport oil across marine waters of the state~~  
13 ~~unless, at least 24 hours prior to the transport, the administrator~~  
14 ~~has received both of the following:~~

15 ~~(1) A copy of a certificate applicable to that vessel or to all of~~  
16 ~~the oil in that vessel at all times during transport.~~

17 ~~(2) A copy of a written statement by the holder of the applicable~~  
18 ~~certificate authorizing its application to the vessel.~~

19 *(e) Pursuant to Section 8670.37.58, nontank vessels shall obtain*  
20 *a certificate of financial responsibility.*

21 *SEC. 33. Section 8670.37.52 of the Government Code is*  
22 *amended to read:*

23 8670.37.52. The certificate of financial responsibility shall be  
24 conclusive evidence that the person or entity holding the certificate  
25 is the party responsible for the specified vessel, ~~marine facility,~~ or  
26 oil for purposes of determining liability pursuant to this chapter.

27 *SEC. 34. Section 8670.37.53 of the Government Code is*  
28 *amended to read:*

29 8670.37.53. (a) To receive a certificate of financial  
30 responsibility for a tank vessel or for all of the oil contained within  
31 ~~such a~~ *that* vessel, the applicant shall demonstrate to the satisfaction  
32 of the administrator the financial ability to pay at least one billion  
33 dollars (\$1,000,000,000) for any damages that may arise during  
34 the term of the certificate.

35 (b) The administrator may establish a lower standard of financial  
36 responsibility for small tank barges, vessels carrying oil as a  
37 secondary cargo, and small marine fueling facilities. The standard  
38 shall be based on the quantity of oil that can be carried or stored  
39 and the risk of spill into ~~marine~~ *waters of the state.* The  
40 administrator shall not set a standard that is less than the expected

1 costs from a reasonable worst case oil spill into ~~marine~~ waters of  
2 *the state*.

3 ~~(e)(1)~~

4 (c) (1) To receive a certificate of financial responsibility for a  
5 ~~marine~~ facility, the applicant shall demonstrate to the satisfaction  
6 of the administrator the financial ability to pay for any damages  
7 that might arise during a reasonable worst case oil spill into ~~marine~~  
8 waters of *the state* that results from the operations of the ~~marine~~  
9 facility. The administrator shall consider criteria including, but  
10 not necessarily limited to, the amount of oil that could be spilled  
11 into ~~marine~~ waters of *the state* from the facility, the cost of cleaning  
12 up spilled oil, the frequency of operations at the facility, and the  
13 damages that could result from a spill.

14 ~~(2) The administrator may issue a certificate for a marine facility~~  
15 ~~upon a lesser showing of financial resources for a period of not~~  
16 ~~longer than three years if the administrator finds all of the~~  
17 ~~following:~~

18 ~~(A) The marine facility was operating on January 1, 1991.~~

19 ~~(B) Continued operation is necessary to finance abandonment~~  
20 ~~of the marine facility.~~

21 ~~(C) The financial resources the operator is able to demonstrate~~  
22 ~~are reasonably sufficient to cover the damages from foreseeable~~  
23 ~~spills from the facility.~~

24 (2) *The administrator shall adopt regulations to implement this*  
25 *section.*

26 *SEC. 35. Section 8670.37.55 of the Government Code is*  
27 *amended to read:*

28 8670.37.55. (a) An owner or operator of more than one tank  
29 vessel, vessel carrying oil as a secondary cargo, nontank vessel,  
30 or ~~marine~~ facility shall only be required to obtain one certificate  
31 of financial responsibility for all of those vessels and ~~marine~~  
32 facilities owned or operated.

33 (b) If a person holds a certificate for more than one tank vessel,  
34 vessel carrying oil as a secondary cargo, nontank vessel, or ~~marine~~  
35 facility and a spill or spills occurs from one or more of those  
36 vessels or ~~marine~~ facilities for which the owner or operator may  
37 be liable for damages in an amount exceeding 5 percent of the  
38 financial resources reflected by the certificate, as determined by  
39 the administrator, the certificate shall immediately be considered  
40 inapplicable to any vessel or ~~marine~~ facility not associated with

1 the spill. In that event, the owner or operator shall demonstrate to  
2 the satisfaction of the administrator the amount of financial ability  
3 required pursuant to this article, as well as the financial ability to  
4 pay all damages that arise or have arisen from the spill or spills  
5 ~~which~~ *that* have occurred.

6 *SEC. 36. Section 8670.37.58 of the Government Code is*  
7 *amended to read:*

8 8670.37.58. (a) A nontank vessel ~~required to have a~~  
9 ~~contingency plan pursuant to this chapter~~ shall not enter marine  
10 waters of the state unless the nontank vessel owner or operator has  
11 provided to the administrator evidence of financial responsibility  
12 that demonstrates, to the administrator's satisfaction, the ability  
13 to pay at least three hundred million dollars (\$300,000,000) to  
14 cover damages caused by a spill, and the owner or operator of the  
15 nontank vessel has obtained a certificate of financial responsibility  
16 from the administrator for the nontank vessel.

17 (b) Notwithstanding subdivision (a), the administrator may  
18 establish a lower standard of financial responsibility for a nontank  
19 vessel that has a carrying capacity of 6,500 barrels of oil or less,  
20 or for a nontank vessel that is owned and operated by California  
21 or a federal agency and has a carrying capacity of 7,500 barrels of  
22 oil or less. The standard shall be based upon the quantity of oil  
23 that can be carried by the nontank vessel and the risk of an oil spill  
24 into ~~marine~~ waters *of the state*. The administrator shall not set a  
25 standard that is less than the expected cleanup costs and damages  
26 from an oil spill into ~~marine~~ waters *of the state*.

27 (c) The administrator may adopt regulations to implement this  
28 section.

29 *SEC. 37. Section 8670.40 of the Government Code is amended*  
30 *to read:*

31 8670.40. (a) The State Board of Equalization shall collect a  
32 fee in an amount determined by the administrator to be sufficient  
33 *to pay the reasonable regulatory costs* to carry out the purposes  
34 set forth in subdivision (e), and a reasonable reserve for  
35 contingencies. The annual assessment shall not exceed six and  
36 one-half cents (\$0.065) per barrel of crude oil or petroleum  
37 products. ~~Beginning January 1, 2015, the annual assessment shall~~  
38 ~~not exceed five cents (\$0.05) per barrel of crude oil or petroleum~~  
39 ~~products.~~ *The oil spill prevention and administration fee shall be*

1 *based on each barrel of crude oil or petroleum products, as*  
2 *described in subdivision (b).*

3 (b) (1) The oil spill prevention and administration fee shall be  
4 imposed upon a person owning crude oil at the time that *the* crude  
5 oil is received at a marine terminal, *by any mode of delivery that*  
6 *passed over, across, under, or through waters of the state*, from  
7 within or outside the state, and upon a person who owns petroleum  
8 products at the time that those petroleum products are received at  
9 a marine terminal, *by any mode of delivery that passed over, across,*  
10 *under, or through waters of the state*, from outside this state. The  
11 fee shall be collected by the marine terminal operator from the  
12 owner of the crude oil or petroleum products ~~based on~~ *for each*  
13 ~~barrel of crude oil or petroleum products so received by means of~~  
14 ~~a vessel operating in, through, or across the marine waters of the~~  
15 ~~state. In addition, an operator of a pipeline shall pay the oil spill~~  
16 ~~prevention and administration fee for each barrel of crude oil~~  
17 ~~originating from a production facility in marine waters and~~  
18 ~~transported in the state by means of a pipeline operating across,~~  
19 ~~under, or through the marine waters of the state received.~~ *The*

20 (2) *The oil spill prevention and administration fee shall be*  
21 *imposed upon a person owning crude oil or petroleum products*  
22 *at the time that the crude oil or petroleum products are received*  
23 *at a refinery within the state by any mode of delivery that passed*  
24 *over, across, under, or through waters of the state, whether from*  
25 *within or outside the state. The refinery shall collect the fee from*  
26 *the owner of the crude oil or petroleum products for each barrel*  
27 *received.*

28 (3) (A) *There is a rebuttable presumption that crude oil or*  
29 *petroleum products received at a marine terminal or a refinery*  
30 *have passed over, across, under, or through waters of the state.*  
31 *This presumption may be overcome by a marine terminal operator,*  
32 *refinery operator, or owner of the crude oil or petroleum products*  
33 *by showing that the crude oil or petroleum products did not pass*  
34 *over, across, under, or through waters of the state. Evidence to*  
35 *rebut the presumption may include, but shall not be limited to,*  
36 *documentation, including shipping documents, bills of lading,*  
37 *highway maps, rail maps, transportation maps, related*  
38 *transportation receipts, or another medium that shows the crude*  
39 *oil or petroleum products did not pass over, across, under, or*  
40 *through waters of the state.*

1 (B) Notwithstanding the petition for redetermination and claim  
2 for refund provisions of the Oil Spill Response, Prevention, and  
3 Administration Fees Law (Part 24 (commencing with Section  
4 46001) of Division 2 of the Revenue and Taxation Code), the State  
5 Board of Equalization shall not do either of the following:

6 (i) Accept or consider a petition for redetermination of fees  
7 determined pursuant to this section if the petition is founded upon  
8 the grounds that the crude oil or petroleum products did or did  
9 not pass over, across, under, or through waters of the state.

10 (ii) Accept or consider a claim for a refund of fees paid pursuant  
11 to this section if the claim is founded upon the grounds that the  
12 crude oil or petroleum products did or did not pass over, across,  
13 under, or through waters of the state.

14 (C) The State Board of Equalization shall forward to the  
15 administrator an appeal of a redetermination or a claim for a  
16 refund of fees that is based on the grounds that the crude oil or  
17 petroleum products did or did not pass over, across, under, or  
18 through waters of the state.

19 (4) The fees shall be remitted to the ~~board~~ State Board of  
20 Equalization by the owner of the crude oil or petroleum products,  
21 the refinery operator, or the marine terminal ~~or pipeline~~ operator  
22 on the 25th day of the month based upon the number of barrels of  
23 crude oil or petroleum products received at a refinery or marine  
24 terminal ~~or transported by pipeline~~ during the preceding month.  
25 A fee shall not be imposed pursuant to this section with respect to  
26 crude oil or petroleum products if the person who would be liable  
27 for that fee, or responsible for its collection, establishes that the  
28 fee has *already* been collected by a refinery or marine terminal  
29 operator registered under this chapter or paid to the ~~board~~ State  
30 Board of Equalization with respect to the crude oil or petroleum  
31 product.

32 (5) The oil spill prevention and administration fee shall not be  
33 collected by a marine terminal operator or refinery operator or  
34 imposed on the owner of crude oil or petroleum products if the fee  
35 has been previously collected or paid on the crude oil or petroleum  
36 products at another marine terminal or refinery. It shall be the  
37 obligation of the marine terminal operator, refinery operator, or  
38 owner of crude oil or petroleum products to demonstrate that the  
39 fee has already been paid on the same crude oil or petroleum  
40 products.

1     ~~(2)~~

2     (6) An owner of crude oil or petroleum products is liable for  
3 the fee until it has been paid to the ~~board~~, *State Board of*  
4 *Equalization*, except that payment to a *refinery operator* or marine  
5 terminal operator registered under this chapter is sufficient to  
6 relieve the owner from further liability for the fee.

7     ~~(3)~~

8     (7) On or before January 20, the administrator shall annually  
9 prepare a plan that projects revenues and expenses over three fiscal  
10 years, including the current year. Based on the plan, the  
11 administrator shall set the fee so that projected revenues, including  
12 any interest *and inflation*, are equivalent to expenses as reflected  
13 in the current Budget Act and in the proposed budget submitted  
14 by the Governor. In setting the fee, the administrator may allow  
15 for a surplus if the administrator finds that revenues will be  
16 exhausted during the period covered by the plan or that the surplus  
17 is necessary to cover possible contingencies. The administrator  
18 shall notify the ~~board~~ *State Board of Equalization* of the adjusted  
19 fee rate, which shall be rounded to no more than four decimal  
20 places, to be effective the first day of the month beginning not less  
21 than 30 days from the date of the notification.

22     (c) The moneys collected pursuant to subdivision (a) shall be  
23 deposited into the fund.

24     (d) The ~~board~~ *State Board of Equalization* shall collect the fee  
25 and adopt regulations for implementing the fee collection program.

26     (e) The fee described in this section shall be collected solely  
27 for all of the following purposes:

28     (1) To implement oil spill prevention programs through rules,  
29 regulations, leasing policies, guidelines, and inspections and to  
30 implement research into prevention and control technology.

31     (2) To carry out studies that may lead to improved oil spill  
32 prevention and response.

33     (3) To finance environmental and economic studies relating to  
34 the effects of oil spills.

35     (4) To implement, install, and maintain emergency programs,  
36 equipment, and facilities to respond to, contain, and clean up oil  
37 spills and to ensure that those operations will be carried out as  
38 intended.

39     ~~(5) To respond to an imminent threat of a spill in accordance~~  
40 ~~with the provisions of Section 8670.62 pertaining to threatened~~

1 discharges. The cumulative amount of an expenditure for this  
2 purpose shall not exceed the amount of one hundred thousand  
3 dollars (\$100,000) in a fiscal year unless the administrator receives  
4 the approval of the Director of Finance and notification is given  
5 to the Joint Legislative Budget Committee. Commencing with the  
6 1993–94 fiscal year, and each fiscal year thereafter, it is the intent  
7 of the Legislature that the annual Budget Act contain an  
8 appropriation of one hundred thousand dollars (\$100,000) from  
9 the fund for the purpose of allowing the administrator to respond  
10 to threatened oil spills.

11 (6)

12 (5) To reimburse the ~~board~~ *State Board of Equalization* for its  
13 reasonable costs incurred to implement this chapter and to carry  
14 out Part 24 (commencing with Section 46001) of Division 2 of the  
15 Revenue and Taxation Code.

16 (7)

17 (6) To cover costs incurred by ~~fund~~ the Oiled Wildlife Care  
18 Network established by ~~Section 8670.37.5~~ for training and field  
19 collection, and search and rescue activities, pursuant to subdivision  
20 (g) of ~~Section 8670.37.5~~: pursuant to *Section 8670.40.5*.

21 (f) The moneys deposited in the fund shall not be used for  
22 responding to ~~an oil~~ a spill.

23 (g) The moneys deposited in the fund shall not be used to  
24 provide a loan to any other fund.

25 (h) ~~This section shall become operative on January 1, 2012.~~

26 (h) *Every person who operates a refinery, a marine terminal in*  
27 *waters of the state, or a pipeline shall register with the State Board*  
28 *of Equalization, pursuant to Section 46101 of the Revenue and*  
29 *Taxation Code.*

30 (i) *The amendments to this section enacted in Senate Bill 861*  
31 *of the 2013–14 Regular Session shall become operative 90 days*  
32 *after the effective date of Senate Bill 861 of 2013–14 Regular*  
33 *Session.*

34 SEC. 38. *Section 8670.40.5 is added to the Government Code,*  
35 *to read:*

36 8670.40.5. (a) *For each fiscal year, consistent with this article,*  
37 *the administrator shall submit, as a proposed appropriation in the*  
38 *Governor’s Budget, an amount up to two million five hundred*  
39 *thousand dollars (\$2,500,000) for the purpose of equipping,*  
40 *operating, and maintaining the network of oiled wildlife rescue*

1 *and rehabilitation stations and proactive oiled wildlife search and*  
2 *collection rescue efforts established pursuant to Section 8670.37.5*  
3 *and for the support of technology development and research related*  
4 *to oiled wildlife care.*

5 *(b) The administrator shall report to the Legislature, upon*  
6 *request, on the progress and effectiveness of the network of oiled*  
7 *wildlife rescue and rehabilitation stations established pursuant to*  
8 *Section 8670.37.5 and the adequacy of the Oil Spill Prevention*  
9 *and Administration Fund to meet the purposes for which the*  
10 *network was established.*

11 *(c) At the administrator's request, any funds made available*  
12 *for purposes of this section may be directly appropriated to a*  
13 *suitable program for wildlife health and rehabilitation within a*  
14 *school of veterinary medicine within this state, if an agreement*  
15 *exists, consistent with this chapter, between the administrator and*  
16 *an appropriate representative of the program for carrying out that*  
17 *purpose. The administrator shall attempt to have an agreement in*  
18 *place at all times. The agreement shall ensure that the training of,*  
19 *and the care provided by, the program staff are at levels that are*  
20 *consistent with those standards generally accepted within the*  
21 *veterinary profession.*

22 *(d) Any funds made available for purposes of this section shall*  
23 *not be considered an offset to any other state funds appropriated*  
24 *to the program, the program's associated school of veterinary*  
25 *medicine, or the program's associated college or university. The*  
26 *funds shall not be used for any other purpose. If an offset does*  
27 *occur or the funds are used for an unintended purpose, the*  
28 *administrator may terminate expenditure of any funds appropriated*  
29 *for purposes of this section and the administrator may request a*  
30 *reappropriation to accomplish the intended purpose. The*  
31 *administrator shall annually review and approve the proposed*  
32 *uses of any funds made available for purposes of this section.*

33 *SEC. 39. Section 8670.42 of the Government Code is amended*  
34 *to read:*

35 *8670.42. (a) The ~~Department of Fish and Game~~ administrator*  
36 *and the State Lands Commission, independently, shall contract*  
37 *with the Department of Finance for the preparation of a detailed*  
38 *report that shall be submitted on or before January 1, 2013, and*  
39 *no less than once every four years thereafter, to the Governor and*  
40 *the Legislature on the financial basis and programmatic*

1 effectiveness of the state’s oil spill prevention, response, and  
2 preparedness program. This report shall include an analysis of all  
3 of the oil spill prevention, response, and preparedness program’s  
4 major expenditures, fees and fines collected, staffing and equipment  
5 levels, spills responded to, and other relevant issues. The report  
6 shall recommend measures to improve the efficiency and  
7 effectiveness of the state’s oil spill prevention, response, and  
8 preparedness program, including, but not limited to, measures to  
9 modify existing contingency plan requirements, to improve  
10 protection of *environmentally* sensitive ~~shoreline~~ sites, and to  
11 ensure adequate and equitable funding for the state’s oil spill  
12 prevention, response, and preparedness program.

13 (b) A report to be submitted pursuant to subdivision (a) shall  
14 be submitted in compliance with Section 9795.

15 *SEC. 40. Section 8670.47.5 of the Government Code is*  
16 *amended to read:*

17 8670.47.5. The following shall be deposited into the fund:

18 (a) The fee required pursuant to Section 8670.48.

19 (b) Any federal funds received to pay for response, containment,  
20 abatement, and rehabilitation costs from an oil spill in ~~marine~~  
21 *waters of the state.*

22 (c) Any money borrowed by the Treasurer pursuant to Article  
23 7.5 (commencing with Section 8670.53.1) or any draw on the  
24 financial security obtained by the Treasurer pursuant to subdivision  
25 (o) of Section 8670.48.

26 (d) Any interest earned on the moneys in the fund.

27 (e) Any costs recovered from responsible parties pursuant to  
28 Section 8670.53 and subdivision (e) of Section 8670.53.1.

29 *SEC. 41. Section 8670.48 of the Government Code is amended*  
30 *to read:*

31 8670.48. (a) (1) A uniform oil spill response fee in an amount  
32 not exceeding twenty-five cents (\$0.25) for each barrel of  
33 petroleum products, as set by the administrator pursuant to  
34 subdivision (f), shall be imposed upon a person who owns  
35 petroleum products at the time the petroleum products are received  
36 at a marine terminal within this state by means of a vessel from a  
37 point of origin outside this state. The fee shall be *collected by the*  
38 *marine terminal and* remitted to the State Board of Equalization  
39 by the terminal operator on the 25th day of each month based upon

1 the number of barrels of petroleum products received during the  
2 preceding month.

3 (2) An owner of petroleum products is liable for the fee until it  
4 has been paid to the state, except that payment to a marine terminal  
5 operator registered under this chapter is sufficient to relieve the  
6 owner from further liability for the fee.

7 (b) An operator of a pipeline shall also pay a uniform oil spill  
8 response fee in an amount not exceeding twenty-five cents (\$0.25)  
9 for each barrel of petroleum products, as set by the administrator  
10 pursuant to subdivision (f), transported into the state by means of  
11 a pipeline operating across, under, or through the ~~marine~~ waters  
12 of the state. The fee shall be paid on the 25th day of each month  
13 based upon the number of barrels of petroleum products so  
14 transported into the state during the preceding month.

15 (c) ~~(1)~~ An operator of a refinery shall pay a uniform oil spill  
16 response fee in an amount not exceeding twenty-five cents (\$0.25)  
17 for each barrel of crude oil, as set by the administrator pursuant  
18 to subdivision (f), received at a refinery within the state *by any*  
19 *method of transport*. The fee shall be paid on the 25th day of each  
20 month based upon the number of barrels of crude oil so received  
21 during the preceding month.

22 ~~(2) The fee shall not be imposed by a refiner, or a person or~~  
23 ~~entity acting as an agent for a refiner, on crude oil produced by an~~  
24 ~~independent crude oil producer as defined in paragraph (3). The~~  
25 ~~board shall not identify a company as exempt from the fee~~  
26 ~~requirements of this section if that company was reorganized, sold,~~  
27 ~~or otherwise modified with the intent of circumventing the~~  
28 ~~requirements of this section.~~

29 ~~(3) For purposes of this chapter, “independent crude oil~~  
30 ~~producer” means a person or entity producing crude oil within this~~  
31 ~~state who does not refine crude oil into a product, and who does~~  
32 ~~not possess or own a retail gasoline marketing facility.~~

33 (d) A marine terminal operator shall pay a uniform oil spill  
34 response fee in an amount not exceeding twenty-five cents (\$0.25),  
35 in accordance with subdivision (g), for each barrel of crude oil, as  
36 set by the administrator pursuant to subdivision (f), that is  
37 transported from within this state by means of a ~~marine~~ vessel to  
38 a destination outside this state.

39 (e) An operator of a pipeline shall pay a uniform oil spill  
40 response fee in an amount not exceeding twenty-five cents (\$0.25),

1 in accordance with subdivision (g), for each barrel of crude oil, as  
2 set by the administrator pursuant to subdivision (f), transported  
3 out of the state by pipeline.

4 (f) (1) The fees required pursuant to this section shall be  
5 collected during any period for which the administrator determines  
6 that collection is necessary for any of the following reasons:

7 (A) The amount in the fund is less than or equal to 95 percent  
8 of the designated amount specified in subdivision (a) of Section  
9 46012 of the Revenue and Taxation Code.

10 (B) Additional money is required to pay for the purposes  
11 specified in subdivision (k).

12 (C) The revenue is necessary to repay a draw on a financial  
13 security obtained by the Treasurer pursuant to subdivision (o) or  
14 borrowing by the Treasurer pursuant to Article 7.5 (commencing  
15 with Section ~~8670.53.1~~ 8670.53.1), including any principal,  
16 interest, premium, fees, charges, or costs of any kind incurred in  
17 connection with those borrowings or financial security.

18 (2) The administrator, in consultation with the State Board of  
19 Equalization, and with the approval of the Treasurer, may direct  
20 the State Board of Equalization to cease collecting the fee when  
21 the administrator determines that further collection of the fee is  
22 not necessary for the purposes specified in paragraph (1).

23 (3) The administrator, in consultation with the State Board of  
24 Equalization, shall set the amount of the oil spill response fees.  
25 The oil spill response fees shall be imposed on all fee payers in the  
26 same amount. The administrator shall not set the amount of the  
27 fee at less than twenty-five cents (\$0.25) for each barrel of  
28 petroleum products or crude oil, unless the administrator finds that  
29 the assessment of a lesser fee will cause the fund to reach the  
30 designated amount specified in subdivision (a) of Section 46012  
31 of the Revenue and Taxation Code within four months. The fee  
32 shall not be less than twenty-five cents (\$0.25) for each barrel of  
33 petroleum products or crude oil if the administrator has drawn  
34 upon the financial security obtained by the Treasurer pursuant to  
35 subdivision (o) or if the Treasurer has borrowed money pursuant  
36 to Article 7.5 (commencing with Section 8670.53.1) and principal,  
37 interest, premium, fees, charges, or costs of any kind incurred in  
38 connection with those borrowings remain outstanding or unpaid,  
39 unless the Treasurer has certified to the administrator that the

1 money in the fund is not necessary for the purposes specified in  
2 paragraph (1).

3 (g) The fees imposed by subdivisions (d) and (e) shall be  
4 imposed in any calendar year beginning the month following the  
5 month when the total cumulative year-to-date barrels of crude oil  
6 transported outside the state by all fee payers by means of vessel  
7 or pipeline exceed 6 percent by volume of the total barrels of crude  
8 oil and petroleum products subject to oil spill response fees under  
9 subdivisions (a), (b), and (c) for the prior calendar year.

10 (h) For purposes of this chapter, “designated amount” means  
11 the amounts specified in Section 46012 of the Revenue and  
12 Taxation Code.

13 (i) The administrator, in consultation with the State Board of  
14 Equalization and with the approval of the Treasurer, shall authorize  
15 refunds of any money collected that is not necessary for the  
16 purposes specified in paragraph (1) of subdivision (f). The State  
17 Board of Equalization, as directed by the administrator, and in  
18 accordance with Section 46653 of the Revenue and Taxation Code,  
19 shall refund the excess amount of fees collected to each fee payer  
20 who paid the fee to the state, in proportion to the amount that each  
21 fee payer paid into the fund during the preceding 12 monthly  
22 reporting periods in which there was a fee due, including the month  
23 in which the fund exceeded the specified amount. If the total  
24 amount of money in the fund exceeds the amount specified in this  
25 subdivision by 10 percent or less, refunds need not be ordered by  
26 the administrator. This section does not require the refund of excess  
27 fees as provided in this subdivision more frequently than once  
28 each year.

29 (j) The State Board of Equalization shall collect the fee and  
30 adopt regulations implementing the fee collection program. All  
31 fees collected pursuant to this section shall be deposited in the Oil  
32 Spill Response Trust Fund.

33 (k) The fee described in this section shall be collected solely  
34 for any of the following purposes:

35 (1) To provide funds to cover promptly the costs of response,  
36 containment, and cleanup of oil spills into ~~marine~~ *waters of the*  
37 *state*, including damage assessment ~~costs~~, *costs* and wildlife  
38 rehabilitation as provided in Section 8670.61.5.

39 (2) To cover response and cleanup costs and other damages  
40 suffered by the state or other persons or entities from oil spills into

1 ~~marine waters, which~~ *waters of the state* that cannot otherwise be  
2 compensated by responsible parties or the federal government.

3 (3) To pay claims for damages pursuant to Section 8670.51.

4 (4) To pay claims for damages, except for damages described  
5 in paragraph (7) of subdivision (h) of Section 8670.56.5, pursuant  
6 to Section 8670.51.1.

7 (5) To pay for the cost of obtaining financial security in the  
8 amount specified in subdivision (b) of Section 46012 of the  
9 Revenue and Taxation Code, as authorized by subdivision (o).

10 (6) To pay indemnity and related costs and expenses as  
11 authorized by Section 8670.56.6.

12 (7) To pay principal, interest, premium, if any, and fees, charges,  
13 and costs of any kind incurred in connection with moneys drawn  
14 by the administrator on the financial security obtained by the  
15 Treasurer pursuant to subdivision (o) or borrowed by the Treasurer  
16 pursuant to Article 7.5 (commencing with Section 8670.53.1).

17 ~~(8) To pay for the costs of rescue, medical treatment,~~  
18 ~~rehabilitation, and disposition of oiled wildlife, as incurred by the~~  
19 ~~network of oiled wildlife rescue and rehabilitation stations created~~  
20 ~~pursuant to Section 8670.37.5.~~

21 (8) *[Reserved]*

22 (9) *To respond to an imminent threat of a spill in accordance*  
23 *with the provisions of Section 8670.62 pertaining to threatened*  
24 *discharges.*

25 (l) ~~(H) The interest that the state earns on the funds deposited~~  
26 ~~into the Oil Spill Response Trust Fund shall be deposited in the~~  
27 ~~fund and shall be used to maintain the fund at the designated~~  
28 ~~amount specified in subdivision (a) of Section 46012 of the~~  
29 ~~Revenue and Taxation Code. Interest earned until July 1, 1998,~~  
30 ~~on funds deposited pursuant to subdivision (a) of Section 46012~~  
31 ~~of the Revenue and Taxation Code, as determined jointly by the~~  
32 ~~Controller and the Director of Finance, shall be available upon~~  
33 ~~appropriation by the Legislature in the Budget Act to establish,~~  
34 ~~equip, operate, and maintain the network of rescue and~~  
35 ~~rehabilitation stations for oiled wildlife as described in Section~~  
36 ~~8670.37.5 and to support technology development and research~~  
37 ~~related to oiled wildlife care. Interest earned on the financial~~  
38 ~~security portion of the fund, required to be accessible pursuant to~~  
39 ~~subdivision (b) of Section 46012 of the Revenue and Taxation~~  
40 ~~Code shall not be available for that purpose. If the amount in the~~

1 fund exceeds that designated amount, the interest not needed to  
2 equip, operate, and maintain the network of rescue and  
3 rehabilitation stations, or for appropriate technology development  
4 and research regarding oiled wildlife care, shall be deposited into  
5 the Oil Spill Prevention and Administration Fund, and shall be  
6 available for the purposes authorized by Article 6 (commencing  
7 with Section 8670.38).

8 (2) (A) For each fiscal year, consistent with this article, the  
9 administrator shall submit, as a proposed appropriation in the  
10 Governor's Budget, an amount up to two million dollars  
11 (\$2,000,000) of the interest earned on the funds deposited into the  
12 Oil Spill Response Trust Fund for the purpose of equipping,  
13 operating, and maintaining the network of oiled wildlife rescue  
14 and rehabilitation stations and proactive oiled wildlife search and  
15 collection rescue efforts established pursuant to Section 8670.37.5  
16 and for support of technology development and research related  
17 to oiled wildlife care. The remaining interest, if any, shall be  
18 deposited into the Oil Spill Prevention and Administration Fund  
19 pursuant to paragraph (1).

20 (B) The administrator shall report to the Legislature not later  
21 than June 30, 2002, on the progress and effectiveness of the  
22 network of oiled wildlife rescue and rehabilitation stations  
23 established pursuant to Section 8670.37.5, and the adequacy of  
24 the Oil Spill Response Trust Fund to meet the purposes for which  
25 it was established.

26 (C) At the administrator's request, the funds made available  
27 pursuant to this paragraph may be directly appropriated to a suitable  
28 program for wildlife health and rehabilitation within a school of  
29 veterinary medicine within this state, provided that an agreement  
30 exists, consistent with this chapter, between the administrator and  
31 an appropriate representative of the program for carrying out that  
32 purpose. The administrator shall attempt to have an agreement in  
33 place at all times. The agreement shall ensure that the training of,  
34 and the care provided by, the program staff are at levels that are  
35 consistent with those standards generally accepted within the  
36 veterinary profession.

37 (D) The funds made available pursuant to this paragraph shall  
38 not be considered an offset to any other state funds appropriated  
39 to the program, the program's associated school of veterinary  
40 medicine, or the program's associated college or university, and

1 ~~the funds shall not be used for any other purpose. If an offset does~~  
2 ~~occur or the funds are used for an unintended purpose, expenditure~~  
3 ~~of any appropriation of funds pursuant to this paragraph may be~~  
4 ~~terminated by the administrator and the administrator may request~~  
5 ~~a reappropriation to accomplish the intended purpose. The~~  
6 ~~administrator shall annually review and approve the proposed uses~~  
7 ~~of any funds made available pursuant to this paragraph.~~

8 (m) The Legislature finds and declares that effective response  
9 to oil spills requires that the state have available sufficient funds  
10 in a response fund. The Legislature further finds and declares that  
11 maintenance of that fund is of utmost importance to the state and  
12 that the money in the fund shall be used solely for the purposes  
13 specified in subdivision (k).

14 ~~(n) It is the intent of the Legislature, in enacting this section,~~  
15 ~~that the fee shall not be imposed by a refiner, or a person or entity~~  
16 ~~acting as an agent for a refiner, on crude oil produced by an~~  
17 ~~independent crude oil producer.~~

18 (n) *[Reserved]*

19 (o) The Treasurer shall obtain financial security, in the  
20 designated amount specified in subdivision (b) of Section 46012  
21 of the Revenue and Taxation Code, in a form ~~which, that,~~ in the  
22 event of an oil spill, may be drawn upon immediately by the  
23 administrator upon making the determinations required by  
24 paragraph (2) of subdivision (a) of Section 8670.49. The financial  
25 security may be obtained in any of the forms described in  
26 subdivision (b) of Section 8670.53.3, as determined by the  
27 Treasurer.

28 (p) This section does not limit the authority of the administrator  
29 to raise oil spill response fees pursuant to Section 8670.48.5.

30 *SEC. 42. Section 8670.48.3 of the Government Code is*  
31 *amended to read:*

32 8670.48.3. (a) Notwithstanding subparagraph (A) of paragraph  
33 (1) of subdivision (f) of Section 8670.48, a loan or other transfer  
34 of money from the fund to the General Fund pursuant to the Budget  
35 Act that reduces the balance of the Oil Spill Response Trust Fund  
36 to less than or equal to 95 percent of the designated amount  
37 specified in subdivision (a) of Section 46012 of the Revenue and  
38 Taxation Code shall not obligate the administrator to resume  
39 collection of the oil spill response fee otherwise required by this  
40 article if both of the following conditions are met:

1 (1) The annual Budget Act requires a transfer or loan from the  
 2 fund to be repaid to the fund with interest calculated at a rate earned  
 3 by the Pooled Money Investment Account as if the money had  
 4 remained in the fund.

5 (2) The annual Budget Act requires all transfers or loans to be  
 6 repaid to the fund on or before June 30, ~~2014~~, 2017.

7 (b) A transfer or loan described in subdivision (a) shall be repaid  
 8 as soon as possible if a spill occurs and the administrator  
 9 determines that response funds are needed immediately.

10 (c) If there is a conflict between this section and any other law  
 11 or enactment, this section shall control.

12 ~~(d) This section shall remain in effect until July 1, 2014, and as~~  
 13 ~~of that date is repealed.~~

14 *(d) This section shall become inoperative on July 1, 2017, and,*  
 15 *as of January 1, 2018, is repealed, unless a later enacted statute,*  
 16 *that becomes operative on or before January 1, 2018, deletes or*  
 17 *extends the dates on which it becomes inoperative and is repealed.*

18 SEC. 43. Section 8670.49 of the Government Code is amended  
 19 to read:

20 8670.49. (a) (1) The administrator may only expend money  
 21 from the fund to pay for any of the following, subject to the lien  
 22 established in Section 8670.53.2:

23 (A) To pay the cost of obtaining financial security as authorized  
 24 by paragraph (5) of subdivision (k) and subdivision (o) of Section  
 25 8670.48.

26 (B) To pay the principal, interest, premium, if any, and fees,  
 27 charges, and costs of any kind incurred in connection with moneys  
 28 drawn by the administrator on the financial security obtained by  
 29 the Treasurer, or the moneys borrowed by the Treasurer, as  
 30 authorized by paragraph (7) of subdivision (k) of Section 8670.48.

31 ~~(C) To pay for the construction, equipping, operation, and~~  
 32 ~~maintenance of rescue and rehabilitation facilities, and technology~~  
 33 ~~development for oiled wildlife care from interest earned on money~~  
 34 ~~deposited in the fund as authorized by subdivision (l) of Section~~  
 35 ~~8670.48.~~

36 ~~(D) To pay for the costs of rescue, medical treatment,~~  
 37 ~~rehabilitation, and disposition of oiled wildlife, as incurred by the~~  
 38 ~~network of oiled wildlife rescue and rehabilitation stations pursuant~~  
 39 ~~to subdivision (f) of Section 8670.37.5.~~

40 (E)

1 (C) To pay for the expansion, in the VTS area, pursuant to  
2 Section 445 of the Harbors and Navigation Code, of the vessel  
3 traffic service system (VTS system) authorized pursuant to  
4 subdivision (f) of Section 8670.21.

5 (2) If a spill has occurred, the administrator may expend the  
6 money in the fund for the purposes identified in paragraphs (1),  
7 (2), (3), (4), and (6) of subdivision (k) of Section 8670.48 only  
8 upon making the following determinations:

9 (A) Except as authorized by Section 8670.51.1, a responsible  
10 party does not exist or the responsible party is unable or unwilling  
11 to provide adequate and timely cleanup and to pay for the damages  
12 resulting from the spill. The administrator shall make a reasonable  
13 effort to have the party responsible remove the oil or agree to pay  
14 for any actions resulting from the spill that may be required by  
15 law, provided that the efforts are not detrimental to fish, plant,  
16 animal, or bird life in the affected waters. The reasonable effort  
17 of the administrator shall include attempting to access the  
18 responsible parties' insurance or other proof of financial  
19 responsibility.

20 (B) Sufficient federal oil spill funds are not available or will  
21 not be available in an adequate period of time.

22 (3) Notwithstanding any other provision of this subdivision, the  
23 administrator may expend money from the fund for authorized  
24 expenditures when a reimbursement procedure is in place to receive  
25 reimbursements for those expenditures from federal oil spill funds.

26 (b) Upon making the determinations specified in paragraph (2)  
27 of subdivision (a), the administrator shall immediately make  
28 whatever payments are necessary for responding to, containing,  
29 or cleaning ~~up~~, up the spill, including any wildlife rehabilitation  
30 required by law and payment of claims pursuant to Sections  
31 8670.51 and 8670.51.1, subject to the lien established by Section  
32 8670.53.2.

33 *SEC. 44. Section 8670.50 of the Government Code is amended*  
34 *to read:*

35 8670.50. (a) Money from the fund may only be expended to  
36 cover the costs incurred by the state and local governments and  
37 agencies for any of the following:

38 (1) Responding promptly to, containing, and cleaning up the  
39 discharge, if those efforts are any of the following:

1 (A) Undertaken pursuant to the state and local oil spill  
2 contingency plans established under this chapter, and the ~~marine~~  
3 ~~response element of the~~ California oil spill contingency plan  
4 established under Article 3.5 (commencing with Section 8574.1)  
5 of Chapter 7.

6 (B) Undertaken consistent with the standardized emergency  
7 management system established pursuant to Section 8607.

8 (C) Undertaken at the direction of the administrator.

9 (2) Meeting the requirements of Section ~~8670.61.5~~, *8670.61.5*  
10 relating to wildlife rehabilitation.

11 (3) Making the payments authorized by subdivision (k) of  
12 Section 8670.48.

13 (b) In the event of an oil spill, the administrator shall make  
14 whatever expenditures are necessary and appropriate from the fund  
15 to cover the costs described in subdivision (a), subject to the lien  
16 established pursuant to Section 8670.53.2.

17 *SEC. 45. Section 8670.51 of the Government Code is amended*  
18 *to read:*

19 8670.51. (a) When a person has obtained a final judgment for  
20 damages resulting from an oil spill in ~~marine~~ *waters of the state*,  
21 but is unable, within one year after the date of its entry, to enforce  
22 the judgment pursuant to Title 9 (commencing with Section  
23 680.010) of the Code of Civil Procedure, or is unable to obtain  
24 satisfaction of the judgment from the federal government within  
25 90 additional days, the administrator shall pay an amount not to  
26 exceed those amounts ~~which~~ *that* cannot be recovered from a  
27 responsible party and the fund shall be subrogated to all rights,  
28 claims, and causes of action that the claimant has under this  
29 chapter, Article 3.5 (commencing with Section 8574.1) of Chapter  
30 7, Section 8670.61.5, and Division 7.8 (commencing with Section  
31 8750) of the Public Resources Code.

32 (b) Any person may apply to the fund for compensation for  
33 damages and losses suffered as a result of an oil spill in ~~marine~~  
34 *waters of the state* under any of the following conditions:

35 (1) The responsible party or parties cannot be ascertained.

36 (2) A responsible party is not liable for noneconomic damages  
37 caused by another.

38 (3) Subdivision (i) of Section 8670.56.6 is applicable to the  
39 claim.

1 (c) The administrator shall not approve any claim in an amount  
2 ~~which~~ *that* exceeds the amount to which the person would  
3 otherwise be entitled pursuant to Section 8670.56.5, and shall pay  
4 claims from the fund ~~which~~ *that* are approved pursuant to this  
5 section.

6 *SEC. 46. Section 8670.53 of the Government Code is amended*  
7 *to read:*

8 8670.53. The Attorney General, in consultation with the  
9 administrator, shall undertake actions to recover all costs to the  
10 funds from any responsible party for an oil spill into ~~marine~~  
11 *of the state* for which expenditures are made from the fund. The  
12 recovery of costs pursuant to this section shall not foreclose the  
13 Attorney General from any other actions allowed by law.

14 *SEC. 47. Section 8670.54 of the Government Code is amended*  
15 *to read:*

16 8670.54. (a) The Oil Spill Technical Advisory Committee,  
17 hereafter in this ~~article~~ *article*, the committee, is hereby established  
18 to provide public input and independent judgment of the actions  
19 of the administrator. The committee shall consist of ~~10~~ *14*  
20 members, of whom ~~six~~ *eight* shall be appointed by the Governor,  
21 ~~two~~ *three* by the Speaker of the Assembly, and ~~two~~ *three* by the  
22 Senate Rules Committee. The appointments shall be made in the  
23 following manner:

24 (1) The Speaker of the ~~Assembly~~, *Assembly* and Senate ~~Rules~~  
25 *Committee on Rules* shall each appoint ~~members~~ *a member* who  
26 shall be ~~representatives~~ *a representative* of the public.

27 (2) The Governor shall appoint a member who has a  
28 demonstrable knowledge of marine transportation.

29 (3) The Speaker of the Assembly and the Senate ~~Rules~~  
30 *Committee on Rules* shall each appoint ~~a member~~ *two members*  
31 who ~~has~~ *have* demonstrable knowledge of environmental protection  
32 and the study of ecosystems.

33 (4) The Governor shall appoint a member who has served as a  
34 local government elected official or who has worked for a local  
35 government.

36 (5) The Governor shall appoint a member who has experience  
37 in oil spill response and prevention programs.

38 (6) The Governor shall appoint a member who has been  
39 employed in the petroleum industry.

1 (7) The Governor shall appoint a member who has worked in  
2 state government.

3 (8) The Governor shall appoint a member who has demonstrable  
4 knowledge of the dry cargo vessel industry.

5 (9) *The Governor shall appoint a member who has demonstrable*  
6 *knowledge of the railroad industry.*

7 (10) *The Governor shall appoint a member who has*  
8 *demonstrable knowledge of the oil production industry.*

9 (b) The committee shall meet as often as required, but at least  
10 twice per year. Members shall be paid one hundred dollars (\$100)  
11 per day for each meeting and all necessary travel expenses at state  
12 per diem rates.

13 (c) The administrator and any personnel the administrator  
14 determines to be appropriate shall serve as staff to the committee.

15 (d) A ~~chairman chair~~ and vice ~~chairman chair~~ shall be elected  
16 by a majority vote of the committee.

17 (e) ~~This section shall become operative on January 1, 2012.~~

18 SEC. 48. *Section 8670.55 of the Government Code is amended*  
19 *to read:*

20 8670.55. (a) The committee shall provide recommendations  
21 to the administrator, the State Lands Commission, the California  
22 Coastal Commission, ~~and~~ the San Francisco Bay Conservation  
23 and Development Commission, *the Division of Oil, Gas, and*  
24 *Geothermal Resources, the Office of the State Fire Marshal, and*  
25 *the Public Utilities Commission, on any provision of this ~~chapter~~*  
26 *chapter, including the promulgation of all rules, regulations,*  
27 *guidelines, and policies.*

28 (b) The committee may, ~~at its own discretion,~~ study, comment  
29 on, or evaluate, *at its own discretion,* any aspect of oil spill  
30 prevention and response in the state. To the greatest extent possible,  
31 these studies shall be coordinated with studies being done by the  
32 federal government, the administrator, the State Lands  
33 Commission, the State Water Resources Control Board, and other  
34 appropriate state and international entities. Duplication with the  
35 efforts of other entities shall be minimized.

36 (c) The committee may attend any drills called pursuant to  
37 Section ~~8601.10~~ 8670.10 or any oil spills, if practicable.

38 (d) The committee shall report biennially to the Governor and  
39 the Legislature on its evaluation of oil spill response and  
40 preparedness programs within the state and may prepare and send

1 any additional reports it determines to be appropriate to the  
2 Governor and the Legislature.

3 ~~(e) On or before August 1, 2005, the committee shall review~~  
4 ~~the Department of Finance report required under Section 8670.42~~  
5 ~~and prepare and submit to the Governor and the Legislature~~  
6 ~~comments on the report, including, but not limited to,~~  
7 ~~recommendations for improving the state's oil spill prevention,~~  
8 ~~response, and preparedness program.~~

9 ~~(f) This section shall become operative on January 1, 2012.~~

10 *SEC. 49. Section 8670.56.5 of the Government Code is*  
11 *amended to read:*

12 8670.56.5. (a) A responsible party, as defined in Section  
13 8670.3, shall be absolutely liable without regard to fault for any  
14 damages incurred by any injured party that arise out of, or are  
15 caused by a ~~spill or inland~~ spill.

16 (b) A responsible person is not liable to an injured party under  
17 this section for any of the following:

18 (1) Damages, other than costs of removal incurred by the state  
19 or a local government, caused solely by any act of war, hostilities,  
20 civil war, or insurrection or by an unanticipated grave natural  
21 disaster or other act of God of an exceptional, inevitable, and  
22 irresistible character, ~~which~~ *that* could not have been prevented  
23 or avoided by the exercise of due care or foresight.

24 (2) Damages caused solely by the negligence or intentional  
25 malfeasance of that injured party.

26 (3) Damages caused solely by the criminal act of a third party  
27 other than the defendant or an agent or employee of the defendant.

28 (4) Natural seepage not caused by a responsible party.

29 (5) Discharge or leaking of oil or natural gas from a private  
30 pleasure boat or vessel.

31 (6) Damages that arise out of, or are caused by, a discharge that  
32 is authorized by a state or federal permit.

33 (c) The defenses provided in subdivision (b) shall not be  
34 available to a responsible person who fails to comply with Sections  
35 8670.25, 8670.25.5, 8670.27, and 8670.62.

36 (d) Upon motion and sufficient showing by a party deemed to  
37 be responsible under this section, the court shall join to the action  
38 any other party who may be responsible under this section.

39 (e) In determining whether a party is a responsible party under  
40 this section, the court shall consider the results of chemical or other

1 scientific tests conducted to determine whether oil or other  
2 substances produced, discharged, or controlled by the defendant  
3 matches the oil or other substance that caused the damage to the  
4 injured party. The defendant shall have the burden of producing  
5 the results of tests of samples of the substance that caused the  
6 injury and of substances for which the defendant is responsible,  
7 unless it is not possible to conduct the tests because of  
8 unavailability of samples to test or because the substance is not  
9 one for which reliable tests have been developed. At the request  
10 of a party, any other party shall provide samples of oil or other  
11 substances within its possession or control for testing.

12 (f) The court may award reasonable costs of the suit, attorneys'  
13 fees, and the costs of necessary expert witnesses to a prevailing  
14 plaintiff. The court may award reasonable costs of the suit and  
15 attorneys' fees to a prevailing defendant if the court finds that the  
16 plaintiff commenced or prosecuted the suit ~~under~~ *pursuant to* this  
17 section in bad faith or solely for purposes of harassing the  
18 defendant.

19 (g) This section does not prohibit a person from bringing an  
20 action for damages caused by oil or by exploration, under any  
21 other provision or principle of law, including, but not limited to,  
22 common law. However, damages shall not be awarded pursuant  
23 to this section to an injured party for loss or injury for which the  
24 party is or has been awarded damages under any other provision  
25 or principle of law. Subdivision (b) does not create a defense not  
26 otherwise available regarding an action brought under any other  
27 provision or principle of law, including, but not limited to, common  
28 law.

29 (h) Damages for which responsible parties are liable under this  
30 section include the following:

31 (1) All costs of response, containment, cleanup, removal, and  
32 treatment, including, but not limited to, monitoring and  
33 administration costs incurred pursuant to the California oil spill  
34 contingency plan or actions taken pursuant to directions by the  
35 administrator.

36 (2) Injury to, or economic losses resulting from destruction of  
37 or injury to, real or personal property, which shall be recoverable  
38 by any claimant who has an ownership or leasehold interest in  
39 property.

1 (3) Injury to, destruction of or loss of, natural resources,  
2 including, but not limited to, the reasonable costs of rehabilitating  
3 wildlife, habitat, and other resources and the reasonable costs of  
4 assessing that injury, destruction, or loss, in an action brought by  
5 the state, a county, city, or district. Damages for the loss of natural  
6 resources may be determined by any reasonable method, including,  
7 but not limited to, determination according to the costs of restoring  
8 the lost resource.

9 (4) Loss of subsistence use of natural resources, which shall be  
10 recoverable by a claimant who so uses natural resources that have  
11 been injured, destroyed, or lost.

12 (5) Loss of taxes, royalties, rents, or net profit shares caused by  
13 the injury, destruction, loss, or impairment of use of real property,  
14 personal property, or natural resources.

15 (6) Loss of profits or impairment of earning capacity due to the  
16 injury, destruction, or loss of real property, personal property, or  
17 natural resources, which shall be recoverable by any claimant who  
18 derives at least 25 percent of his or her earnings from the activities  
19 that utilize the property or natural resources, or, if those activities  
20 are seasonal in nature, 25 percent of his or her earnings during the  
21 applicable season.

22 (7) Loss of use and enjoyment of natural resources, public  
23 beaches, and other public resources or facilities, in an action  
24 brought by the state, a county, city, or district.

25 (i) Except as provided in Section 1431.2 of the Civil Code,  
26 liability under this section shall be joint and several. However, this  
27 section does not bar a cause of action that a responsible party has  
28 or would have, by reason of subrogation or otherwise, against a  
29 person.

30 (j) This section does not apply to claims for damages for  
31 personal injury or wrongful death, and does not limit the right of  
32 a person to bring an action for personal injury or wrongful death  
33 ~~under~~ pursuant to any provision or principle of law.

34 (k) Payments made by a responsible party to cover liabilities  
35 arising from a discharge of oil, whether under this division or any  
36 other provision of federal, state, or local law, shall not be charged  
37 against royalties, rents, or net profits owed to the United States,  
38 the state, or any other public entity.

39 (l) An action that a private or public individual or entity may  
40 have against a responsible party under this section may be brought

1 directly by the individual or entity or by the state on behalf of the  
2 individual or entity. However, the state shall not pursue an action  
3 on behalf of a private individual or entity that requests the state  
4 not to pursue that action.

5 (m) For the purposes of this section, “vessels” means vessels  
6 as defined in Section 21 of the Harbors and Navigation Code.

7 *SEC. 50. Section 8670.56.6 of the Government Code is*  
8 *amended to read:*

9 8670.56.6. (a) (1) Except as provided in subdivisions (b) and  
10 (d), and subject to subdivision (c), ~~no~~ a person, including, but not  
11 limited to, an oil spill cooperative, its agents, subcontractors, or  
12 employees, shall *not* be liable under this chapter or the laws of the  
13 state to any person for costs, damages, or other claims or expenses  
14 as a result of actions taken or omitted in good faith in the course  
15 of rendering care, assistance, or advice in accordance with the  
16 National Contingency Plan, the California oil spill contingency  
17 plan, or at the direction of the administrator, onsite coordinator,  
18 or the Coast Guard in response to a spill or threatened ~~spill of oil.~~  
19 *spill.*

20 (2) The qualified immunity under this section shall not apply  
21 to any oil spill response action that is inconsistent with the  
22 following:

23 (A) The directions of the unified command, consisting of at  
24 least the Coast Guard and the administrator.

25 (B) In the absence of a unified command, the directions of the  
26 administrator pursuant to Section 8670.27.

27 (C) In the absence of directions pursuant to subparagraph (A)  
28 or (B), applicable oil spill contingency plans implemented under  
29 this division.

30 (3) Nothing in this section shall, in any manner or respect, affect  
31 or impair any cause of action against or any liability of any person  
32 or persons responsible for the spill, for the discharged oil, or for  
33 the vessel, terminal, pipeline, or facility from which the oil was  
34 discharged. The responsible person or persons shall remain liable  
35 for any and all damages arising from the discharge, including  
36 damages arising from improperly carried out response efforts, as  
37 otherwise provided by law.

38 (b) Nothing in this section shall, in any manner or respect, affect  
39 or impair any cause of action against or any liability of any party  
40 or parties responsible for the spill, or the responsible party’s agents,

1 employees, or subcontractors, except persons immunized under  
2 subdivision (a) for response efforts, for the discharged oil, or for  
3 the vessel, terminal, pipeline, or ~~marine~~ facility from which the  
4 oil was discharged.

5 (c) The responsible party or parties shall be subject to both of  
6 the following:

7 (1) Notwithstanding subdivision (b) or (i) of Section 8670.56.5,  
8 or any other ~~provision of~~ law, be strictly and jointly and severally  
9 liable for all damages arising pursuant to subdivision (h) of Section  
10 8670.56.5 from the response efforts of its agents, employees,  
11 subcontractors, or an oil spill cooperative of which it is a member  
12 or with which it has a contract or other arrangement for cleanup  
13 of its oil spills, unless it would have a defense to the original spill.

14 (2) Remain strictly liable for any and all damages arising from  
15 the response efforts of a person other than a person specified in  
16 paragraph (1).

17 (d) Nothing in this section shall immunize a cooperative or any  
18 other person from liability for acts of gross negligence or willful  
19 misconduct in connection with the cleanup of a spill.

20 (e) This section does not apply to any action for personal injury  
21 or wrongful death.

22 (f) As used in this section, a “cooperative” means an  
23 organization of private persons ~~which~~ *that* is established for the  
24 primary purpose and activity of preventing or rendering care,  
25 assistance, or advice in response to a spill or threatened spill.

26 (g) Except for the responsible party, membership in a  
27 cooperative shall ~~not, in and of itself,~~ *not* be grounds, *in and of*  
28 *itself*, for liability resulting from cleanup activities of the  
29 cooperative.

30 (h) For purposes of this section, there shall be a rebuttable  
31 presumption that an act or omission described in subdivision (a)  
32 was taken in good faith.

33 (i) In any situation in which immunity is granted pursuant to  
34 subdivision (a) and a responsible party is not liable, is not liable  
35 for noneconomic damages caused by another, or is partially or  
36 totally insolvent, the fund provided for in Article 7 (commencing  
37 with Section 8670.46) ~~shall, in accordance with its terms,~~ *shall*  
38 *reimburse, in accordance with its terms,* claims of any injured  
39 party for which a person who is granted immunity pursuant to this  
40 section would otherwise be liable.

1 (j) (1) The immunity granted by this section shall only apply  
2 to response efforts that are undertaken after the administrator  
3 certifies that contracts with qualified and responsible persons are  
4 in place to ensure an adequate and expeditious response to any  
5 foreseeable oil spill that may occur in ~~marine~~ waters *of the state*  
6 for which the responsible party (A) cannot be identified or (B) is  
7 unable or unwilling to respond, contain, and clean up the oil spill  
8 in an adequate and timely manner. In negotiating these contracts,  
9 the administrator ~~shall, to the maximum extent practicable, shall~~  
10 procure, *to the maximum extent practicable*, the services of persons  
11 who are willing to respond to oil spills with no, or lesser, immunity  
12 than that conferred by this section, but, in no event, a greater  
13 immunity. The administrator shall make the certification required  
14 by this subdivision on an annual basis. Upon certification, the  
15 immunity conferred by this section shall apply to all response  
16 efforts undertaken during the calendar year to which the  
17 certification applies. In the absence of the certification required  
18 by this subdivision, the immunity conferred by this section shall  
19 not attach to any response efforts undertaken by any person in  
20 ~~marine~~ waters *of the state*.

21 (2) In addition to the authority to negotiate contracts described  
22 in paragraph (1), the administrator may also negotiate and enter  
23 into indemnification agreements with qualified and financially  
24 responsible persons to respond to oil spills that may occur in ~~marine~~  
25 waters *of the state* for which the responsible party (A) cannot be  
26 identified or (B) is unable or unwilling to respond, contain, and  
27 clean up the oil spill in an adequate and timely manner.

28 (3) The administrator may indemnify response contractors for  
29 (A) all damages payable by means of settlement or judgment that  
30 arise from response efforts to which the immunity conferred by  
31 this section would otherwise apply, and (B) reasonably related  
32 legal costs and expenses incurred by the responder, provided that  
33 indemnification shall only apply to response efforts undertaken  
34 after the expiration of any immunity that may exist as the result  
35 of the contract negotiations authorized in this subdivision. In  
36 negotiating these contracts, the administrator ~~shall, to the maximum~~  
37 ~~extent practicable, shall~~ procure, *to the maximum extent*  
38 *practicable*, the services of persons who are willing to respond to  
39 oil spills with no, or as little, right to indemnification as possible.

1 All indemnification shall be paid by the administrator from the  
2 Oil Spill Response Trust Fund.

3 (4) (A) The contracts required by this section, and any other  
4 contracts entered into by the administrator for response,  
5 containment, or cleanup of an existing spill, *or for response of an*  
6 *imminent threat of a spill*, the payment of which is to be made  
7 from the Oil Spill Response Trust Fund created pursuant to Section  
8 8670.46, ~~or for response to an imminent threat of a spill, the~~  
9 ~~payment of which is to be made out of the Oil Spill Prevention~~  
10 ~~and Administration Fund created pursuant to Section 8670.38,~~  
11 shall be exempt from Part 2 (commencing with Section 10100) of  
12 Division 2 of the Public Contract Code and Article 6 (commencing  
13 with Section 999) of Chapter 6 of Division 4 of the Military and  
14 Veterans Code.

15 (B) The exemption specified in subparagraph (A) applies only  
16 to contracts for which the services are used for a period of less  
17 than 90 days, cumulatively, per year.

18 (C) This paragraph shall not be construed as limiting the  
19 administrator's authority to exercise the emergency powers granted  
20 pursuant to subdivision (c) of Section 8670.62, including the  
21 authority to enter into emergency contracts that are exempt from  
22 approval by the Department of General Services.

23 (k) (1) With regard to a person who is regularly engaged in the  
24 business of responding to oil spills, the immunity conferred by  
25 this section shall not apply to any response efforts by that person  
26 that occur later than 60 days after the first day the person's response  
27 efforts commence.

28 (2) Notwithstanding the limitation contained in paragraph (1),  
29 ~~the administrator may, upon making all the following findings,~~  
30 *may extend, upon making all the following findings,* the period of  
31 time, not to exceed 30 days, during which the immunity conferred  
32 by this section applies to response efforts:

33 (A) Due to inadequate or incomplete containment and  
34 stabilization, there exists a substantial probability that the size of  
35 the spill will significantly expand and (i) threaten previously  
36 uncontaminated ~~marine or land~~ resources, (ii) threaten already  
37 contaminated ~~marine or land~~ resources with substantial additional  
38 contamination, or (iii) otherwise endanger the public health and  
39 safety or harm the environment.

1 (B) The remaining work is of a difficult or perilous nature that  
2 extension of the immunity is clearly in the public interest.

3 (C) No other qualified and financially responsible contractor is  
4 prepared and willing to complete the response effort in the absence  
5 of the immunity, or a lesser immunity, as negotiated by contract.

6 (3) The administrator shall provide five days' notice of his or  
7 her proposed decision to either extend, or not extend, the immunity  
8 conferred by this section. Interested parties shall be given an  
9 opportunity to present oral and written evidence at an informal  
10 hearing. In making his or her proposed decision, the administrator  
11 shall specifically seek and consider the advice of the relevant Coast  
12 Guard representative. The administrator's decision to not extend  
13 the immunity shall be announced at least 10 working days before  
14 the expiration of the immunity to provide persons an opportunity  
15 to terminate their response efforts as contemplated by paragraph  
16 (4).

17 (4) ~~No~~A person or their agents, subcontractors, or employees  
18 shall *not* incur any liability under this chapter or any other  
19 provision of law solely as a result of that person's decision to  
20 terminate their response efforts because of the expiration of the  
21 immunity conferred by this section. A person's decision to  
22 terminate response efforts because of the expiration of the  
23 immunity conferred by this section shall not in any manner impair,  
24 curtail, limit, or otherwise affect the immunity conferred on the  
25 person with regard to the person's response efforts undertaken  
26 during the period of time the immunity applied to those response  
27 efforts.

28 (5) The immunity granted under this section shall attach, without  
29 the limitation contained in this subdivision, to the response efforts  
30 of any person who is not regularly engaged in the business of  
31 responding to oil spills. A person who is not regularly engaged in  
32 the business of responding to oil spills includes, but is not limited  
33 to, (A) a person who is primarily dedicated to the preservation and  
34 rehabilitation of wildlife and (B) a person who derives his or her  
35 livelihood primarily from fishing.

36 (l) As used in this section, "response efforts" means rendering  
37 care, assistance, or advice in accordance with the National  
38 Contingency Plan, the California oil spill contingency plan, or at  
39 the direction of the administrator, ~~onsite coordinator,~~ *United States*

1 *Environmental Protection Agency*, or the Coast Guard in response  
2 to a spill or threatened spill into ~~marine~~ *waters of the state*.

3 *SEC. 51. Section 8670.61.5 of the Government Code is*  
4 *amended to read:*

5 8670.61.5. (a) For purposes of this chapter, “wildlife  
6 rehabilitation” means those actions that are necessary to fully  
7 mitigate for the damage *from a spill* caused to wildlife, fisheries,  
8 wildlife habitat, and fisheries ~~habitat, including beaches, from a~~  
9 ~~spill or inland spill.~~ *habitat.*

10 (b) Responsible parties shall fully mitigate adverse impacts to  
11 wildlife, fisheries, wildlife habitat, and fisheries habitat. Full  
12 mitigation shall be provided by successfully carrying out  
13 environmental projects or funding restoration activities required  
14 by the administrator in carrying out projects complying with the  
15 requirements of this section. Responsible parties are also liable  
16 for the costs incurred by the administrator or other government  
17 agencies in carrying out this section.

18 (c) If any significant wildlife rehabilitation is necessary, the  
19 administrator may require the responsible party to prepare and  
20 submit to the administrator, and to implement, a wildlife  
21 rehabilitation plan. The plan shall describe the actions that will be  
22 implemented to fully meet the requirements of subdivision (b),  
23 describe contingency measures that will be carried out in the event  
24 that any of the plan actions are not fully successful, provide a  
25 reasonable implementation schedule, describe the monitoring and  
26 compliance program, and provide a financing plan. The  
27 administrator shall review and determine whether to approve the  
28 plan within 60 days of submittal. Before approving a plan, the  
29 administrator shall first find that the implementation of the plan  
30 will fully mitigate the adverse impacts to wildlife, fisheries, wildlife  
31 habitat, and fisheries habitat. If the habitat contains beaches that  
32 are or were used for recreational purposes, the Department of Parks  
33 and Recreation shall review the plan and provide comments to the  
34 administrator.

35 (d) The plan shall place first priority on avoiding and minimizing  
36 any adverse impacts. For impacts that do occur, the plan shall  
37 provide for full onsite restoration of the damaged resource to the  
38 extent feasible. To the extent that full onsite restoration is not  
39 feasible, the plan shall provide for offsite in-kind mitigation to the  
40 extent feasible. To the extent that adverse impacts still have not

1 been fully mitigated, the plan shall provide for the enhancement  
2 of other similar resources to the extent necessary to meet the  
3 requirements of subdivision (b). In evaluating whether a wildlife  
4 rehabilitation plan is adequate, the administrator may use the  
5 habitat evaluation *methods or* procedures established by the United  
6 States Fish and Wildlife Service or any other reasonable methods  
7 as determined by the ~~Director of Department of Fish and Game-~~  
8 *Wildlife*.

9 (e) The administrator shall prepare regulations to implement  
10 this section. The regulations shall include deadlines for the  
11 submittal of plans. In establishing the deadlines, the administrator  
12 shall consider circumstances such as the size of the spill and the  
13 time needed to assess damage and mitigation.

14 *SEC. 52. Section 8670.62 of the Government Code is amended*  
15 *to read:*

16 8670.62. (a) Any person who discharges oil into ~~marine~~ waters  
17 *of the state*, upon order of the administrator, shall do all of the  
18 following:

19 (1) Clean up the oil.

20 (2) Abate the effects of the discharge.

21 (3) In the case of a threatened discharge, take other necessary  
22 remedial action.

23 (b) Upon failure of any person to comply with a cleanup or  
24 abatement order, the Attorney General or a district attorney, at the  
25 request of the administrator, shall petition the superior court for  
26 that county for the issuance of an injunction requiring the person  
27 to comply with the order. In any such suit, the court shall have  
28 jurisdiction to grant a prohibitory or mandatory injunction, either  
29 preliminary or permanent, as the facts may warrant.

30 (c) Consistent with the state contingency plan, the administrator  
31 may expend available money to perform any response;  
32 containment; cleanup; wildlife rehabilitation, which includes  
33 assessment of resource injuries and damages, or remedial work  
34 required pursuant to subdivision (a) ~~which~~ *that*, in the  
35 administrator's judgment, is required by the circumstances or the  
36 urgency of prompt action required to prevent pollution, nuisance,  
37 or injury to the environment of the state. The action may be taken  
38 in default of, or in addition to, remedial work by the responsible  
39 party or other persons, and regardless of whether injunctive relief  
40 is sought. The administrator may perform the work in cooperation

1 with any other governmental agency, and may use rented tools or  
2 equipment, either with *or without* operators—~~furnished or~~  
3 ~~unoperated.~~ *furnished*. Notwithstanding any other provisions of  
4 law, the administrator may enter into oral contracts for the work,  
5 and the contracts, whether written or oral, may include provisions  
6 for equipment rental and the furnishing of labor and materials  
7 necessary to accomplish the work. The contracts shall be exempt  
8 from Part 2 (commencing with Section 10100) of Division 2 of  
9 the Public Contract Code and Article 6 (commencing with Section  
10 999) of Chapter 6 of Division 4 of the Military and Veterans Code.

11 (d) If the discharge is cleaned up, or attempted to be cleaned  
12 up, the effects thereof abated, or, in the case of threatened pollution  
13 or nuisance, other necessary remedial action is taken by any  
14 governmental agency, the person or persons who discharged the  
15 waste, discharged the oil, or threatened to cause or permit the  
16 discharge of the oil within the meaning of subdivision ~~(a)~~; *(a)* shall  
17 be liable to that governmental agency for the reasonable costs  
18 actually incurred in cleaning up that waste, abating the effects  
19 thereof, or taking other remedial action. The amount of the costs  
20 shall be recoverable in a civil action by, and paid to, the applicable  
21 governmental agency and the administrator, to the extent the  
22 administrator contributed to the cleanup costs from the Oil Spill  
23 Response Trust Fund or other available funds.

24 (e) If, despite reasonable effort by the administrator to identify  
25 the party responsible for the discharge of oil or the condition of  
26 pollution or nuisance, the person is not identified at the time  
27 cleanup, abatement, or remedial work must be performed, the  
28 administrator shall not be required to issue an order under this  
29 section. The absence of a responsible party shall not in any way  
30 limit the powers of the administrator under this section.

31 (f) ~~“Threaten,” for purposes of this section,~~ *For purposes of this*  
32 *section, “threaten”* means a condition creating a substantial  
33 probability of harm, when the probability and potential extent of  
34 harm makes it reasonably necessary to take immediate action to  
35 prevent, reduce, or mitigate damages to persons, property, or  
36 natural resources.

37 *SEC. 53. Section 8670.64 of the Government Code is amended*  
38 *to read:*

39 8670.64. (a) A person who commits any of the following ~~acts,~~  
40 *acts* shall, upon conviction, be punished by imprisonment in a

1 county jail for not more than one year or by imprisonment pursuant  
2 to subdivision (h) of Section 1170 of the Penal Code:

3 (1) Except as provided in Section 8670.27, knowingly fails to  
4 follow the direction or orders of the administrator in connection  
5 with an oil spill.

6 (2) Knowingly fails to notify the Coast Guard that a vessel is  
7 disabled within one hour of the disability and the vessel, while  
8 disabled, causes a discharge of oil ~~which~~ *that* enters marine waters.  
9 For ~~the~~ purposes of this paragraph, “vessel” means a vessel, as  
10 defined in Section 21 of the Harbors and Navigation Code, of 300  
11 gross ~~registered~~ tons or more.

12 (3) Knowingly engages in or causes the discharge or spill of oil  
13 into ~~marine~~ waters *of the state*, or a person who reasonably should  
14 have known that he or she was engaging in or causing the discharge  
15 or spill of oil into ~~marine~~ waters *of the state*, unless the discharge  
16 is authorized by the United States, the state, or another agency  
17 with appropriate jurisdiction.

18 (4) Knowingly fails to begin cleanup, abatement, or removal of  
19 spilled oil as required in Section 8670.25.

20 (b) The court shall also impose upon a person convicted of  
21 violating subdivision (a), a fine of not less than five thousand  
22 dollars (\$5,000) or more than five hundred thousand dollars  
23 (\$500,000) for each violation. For purposes of this subdivision,  
24 each day or partial day that a violation occurs is a separate  
25 violation.

26 (c) (1) A person who knowingly does any of the acts specified  
27 in paragraph (2) shall, upon conviction, be punished by a fine of  
28 not less than two thousand five hundred dollars (\$2,500) or more  
29 than two hundred fifty thousand dollars (\$250,000), or by  
30 imprisonment in a county jail for not more than one year, or by  
31 both the fine and imprisonment. Each day or partial day that a  
32 violation occurs is a separate violation. If the conviction is for a  
33 second or subsequent violation of this subdivision, the person shall  
34 be punished by imprisonment pursuant to subdivision (h) of Section  
35 1170 of the Penal Code, or in a county jail for not more than one  
36 year, or by a fine of not less than five thousand dollars (\$5,000)  
37 or more than five hundred thousand dollars (\$500,000), or by both  
38 that fine and imprisonment:

39 (2) The acts subject to this subdivision are all of the following:

1 (A) Failing to notify the Office of Emergency Services in  
2 violation of Section 8670.25.5.

3 (B) Knowingly making a false or misleading ~~marine~~ oil spill  
4 report to the Office of Emergency Services.

5 (C) Continuing operations for which an oil spill contingency  
6 plan is required without an oil spill contingency plan approved  
7 pursuant to Article 5 (commencing with Section 8670.28).

8 (D) Except as provided in Section 8670.27, knowingly failing  
9 to follow the material provisions of an applicable oil spill  
10 contingency plan.

11 *SEC. 54. Section 8670.66 of the Government Code is amended*  
12 *to read:*

13 8670.66. (a) Any person who intentionally or negligently does  
14 any of the following acts shall be subject to a civil penalty for a  
15 spill of not less than fifty thousand dollars (\$50,000) or more than  
16 one million dollars (\$1,000,000), ~~or for an inland spill not to exceed~~  
17 ~~fifty thousand dollars (\$50,000)~~, for each violation, and each day  
18 or partial day that a violation occurs is a separate violation:

19 (1) Except as provided in Section 8670.27, fails to follow the  
20 direction or orders of the administrator in connection with a spill  
21 or inland spill.

22 (2) Fails to notify the Coast Guard that a vessel is disabled  
23 within one hour of the disability and the vessel, while disabled,  
24 causes a spill that enters ~~marine~~ waters *of the state*. For ~~the~~  
25 purposes of this paragraph, “vessel” means a vessel, as defined in  
26 Section 21 of the Harbors and Navigation Code, of 300 gross  
27 registered tons or more.

28 (3) Is responsible for a ~~spill or inland~~ spill, unless the discharge  
29 is authorized by the United States, the state, or other agency with  
30 appropriate jurisdiction.

31 (4) Fails to begin cleanup, abatement, or removal of oil as  
32 required in Section 8670.25.

33 (b) Except as provided in subdivision (a), any person who  
34 intentionally or negligently violates any provision of this chapter,  
35 or Division 7.8 (commencing with Section 8750) of the Public  
36 Resources Code, or any permit, rule, regulation, standard, or  
37 requirement issued or adopted pursuant to those provisions, shall  
38 be liable for a civil penalty not to exceed two hundred fifty  
39 thousand dollars (\$250,000) for each violation of a separate

1 provision, or, for continuing violations, for each day that violation  
2 continues.

3 (c) ~~No~~A person shall *not* be liable for a civil penalty imposed  
4 under this section and for a civil penalty imposed pursuant to  
5 Section 8670.67 for the same act or failure to act.

6 *SEC. 55. Section 8670.67 of the Government Code is amended*  
7 *to read:*

8 8670.67. (a) Any person who intentionally or negligently does  
9 any of the following acts shall be subject to an administrative civil  
10 penalty for a spill not to exceed two hundred thousand dollars  
11 (\$200,000), ~~or for an inland spill not to exceed fifty thousand~~  
12 ~~dollars (\$50,000)~~, for each violation as imposed by the  
13 administrator pursuant to Section 8670.68, and each day or partial  
14 day that a violation occurs is a separate violation:

15 (1) Except as provided in Section 8670.27, fails to follow the  
16 applicable contingency plans or the direction or orders of the  
17 administrator in connection with a spill or inland spill.

18 (2) Fails to notify the Coast Guard that a vessel is disabled  
19 within one hour of the disability and the vessel, while disabled,  
20 causes a discharge that enters ~~marine waters or inland waters~~ *of*  
21 *the state*. For the purposes of this paragraph, “vessel” means a  
22 vessel, as defined in Section 21 of the Harbors and Navigation  
23 Code, of 300 gross ~~registered~~ tons or more.

24 (3) Is responsible for a ~~spill or inland~~ spill, unless the discharge  
25 is authorized by the United States, the state, or other agency with  
26 appropriate jurisdiction.

27 (4) Fails to begin cleanup, abatement, or removal of spilled oil  
28 as required by Section 8670.25.

29 (b) Except as provided in subdivision (a), any person who  
30 intentionally or negligently violates any provision of this chapter,  
31 or Division 7.8 (commencing with Section 8750) of the Public  
32 Resources Code, or any permit, rule, regulation, standard, cease  
33 and desist order, or requirement issued or adopted pursuant to  
34 those provisions, shall be liable for an administrative civil penalty  
35 as imposed by the administrator pursuant to Section 8670.68, not  
36 to exceed one hundred thousand dollars (\$100,000) for each  
37 violation of a separate provision, or, for continuing violations, for  
38 each day that violation continues.

1 (c) ~~No~~A person shall *not* be liable for a civil penalty imposed  
2 under this section and for a civil penalty imposed pursuant to  
3 Section 8670.66 for the same act or failure to act.

4 *SEC. 56. Section 8670.67.5 of the Government Code is*  
5 *amended to read:*

6 8670.67.5. (a) Any person who without regard to intent or  
7 negligence causes or permits a spill ~~or inland spill~~ shall be strictly  
8 liable civilly in accordance with subdivision (b) or (c).

9 (b) A penalty may be administratively imposed by the  
10 administrator in accordance with Section 8670.68 ~~in an amount~~  
11 ~~not to exceed ten dollars (\$10) per gallon of oil released for an~~  
12 ~~inland spill, and~~ in an amount not to exceed twenty dollars (\$20)  
13 per gallon for a spill. The amount of the penalty shall be reduced  
14 for every gallon of released oil that is recovered and properly  
15 disposed of in accordance with applicable law.

16 (c) Whenever the release of oil resulted from gross negligence  
17 or reckless conduct, the administrator shall, in accordance with  
18 Section 8670.68, impose a penalty ~~in the amount of thirty dollars~~  
19 ~~(\$30) per gallon of oil released for an inland spill, and~~ in an amount  
20 not to exceed sixty dollars (\$60) *per gallon* for a spill. The amount  
21 of the penalty shall be reduced for every gallon of released oil that  
22 is recovered and properly disposed of in accordance with applicable  
23 law.

24 (d) The administrator shall adopt regulations governing the  
25 method for determining the amount of oil that is cleaned up.

26 *SEC. 57. Section 8670.69.4 of the Government Code is*  
27 *amended to read:*

28 8670.69.4. (a) When the administrator determines that any  
29 person has undertaken, or is threatening to undertake, any activity  
30 or procedure that (1) requires a permit, certificate, approval, or  
31 authorization under this chapter, without securing a permit, or (2)  
32 is inconsistent with any of the permits, certificates, rules,  
33 regulations, guidelines, or ~~authorizations~~, *authorizations* previously  
34 issued or adopted by the administrator, or (3) threatens to cause  
35 or substantially increases the risk of unauthorized discharge of oil  
36 into the ~~marine~~ waters of the state, the administrator may issue an  
37 order requiring that person to cease and desist.

38 (b) Any cease and desist order issued by the administrator may  
39 be subject to ~~such~~ *those* terms and conditions as the administrator

1 may determine are necessary to ensure compliance with this  
2 division.

3 (c) Any cease and desist order issued by the administrator shall  
4 become null and void 90 days after issuance.

5 (d) A cease and desist order issued by the administrator shall  
6 be effective upon the issuance thereof, and copies shall be served  
7 immediately by certified mail upon the person or governmental  
8 agency being charged with the actual or threatened violation.

9 (e) Any cease and desist order issued by the administrator shall  
10 be consistent with subdivision (a) of Section 8670.27.

11 *SEC. 58. Section 8670.69.7 of the Government Code is*  
12 *repealed.*

13 ~~8670.69.7. All penalties collected under this article for inland~~  
14 ~~spills shall be deposited into the Fish and Wildlife Pollution~~  
15 ~~Account in the Fish and Game Preservation Fund and be available~~  
16 ~~for expenditure in accordance with Section 12017 of the Fish and~~  
17 ~~Game Code.~~

18 *SEC. 59. Section 8670.71 of the Government Code is amended*  
19 *to read:*

20 8670.71. (a) The administrator shall fund only those projects  
21 approved by the Environmental Enhancement Committee.

22 (b) For the purposes of this article, an enhancement project is  
23 a project that acquires habitat for preservation, or improves habitat  
24 quality and ecosystem function above baseline conditions, and that  
25 meets all of the following requirements:

26 (1) Is located within or immediately adjacent to ~~California~~  
27 ~~marine waters of the state~~, as defined in ~~subdivision (i)~~ of Section  
28 8670.3.

29 (2) Has measurable outcomes within a predetermined timeframe.

30 (3) Is designed to acquire, restore, or improve habitat or restore  
31 ecosystem function, or both, to benefit fish and wildlife.

32 *SEC. 60. Section 8670.95 is added to the Government Code,*  
33 *to read:*

34 8670.95. *If any provision of this chapter or the application*  
35 *thereof to any person or circumstances is held invalid, that*  
36 *invalidity shall not affect other provisions or applications of the*  
37 *chapter that can be given effect without the invalid provision or*  
38 *application, and to this end the provisions of this chapter are*  
39 *severable.*

1     *SEC. 61. Section 449 of the Harbors and Navigation Code is*  
2 *amended to read:*

3     449. (a) The marine exchange and its officers and directors  
4 are subject to Section 5047.5 of the Corporations Code to the extent  
5 that the marine exchange meets the criteria specified in that section.

6     (b) Nothing in this section shall be deemed to include the marine  
7 exchange or its officers, directors, employees, or representatives  
8 within the meaning of “responsible party” as defined in ~~subdivision~~  
9 ~~(q)~~ of Section 8670.3 of the Government Code and subdivision  
10 (p) of Section 8750 of the Public Resources Code for the purposes  
11 of the Lempert-Keene-Seastrand Oil Spill Prevention and Response  
12 Act (Article 3.5 (commencing with Section 8574.1) of Chapter 7  
13 and Chapter 7.4 (commencing with Section 8670.1) of Division 1  
14 of Title 2 of the Government Code and Division 7.8 (commencing  
15 with Section 8750) of the Public Resources Code).

16     *SEC. 62. It is the intent of the Legislature that the*  
17 *reorganization and transfer made by Sections 63 to 127, inclusive,*  
18 *Section 181, and Sections 187 to 190, inclusive, of this act be*  
19 *carried out in a manner to preserve state primacy under the federal*  
20 *Safe Drinking Water Act and that the terms of this act shall be*  
21 *liberally construed to achieve this purpose.*

22     *SEC. 63. Section 116271 is added to the Health and Safety*  
23 *Code, to read:*

24     116271. (a) *The State Water Resources Control Board*  
25 *succeeds to and is vested with all of the authority, duties, powers,*  
26 *purposes, functions, responsibilities, and jurisdiction of the State*  
27 *Department of Public Health, its predecessors, and its director*  
28 *for purposes of all of the following:*

29     (1) *The Environmental Laboratory Accreditation Act (Article*  
30 *3 (commencing with Section 100825) of Chapter 4 of Part 1 of*  
31 *Division 101).*

32     (2) *Article 3 (commencing with Section 106875) of Chapter 4*  
33 *of Part 1.*

34     (3) *Article 1 (commencing with Section 115825) of Chapter 5*  
35 *of Part 10.*

36     (4) *This chapter and the Safe Drinking Water State Revolving*  
37 *Fund Law of 1997 (Chapter 4.5 (commencing with Section*  
38 *116760)).*

- 1 (5) Article 2 (commencing with Section 116800), Article 3  
2 (commencing with Section 116825), and Article 4 (commencing  
3 with Section 116875) of Chapter 5.
- 4 (6) Chapter 7 (commencing with Section 116975).
- 5 (7) The Safe Drinking Water, Water Quality and Supply, Flood  
6 Control, River and Coastal Protection Bond Act of 2006 (Division  
7 43 (commencing with Section 75001) of the Public Resources  
8 Code).
- 9 (8) The Water Recycling Law (Chapter 7 (commencing with  
10 Section 13500) of Division 7 of the Water Code).
- 11 (9) Chapter 7.3 (commencing with Section 13560) of Division  
12 7 of the Water Code.
- 13 (10) The California Safe Drinking Water Bond Law of 1976  
14 (Chapter 10.5 (commencing with Section 13850) of Division 7 of  
15 the Water Code).
- 16 (11) Wholesale Regional Water System Security and Reliability  
17 Act (Division 20.5 (commencing with Section 73500) of the Water  
18 Code).
- 19 (12) Water Security, Clean Drinking Water, Coastal and Beach  
20 Protection Act of 2002 (Division 26.5 (commencing with Section  
21 79500) of the Water Code).
- 22 (b) The State Water Resources Control Board shall maintain a  
23 drinking water program and carry out the duties, responsibilities,  
24 and functions described in this section. Statutory reference to  
25 “department,” “state department,” or “director” regarding a  
26 function transferred to the State Water Resources Control Board  
27 shall refer to the State Water Resources Control Board. This  
28 section does not impair the authority of a local health officer to  
29 enforce this chapter or a county’s election not to enforce this  
30 chapter, as provided in Section 116500.
- 31 (c) The State Water Resources Control Board shall succeed to  
32 the status of grantee or applicant, as appropriate, for any federal  
33 Drinking Water State Revolving Fund capitalization grants that  
34 the State Department of Public Health and any of its predecessors  
35 applied for.
- 36 (d) Regulations adopted, orders issued, and all other  
37 administrative actions taken by the State Department of Public  
38 Health, any of its predecessors, or its director, pursuant to the  
39 authorities now vested in the State Water Resources Control Board  
40 and in effect immediately preceding the operative date of this

1 *section shall remain in effect and are fully enforceable unless and*  
2 *until readopted, amended, or repealed, or until they expire by their*  
3 *own terms. Regulations in the process of adoption pursuant to the*  
4 *authorities vested in the State Water Resources Control Board*  
5 *shall continue under the authority of the State Water Resources*  
6 *Control Board unless and until the State Water Resources Control*  
7 *Board determines otherwise. Any other administrative action*  
8 *adopted, prescribed, taken, or performed by, or on behalf of, the*  
9 *State Department of Public Health, or its director, in the*  
10 *administration of a program or the performance of a duty,*  
11 *responsibility, or authorization transferred to the State Water*  
12 *Resources Control Board shall remain in effect and shall be*  
13 *deemed to be an action of the State Water Resources Control Board*  
14 *unless and until the State Water Resources Control Board*  
15 *determines otherwise.*

16 *(e) Permits, licenses, accreditations, certificates, and other*  
17 *formal approvals and authorizations issued by the State*  
18 *Department of Public Health, any of its predecessors, or its*  
19 *director pursuant to authorities vested in the State Water Resources*  
20 *Control Board pursuant to this section are not affected by the*  
21 *transfer and remain in effect, subject to all applicable laws and*  
22 *regulations, unless and until renewed, reissued, revised, amended,*  
23 *suspended, or revoked by the State Water Resources Control Board*  
24 *or its deputy director, as authorized pursuant to subdivision (k).*

25 *(f) Any action or proceeding by or against the State Department*  
26 *of Public Health, including any officer or employee of the State*  
27 *Department of Public Health named in an official capacity, or any*  
28 *of its predecessors, pertaining to matters vested in the State Water*  
29 *Resources Control Board by this section shall not abate, but shall*  
30 *continue in the name of the State Water Resources Control Board.*  
31 *The State Water Resources Control Board shall be substituted for*  
32 *the State Department of Public Health, including any officer or*  
33 *employee of the State Department of Public Health named in an*  
34 *official capacity, and any of its predecessors, by the court or*  
35 *agency where the action or proceeding is pending. The substitution*  
36 *shall not in any way affect the rights of the parties to the action*  
37 *or proceeding.*

38 *(g) On and after the operative date of this section, the*  
39 *unexpended balance of all funds available for use by the State*  
40 *Department of Public Health or any of its predecessors in carrying*

1 out any functions transferred to the State Water Resources Control  
2 Board are available for use by the State Water Resources Control  
3 Board.

4 (h) Books, documents, data, records, and property of the State  
5 Department of Public Health pertaining to functions transferred  
6 to the State Water Resources Control Board shall be transferred  
7 to the State Water Resources Control Board. This subdivision does  
8 not transfer any part of property commonly known as the Richmond  
9 Campus that is owned by the State Public Works Board.

10 (i) A contract, lease, license, or any other agreement, including  
11 local primacy agreements, as described in Section 116330, to  
12 which the State Department of Public Health, any of its  
13 predecessors, its director, or their agents, is a party, are not void  
14 or voidable by reason of this section, but shall continue in full  
15 force and effect, with the State Water Resources Control Board  
16 assuming all of the rights, obligations, liabilities, and duties of the  
17 State Department of Public Health and any of its predecessors as  
18 it relates to the duties, powers, purposes, responsibilities, and  
19 jurisdiction vested in the State Water Resources Control Board  
20 pursuant to this section. This assumption does not affect the rights  
21 of the parties to the contract, lease, license, or agreement.

22 (j) If the Department of Water Resources entered into  
23 agreements on behalf of the State Department of Public Health or  
24 its predecessor, the State Department of Health Services, pursuant  
25 to Chapter 4.5 (commencing with Section 116760), the State Water  
26 Resources Control Board shall also succeed the Department of  
27 Water Resources as a party to those agreements and to all related  
28 security instruments, including, but not limited to, fiscal services  
29 agreements, deeds of trust, guarantees, letters of credit, and deposit  
30 control agreements.

31 (k) (1) The State Water Resources Control Board shall appoint  
32 a deputy director who reports to the executive director to oversee  
33 the issuance and enforcement of public water system permits and  
34 other duties as appropriate. The deputy director shall have public  
35 health expertise.

36 (2) The deputy director is delegated the State Water Resources  
37 Control Board's authority to provide notice, approve notice  
38 content, approve emergency notification plans, and take other  
39 action pursuant to Article 5 (commencing with Section 116450),  
40 to issue, renew, reissue, revise, amend, or deny any public water

1 system permits pursuant to Article 7 (commencing with Section  
2 116525), to suspend or revoke any public water system permit  
3 pursuant to Article 8 (commencing with Section 116625), and to  
4 issue citations, assess penalties, or issue orders pursuant to Article  
5 9 (commencing with Section 116650). Decisions and actions of  
6 the deputy director taken pursuant to Article 5 (commencing with  
7 Section 116450) or Article 7 (commencing with Section 116525)  
8 are deemed decisions and actions taken, but are not subject to  
9 reconsideration, by the State Water Resources Control Board.  
10 Decisions and actions of the deputy director taken pursuant to  
11 Article 8 (commencing with Section 116625) and Article 9  
12 (commencing with Section 116650) are deemed decisions and  
13 actions taken by the State Water Resources Control Board, but  
14 any aggrieved person may petition the State Water Resources  
15 Control Board for reconsideration of the decision or action. This  
16 subdivision is not a limitation on the State Water Resources Control  
17 Board's authority to delegate any other powers and duties.

18 (3) The State Water Resources Control Board shall not delegate  
19 any authority, duty, power, purpose, function, or responsibility  
20 specified in this section, including, but not limited to, issuance and  
21 enforcement of public water system permits, to the regional water  
22 quality control boards.

23 (l) This section shall become operative on July 1, 2014.

24 SEC. 64. Section 116760.10 of the Health and Safety Code is  
25 amended to read:

26 116760.10. The Legislature hereby finds and declares all of  
27 the following:

28 (a) The department has discovered toxic contaminants and new  
29 pathogenic organisms, including cryptosporidium, in many of  
30 California's public drinking water systems.

31 (b) Many of the contaminants in California's drinking water  
32 supplies are known to cause, or are suspected of causing, cancer,  
33 birth defects, and other serious illnesses.

34 (c) It is unlikely that the contamination problems of small public  
35 water systems can be solved without financial assistance from the  
36 state.

37 (d) The protection of the health, safety, and welfare of the people  
38 of California requires that the water supplied for domestic purposes  
39 be at all times pure, wholesome, and potable. It is in the interest  
40 of the people that the ~~state~~ State of California provide technical

1 and financial assistance to ensure a safe, dependable, and potable  
2 supply of water for domestic purposes and that water is available  
3 in adequate quantity at sufficient pressure for health, cleanliness,  
4 and other domestic purposes.

5 (e) It is the intent of the Legislature to provide for the upgrading  
6 of existing public water supply systems to ensure that all domestic  
7 water supplies meet safe drinking water standards and other  
8 requirements established under Chapter 4 (commencing with  
9 Section 116270).

10 (f) (1) The extent of the current risk to public health from  
11 contamination in drinking water creates a compelling need to  
12 upgrade existing public water systems. The demand for financial  
13 assistance to enable public water systems to meet drinking water  
14 standards and regulations exceeds funds available from the Safe  
15 Drinking Water State Revolving Fund.

16 (2) A project whose primary purpose is to supply or attract  
17 growth shall not be eligible to receive assistance from the Safe  
18 Drinking Water State Revolving Fund.

19 (3) A project whose primary purpose is to enable a public water  
20 system to improve public health protection by complying with  
21 drinking water standards and regulations and that also includes  
22 components to accommodate a reasonable amount of growth over  
23 its useful life shall be eligible for assistance from the Safe Drinking  
24 Water State Revolving Fund, but the project shall receive priority  
25 based on the component to meet drinking water standards pursuant  
26 to Section 116760.70. The department shall expressly consider the  
27 effort of the applicant to secure funds other than those available  
28 from the Safe Drinking Water State Revolving Fund in establishing  
29 the priority listing for funding pursuant to Article 4 (commencing  
30 with Section 116760.50).

31 (4) After projects have been prioritized for funding into priority  
32 list categories pursuant to the requirements of Section 116760.70,  
33 within each category, projects that do not include a component of  
34 growth, shall receive priority for funding over projects that have  
35 a component to accommodate a reasonable amount of growth.

36 (g) The Legislature further finds and declares that regional  
37 solutions to water contamination problems are often more effective,  
38 efficient, and economical than solutions designed to address solely  
39 the problems of a single small public water system, and it is in the  
40 interest of the people of the State of California to encourage the

1 consolidation of the management and the facilities of small water  
2 systems to enable those systems to better address their water  
3 contamination problems.

4 (h) The protection of drinking water sources is essential to  
5 ensuring that the people of California are provided with pure,  
6 wholesome, and potable drinking water.

7 (i) That coordination among local, state, and federal public  
8 health and environmental management programs be undertaken  
9 to ensure that sources of drinking water are protected while  
10 avoiding duplication of effort and reducing program costs.

11 (j) It is necessary that a source water protection program be  
12 implemented for the purposes of delineating, assessing, and  
13 protecting drinking water sources throughout the state and that  
14 federal funds be utilized pursuant to the federal Safe Drinking  
15 Water Act (42 U.S.C. Sec. 300j et seq.) to carry out that program.

16 (k) It is in the interest of the people of the state to provide funds  
17 for a perpetual Safe Drinking Water State Revolving Fund that  
18 may be combined with similar federal funding to the extent the  
19 funding is authorized pursuant to the federal Safe Drinking Water  
20 Act (42 U.S.C. Sec. 300j et seq.).

21 (l) This chapter shall govern implementation of the Safe  
22 Drinking Water State Revolving Fund, and shall be implemented  
23 in a manner that is consistent with the federal Safe Drinking Water  
24 Act, and, to the extent authorized under the federal act, in a manner  
25 that is consistent with the California Safe Drinking Water Act,  
26 Chapter 4 (commencing with Section 116275).

27 (m) *This section shall become inoperative on July 1, 2014, and,*  
28 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
29 *that becomes operative on or before January 1, 2015, deletes or*  
30 *extends the dates on which it becomes inoperative and is repealed.*

31 SEC. 65. Section 116760.10 is added to the Health and Safety  
32 Code, to read:

33 116760.10. (a) *Because the federal Safe Drinking Water Act*  
34 *(42 U.S.C. Sec. 300j et seq.) provides for establishment of a*  
35 *perpetual drinking water revolving fund, which will be partially*  
36 *capitalized by federal contributions, it is in the interest of the*  
37 *people of the state, in order to ensure full participation by the state*  
38 *under the federal Safe Drinking Water Act, to enact this chapter*  
39 *to authorize the state to establish and implement a state drinking*  
40 *water revolving fund that will meet federal conditions for receipt*

1 of federal funds. The primary purpose of this chapter is to enable  
2 receipt of funds under the federal Safe Drinking Water Act. It is  
3 the intent of the Legislature that the terms of this chapter shall be  
4 liberally construed to achieve this purpose.

5 (b) Toxic contaminants and new pathogenic organisms,  
6 including cryptosporidium, have been discovered in many of  
7 California's public drinking water systems.

8 (c) Many of the contaminants in California's drinking water  
9 supplies are known to cause, or are suspected of causing, cancer,  
10 birth defects, and other serious illnesses.

11 (d) It is unlikely that the contamination problems of small public  
12 water systems can be solved without financial assistance from the  
13 state.

14 (e) The protection of the health, safety, and welfare of the people  
15 of California requires that the water supplied for domestic  
16 purposes be at all times pure, wholesome, and potable. It is in the  
17 interest of the people that the State of California provide technical  
18 and financial assistance to ensure a safe, dependable, and potable  
19 supply of water for domestic purposes and that water is available  
20 in adequate quantity at sufficient pressure for health, cleanliness,  
21 and other domestic purposes.

22 (f) It is the intent of the Legislature to provide for the upgrading  
23 of existing public water supply systems to ensure that all domestic  
24 water supplies meet safe drinking water standards and other  
25 requirements established under Chapter 4 (commencing with  
26 Section 116270).

27 (g) The extent of the current risk to public health from  
28 contamination in drinking water creates a compelling need to  
29 upgrade existing public water systems. The demand for financial  
30 assistance to enable public water systems to meet drinking water  
31 standards and regulations exceeds funds available from the Safe  
32 Drinking Water State Revolving Fund.

33 (h) The Legislature further finds and declares that regional  
34 solutions to water contamination problems are often more effective,  
35 efficient, and economical than solutions designed to address solely  
36 the problems of a single small public water system, and it is in the  
37 interest of the people of the State of California to encourage the  
38 consolidation of the management and the facilities of small water  
39 systems to enable those systems to better address their water  
40 contamination problems.

1 (i) *The protection of drinking water sources is essential to*  
2 *ensuring that the people of California are provided with pure,*  
3 *wholesome, and potable drinking water.*

4 (j) *That coordination among local, state, and federal public*  
5 *health and environmental management programs be undertaken*  
6 *to ensure that sources of drinking water are protected while*  
7 *avoiding duplication of effort and reducing program costs.*

8 (k) *It is necessary that a source water protection program be*  
9 *implemented for the purposes of delineating, assessing, and*  
10 *protecting drinking water sources throughout the state and that*  
11 *federal funds be utilized pursuant to the federal Safe Drinking*  
12 *Water Act to carry out that program.*

13 (l) *It is in the interest of the people of the state to provide funds*  
14 *for a perpetual Safe Drinking Water State Revolving Fund that*  
15 *may be combined with similar federal funding to the extent the*  
16 *funding is authorized pursuant to the federal Safe Drinking Water*  
17 *Act.*

18 (m) *This chapter shall govern implementation of the Safe*  
19 *Drinking Water State Revolving Fund, and shall be implemented*  
20 *in a manner that is consistent with the federal Safe Drinking Water*  
21 *Act, and, to the extent authorized under the federal act, in a manner*  
22 *that is consistent with the California Safe Drinking Water Act,*  
23 *Chapter 4 (commencing with Section 116270).*

24 (n) *This section shall become operative on July 1, 2014.*

25 SEC. 66. *Section 116760.20 of the Health and Safety Code is*  
26 *amended to read:*

27 116760.20. (a) *Unless the context otherwise requires, the*  
28 *following definitions govern the construction of this chapter:*

29 (a)

30 (1) *“Acceptable result” means the project that, when constructed,*  
31 *solves the problem for which the project was placed on the project*  
32 *priority list established pursuant to Section 116760.70, ensures the*  
33 *owner and operator of the improved or restructured public water*  
34 *system shall have long-term technical, managerial, and financial*  
35 *capacity to operate and maintain the public water system in*  
36 *compliance with state and federal safe drinking water standards,*  
37 *can provide a dependable source of safe drinking water long-term,*  
38 *and is both short-term and long-term affordable, as determined by*  
39 *applicable regulations adopted by the department.*

40 (b)

- 1 (2) “Cost-effective project” means a project that achieves an  
2 acceptable result at the most reasonable cost.  
3 ~~(e)~~
- 4 (3) “Department” means the State Department of Public Health.  
5 ~~(d)~~
- 6 (4) “Disadvantaged community” means a community that meets  
7 the definition provided in Section 116275.  
8 ~~(e)~~
- 9 (5) “Federal Safe Drinking Water Act” or “federal act” means  
10 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)  
11 and acts amendatory thereof or supplemental thereto.  
12 ~~(f)~~
- 13 (6) “Fund” means the Safe Drinking Water State Revolving  
14 Fund created by Section 116760.30.  
15 ~~(g)~~
- 16 (7) “Funding” means a loan or grant, or both, awarded under  
17 this chapter.  
18 ~~(h)~~
- 19 (8) “Matching funds” means state money that equals that  
20 percentage of federal contributions required by the federal act to  
21 be matched with state funds.  
22 ~~(i)~~
- 23 (9) “Project” means proposed facilities for the construction,  
24 improvement, or rehabilitation of a public water system, and may  
25 include all items set forth in Section 116761 as necessary to carry  
26 out the purposes of this chapter. It also may include refinancing  
27 loans, annexation or consolidation of water systems, source water  
28 assessments, source water protection, and other activities specified  
29 under the federal act.  
30 ~~(j)~~
- 31 (10) “Public agency” means any city, county, city and county,  
32 whether general law or chartered, district, joint powers authority,  
33 or other political subdivision of the state, that owns or operates a  
34 public water system.  
35 ~~(k)~~
- 36 (11) “Public water system” or “public water supply system”  
37 means a system for the provision to the public of water for human  
38 consumption, as defined in Chapter 4 (commencing with Section  
39 116270), as it may be amended from time to time.  
40 ~~(l)~~

1 (12) “Reasonable amount of growth” means an increase in  
2 growth not to exceed 10 percent of the design capacity needed,  
3 based on peak flow, to serve the water and fire flow demand in  
4 existence at the time plans and specifications for the project are  
5 approved by the department, over the 20-year useful life of a  
6 project. For projects other than the construction of treatment plants  
7 including, but not limited to, storage facilities, pipes, pumps, and  
8 similar equipment, where the 10-percent allowable growth cannot  
9 be adhered to due to the sizes of equipment or materials available,  
10 the project shall be limited to the next available larger size.

11 ~~(m)~~  
12 (13) “Safe drinking water standards” means those standards  
13 established pursuant to Chapter 4 (commencing with Section  
14 116270), as they may now or hereafter be amended.

15 ~~(n)~~  
16 (14) “Severely disadvantaged community” means a community  
17 with a median household income of less than 60 percent of the  
18 statewide average.

19 ~~(o)~~  
20 (15) “Supplier” means any person, partnership, corporation,  
21 association, public agency, or other entity that owns or operates a  
22 public water system.

23 (b) *This section shall become inoperative on July 1, 2014, and,*  
24 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
25 *that becomes operative on or before January 1, 2015, deletes or*  
26 *extends the dates on which it becomes inoperative and is repealed.*

27 SEC. 67. Section 116760.20 is added to the Health and Safety  
28 Code, to read:

29 116760.20. (a) *Unless the context otherwise requires, the*  
30 *following definitions govern the construction of this chapter:*

31 (1) “Acceptable result” means the project that, when  
32 constructed, solves the problem for which the project was placed  
33 on the project priority list established pursuant to Section  
34 116760.70, ensures the owner and operator of the improved or  
35 restructured public water system shall have long-term technical,  
36 managerial, and financial capacity to operate and maintain the  
37 public water system in compliance with state and federal safe  
38 drinking water standards, can provide a dependable source of safe  
39 drinking water long-term, and is both short-term and long-term

1 *affordable, as determined by applicable regulations adopted by*  
2 *the board.*

3 (2) *“Board” means the State Water Resources Control Board.*

4 (3) *“Cost-effective project” means a project that achieves an*  
5 *acceptable result at the most reasonable cost.*

6 (4) *“Disadvantaged community” means a community that meets*  
7 *the definition provided in Section 116275.*

8 (5) *“Federal Safe Drinking Water Act” or “federal act” means*  
9 *the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)*  
10 *and acts amendatory thereof or supplemental thereto.*

11 (6) *“Fund” means the Safe Drinking Water State Revolving*  
12 *Fund created by Section 116760.30.*

13 (7) *“Funding” means a loan or grant, or both, awarded under*  
14 *this chapter.*

15 (8) *“Matching funds” means state money that equals that*  
16 *percentage of federal contributions required by the federal act to*  
17 *be matched with state funds.*

18 (9) *“Project” means proposed facilities for the construction,*  
19 *improvement, or rehabilitation of a public water system, and may*  
20 *include all items set forth in Section 116761 as necessary to carry*  
21 *out the purposes of this chapter. It also may include refinancing*  
22 *loans, annexation or consolidation of water systems, source water*  
23 *assessments, source water protection, and other activities specified*  
24 *under the federal act.*

25 (10) *“Public agency” means any city, county, city and county,*  
26 *whether general law or chartered, district, joint powers authority,*  
27 *or other political subdivision of the state, that owns or operates a*  
28 *public water system.*

29 (11) *“Public water system” or “public water supply system”*  
30 *means a system for the provision to the public of water for human*  
31 *consumption, as defined in Chapter 4 (commencing with Section*  
32 *116270), as it may be amended from time to time.*

33 (12) *“Reasonable amount of growth” means an increase in*  
34 *growth not to exceed 10 percent of the design capacity needed,*  
35 *based on peak flow, to serve the water and fire flow demand in*  
36 *existence at the time plans and specifications for the project are*  
37 *approved by the board, over the 20-year useful life of a project.*  
38 *For projects other than the construction of treatment plants*  
39 *including, but not limited to, storage facilities, pipes, pumps, and*  
40 *similar equipment, where the 10-percent allowable growth cannot*

1 *be adhered to due to the sizes of equipment or materials available,*  
2 *the project shall be limited to the next available larger size.*

3 (13) *“Safe drinking water standards” means those standards*  
4 *established pursuant to Chapter 4 (commencing with Section*  
5 *116270), as they may now or hereafter be amended.*

6 (14) *“Severely disadvantaged community” means a community*  
7 *with a median household income of less than 60 percent of the*  
8 *statewide average.*

9 (15) *“Small community water system” has the meaning set forth*  
10 *in Section 116275.*

11 (16) *“Supplier” means any person, partnership, corporation,*  
12 *association, public agency, or other entity that owns or operates*  
13 *a public water system.*

14 (b) *This section shall become operative on July 1, 2014, and is*  
15 *repealed as of January 1 of the next calendar year occurring after*  
16 *the board provides notice to the Legislature and the Secretary of*  
17 *State and posts notice on its Internet Web site that the board has*  
18 *adopted a policy handbook pursuant to Section 116760.43.*

19 SEC. 68. *Section 116760.20 is added to the Health and Safety*  
20 *Code, to read:*

21 116760.20. (a) *Unless the context otherwise requires, the*  
22 *following definitions govern the construction of this chapter:*

23 (1) *“Acceptable result” means the project that, when*  
24 *constructed, solves the problem for which the project was placed*  
25 *on the project priority list, ensures the owner and operator of the*  
26 *improved or restructured public water system shall have long-term*  
27 *technical, managerial, and financial capacity to operate and*  
28 *maintain the public water system in compliance with state and*  
29 *federal safe drinking water standards, can provide a dependable*  
30 *source of safe drinking water long-term, and is both short-term*  
31 *and long-term affordable, as determined by the board.*

32 (2) *“Board” means the State Water Resources Control Board.*

33 (3) *“Cost-effective” means achieves an acceptable result at the*  
34 *most reasonable cost.*

35 (4) *“Disadvantaged community” means a community that meets*  
36 *the definition provided in Section 116275.*

37 (5) *“Federal Safe Drinking Water Act” or “federal act” means*  
38 *the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)*  
39 *and acts amendatory thereof or supplemental thereto.*

1 (6) “Fund” means the Safe Drinking Water State Revolving  
2 Fund created by Section 116760.30.

3 (7) “Financing” means financial assistance awarded under this  
4 chapter, including loans, refinancing, installment sales agreements,  
5 purchase of debt, loan guarantees for municipal revolving funds,  
6 and grants.

7 (8) “Matching funds” means state money that equals that  
8 percentage of federal contributions required by the federal act to  
9 be matched with state funds.

10 (9) “Project” means cost-effective facilities for the construction,  
11 improvement, or rehabilitation of a public water system. It also  
12 may include the planning and design of the facilities, annexation  
13 or consolidation of water systems, source water assessments,  
14 source water protection, and other activities specified under the  
15 federal act.

16 (10) “Public agency” means any city, county, city and county,  
17 whether general law or chartered, district, joint powers authority,  
18 or other political subdivision of the state, that owns or operates a  
19 public water system.

20 (11) “Public water system” or “public water supply system”  
21 means a system for the provision to the public of water for human  
22 consumption, as defined in Chapter 4 (commencing with Section  
23 116270).

24 (12) “Safe drinking water standards” means those standards  
25 established pursuant to Chapter 4 (commencing with Section  
26 116270), as they may now or hereafter be amended.

27 (13) “Severely disadvantaged community” means a community  
28 with a median household income of less than 60 percent of the  
29 statewide average.

30 (14) “Small community water system” has the meaning set forth  
31 in Section 116275.

32 (15) “Supplier” means any person, partnership, corporation,  
33 association, public agency, or other entity that owns or operates  
34 a public water system.

35 (b) This section shall become operative on January 1 of the next  
36 calendar year occurring after the board provides notice to the  
37 Legislature and the Secretary of State and posts notice on its  
38 Internet Web site that the board has adopted a policy handbook  
39 pursuant to Section 116760.43.

1     *SEC. 69. Section 116760.30 of the Health and Safety Code is*  
2     *amended to read:*

3     116760.30. (a) There is hereby created in the State Treasury  
4     the Safe Drinking Water State Revolving Fund for the purpose of  
5     implementing this chapter, and, notwithstanding Section 13340 of  
6     the Government Code, the fund is hereby continuously  
7     appropriated, without regard to fiscal years, to the department to  
8     provide, from moneys available for this purpose, grants or  
9     revolving fund loans for the design and construction of projects  
10    for public water systems that will enable suppliers to meet safe  
11    drinking water standards. The department shall be responsible for  
12    administering the fund.

13    (b) Notwithstanding Section 10231.5 of the Government Code,  
14    the department shall report at least once every two years to the  
15    policy and budget committees of the Legislature on the  
16    implementation of this chapter and expenditures from the fund.  
17    The report shall describe the numbers and types of projects funded,  
18    the reduction in risks to public health from contaminants in  
19    drinking water provided through the funding of the projects, and  
20    the criteria used by the department to determine funding priorities.  
21    Commencing with reports submitted on or after January 1, 2013,  
22    the report shall include the results of the United States  
23    Environmental Protection Agency's most recent survey of the  
24    infrastructure needs of California's public water systems, the  
25    amount of money available through the fund to finance those needs,  
26    the total dollar amount of all funding agreements executed pursuant  
27    to this chapter since the date of the previous report, the fund  
28    utilization rate, the amount of unliquidated obligations, and the  
29    total dollar amount paid to funding recipients since the previous  
30    report.

31    (c) Notwithstanding any other law, the Controller may use the  
32    moneys in the Safe Drinking Water State Revolving Fund for loans  
33    to the General Fund as provided in Sections 16310 and 16381 of  
34    the Government Code. However, interest shall be paid on all  
35    moneys loaned to the General Fund from the Safe Drinking Water  
36    State Revolving Fund. Interest payable shall be computed at a rate  
37    determined by the Pooled Money Investment Board to be the  
38    current earning rate of the fund from which loaned. This  
39    subdivision does not authorize any transfer that will interfere with

1 the carrying out of the object for which the Safe Drinking Water  
2 State Revolving Fund was created.

3 *(d) This section shall become inoperative on July 1, 2014, and,*  
4 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
5 *that becomes operative on or before January 1, 2015, deletes or*  
6 *extends the dates on which it becomes inoperative and is repealed.*

7 SEC. 70. Section 116760.30 is added to the Health and Safety  
8 Code, to read:

9 116760.30. *(a) There is hereby created in the State Treasury*  
10 *the Safe Drinking Water State Revolving Fund for the purpose of*  
11 *implementing this chapter; and, notwithstanding Section 13340 of*  
12 *the Government Code, moneys in the fund are hereby continuously*  
13 *appropriated, without regard to fiscal years, to the board for*  
14 *expenditure in accordance with this chapter.*

15 *(b) Notwithstanding Section 10231.5 of the Government Code,*  
16 *the board shall, at least once every two years, post information*  
17 *on its Internet Web site and send a link of the Internet Web site to*  
18 *the policy and budget committees of the Legislature regarding the*  
19 *implementation of this chapter and expenditures from the fund.*  
20 *The information posted on the board's Internet Web site shall*  
21 *describe the numbers and types of projects funded, the reduction*  
22 *in risks to public health from contaminants in drinking water*  
23 *provided through the funding of the projects, and the criteria used*  
24 *by the board to determine funding priorities. The Internet Web site*  
25 *posting shall include the results of the United States Environmental*  
26 *Protection Agency's most recent survey of the infrastructure needs*  
27 *of California's public water systems, the amount of money*  
28 *available through the fund to finance those needs, the total dollar*  
29 *amount of all funding agreements executed pursuant to this chapter*  
30 *since the date of the previous report or Internet Web site post, the*  
31 *fund utilization rate, the amount of unliquidated obligations, and*  
32 *the total dollar amount paid to funding recipients since the previous*  
33 *report or Internet Web site post.*

34 *(c) This section shall become operative on July 1, 2014.*

35 SEC. 71. Section 116760.39 of the Health and Safety Code is  
36 amended to read:

37 116760.39. *(a) In addition to the actions described in Section*  
38 *116760.40, the department may, to implement the Safe Drinking*  
39 *Water State Revolving Fund, improve access to financial assistance*  
40 *for small community water systems and not-for-profit nontransient*

1 noncommunity water systems serving severely disadvantaged  
2 communities by doing both of the following:

3 (a)

4 (1) Working to establish a payment process pursuant to which  
5 the recipient of financial assistance would receive funds within 30  
6 days of the date on which the department receives a complete  
7 project payment request, unless the department, within that 30-day  
8 period, determines that the project payment would not be in  
9 accordance with the terms of the program guidelines.

10 (b)

11 (2) Investigating the use of wire transfers or other appropriate  
12 payment procedures to expedite project payments.

13 (b) *This section shall become inoperative on July 1, 2014, and,*  
14 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
15 *that becomes operative on or before January 1, 2015, deletes or*  
16 *extends the dates on which it becomes inoperative and is repealed.*

17 SEC. 72. *Section 116760.39 is added to the Health and Safety*  
18 *Code, to read:*

19 116760.39. (a) *In addition to the actions described in Section*  
20 *116760.40, the board may, to implement the Safe Drinking Water*  
21 *State Revolving Fund, improve access to financial assistance for*  
22 *small community water systems and not-for-profit nontransient*  
23 *noncommunity water systems serving severely disadvantaged*  
24 *communities by doing both of the following:*

25 (1) *Working to establish a payment process pursuant to which*  
26 *the recipient of financial assistance would receive funds within 30*  
27 *days of the date on which the board receives a complete project*  
28 *payment request, unless the board, within that 30-day period,*  
29 *determines that the project payment would not be in accordance*  
30 *with the terms of the program guidelines.*

31 (2) *Investigating the use of wire transfers or other appropriate*  
32 *payment procedures to expedite project payments.*

33 (b) *This section shall become operative on July 1, 2014.*

34 SEC. 73. *Section 116760.40 of the Health and Safety Code is*  
35 *amended to read:*

36 116760.40. (a) *The department may undertake any of the*  
37 *following actions to implement the Safe Drinking Water State*  
38 *Revolving Fund:*

39 (a)

- 1 (1) Enter into agreements with the federal government for  
2 federal contributions to the fund.
- 3 ~~(b)~~
- 4 (2) Accept federal contributions to the fund.
- 5 ~~(c)~~
- 6 (3) Use moneys in the fund for the purposes permitted by the  
7 federal act.
- 8 ~~(d)~~
- 9 (4) Provide for the deposit of matching funds and other available  
10 and necessary moneys into the fund.
- 11 ~~(e)~~
- 12 (5) Make requests, on behalf of the state, for deposit into the  
13 fund of available federal moneys under the federal act.
- 14 ~~(f)~~
- 15 (6) Determine, on behalf of the state, that public water systems  
16 that receive financial assistance from the fund will meet the  
17 requirements of, and otherwise be treated as required by, the federal  
18 act.
- 19 ~~(g)~~
- 20 (7) Provide for appropriate audit, accounting, and fiscal  
21 management services, plans, and reports relative to the fund.
- 22 ~~(h)~~
- 23 (8) Take additional incidental action as may be appropriate for  
24 adequate administration and operation of the fund.
- 25 ~~(i)~~
- 26 (9) Enter into an agreement with, and accept matching funds  
27 from, a public water system. A public water system that seeks to  
28 enter into an agreement with the department and provide matching  
29 funds pursuant to this subdivision shall provide to the department  
30 evidence of the availability of those funds in the form of a written  
31 resolution, or equivalent document, from the public water system  
32 before it requests a preliminary loan commitment.
- 33 ~~(j)~~
- 34 (10) Charge public water systems that elect to provide matching  
35 funds a fee to cover the actual cost of obtaining the federal funds  
36 pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec.  
37 300j-12) and to process the loan application. The fee shall be  
38 waived by the department if sufficient funds to cover those costs  
39 are available from other sources.
- 40 ~~(k)~~

1 (11) Use money returned to the fund under Section 116761.85  
2 and any other source of matching funds, if not prohibited by statute,  
3 as matching funds for the federal administrative allowance under  
4 Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).

5 ~~(t)~~

6 (12) Establish separate accounts or subaccounts as required or  
7 allowed in the federal act and related guidance, for funds to be  
8 used for administration of the fund and other purposes. Within the  
9 fund the department shall establish the following accounts,  
10 including, but not limited to:

11 ~~(1)~~

12 (A) A fund administration account for state expenses related to  
13 administration of the fund pursuant to Section 1452(g)(2) of the  
14 federal act.

15 ~~(2)~~

16 (B) A water system reliability account for department expenses  
17 pursuant to Section 1452(g)(2)(A), (B), (C), or (D) of the federal  
18 act.

19 ~~(3)~~

20 (C) A source protection account for state expenses pursuant to  
21 Section 1452(k) of the federal act.

22 ~~(4)~~

23 (D) A small system technical assistance account for department  
24 expenses pursuant to Section 1452(g)(2) of the federal act.

25 ~~(5)~~

26 (E) A state revolving loan account pursuant to Section  
27 1452(a)(2) of the federal act.

28 ~~(6)~~

29 (F) A wellhead protection account established pursuant to  
30 Section 1452(a)(2) of the federal act.

31 ~~(m)~~

32 (13) Deposit federal funds for administration and other purposes  
33 into separate accounts or subaccounts as allowed by the federal  
34 act.

35 ~~(n)~~

36 (14) Determine, on behalf of the state, whether sufficient  
37 progress is being made toward compliance with the enforceable  
38 deadlines, goals, and requirements of the federal act and the  
39 California Safe Drinking Water Act, Chapter 4 (commencing with  
40 Section 116270).

1     ~~(o)~~

2     (15) To the extent permitted under federal law, including, but  
3 not limited to, Section 1452(a)(2) and (f)(4) of the federal Safe  
4 Drinking Water Act (42 U.S.C. Sec. 300j-12(a)(2) and (f)(4)), use  
5 any and all amounts deposited in the fund, including, but not  
6 limited to, loan repayments and interest earned on the loans, as a  
7 source of reserve and security for the payment of principal and  
8 interest on revenue bonds, the proceeds of which are deposited in  
9 the fund.

10    ~~(p)~~

11    (16) Request the Infrastructure and Economic Development  
12 Bank (I-Bank), established under Chapter 2 (commencing with  
13 Section 63021) of Division 1 of Title 6.7 of the Government Code,  
14 to issue revenue bonds, enter into agreements with the I-Bank, and  
15 take all other actions necessary or convenient for the issuance and  
16 sale of revenue bonds pursuant to Article 6.3 (commencing with  
17 Section 63048.55) of Chapter 2 of Division 1 of Title 6.7 of the  
18 Government Code. The purpose of the bonds is to augment the  
19 fund.

20    ***(b) This section shall become inoperative on July 1, 2014, and,***  
21 ***as of January 1, 2015, is repealed, unless a later enacted statute,***  
22 ***that becomes operative on or before January 1, 2015, deletes or***  
23 ***extends the dates on which it becomes inoperative and is repealed.***

24    **SEC. 74. Section 116760.40 is added to the Health and Safety**  
25 **Code, to read:**

26    **116760.40. (a) The board may undertake any of the following**  
27 **actions to implement the Safe Drinking Water State Revolving**  
28 **Fund:**

29    ***(1) Enter into agreements with the federal government for***  
30 ***federal contributions to the fund.***

31    ***(2) Accept federal contributions to the fund.***

32    ***(3) Use moneys in the fund for the purposes permitted by the***  
33 ***federal act.***

34    ***(4) Provide for the deposit of matching funds and other available***  
35 ***and necessary moneys into the fund.***

36    ***(5) Make requests, on behalf of the state, for deposit into the***  
37 ***fund of available federal moneys under the federal act.***

38    ***(6) Determine, on behalf of the state, that public water systems***  
39 ***that receive financial assistance from the fund will meet the***

1 requirements of, and otherwise be treated as required by, the  
2 federal act.

3 (7) Provide for appropriate audit, accounting, and fiscal  
4 management services, plans, and reports relative to the fund.

5 (8) Take additional incidental action as may be appropriate for  
6 adequate administration and operation of the fund.

7 (9) Enter into an agreement with, and accept matching funds  
8 from, a public water system.

9 (10) Charge public water systems that elect to provide matching  
10 funds a fee to cover the actual cost of obtaining the federal funds  
11 pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec.  
12 300j-12) and to process the loan application. The fee shall be  
13 waived by the board if sufficient funds to cover those costs are  
14 available from other sources.

15 (11) Use any source of matching funds, if not prohibited by  
16 statute, as matching funds for the federal administrative allowance  
17 under Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).

18 (12) Establish separate accounts or subaccounts as required  
19 or allowed in the federal act and related guidance, for funds to be  
20 used for administration of the fund and other purposes. Within the  
21 fund, the board may modify existing accounts and may establish  
22 other accounts as the board deems appropriate or necessary for  
23 proper administration of the chapter.

24 (13) Deposit federal funds for administration and other purposes  
25 into separate accounts or subaccounts, as allowed by the federal  
26 act.

27 (14) Determine, on behalf of the state, whether sufficient  
28 progress is being made toward compliance with the enforceable  
29 deadlines, goals, and requirements of the federal act and the  
30 California Safe Drinking Water Act, Chapter 4 (commencing with  
31 Section 116270).

32 (15) To the extent permitted under federal law, including, but  
33 not limited to, Section 1452(a)(2) and (f)(4) of the federal Safe  
34 Drinking Water Act (42 U.S.C. Sec. 300j-12(a)(2) and (f)(4)), use  
35 any and all amounts deposited in the fund, including, but not  
36 limited to, loan repayments and interest earned on the loans, as a  
37 source of reserve and security for the payment of principal and  
38 interest on revenue bonds, the proceeds of which are deposited in  
39 the fund.

1     (16) Request the Infrastructure and Economic Development  
 2 Bank (I-Bank), established under Chapter 2 (commencing with  
 3 Section 63021) of Division 1 of Title 6.7 of the Government Code,  
 4 to issue revenue bonds, enter into agreements with the I-Bank, and  
 5 take all other actions necessary or convenient for the issuance and  
 6 sale of revenue bonds pursuant to Article 6.3 (commencing with  
 7 Section 63048.55) of Chapter 2 of Division 1 of Title 6.7 of the  
 8 Government Code. The purpose of the bonds is to augment the  
 9 fund.

10    (17) Engage in the transfer of capitalization grant funds, as  
 11 authorized by Section 35.3530(c) of Title 40 of the Code of Federal  
 12 Regulations and reauthorized by Public Law 109-54, to the extent  
 13 set forth in an Intended Use Plan, that shall be subject to approval  
 14 by the board.

15    (18) Cross-collateralize revenue bonds with the State Water  
 16 Pollution Control Revolving Fund created pursuant to Section  
 17 13477 of the Water Code, as authorized by Section 35.3530(d) of  
 18 Title 40 of the Code of Federal Regulations.

19    (b) This section shall become operative on July 1, 2014.

20    SEC. 75. Section 116760.42 of the Health and Safety Code is  
 21 amended to read:

22    116760.42. (a) The department may enter into an agreement  
 23 with the federal government for federal contributions to the fund  
 24 only if both of the following apply:

25    (1) The state has obtained or appropriated any required state  
 26 matching funds.

27    (2) The department is prepared to commit to expenditure of any  
 28 minimum amount in the fund in the manner required by the federal  
 29 act.

30    (b) ~~Any~~ An agreement between the department and the federal  
 31 government shall contain those provisions, terms, and conditions  
 32 required by the federal act, and any implementing federal rules,  
 33 regulations, guidelines, and policies, including, but not limited to,  
 34 agreement to the following:

35    (1) Moneys in the fund shall be expended in an expeditious and  
 36 timely manner.

37    (2) All moneys in the fund as a result of federal capitalization  
 38 grants shall be expended to ensure sufficient progress is being  
 39 made toward compliance with the enforceable deadlines, goals,

1 and requirements of the federal act, including any applicable  
2 compliance deadlines.

3 (3) Federal funds deposited in the special accounts are  
4 continuously appropriated for use by the department as allowed  
5 by federal law. ~~Any unexpended~~ *Unexpended* funds in the special  
6 accounts shall be carried over into subsequent years for use by the  
7 department.

8 (c) *This section shall become inoperative on July 1, 2014, and,  
9 as of January 1, 2015, is repealed, unless a later enacted statute,  
10 that becomes operative on or before January 1, 2015, deletes or  
11 extends the dates on which it becomes inoperative and is repealed.*

12 *SEC. 76. Section 116760.42 is added to the Health and Safety  
13 Code, to read:*

14 *116760.42. (a) The board may enter into an agreement with  
15 the federal government for federal contributions to the fund only  
16 if the board is prepared to commit to expenditure of any minimum  
17 amount in the fund in the manner required by the federal act.*

18 (b) *An agreement between the board and the federal government  
19 shall contain those provisions, terms, and conditions required by  
20 the federal act, and implementing federal rules, regulations,  
21 guidelines, and policies, including, but not limited to, agreement  
22 to the following:*

23 (1) *Moneys in the fund shall be expended in an expeditious and  
24 timely manner.*

25 (2) *All moneys in the fund as a result of federal capitalization  
26 grants shall be expended to ensure sufficient progress is being  
27 made toward compliance with the enforceable deadlines, goals,  
28 and requirements of the federal act, including any applicable  
29 compliance deadlines.*

30 (3) *Federal funds deposited in the special accounts are  
31 continuously appropriated for use by the board as allowed by  
32 federal law. Unexpended funds in the special accounts shall be  
33 carried over into subsequent years for use by the board.*

34 (4) *This section shall become operative on July 1, 2014.*

35 *SEC. 77. Section 116760.43 of the Health and Safety Code is  
36 amended to read:*

37 *116760.43. (a) The department may adopt emergency  
38 regulations pursuant to Chapter 3.5 (commencing with Section  
39 11340) of Part 1 of Division 3 of Title 2 of the Government Code*

1 necessary or convenient to implement this chapter and to meet  
2 requirements pursuant to the federal act.

3 (b) The adoption of any emergency regulations that are filed  
4 with the Office of Administrative Law within 18 months of the  
5 effective date of this act shall be deemed to be an emergency and  
6 necessary for the immediate preservation of the public peace, health  
7 and safety, or general welfare.

8 (c) *This section shall become inoperative on July 1, 2014, and,  
9 as of January 1, 2015, is repealed, unless a later enacted statute,  
10 that becomes operative on or before January 1, 2015, deletes or  
11 extends the dates on which it becomes inoperative and is repealed.*

12 SEC. 78. *Section 116760.43 is added to the Health and Safety  
13 Code, to read:*

14 116760.43. (a) *The board shall implement this chapter  
15 pursuant to the adoption of a policy handbook that is not subject  
16 to the requirements of Chapter 3.5 (commencing with Section  
17 11340) of Part 1 of Division 3 of the Government Code. The policy  
18 handbook shall be posted on the board's Internet Web site.*

19 (b) *Any regulations that have been promulgated pursuant to  
20 this chapter are repealed effective upon adoption by the board of  
21 the policy handbook.*

22 (c) *This section shall become operative on July 1, 2014.*

23 SEC. 79. *Section 116760.44 of the Health and Safety Code is  
24 amended to read:*

25 116760.44. (a) *The department may deposit administrative  
26 fees and charges paid by public water systems and other available  
27 and necessary money into the administrative account of the fund.*

28 (b) *This section shall become inoperative on July 1, 2014, and,  
29 as of January 1, 2015, is repealed, unless a later enacted statute,  
30 that becomes operative on or before January 1, 2015, deletes or  
31 extends the dates on which it becomes inoperative and is repealed.*

32 SEC. 80. *Section 116760.44 is added to the Health and Safety  
33 Code, to read:*

34 116760.44. (a) *The board may deposit administrative fees and  
35 charges paid by public water systems and other available and  
36 necessary money into an account of the fund.*

37 (b) *This section shall become operative on July 1, 2014.*

38 SEC. 81. *Section 116760.46 of the Health and Safety Code is  
39 amended to read:*

1 116760.46. (a) The Safe Drinking Water Small Community  
2 Emergency Grant Fund is hereby created in the State Treasury.

3 (b) The following moneys shall be deposited in the grant fund:

4 (1) Moneys transferred to the grant fund pursuant to subdivision  
5 (c).

6 (2) Notwithstanding Section 16475 of the Government Code,  
7 any interest earned upon the moneys deposited in the grant fund.

8 (c) (1) For any loans made for projects meeting the eligibility  
9 criteria under Section 116760.50, the department may assess an  
10 annual charge to be deposited in the grant fund in lieu of interest  
11 that would otherwise be charged.

12 (2) Any amounts collected under this subdivision shall be  
13 deposited in the grant fund. Not more than fifty million dollars  
14 (\$50,000,000) shall be deposited in the grant fund.

15 (3) The charge authorized by this subdivision may be applied  
16 at any time during the term of the financing and, once applied,  
17 shall remain unchanged.

18 (4) The charge authorized by this subdivision shall not increase  
19 the financing repayment amount, as set forth in the terms and  
20 conditions imposed pursuant to this chapter.

21 (d) (1) Moneys in the grant fund may be expended on grants  
22 for projects that meet the requirements stated in Section 116475  
23 and that serve disadvantaged and severely disadvantaged  
24 communities.

25 (2) For the purpose of approving grants, the department shall  
26 give priority to projects that serve severely disadvantaged  
27 communities.

28 (3) Funds expended pursuant to this section shall be expended  
29 in a manner consistent with the federal EPA grant regulations  
30 established in Section 35.3530(b)(2) of Title 40 of the Code of  
31 Federal Regulations.

32 (e) *This section shall become inoperative on July 1, 2014, and,  
33 as of January 1, 2015, is repealed, unless a later enacted statute,  
34 that becomes operative on or before January 1, 2015, deletes or  
35 extends the dates on which it becomes inoperative and is repealed.*

36 *SEC. 82. Section 116760.46 is added to the Health and Safety  
37 Code, to read:*

38 *116760.46. (a) The Safe Drinking Water Small Community  
39 Emergency Grant Fund is hereby created in the State Treasury.*

40 *(b) The following moneys shall be deposited in the grant fund:*

1 (1) Moneys transferred to the grant fund pursuant to subdivision  
2 (c).

3 (2) Notwithstanding Section 16475 of the Government Code,  
4 any interest earned upon the moneys deposited in the grant fund.

5 (c) (1) For any financing made pursuant to this chapter, the  
6 board may assess an annual charge to be deposited in the grant  
7 fund in lieu of interest that would otherwise be charged.

8 (2) Any amounts collected under this subdivision shall be  
9 deposited in the grant fund.

10 (3) The charge authorized by this subdivision may be applied  
11 at any time during the term of the financing and, once applied,  
12 shall remain unchanged, unless the board determines that the  
13 application of the charge is any of the following:

14 (A) No longer consistent with federal requirements regarding  
15 the fund.

16 (B) No longer necessary.

17 (C) Negatively affecting the board's ability to fund projects that  
18 support the board's goals as specified in this chapter.

19 (4) If the board ceases collecting the charge before the financing  
20 repayment is complete, the board shall replace the charge with  
21 an identical interest rate.

22 (5) The charge authorized by this subdivision shall not increase  
23 the financing repayment amount, as set forth in the terms and  
24 conditions imposed pursuant to this chapter.

25 (d) (1) Moneys in the grant fund may be expended on grants  
26 for projects that meet the requirements of this chapter and that  
27 serve disadvantaged and severely disadvantaged communities or  
28 address emergencies experienced by small community water  
29 systems.

30 (2) For the purpose of approving grants, the board shall give  
31 priority to projects that serve severely disadvantaged communities.

32 (3) Funds expended pursuant to this section shall be expended  
33 in a manner consistent with the federal EPA capitalization grant  
34 requirements established in Section 35.3530(b)(2) of Title 40 of  
35 the Code of Federal Regulations.

36 (e) This section shall become operative on July 1, 2014.

37 SEC. 83. Section 116760.50 of the Health and Safety Code is  
38 amended to read:

1 116760.50. (a) The department shall establish criteria that  
2 shall be met for projects to be eligible for consideration for funding  
3 under this chapter. The criteria shall include all of the following:

4 ~~(a)~~

5 (1) All preliminary design work for a defined project that will  
6 enable the applicant to supply water that meets safe drinking water  
7 standards, including a cost estimate for the project, shall be  
8 completed.

9 ~~(b)~~

10 (2) A legal entity shall exist that has the authority to enter into  
11 contracts and incur debt on behalf of the community to be served  
12 and owns the public water system or has the right to operate the  
13 public water system under a lease with a term of at least 20 years,  
14 unless otherwise authorized by the department. If the proposed  
15 project is funded by a loan under this chapter, the department may  
16 require the applicant to secure a lease for the full term of the loan  
17 if the loan exceeds 20 years.

18 ~~(c)~~

19 (3) The applicant shall hold all necessary water rights.

20 ~~(d)~~

21 (4) The applicant shall have completed any review required  
22 pursuant to the California Environmental Quality Act (Division  
23 13 (commencing with Section 21000) of the Public Resources  
24 Code) and the guidelines adopted pursuant thereto, and have  
25 included plans for compliance with that act in its preliminary plans  
26 for the project.

27 ~~(e)~~

28 (5) The applicant has assembled sufficient financial data to  
29 establish its ability to complete the proposed project and to  
30 establish the amount of debt financing it can undertake.

31 (b) *This section shall become inoperative on July 1, 2014, and,*  
32 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
33 *that becomes operative on or before January 1, 2015, deletes or*  
34 *extends the dates on which it becomes inoperative and is repealed.*

35 SEC. 84. *Section 116760.50 is added to the Health and Safety*  
36 *Code, to read:*

37 116760.50. (a) *The board shall establish eligibility criteria*  
38 *for funding pursuant to this chapter that includes all of the*  
39 *following:*

1 (1) All preliminary design work for a defined project that will  
2 enable the applicant to supply water that meets safe drinking water  
3 standards, including a cost estimate for the project, shall be  
4 completed.

5 (2) A legal entity shall exist that has the authority to enter into  
6 contracts and incur debt on behalf of the community to be served  
7 and owns the public water system or has the right to operate the  
8 public water system for at least the term of the financing  
9 agreement.

10 (3) The applicant shall hold all necessary water rights.

11 (4) The applicant shall have completed any review required  
12 pursuant to the California Environmental Quality Act (Division  
13 13 (commencing with Section 21000) of the Public Resources  
14 Code) and the guidelines adopted pursuant thereto, and have  
15 included plans for compliance with that act in its preliminary plans  
16 for the project.

17 (5) The applicant shall have assembled sufficient financial data  
18 to establish its ability to complete the proposed project and to  
19 establish the amount of debt financing it can undertake.

20 (b) This section shall become operative on July 1, 2014, and is  
21 repealed as of January 1 of the next calendar year occurring after  
22 the board provides notice to the Legislature and the Secretary of  
23 State and posts notice on its Internet Web site that the board has  
24 adopted a policy handbook pursuant to Section 116760.43.

25 SEC. 85. Section 116760.50 is added to the Health and Safety  
26 Code, to read:

27 116760.50. (a) The board shall establish eligibility criteria  
28 for project financing pursuant to this chapter that shall be  
29 consistent with federal requirements.

30 (b) This section shall become operative on January 1 of the next  
31 calendar year occurring after the board provides notice to the  
32 Legislature and the Secretary of State and posts notice on its  
33 Internet Web site that the board has adopted a policy handbook  
34 pursuant to Section 116760.43.

35 SEC. 86. Section 116760.55 of the Health and Safety Code is  
36 amended to read:

37 116760.55. (a) For purposes of the department considering  
38 eligibility for grant funding for a planning project, a legal entity  
39 may apply on behalf of one or more public water systems serving

1 disadvantaged or severely disadvantaged communities if all of the  
2 following requirements are met:

3 (1) The legal entity has a signed agreement with each public  
4 water system for which it is applying for funding for a planning  
5 and ~~feasibility~~ *feasibility* study project that indicates that the public  
6 water system agrees to the joint application and that the legal entity  
7 is acting on behalf of, and in place of, the public water system.

8 (2) The application is for 100 percent grant funding for a  
9 planning and ~~feasibility~~ *feasibility* project.

10 (3) The planning and feasibility study project includes a study  
11 of the feasibility of consolidation, which may include expansion  
12 of service to communities not currently served by a public water  
13 system.

14 (4) The applicant has demonstrated that the legal entity has the  
15 ability to complete the proposed planning project.

16 (5) At least one of the project participating public water systems  
17 has a primary drinking water standard violation and is on the  
18 project priority list.

19 (b) For purposes of this section, “legal entity” means an entity  
20 that is duly formed and operating under the laws of this state.

21 (c) *This section shall become inoperative on July 1, 2014, and,  
22 as of January 1, 2015, is repealed, unless a later enacted statute,  
23 that becomes operative on or before January 1, 2015, deletes or  
24 extends the dates on which it becomes inoperative and is repealed.*

25 *SEC. 87. Section 116760.55 is added to the Health and Safety  
26 Code, to read:*

27 *116760.55. (a) For purposes of the board considering  
28 eligibility for grant or principal forgiveness funding for a planning  
29 project, a legal entity may apply on behalf of one or more public  
30 water systems serving disadvantaged or severely disadvantaged  
31 communities if all of the following requirements are met:*

32 (1) *The legal entity has a signed agreement with each public  
33 water system for which it is applying for funding for a planning  
34 and feasibility study project that indicates that the public water  
35 system agrees to the joint application and that the legal entity is  
36 acting on behalf of, and in place of, the public water system.*

37 (2) *The application is for 100 percent grant or principal  
38 forgiveness funding for a planning and feasibility project.*

39 (3) *The planning and feasibility study project includes a study  
40 of the feasibility of consolidation, which may include expansion*

1 of service to communities not currently served by a public water  
2 system.

3 (4) The applicant has demonstrated that the legal entity has the  
4 ability to complete the proposed planning project.

5 (5) At least one of the project participating public water systems  
6 has a primary drinking water standard violation and is on the  
7 project priority list.

8 (b) For purposes of this section, “legal entity” means an entity  
9 that is duly formed and operating under the laws of this state.

10 (c) This section shall become operative on July 1, 2014, and is  
11 repealed as of January 1 of the next calendar year occurring after  
12 the board provides notice to the Legislature and the Secretary of  
13 State and posts notice on its Internet Web site that the board has  
14 adopted a policy handbook pursuant to Section 116760.43.

15 SEC. 88. Section 116760.60 of the Health and Safety Code is  
16 amended to read:

17 116760.60. (a) The department shall notify suppliers that may  
18 be eligible for funding pursuant to this chapter of the purposes of  
19 this chapter and the regulations established by the department.

20 (b) This section shall become inoperative on July 1, 2014, and,  
21 as of January 1, 2015, is repealed, unless a later enacted statute,  
22 that becomes operative on or before January 1, 2015, deletes or  
23 extends the dates on which it becomes inoperative and is repealed.

24 SEC. 89. Section 116760.70 of the Health and Safety Code is  
25 amended to read:

26 116760.70. (a) The department, after public notice and hearing,  
27 shall, from time to time, establish a priority list of proposed projects  
28 to be considered for funding under this chapter. In doing so, the  
29 department shall determine if improvement or rehabilitation of the  
30 public water system is necessary to provide pure, wholesome, and  
31 potable water in adequate quantity and at sufficient pressure for  
32 health, cleanliness, and other domestic purposes. The department  
33 shall establish criteria for placing public water systems on the  
34 priority list for funding that shall include criteria for priority list  
35 categories. Priority shall be given to projects that meet all of the  
36 following requirements:

37 (1) Address the most serious risk to human health.

38 (2) Are necessary to ensure compliance with requirements of  
39 Chapter 4 (commencing with Section 116270) including  
40 requirements for filtration.

1 (3) Assist systems most in need on a per household basis  
2 according to affordability criteria.

3 (b) The department may, in establishing a new priority list,  
4 merge those proposed projects from the existing priority list into  
5 the new priority list.

6 (c) In establishing the priority list, the department shall consider  
7 the system's implementation of an ongoing source water protection  
8 program or wellhead protection program.

9 (d) In establishing the priority list categories and the priority  
10 for funding projects, the department shall carry out the intent of  
11 the Legislature pursuant to subdivisions (e) to (h), inclusive, of  
12 Section 116760.10 and do all of the following:

13 (1) Give priority to upgrade an existing system to meet drinking  
14 water standards.

15 (2) After giving priority pursuant to paragraph (1), consider  
16 whether the applicant has sought other funds when providing  
17 funding for a project to upgrade an existing system and to  
18 accommodate a reasonable amount of growth.

19 (e) Consideration of an applicant's eligibility for funding shall  
20 initially be based on the priority list in effect at the time the  
21 application is received and the project's ability to proceed. If a  
22 new priority list is established during the time the application is  
23 under consideration, but before the applicant receives a letter of  
24 commitment, the department may consider the applicant's  
25 eligibility for funding based on either the old or new priority list.

26 (f) The department may change the ranking of a specific project  
27 on the priority lists at any time following the publication of the  
28 list if information, that was not available at the time of the  
29 publication of the list, is provided that justifies the change in the  
30 ranking of the project.

31 (g) The department shall provide one or more public hearings  
32 on the Intended Use Plan, the priority list, and the criteria for  
33 placing public water systems on the priority list. The department  
34 shall provide notice of the Intended Use Plan, criteria, and priority  
35 list not less than 30 days before the public hearing. The Intended  
36 Use Plan, criteria, and priority list shall not be subject to the  
37 requirements of Chapter 3.5 (commencing with Section 11340) of  
38 Part 1 of Division 3 of Title 2 of the Government Code. The  
39 department shall conduct duly noticed public hearings and  
40 workshops around the state to encourage the involvement and

1 active input of public and affected parties, including, but not limited  
2 to, water utilities, local government, public interest, environmental,  
3 and consumer groups, public health groups, land conservation  
4 interests, health care providers, groups representing vulnerable  
5 populations, groups representing business and agricultural interests,  
6 and members of the general public, in the development and periodic  
7 updating of the Intended Use Plan and the priority list.

8 (h) The requirements of this section do not constitute an  
9 adjudicatory proceeding as defined in Section 11405.20 of the  
10 Government Code and Section 11410.10 of the Government Code  
11 is not applicable.

12 (i) *This section shall become inoperative on July 1, 2014, and,*  
13 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
14 *that becomes operative on or before January 1, 2015, deletes or*  
15 *extends the dates on which it becomes inoperative and is repealed.*

16 SEC. 90. Section 116760.70 is added to the Health and Safety  
17 Code, to read:

18 116760.70. (a) *The board, after public notice and opportunity*  
19 *for comment, shall, from time to time, establish a priority list of*  
20 *proposed projects to be considered for funding under this chapter.*  
21 *In doing so, the board shall determine if improvement or*  
22 *rehabilitation of the public water system is necessary to provide*  
23 *pure, wholesome, and potable water in adequate quantity and at*  
24 *sufficient pressure for health, cleanliness, and other domestic*  
25 *purposes. The board shall establish criteria for placing public*  
26 *water systems on the priority list for funding that shall include*  
27 *criteria for priority list categories. Priority shall be given to*  
28 *projects that meet all of the following requirements:*

29 (1) *Address the most serious risk to human health.*

30 (2) *Are necessary to ensure compliance with requirements of*  
31 *Chapter 4 (commencing with Section 116270) including*  
32 *requirements for filtration.*

33 (3) *Assist systems most in need on a per household basis*  
34 *according to affordability criteria.*

35 (b) *The board may, in establishing a new priority list, merge*  
36 *those proposed projects from the existing priority list into the new*  
37 *priority list.*

38 (c) *In establishing the priority list, the board shall consider the*  
39 *system's implementation of an ongoing source water protection*  
40 *program or wellhead protection program.*

1     (d) *In establishing the priority list categories and the priority*  
2 *for funding projects, the board shall carry out the intent of the*  
3 *Legislature pursuant to subdivisions (f) to (i), inclusive, of Section*  
4 *116760.10 and do all of the following:*

5     (1) *Give priority to upgrade an existing system to meet drinking*  
6 *water standards.*

7     (2) *After giving priority pursuant to paragraph (1), consider*  
8 *whether the applicant has sought other funds when providing*  
9 *funding for a project to upgrade an existing system and to*  
10 *accommodate a reasonable amount of growth.*

11     (e) *Consideration of an applicant's eligibility for funding shall*  
12 *initially be based on the priority list in effect at the time the*  
13 *application is received and the project's ability to proceed. If a*  
14 *new priority list is established during the time the application is*  
15 *under consideration, but before the applicant receives a letter of*  
16 *commitment, the board may consider the applicant's eligibility for*  
17 *funding based on either the old or new priority list.*

18     (f) *The board may change the ranking of a specific project on*  
19 *the priority lists at any time following the publication of the list if*  
20 *information, that was not available at the time of the publication*  
21 *of the list, is provided that justifies the change in the ranking of*  
22 *the project.*

23     (g) *The board shall provide one or more public hearings on the*  
24 *Intended Use Plan, the priority list, and the criteria for placing*  
25 *public water systems on the priority list. The board shall adopt an*  
26 *Intended Use Plan and provide notice of the Intended Use Plan,*  
27 *criteria, and priority list not less than 30 days before the adoption*  
28 *of the Intended Use Plan. The Intended Use Plan, criteria, and*  
29 *priority list shall not be subject to the requirements of Chapter 3.5*  
30 *(commencing with Section 11340) of Part 1 of Division 3 of Title*  
31 *2 of the Government Code.*

32     (h) *The requirements of this section do not constitute an*  
33 *adjudicatory proceeding as defined in Section 11405.20 of the*  
34 *Government Code and Section 11410.10 of the Government Code*  
35 *is not applicable.*

36     (i) *This section shall become operative on July 1, 2014, and is*  
37 *repealed as of January 1 of the next calendar year occurring after*  
38 *the board provides notice to the Legislature and the Secretary of*  
39 *State and posts notice on its Internet Web site that the board has*  
40 *adopted a policy handbook pursuant to Section 116760.43.*

1     *SEC. 91. Section 116760.79 of the Health and Safety Code is*  
2 *amended to read:*

3     116760.79. (a) Applications for funding under this chapter  
4 shall be made in the form and with the supporting material  
5 prescribed by the department.

6     (b) *This section shall become inoperative on July 1, 2014, and,*  
7 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
8 *that becomes operative on or before January 1, 2015, deletes or*  
9 *extends the dates on which it becomes inoperative and is repealed.*

10    *SEC. 92. Section 116760.79 is added to the Health and Safety*  
11 *Code, to read:*

12     116760.79. (a) Applications for funding under this chapter  
13 shall be made in the form and with the supporting material  
14 prescribed by the board.

15     (b) *This section shall become operative on July 1, 2014, and is*  
16 *repealed on January 1 of the next calendar year occurring after*  
17 *the board provides notice to the Legislature and the Secretary of*  
18 *State and posts notice on its Internet Web site that the board has*  
19 *adopted a policy handbook pursuant to Section 116760.43.*

20    *SEC. 93. Section 116760.80 of the Health and Safety Code is*  
21 *amended to read:*

22     116760.80. (a) The department shall determine, based on  
23 applications received, whether a particular applicant meets the  
24 criteria to be eligible for consideration.

25     (b) If the applicant does not meet the criteria, it may be  
26 considered for planning and preliminary engineering study funding.  
27 ~~Applicants~~ *An applicant successfully completing a study* ~~are~~ *is*  
28 eligible for consideration for project design and construction  
29 funding after ~~their~~ *the* study is completed and ~~they have~~ *it has* met  
30 the criteria to be eligible for consideration for project design and  
31 construction funding.

32     (c) *This section shall become inoperative on July 1, 2014, and,*  
33 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
34 *that becomes operative on or before January 1, 2015, deletes or*  
35 *extends the dates on which it becomes inoperative and is repealed.*

36    *SEC. 94. Section 116760.80 is added to the Health and Safety*  
37 *Code, to read:*

38     116760.80. (a) The board shall determine, based on  
39 applications received, whether a particular applicant meets the  
40 criteria to be eligible for consideration.

1 (b) *If the applicant does not meet the criteria, it may be*  
2 *considered for planning and preliminary engineering study funding.*  
3 *An applicant successfully completing a study is eligible for*  
4 *consideration for project design and construction funding after*  
5 *the study is completed and it has met the criteria to be eligible for*  
6 *consideration for project design and construction funding.*

7 (c) *This section shall become operative on July 1, 2014, and is*  
8 *repealed as of January 1 of the next calendar year occurring after*  
9 *the board provides notice to the Legislature and the Secretary of*  
10 *State and posts notice on its Internet Web site that the board has*  
11 *adopted a policy handbook pursuant to Section 116760.43.*

12 *SEC. 95. Section 116760.90 of the Health and Safety Code is*  
13 *amended to read:*

14 116760.90. (a) The department shall not approve an application  
15 for funding unless the department determines that the proposed  
16 study or project is necessary to enable the applicant to meet safe  
17 drinking water standards, and is consistent with an adopted  
18 countywide plan, if any. The department may refuse to fund a  
19 study or project if it determines that the purposes of this chapter  
20 may more economically and efficiently be met by means other  
21 than the proposed study or project. The department shall not  
22 approve an application for funding a project with a primary purpose  
23 to supply or attract future growth. The department may limit  
24 funding to costs necessary to enable suppliers to meet primary  
25 drinking water standards, as defined in Chapter 4 (commencing  
26 with Section 116270).

27 (b) With respect to applications for funding of project design  
28 and construction, the department shall also determine all of the  
29 following:

30 (1) Upon completion of the project, the applicant will be able  
31 to supply water that meets safe drinking water standards.

32 (2) The project is cost-effective.

33 (3) If the entire project is not to be funded under this chapter,  
34 the department shall specify which costs are eligible for funding.

35 (c) In considering an application for funding a project that meets  
36 all other requirements of this chapter and regulations, the  
37 department shall not be prejudiced by the applicant initiating the  
38 project ~~prior to~~ *before* the department ~~approving~~ *approves* the  
39 application for funding. Preliminary project costs that are otherwise  
40 eligible for funding pursuant to the provisions of this chapter shall

1 not be ineligible because the costs were incurred by the applicant  
2 ~~prior to~~ *before* the department ~~approving~~ *approves* the application  
3 for funding. Construction costs that are otherwise eligible for  
4 funding pursuant to the provisions of this chapter shall not be  
5 ineligible because the costs were incurred after the approval of the  
6 application by the department but prior to the department entering  
7 into a contract with the applicant pursuant to Section 116761.50.

8 *(d) This section shall become inoperative on July 1, 2014, and,*  
9 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
10 *that becomes operative on or before January 1, 2015, deletes or*  
11 *extends the dates on which it becomes inoperative and is repealed.*

12 SEC. 96. *Section 116760.90 is added to the Health and Safety*  
13 *Code, to read:*

14 *116760.90. (a) The board shall not approve an application*  
15 *for funding unless the board determines that the proposed study*  
16 *or project is necessary to enable the applicant to meet safe drinking*  
17 *water standards, and is consistent with an adopted countywide*  
18 *plan, if any. The board may refuse to fund a study or project if it*  
19 *determines that the purposes of this chapter may more*  
20 *economically and efficiently be met by means other than the*  
21 *proposed study or project. The board shall not approve an*  
22 *application for funding a project with a primary purpose to supply*  
23 *or attract future growth. The board may limit funding to costs*  
24 *necessary to enable suppliers to meet primary drinking water*  
25 *standards, as defined in Chapter 4 (commencing with Section*  
26 *116270).*

27 *(b) With respect to applications for funding of project design*  
28 *and construction, the board shall also determine all of the*  
29 *following:*

30 *(1) Upon completion of the project, the applicant will be able*  
31 *to supply water that meets safe drinking water standards.*

32 *(2) The project is cost effective.*

33 *(3) If the entire project is not to be funded under this chapter,*  
34 *the board shall specify which costs are eligible for funding.*

35 *(c) In considering an application for funding a project that*  
36 *meets all other requirements of this chapter and regulations, the*  
37 *board shall not be prejudiced by the applicant initiating the project*  
38 *before the board approves the application for funding. Preliminary*  
39 *project costs that are otherwise eligible for funding pursuant to*  
40 *the provisions of this chapter shall not be ineligible because the*

1 costs were incurred by the applicant before the board approves  
2 the application for funding. Construction costs that are otherwise  
3 eligible for funding pursuant to the provisions of this chapter shall  
4 not be ineligible because the costs were incurred after the approval  
5 of the application by the board, but before the board entering into  
6 a contract with the applicant pursuant to Section 116761.50.

7 (d) This section shall become operative on July 1, 2014, and is  
8 repealed as of January 1 of the next calendar year occurring after  
9 the board provides notice to the Legislature and the Secretary of  
10 State and posts notice on its Internet Web site that the board has  
11 adopted a policy handbook pursuant to Section 116760.43.

12 SEC. 97. Section 116761 of the Health and Safety Code is  
13 amended to read:

14 116761. (a) Planning and preliminary engineering studies,  
15 project design, and construction costs eligible for funding under  
16 this chapter shall be established by the department and may include  
17 any of the following:

18 ~~(a)~~

19 (1) Reasonable costs for the construction, improvement, or  
20 rehabilitation of facilities of the public water system, which may  
21 include water supply, treatment works, and all or part of a water  
22 distribution system, if necessary to carry out the purposes of this  
23 chapter.

24 ~~(b)~~

25 (2) Reasonable costs associated with the consolidation of water  
26 systems, including, but not limited to, reasonable facility fees,  
27 connection fees, or similar charges.

28 ~~(c)~~

29 (3) Reasonable costs of purchasing water systems, water rights,  
30 or watershed lands.

31 ~~(d)~~

32 (4) Operation and maintenance costs only to the extent they are  
33 used in the startup and testing of the completed project. All other  
34 operation and maintenance costs shall be the responsibility of the  
35 supplier and shall not be considered as part of the project costs.

36 ~~(e)~~

37 (5) Reasonable costs of establishing eligibility for funding under  
38 this chapter that were incurred before the department entered into  
39 a commitment to fund the project under this chapter.

40 ~~(f)~~

1 (6) The acquisition of real property or interests therein only if  
2 the acquisition is integral to a project, and as otherwise limited in  
3 the federal act.

4 (b) *This section shall become inoperative on July 1, 2014, and,*  
5 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
6 *that becomes operative on or before January 1, 2015, deletes or*  
7 *extends the dates on which it becomes inoperative and is repealed.*

8 SEC. 98. Section 116761 is added to the Health and Safety  
9 Code, to read:

10 116761. (a) *Planning and preliminary engineering studies,*  
11 *project design, and construction costs eligible for funding under*  
12 *this chapter shall be established by the board and may include*  
13 *any of the following:*

14 (1) *Reasonable costs for the construction, improvement, or*  
15 *rehabilitation of facilities of the public water system, which may*  
16 *include water supply, treatment works, and all or part of a water*  
17 *distribution system, if necessary to carry out the purposes of this*  
18 *chapter.*

19 (2) *Reasonable costs associated with the consolidation of water*  
20 *systems, including, but not limited to, reasonable facility fees,*  
21 *connection fees, or similar charges.*

22 (3) *Reasonable costs of purchasing water systems, water rights,*  
23 *or watershed lands.*

24 (4) *Operation and maintenance costs only to the extent they are*  
25 *used in the startup and testing of the completed project. All other*  
26 *operation and maintenance costs shall be the responsibility of the*  
27 *supplier and shall not be considered as part of the project costs.*

28 (5) *Reasonable costs of establishing eligibility for funding under*  
29 *this chapter that were incurred before the board entered into a*  
30 *commitment to fund the project under this chapter.*

31 (6) *The acquisition of real property or interests therein only if*  
32 *the acquisition is integral to a project, and as otherwise limited*  
33 *in the federal act.*

34 (b) *This section shall become operative on July 1, 2014, and is*  
35 *repealed as of January 1 of the next calendar year occurring after*  
36 *the board provides notice to the Legislature and the Secretary of*  
37 *State and posts notice on its Internet Web site that the board has*  
38 *adopted a policy handbook pursuant to Section 116760.43.*

39 SEC. 99. Section 116761.20 of the Health and Safety Code is  
40 amended to read:

1 116761.20. (a) Planning and preliminary engineering studies,  
2 project design, and construction costs incurred by community and  
3 not-for-profit noncommunity public water systems may be funded  
4 under this chapter by loans, and, if these systems are owned by  
5 public agencies or private not-for-profit water companies, by grants  
6 or a combination of grants and loans.

7 (b) (1) The department shall determine what portion of the full  
8 costs the public agency or private not-for-profit water company is  
9 capable of repaying and authorize funding in the form of a loan  
10 for that amount. The department shall authorize a grant only to the  
11 extent the department finds the public agency or not-for-profit  
12 water company is unable to repay the full costs of a loan.

13 (2) Notwithstanding any other provision of this chapter, a small  
14 community water system or nontransient noncommunity water  
15 system that is owned by a public agency or a private not-for-profit  
16 water company and serving a severely disadvantaged community,  
17 is deemed to have no ability to repay a loan.

18 (c) At the request of the department, the Public Utilities  
19 Commission shall submit comments concerning the ability of  
20 suppliers, subject to its jurisdiction, to finance the project from  
21 other sources and to repay the loan.

22 (d) *This section shall become inoperative on July 1, 2014, and,  
23 as of January 1, 2015, is repealed, unless a later enacted statute,  
24 that becomes operative on or before January 1, 2015, deletes or  
25 extends the dates on which it becomes inoperative and is repealed.*

26 *SEC. 100. Section 116761.20 is added to the Health and Safety  
27 Code, to read:*

28 116761.20. (a) *Planning and preliminary engineering studies,  
29 project design, and construction costs incurred by community and  
30 not-for-profit noncommunity public water systems may be funded  
31 under this chapter by loans or other repayable financing, and, if  
32 these systems are owned by public agencies or private  
33 not-for-profit water companies, by grants, principal forgiveness,  
34 or a combination of grants and loans or other financial assistance.*

35 (b) (1) *The board shall determine what portion of the full costs  
36 the public agency or private not-for-profit water company is  
37 capable of repaying and authorize funding in the form of a loan  
38 or other repayable financing for that amount. The board shall  
39 authorize a grant or principal forgiveness only to the extent the*

1 board finds the public agency or not-for-profit water company is  
2 unable to repay the full costs of the financing.

3 (2) Notwithstanding any other provision of this chapter, a small  
4 community water system or nontransient noncommunity water  
5 system that is owned by a public agency or a private not-for-profit  
6 water company and serving a severely disadvantaged community,  
7 is deemed to have no ability to repay any financing.

8 (c) At the request of the board, the Public Utilities Commission  
9 shall submit comments concerning the ability of suppliers, subject  
10 to its jurisdiction, to finance the project from other sources and  
11 to repay the financing.

12 (d) This section shall become operative on July 1, 2014.

13 SEC. 101. Section 116761.21 of the Health and Safety Code  
14 is amended to read:

15 116761.21. (a) Not more than 30 percent and not less than 15  
16 percent, provided that there are projects eligible for funding as  
17 prescribed in Section 116760.70, of the total amount deposited in  
18 the fund may be expended for grants. This amount shall be limited  
19 to disadvantaged communities specified in Section 1452(d) of the  
20 federal act (42 U.S.C.A. Sec. 300j-12).

21 (b) This section shall become inoperative on July 1, 2014, and,  
22 as of January 1, 2015, is repealed, unless a later enacted statute,  
23 that becomes operative on or before January 1, 2015, deletes or  
24 extends the dates on which it becomes inoperative and is repealed.

25 SEC. 102. Section 116761.22 of the Health and Safety Code  
26 is amended to read:

27 116761.22. (a) Loans for project design and construction shall  
28 be repaid over a term not longer than the useful life of the project  
29 constructed or 20 years, whichever is shorter, except as provided  
30 in the federal act.

31 (b) This section shall become inoperative on July 1, 2014, and,  
32 as of January 1, 2015, is repealed, unless a later enacted statute,  
33 that becomes operative on or before January 1, 2015, deletes or  
34 extends the dates on which it becomes inoperative and is repealed.

35 SEC. 103. Section 116761.23 of the Health and Safety Code  
36 is amended to read:

37 116761.23. (a) The maximum amount of a planning grant  
38 permitted under this chapter for each participating public water  
39 system's share of the costs of the planning, engineering studies,

1 environmental documentation, and design of a single project shall  
2 be no more than five hundred thousand dollars (\$500,000).

3 (b) Unless the department approves an increase pursuant to this  
4 subdivision, the maximum amount of a construction grant award  
5 authorized under this chapter to each participating public water  
6 system for its share of the cost of the construction of a single  
7 project shall be no more than three million dollars (\$3,000,000).  
8 The department may approve an increase in the maximum amount  
9 for a construction grant award authorized under this chapter so  
10 that the maximum amount of the construction grant award does  
11 not exceed ten million dollars (\$10,000,000) only if the department  
12 makes all of the following findings:

13 (1) A public water system that serves a disadvantaged  
14 community has a defined project need that exceeds the maximum  
15 grant amount of three million dollars (\$3,000,000).

16 (2) The defined project has been bypassed in at least one funding  
17 cycle due to a lack of funds.

18 (3) The defined project is eligible for funding pursuant to the  
19 program regulations.

20 (4) The defined project represents the highest public health risk  
21 among unfunded projects, as determined by the department  
22 according to its standard criteria.

23 (c) Total funding under this article for planning, engineering  
24 studies, environmental documentation, project design, and  
25 construction costs of a single project, whether in the form of a loan  
26 or a grant, or both, shall be determined by an assessment of  
27 affordability using criteria established by the department.

28 (d) Subject to all other limitations of this chapter, a small  
29 community water system or nontransient noncommunity water  
30 system, owned by a public agency or private not-for-profit water  
31 company, serving severely disadvantaged communities shall be  
32 eligible to receive up to 100 percent of eligible project costs in the  
33 form of a grant, to the extent the system cannot afford a loan as  
34 determined by the department pursuant to Section 116761.20.

35 (e) Subject to the availability of funds and the applicant's ability  
36 to repay, an applicant may receive up to the full cost of the project  
37 in the form of a loan bearing interest at the rate established pursuant  
38 to subdivision (a) of Section 116761.65.

39 (f) *This section shall become inoperative on July 1, 2014, and,*  
40 *as of January 1, 2015, is repealed, unless a later enacted statute,*

1 *that becomes operative on or before January 1, 2015, deletes or*  
2 *extends the dates on which it becomes inoperative and is repealed.*

3 *SEC. 104. Section 116761.23 is added to the Health and Safety*  
4 *Code, to read:*

5 *116761.23. (a) The maximum amount of a planning grant*  
6 *permitted under this chapter for each participating public water*  
7 *system's share of the costs of the planning, engineering studies,*  
8 *environmental documentation, and design of a single project shall*  
9 *be no more than five hundred thousand dollars (\$500,000).*

10 *(b) Unless the board approves an increase pursuant to this*  
11 *subdivision, the maximum amount of a construction grant award*  
12 *authorized under this chapter to each participating public water*  
13 *system for its share of the cost of the construction of a single*  
14 *project shall be no more than three million dollars (\$3,000,000).*  
15 *The board may approve an increase in the maximum amount for*  
16 *a construction grant award authorized under this chapter so that*  
17 *the maximum amount of the construction grant award does not*  
18 *exceed ten million dollars (\$10,000,000) only if the board makes*  
19 *all of the following findings:*

20 *(1) A public water system that serves a disadvantaged*  
21 *community has a defined project need that exceeds the maximum*  
22 *grant amount of three million dollars (\$3,000,000).*

23 *(2) The defined project has been bypassed in at least one funding*  
24 *cycle due to a lack of funds.*

25 *(3) The defined project is eligible for funding pursuant to the*  
26 *program regulations.*

27 *(4) The defined project represents the highest public health risk*  
28 *among unfunded projects, as determined by the board according*  
29 *to its standard criteria.*

30 *(c) Total funding under this article for planning, engineering*  
31 *studies, environmental documentation, project design, and*  
32 *construction costs of a single project, whether in the form of a*  
33 *loan or a grant, or both, shall be determined by an assessment of*  
34 *affordability using criteria established by the board.*

35 *(d) Subject to all other limitations of this chapter, a small*  
36 *community water system or nontransient noncommunity water*  
37 *system, owned by a public agency or private not-for-profit water*  
38 *company, serving severely disadvantaged communities shall be*  
39 *eligible to receive up to 100 percent of eligible project costs in the*

1 *form of a grant, to the extent the system cannot afford a loan as*  
2 *determined by the board pursuant to Section 116761.20.*

3 *(e) Subject to the availability of funds and the applicant's ability*  
4 *to repay, an applicant may receive up to the full cost of the project*  
5 *in the form of a loan bearing interest at the rate established*  
6 *pursuant to subdivision (a) of Section 116761.65.*

7 *(f) This section shall become operative on July 1, 2014, and is*  
8 *repealed as of January 1 of the next calendar year occurring after*  
9 *the board provides notice to the Legislature and the Secretary of*  
10 *State and posts notice on its Internet Web site that the board has*  
11 *adopted a policy handbook pursuant to Section 116760.43.*

12 *SEC. 105. Section 116761.24 of the Health and Safety Code*  
13 *is amended to read:*

14 *116761.24. (a) Not less than 15 percent of the total amount*  
15 *deposited in the fund shall be expended for providing loans and*  
16 *grants to public water systems that regularly serve fewer than*  
17 *10,000 persons to the extent those funds can be obligated for*  
18 *eligible projects.*

19 *(b) This section shall become inoperative on July 1, 2014, and,*  
20 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
21 *that becomes operative on or before January 1, 2015, deletes or*  
22 *extends the dates on which it becomes inoperative and is repealed.*

23 *SEC. 106. Section 116761.40 of the Health and Safety Code*  
24 *is amended to read:*

25 *116761.40. (a) The failure or inability of any public water*  
26 *system to receive funds under this chapter or any other loan or*  
27 *grant program or any delay in obtaining the funds shall not alter*  
28 *the obligation of the system to comply in a timely manner with all*  
29 *applicable drinking water standards and requirements of the*  
30 *California Safe Drinking Water Act or the federal act.*

31 *(b) This section shall become inoperative on July 1, 2014, and,*  
32 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
33 *that becomes operative on or before January 1, 2015, deletes or*  
34 *extends the dates on which it becomes inoperative and is repealed.*

35 *SEC. 107. Section 116761.40 is added to the Health and Safety*  
36 *Code, to read:*

37 *116761.40. (a) The failure or inability of any public water*  
38 *system to receive funds under this chapter or any other financial*  
39 *assistance program or any delay in obtaining the funds shall not*  
40 *alter the obligation of the system to comply in a timely manner*

1 *with all applicable drinking water standards and requirements of*  
2 *the California Safe Drinking Water Act or the federal act.*

3 *(b) This section shall become operative on July 1, 2014.*

4 *SEC. 108. Section 116761.50 of the Health and Safety Code*  
5 *is amended to read:*

6 116761.50. (a) The department may enter into contracts with  
7 applicants for grants or loans for the purposes set forth in this  
8 chapter. Any contract entered into pursuant to this section shall  
9 include only terms and conditions consistent with this chapter and  
10 the regulations established under this chapter.

11 (b) The contract shall include all of the following terms and  
12 conditions that are applicable:

13 (1) An estimate of the reasonable cost of the project or study.

14 (2) An agreement by the department to loan or grant, or loan  
15 and grant, the applicant an amount that equals the portion of the  
16 costs found by the department to be eligible for a state loan or  
17 grant. The agreement may provide for disbursement of funds during  
18 the progress of the study or construction, or following completion  
19 of the study or construction, as agreed by the parties.

20 (3) An agreement by the applicant to proceed expeditiously with  
21 the project or study.

22 (4) An agreement by the applicant to commence operations of  
23 the project upon completion of the project, and to properly operate  
24 and maintain the project in accordance with the applicable  
25 provisions of law.

26 (5) In the case of a loan, an agreement by the applicant to repay  
27 the state, over a period not to exceed the useful life of the project  
28 or 20 years, whichever is shorter, except as provided in the federal  
29 act, or in the case of a study, over a period not to exceed five years,  
30 all of the following:

31 (A) The amount of the loan.

32 (B) The administrative fee specified in subdivision (a) of Section  
33 116761.70.

34 (C) Interest on the principal, which is the amount of the loan  
35 plus the administrative fee.

36 (6) In the case of a grant, an agreement by the public agency or  
37 private not-for-profit water company to operate and maintain the  
38 water system for a period of 20 years, unless otherwise authorized  
39 by the department.

1 (c) The contract may include any of the following terms and  
2 conditions:

3 (1) An agreement by the supplier to adopt a fee structure that  
4 provides for the proper maintenance and operations of the project  
5 and includes a sinking fund for repair and replacement of the  
6 facilities in cases where appropriate. The fee structure shall also  
7 provide an acceptable dedicated source of revenue for the  
8 repayment of the amount of the loan, and the payment of  
9 administrative fees and interest.

10 (2) If the entire project is not funded pursuant to this chapter,  
11 the department may include a provision requiring the applicant to  
12 share the cost of the project or obtain funding from other sources.

13 (d) The department may require applicants to provide security  
14 for loan contracts.

15 (e) *This section shall become inoperative on July 1, 2014, and,  
16 as of January 1, 2015, is repealed, unless a later enacted statute,  
17 that becomes operative on or before January 1, 2015, deletes or  
18 extends the dates on which it becomes inoperative and is repealed.*

19 *SEC. 109. Section 116761.50 is added to the Health and Safety  
20 Code, to read:*

21 *116761.50. (a) The board may enter into contracts with  
22 applicants for grants or loans for the purposes set forth in this  
23 chapter. Any contract entered into pursuant to this section shall  
24 include only terms and conditions consistent with this chapter and  
25 the regulations established under this chapter.*

26 (b) *The contract shall include all of the following terms and  
27 conditions that are applicable:*

28 (1) *An estimate of the reasonable cost of the project or study.*

29 (2) *An agreement by the board to loan or grant, or loan and  
30 grant, the applicant an amount that equals the portion of the costs  
31 found by the board to be eligible for a state loan or grant. The  
32 agreement may provide for disbursement of funds during the  
33 progress of the study or construction, or following completion of  
34 the study or construction, as agreed by the parties.*

35 (3) *An agreement by the applicant to proceed expeditiously with  
36 the project or study.*

37 (4) *An agreement by the applicant to commence operations of  
38 the project upon completion of the project, and to properly operate  
39 and maintain the project in accordance with the applicable  
40 provisions of law.*

1 (5) *In the case of a loan, an agreement by the applicant to repay*  
2 *the state, over a period not to exceed the useful life of the project*  
3 *or 20 years, whichever is shorter, except as provided in the federal*  
4 *act, or in the case of a study, over a period not to exceed five years,*  
5 *all of the following:*

6 (A) *The amount of the loan.*

7 (B) *The administrative fee specified in subdivision (a) of Section*  
8 *116761.70.*

9 (C) *Interest on the principal, which is the amount of the loan*  
10 *plus the administrative fee.*

11 (6) *In the case of a grant, an agreement by the public agency*  
12 *or private not-for-profit water company to operate and maintain*  
13 *the water system for the term of the financing agreement or the*  
14 *useful life of the project, as determined by the board, unless*  
15 *otherwise authorized by the board.*

16 (c) *The contract may include any of the following terms and*  
17 *conditions:*

18 (1) *An agreement by the supplier to adopt a fee structure that*  
19 *provides for the proper maintenance and operations of the project*  
20 *and includes a sinking fund for repair and replacement of the*  
21 *facilities in cases where appropriate. The fee structure shall also*  
22 *provide an acceptable dedicated source of revenue for the*  
23 *repayment of the amount of the loan, and the payment of*  
24 *administrative fees and interest.*

25 (2) *If the entire project is not funded pursuant to this chapter,*  
26 *the board may include a provision requiring the applicant to share*  
27 *the cost of the project or obtain funding from other sources.*

28 (d) *The board may require applicants to provide security for*  
29 *loan contracts.*

30 (e) *This section shall become operative on July 1, 2014, and is*  
31 *repealed as of January 1 of the next calendar year occurring after*  
32 *the board provides notice to the Legislature and the Secretary of*  
33 *State and posts notice on its Internet Web site that the board has*  
34 *adopted a policy handbook pursuant to Section 116760.43.*

35 SEC. 110. *Section 116761.50 is added to the Health and Safety*  
36 *Code, to read:*

37 116761.50. (a) *The board may enter into financing agreements*  
38 *with applicants for the purposes set forth in this chapter.*

39 (b) *If the board provides construction financing, the financing*  
40 *recipient shall commit to operate and maintain, or ensure the*

1 operation and maintenance of, the water system for the term of  
2 the financing agreement or the useful life of the project, as  
3 determined by the board, unless otherwise authorized by the board.

4 (c) This section shall become operative on January 1 of the next  
5 calendar year occurring after the board provides notice to the  
6 Legislature and the Secretary of State and posts notice on its  
7 Internet Web site that the board has adopted a policy handbook  
8 pursuant to Section 116760.43.

9 SEC. 111. Section 116761.60 of the Health and Safety Code  
10 is amended to read:

11 116761.60. (a) All funding received under this chapter shall  
12 be expended by the applicant within three years of the execution  
13 of the contract with the department or its designee. The three-year  
14 period may be extended, with the approval of the department, until  
15 five years after the date the original contract, not including  
16 amendments, was executed.

17 (b) This section shall become inoperative on July 1, 2014, and,  
18 as of January 1, 2015, is repealed, unless a later enacted statute,  
19 that becomes operative on or before January 1, 2015, deletes or  
20 extends the dates on which it becomes inoperative and is repealed.

21 SEC. 112. Section 116761.60 is added to the Health and Safety  
22 Code, to read:

23 116761.60. (a) All funding received under this chapter shall  
24 be expended by the applicant within three years of the execution  
25 of the contract with the board or its designee. The three-year period  
26 may be extended, with the approval of the board, until five years  
27 after the date the original contract, not including amendments,  
28 was executed.

29 (b) This section shall become operative on July 1, 2014, and is  
30 repealed as of January 1 of the next calendar year occurring after  
31 the board provides notice to the Legislature and the Secretary of  
32 State and posts notice on its Internet Web site that the board has  
33 adopted a policy handbook pursuant to Section 116760.43.

34 SEC. 113. Section 116761.62 of the Health and Safety Code  
35 is amended to read:

36 116761.62. (a) To the extent permitted by federal and state  
37 law, moneys in the fund may be expended to rebate to the federal  
38 government all arbitrage profits required by the federal Tax Reform  
39 Act of 1986 (~~P.L.~~ (Public Law 99-514) or any amendment ~~thereof~~  
40 of or supplement ~~thereto~~. to that law. To the extent that this

1 expenditure of the moneys in the fund is prohibited by federal or  
2 state law, any rebates required by federal law shall be paid from  
3 the General Fund or other sources, upon appropriation by the  
4 Legislature.

5 (b) Notwithstanding any other ~~provisions of~~ law or regulation,  
6 the department may enter into contracts or may procure those  
7 services and equipment that may be necessary to ensure prompt  
8 and complete compliance with any provisions relating to the fund  
9 imposed by either the federal Tax Reform Act of 1986 ~~(PL~~ (Public  
10 Law 99-514) or the federal Safe Drinking Water Act.

11 (c) *This section shall become inoperative on July 1, 2014, and,*  
12 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
13 *that becomes operative on or before January 1, 2015, deletes or*  
14 *extends the dates on which it becomes inoperative and is repealed.*

15 *SEC. 114. Section 116761.62 is added to the Health and Safety*  
16 *Code, to read:*

17 *116761.62. (a) To the extent permitted by federal and state*  
18 *law, moneys in the fund may be expended to rebate to the federal*  
19 *government all arbitrage profits required by the federal Tax*  
20 *Reform Act of 1986 (Public Law 99-514) or any amendment of or*  
21 *supplement to that law. To the extent that this expenditure of the*  
22 *moneys in the fund is prohibited by federal or state law, any rebates*  
23 *required by federal law shall be paid from the General Fund or*  
24 *other sources, upon appropriation by the Legislature.*

25 (b) *Notwithstanding any other law or regulation, the board may*  
26 *enter into contracts or may procure those services and equipment*  
27 *that may be necessary to ensure prompt and complete compliance*  
28 *with any provisions relating to the fund imposed by either the*  
29 *federal Tax Reform Act of 1986 (Public Law 99-514) or the federal*  
30 *Safe Drinking Water Act.*

31 (c) *This section shall become operative on July 1, 2014.*

32 *SEC. 115. Section 116761.65 of the Health and Safety Code*  
33 *is amended to read:*

34 *116761.65. (a) The department shall annually establish the*  
35 *interest rate for loans made pursuant to this chapter at 50 percent*  
36 *of the average interest rate, computed by the true interest cost*  
37 *method, paid by the state on general obligation bonds issued in*  
38 *the prior calendar year. All loans made pursuant to this chapter*  
39 *shall carry the interest rate established for the calendar year in*  
40 *which the funds are committed to the loan, as of the date of the*

1 letter of commitment. The interest rate set for each loan shall be  
2 applied throughout the repayment period of the loan. Interest on  
3 the loan shall not be deferred.

4 (b) Notwithstanding subdivision (a), if the loan applicant is a  
5 public water system that is a disadvantaged community or provides  
6 matching funds, the interest rate on the loan shall be zero percent.

7 (c) *This section shall become inoperative on July 1, 2014, and,  
8 as of January 1, 2015, is repealed, unless a later enacted statute,  
9 that becomes operative on or before January 1, 2015, deletes or  
10 extends the dates on which it becomes inoperative and is repealed.*

11 *SEC. 116. Section 116761.65 is added to the Health and Safety  
12 Code, to read:*

13 *116761.65. (a) The board shall annually establish the interest  
14 rate for loans made pursuant to this chapter at a rate not to exceed  
15 50 percent of the average interest rate, computed by the true  
16 interest cost method, paid by the state on general obligation bonds  
17 issued in the prior calendar year. All loans made pursuant to this  
18 chapter shall carry the interest rate established for the calendar  
19 year in which the funds are committed to the loan, as of the date  
20 of the letter of commitment. The interest rate set for each loan  
21 shall be applied throughout the repayment period of the loan.  
22 Interest on the loan shall not be deferred.*

23 (b) Notwithstanding subdivision (a), if the loan applicant is a  
24 public water system that is a disadvantaged community or provides  
25 matching funds, the interest rate on the loan shall be zero percent.

26 (c) *This section shall become operative on July 1, 2014, and is  
27 repealed as of January 1 of the next calendar year occurring after  
28 the board provides notice to the Legislature and the Secretary of  
29 State and posts notice on its Internet Web site that the board has  
30 adopted a policy handbook pursuant to Section 116760.43.*

31 *SEC. 117. Section 116761.65 is added to the Health and Safety  
32 Code, to read:*

33 *116761.65. (a) The board shall annually establish the interest  
34 rate for repayable financing made pursuant to this chapter at a  
35 rate not to exceed 50 percent of the average interest rate, computed  
36 by the true interest cost method, paid by the state on general  
37 obligation bonds issued in the prior calendar year, rounded up to  
38 the closest one-tenth of 1 percent.*

39 (b) Notwithstanding subdivision (a), if the financing is for a  
40 public water system that serves a disadvantaged community with

1 *a financial hardship as determined by the board or if the financing*  
2 *is for a public water system that provides matching funds, the*  
3 *interest rate shall be 0 percent.*

4 *(c) This section shall become operative on January 1 of the next*  
5 *calendar year occurring after the board provides notice to the*  
6 *Legislature and the Secretary of State and posts notice on its*  
7 *Internet Web site that the board has adopted a policy handbook*  
8 *pursuant to Section 116760.43.*

9 *SEC. 118. Section 116761.70 of the Health and Safety Code*  
10 *is amended to read:*

11 116761.70. (a) Not more than 4 percent of the capitalization  
12 grant may be used by the department for administering this chapter.  
13 The department may establish a reasonable schedule of  
14 administrative fees for loans, which shall be paid by the applicant  
15 to reimburse the state for the costs of the state administration of  
16 this chapter.

17 (b) Charges incurred by the Attorney General in protection of  
18 the state's interest in the use of repayment of grant and loan funds  
19 under this chapter shall be paid. These charges shall not be paid  
20 from funds allocated for administrative purposes, but shall be  
21 treated as a program expense not to exceed one-half of 1 percent  
22 of the total amount deposited in the fund.

23 *(c) This section shall become inoperative on July 1, 2014, and,*  
24 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
25 *that becomes operative on or before January 1, 2015, deletes or*  
26 *extends the dates on which it becomes inoperative and is repealed.*

27 *SEC. 119. Section 116761.70 is added to the Health and Safety*  
28 *Code, to read:*

29 116761.70. (a) Not more than 4 percent of the capitalization  
30 grant may be used by the board for administering this chapter.  
31 The board may establish a reasonable schedule of administrative  
32 fees that shall be paid by the applicant to reimburse the state for  
33 the costs of the state administration of this chapter.

34 (b) This section shall become operative on July 1, 2014.

35 *SEC. 120. Section 116761.80 of the Health and Safety Code*  
36 *is amended to read:*

37 116761.80. (a) The department may expend money repaid to  
38 the state pursuant to any contract executed under Section 116761.50  
39 as necessary for the administration of contracts entered into by the  
40 department under this chapter, but those expenditures may not in

1 any year exceed 1.5 percent of the amount of principal and interest  
2 projected to be paid to the state in that year pursuant to this chapter.

3 (b) Charges incurred by the Attorney General in protecting the  
4 state's interest in the use of funds and repayment of funds under  
5 this chapter may be paid by the department from these funds, but  
6 those charges may not exceed one-half of 1 percent of the amount  
7 of principal and interest projected to be paid to the state in that  
8 year pursuant to this chapter.

9 (c) Any of these sums unexpended by the department at the end  
10 of any year shall automatically revert to the fund.

11 (d) *This section shall become inoperative on July 1, 2014, and,*  
12 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
13 *that becomes operative on or before January 1, 2015, deletes or*  
14 *extends the dates on which it becomes inoperative and is repealed.*

15 *SEC. 121. Section 116761.85 of the Health and Safety Code*  
16 *is amended to read:*

17 116761.85. (a) Except as provided in Section 116761.80, all  
18 money repaid to the state pursuant to any contract executed under  
19 subdivision (a) of Section 116761.50, including interest payments  
20 and all interest earned on or accruing to any moneys in the fund,  
21 shall be deposited in the fund and shall be available in perpetuity,  
22 for expenditure for the purposes and uses permitted by this chapter  
23 and the federal act.

24 (b) *This section shall become inoperative on July 1, 2014, and,*  
25 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
26 *that becomes operative on or before January 1, 2015, deletes or*  
27 *extends the dates on which it becomes inoperative and is repealed.*

28 *SEC. 122. Section 116761.85 is added to the Health and Safety*  
29 *Code, to read:*

30 116761.85. (a) *Moneys repaid to the state pursuant to any*  
31 *contract executed pursuant to this chapter, including interest*  
32 *payments and all interest earned on or accruing to any moneys in*  
33 *the fund, shall be deposited in the fund and shall be available in*  
34 *perpetuity, for expenditure for the purposes and uses permitted by*  
35 *this chapter and the federal act.*

36 (b) *This section shall become operative on July 1, 2014.*

37 *SEC. 123. Section 116762.60 of the Health and Safety Code*  
38 *is amended to read:*

39 116762.60. (a) The department shall, contingent upon receiving  
40 federal capitalization grant funds, develop and implement a

1 program to protect sources of drinking water. In carrying out this  
2 program, the department shall coordinate with local, state, and  
3 federal agencies that have public health and environmental  
4 management programs to ensure an effective implementation of  
5 the program while avoiding duplication of effort and reducing  
6 program costs. The program shall include *all of* the following:

7 (1) A source water assessment program to delineate and assess  
8 the drinking water supplies of public drinking water systems  
9 pursuant to Section 1453 of the federal act.

10 (2) A wellhead protection program to protect drinking water  
11 wells from contamination pursuant to Section 1428 of the federal  
12 act.

13 (3) Pursuant to Section 1452(k) of the federal act, the department  
14 shall set aside federal capitalization grant funds sufficient to carry  
15 out paragraphs (1) and (2) of subdivision (a).

16 (b) The department shall set aside federal capitalization grant  
17 funds to provide assistance to water systems pursuant to Section  
18 1452(k) of the federal act for the following source water protection  
19 activities, to the extent that those activities are proposed:

20 (1) To acquire land or a conservation easement if the purpose  
21 of the acquisition is to protect the source water of the system from  
22 contamination and to ensure compliance with primary drinking  
23 water regulations.

24 (2) To implement local, voluntary source water protection  
25 measures to protect source water in areas delineated pursuant to  
26 Section 1453 of the federal act, in order to facilitate compliance  
27 with primary drinking water regulations applicable to the water  
28 system under Section 1412 of the federal act or otherwise  
29 significantly further the health protection objectives of the federal  
30 and state acts.

31 (3) To carry out a voluntary, incentive-based source water  
32 quality protection partnership pursuant to Section 1454 of the  
33 federal act.

34 (c) The department shall conduct duly noticed public hearings,  
35 public workshops, focus groups, or meetings around the state to  
36 encourage the involvement and active input of public and affected  
37 parties in the development and periodic updating of the source  
38 water protection program adopted pursuant to this article. The  
39 notices shall contain basic information about the program in an  
40 understandable format and shall notify widely representative

1 groups, including, but not limited to, federal, state, and local  
2 governmental agencies, water utilities, public interest,  
3 environmental, and consumer groups, public health groups, land  
4 conservation groups, health care providers, groups representing  
5 vulnerable populations, groups representing business and  
6 agricultural interests, and members of the general public. In  
7 addition, the department shall convene a technical advisory  
8 committee and a citizens' advisory committee made up of those  
9 representative groups to provide advice and direction on program  
10 development and implementation.

11 (d) The department shall submit a report to the Legislature every  
12 two years on its activities under this section. The report shall  
13 contain a description of each program for which funds have been  
14 set aside under this section, the effectiveness of each program in  
15 carrying out the intent of the federal and state acts, and an  
16 accounting of the amount of set aside funds used.

17 (e) *This section shall become inoperative on July 1, 2014, and,*  
18 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
19 *that becomes operative on or before January 1, 2015, deletes or*  
20 *extends the dates on which it becomes inoperative and is repealed.*

21 *SEC. 124. Section 116762.60 is added to the Health and Safety*  
22 *Code, to read:*

23 *116762.60. (a) The board shall, contingent upon receiving*  
24 *federal capitalization grant funds, develop and implement a*  
25 *program to protect sources of drinking water. In carrying out this*  
26 *program, the board shall coordinate with local, state, and federal*  
27 *agencies that have public health and environmental management*  
28 *programs to ensure an effective implementation of the program*  
29 *while avoiding duplication of effort and reducing program costs.*  
30 *The program shall include all of the following:*

31 *(1) A source water assessment program to delineate and assess*  
32 *the drinking water supplies of public drinking water systems*  
33 *pursuant to Section 1453 of the federal act.*

34 *(2) A wellhead protection program to protect drinking water*  
35 *wells from contamination pursuant to Section 1428 of the federal*  
36 *act.*

37 *(3) Pursuant to Section 1452(k) of the federal act, the board*  
38 *shall set aside federal capitalization grant funds sufficient to carry*  
39 *out paragraphs (1) and (2) of subdivision (a).*

1 (b) The board shall set aside federal capitalization grant funds  
2 to provide assistance to water systems pursuant to Section 1452(k)  
3 of the federal act for the following source water protection  
4 activities, to the extent that those activities are proposed:

5 (1) To acquire land or a conservation easement if the purpose  
6 of the acquisition is to protect the source water of the system from  
7 contamination and to ensure compliance with primary drinking  
8 water regulations.

9 (2) To implement local, voluntary source water protection  
10 measures to protect source water in areas delineated pursuant to  
11 Section 1453 of the federal act, in order to facilitate compliance  
12 with primary drinking water regulations applicable to the water  
13 system under Section 1412 of the federal act or otherwise  
14 significantly further the health protection objectives of the federal  
15 and state acts.

16 (3) To carry out a voluntary, incentive-based source water  
17 quality protection partnership pursuant to Section 1454 of the  
18 federal act.

19 (c) The board shall conduct duly noticed public hearings, public  
20 workshops, focus groups, or meetings around the state to  
21 encourage the involvement and active input of public and affected  
22 parties in the development and periodic updating of the source  
23 water protection program adopted pursuant to this article. The  
24 notices shall contain basic information about the program in an  
25 understandable format and shall notify widely representative  
26 groups, including, but not limited to, federal, state, and local  
27 governmental agencies, water utilities, public interest,  
28 environmental, and consumer groups, public health groups, land  
29 conservation groups, health care providers, groups representing  
30 vulnerable populations, groups representing business and  
31 agricultural interests, and members of the general public. In  
32 addition, the board shall convene a technical advisory committee  
33 and a citizens' advisory committee made up of those representative  
34 groups to provide advice and direction on program development  
35 and implementation.

36 (d) (1) The board shall submit a report to the Legislature every  
37 two years on its activities under this section. The report shall  
38 contain a description of each program for which funds have been  
39 set aside under this section, the effectiveness of each program in

1 carrying out the intent of the federal and state acts, and an  
2 accounting of the amount of set aside funds used.

3 (2) A report submitted pursuant to this subdivision shall be  
4 submitted in compliance with Section 9795 of the Government  
5 Code.

6 (e) This section shall become operative on July 1, 2014, and is  
7 repealed as of January 1 of the next calendar year occurring after  
8 the board provides notice to the Legislature and the Secretary of  
9 State and posts notice on its Internet Web site that the board has  
10 adopted a policy handbook pursuant to Section 116760.43.

11 SEC. 125. Section 116762.60 is added to the Health and Safety  
12 Code, to read:

13 116762.60. (a) The board shall, contingent upon receiving  
14 federal capitalization grant funds, develop and implement a  
15 program to protect sources of drinking water. In carrying out this  
16 program, the board shall coordinate with local, state, and federal  
17 agencies that have public health and environmental management  
18 programs to ensure an effective implementation of the program  
19 while avoiding duplication of effort and reducing program costs.  
20 The program shall include all of the following:

21 (1) A source water assessment program to delineate and assess  
22 the drinking water supplies of public drinking water systems  
23 pursuant to Section 1453 of the federal act.

24 (2) A wellhead protection program to protect drinking water  
25 wells from contamination pursuant to Section 1428 of the federal  
26 act.

27 (3) Pursuant to Section 1452(k) of the federal act, the board  
28 shall set aside federal capitalization grant funds sufficient to carry  
29 out paragraphs (1) and (2).

30 (b) The board shall set aside federal capitalization grant funds  
31 to provide assistance to water systems pursuant to Section 1452(k)  
32 of the federal act for the following source water protection  
33 activities, to the extent that those activities are proposed:

34 (1) To acquire land or a conservation easement if the purpose  
35 of the acquisition is to protect the source water of the system from  
36 contamination and to ensure compliance with primary drinking  
37 water regulations.

38 (2) To implement local, voluntary source water protection  
39 measures to protect source water in areas delineated pursuant to  
40 Section 1453 of the federal act, in order to facilitate compliance

1 *with primary drinking water regulations applicable to the water*  
2 *system under Section 1412 of the federal act or otherwise*  
3 *significantly further the health protection objectives of the federal*  
4 *and state acts.*

5 *(3) To carry out a voluntary, incentive-based source water*  
6 *quality protection partnership pursuant to Section 1454 of the*  
7 *federal act.*

8 *(c) The board shall post a report to its Internet Web site, every*  
9 *two years, on its activities under this section. The report shall*  
10 *contain a description of each program for which funds have been*  
11 *set aside under this section, the effectiveness of each program in*  
12 *carrying out the intent of the federal and state acts, and an*  
13 *accounting of the amount of set aside funds used.*

14 *(d) This section shall become operative on January 1 of the next*  
15 *calendar year occurring after the board provides notice to the*  
16 *Legislature and the Secretary of State and posts notice on its*  
17 *Internet Web site that the board has adopted a policy handbook*  
18 *pursuant to Section 116760.43.*

19 *SEC. 126. Section 131110 of the Health and Safety Code is*  
20 *amended to read:*

21 *131110. (a) The department shall maintain a program of*  
22 *Drinking Water and Environmental Management.*

23 *(b) This section shall become inoperative on July 1, 2014, and,*  
24 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
25 *that becomes operative on or before January 1, 2015, deletes or*  
26 *extends the dates on which it becomes inoperative and is repealed.*

27 *SEC. 127. Section 131110 is added to the Health and Safety*  
28 *Code, to read:*

29 *131110. (a) The department shall maintain a program of*  
30 *Environmental Management.*

31 *(b) This section shall become operative on July 1, 2014.*

32 *SEC. 128. Section 541.5 of the Public Resources Code is*  
33 *amended to read:*

34 *541.5. (a) The department shall not close, or propose to close,*  
35 *a state park in the 2012–13 or 2013–14 fiscal year. The commission*  
36 *and the department shall recommend all necessary steps to establish*  
37 *a sustainable funding strategy for the department to the Legislature*  
38 *on or before January 1, 2015.*

39 *(b) There is hereby appropriated twenty million five hundred*  
40 *thousand dollars (\$20,500,000) to the department from the State*

1 Parks and Recreation Fund, which shall be available for  
2 encumbrance ~~for the 2012–13 and 2013–14 fiscal years, until June~~  
3 ~~30, 2016, and for liquidation until June 30, 2018,~~ to be expended  
4 as follows:

5 (1) Ten million dollars (\$10,000,000) shall be available to  
6 provide for matching funds pursuant to subdivision (c).

7 (2) Ten million dollars (\$10,000,000) shall be available for the  
8 department to direct funds to parks that remain at risk of closure  
9 or that will keep parks open during the ~~2012–13 and 2013–14 fiscal~~  
10 ~~years. to 2015–16 fiscal years, inclusive.~~ Priority may be given to  
11 parks subject to a donor or operating agreement or other contractual  
12 arrangement with the department.

13 (3) Up to five hundred thousand dollars (\$500,000) shall be  
14 available for the department to pay for ongoing audits and  
15 investigations as directed by the Joint Legislative Audit Committee,  
16 the office of the Attorney General, the Department of Finance, or  
17 other state agency.

18 (c) The department shall match on a dollar-for-dollar basis all  
19 financial contributions contributed by a donor pursuant to an  
20 agreement for the 2012–13 fiscal year for which the department  
21 received funds as of July 31, 2013, and for agreements entered  
22 into in the 2013–14 fiscal year. These matching funds shall be  
23 used exclusively in the park unit subject to those agreements.

24 (d) The department shall notify the Joint Legislative Budget  
25 Committee in writing not less than 30 days ~~prior to~~ *before* the  
26 expenditure of funds under this section of the funding that shall  
27 be expended, the manner of the expenditure, and the recipient of  
28 the expenditure.

29 (e) ~~The prohibition to close, or propose to close, on the closure~~  
30 ~~or proposed closure of~~ a state park in the 2012–13 or 2013–14  
31 fiscal year, pursuant to paragraph (a), does not limit or affect the  
32 department’s authority to enter into an operating agreement,  
33 pursuant to Section 5080.42, during the 2012–13 or 2013–14 fiscal  
34 year, for purposes of the operation of the entirety of a state park  
35 during the 2012–13 or 2013–14 fiscal year.

36 *SEC. 129. Section 2705 of the Public Resources Code is*  
37 *amended to read:*

38 2705. (a) A city, county, and city and county shall collect a  
39 fee from each applicant for a building permit. Each fee shall be  
40 equal to a specific amount of the proposed building construction

1 for which the building permit is issued as determined by the local  
2 building officials. The fee amount shall be assessed in the following  
3 way:

4 (1) Group R occupancies, as defined in the California Building  
5 Code (Part 2 of Title 24 of the California Code of Regulations),  
6 one to three stories in height, except hotels and motels, shall be  
7 assessed at the rate of ~~ten~~ *thirteen* dollars ~~(\$10)~~ *(\$13)* per one  
8 hundred thousand dollars (\$100,000), with appropriate fractions  
9 thereof.

10 (2) All other buildings shall be assessed at the rate of ~~twenty-one~~  
11 *twenty-eight* dollars ~~(\$21)~~ *(\$28)* per one hundred thousand dollars  
12 (\$100,000), with appropriate fractions thereof.

13 (3) The fee shall be the amount assessed under paragraph (1)  
14 or (2), depending on building type, or fifty cents (\$0.50), whichever  
15 is the higher.

16 (b) (1) In lieu of the requirements of subdivision (a), a city,  
17 county, and city and county may elect to include a rate of ~~ten~~  
18 *thirteen* dollars ~~(\$10)~~ *(\$13)* per one hundred thousand dollars  
19 (\$100,000), with appropriate fractions thereof, in its basic building  
20 permit fee for any Group R occupancy defined in paragraph (1)  
21 of subdivision (a), and a rate of ~~twenty-one~~ *twenty-eight* dollars  
22 ~~(\$21)~~ *(\$28)* per one hundred thousand dollars (\$100,000), with  
23 appropriate fractions thereof, for all other building types. A city,  
24 county, and city and county electing to collect the fee pursuant to  
25 this subdivision need not segregate the fees in a fund separate from  
26 any fund into which basic building permit fees are deposited.

27 (2) “Building,” for the purpose of this chapter, is any structure  
28 built for the support, shelter, or enclosure of persons, animals,  
29 chattels, or property of any kind.

30 (c) (1) A city, county, and city and county may retain up to 5  
31 percent of the total amount it collects under subdivision (a) or (b)  
32 for data utilization, for seismic education incorporating data  
33 interpretations from data of the strong-motion instrumentation  
34 program and the seismic hazards mapping program, and, in  
35 accordance with paragraph (2), for improving the preparation for  
36 damage assessment after strong seismic motion events.

37 (2) A city, county, and city and county may use any funds  
38 retained pursuant to this subdivision to improve the preparation  
39 for damage assessment in its jurisdiction only after it provides the  
40 Department of Conservation with information indicating to the

1 department that data utilization and seismic education activities  
2 have been adequately funded.

3 (d) Funds collected pursuant to subdivisions (a) and (b), less  
4 the amount retained pursuant to subdivision (c), shall be deposited  
5 in the Strong-Motion Instrumentation and Seismic Hazards  
6 Mapping Fund, as created by Section 2699.5 to be used exclusively  
7 for purposes of this chapter, *Chapter 7.5 (commencing with Section*  
8 *2621)*, and Chapter 7.8 (commencing with Section 2690).

9 *SEC. 130. Section 3160 of the Public Resources Code is*  
10 *amended to read:*

11 3160. (a) On or before January 1, 2015, the Secretary of the  
12 Natural Resources Agency shall cause to be conducted, and  
13 completed, an independent scientific study on well stimulation  
14 treatments, including, but not limited to, hydraulic fracturing and  
15 acid well stimulation treatments. The scientific study shall evaluate  
16 the hazards and risks and potential hazards and risks that well  
17 stimulation treatments pose to natural resources and public,  
18 occupational, and environmental health and safety. The scientific  
19 study shall do all of the following:

20 (1) Follow the well-established standard protocols of the  
21 scientific profession, including, but not limited to, the use of  
22 recognized experts, peer review, and publication.

23 (2) Identify areas with existing and potential conventional and  
24 unconventional oil and gas reserves where well stimulation  
25 treatments are likely to spur or enable oil and gas exploration and  
26 production.

27 (3) (A) Evaluate all aspects and effects of well stimulation  
28 treatments, including, but not limited to, the well stimulation  
29 treatment, additive and water transportation to and from the well  
30 site, mixing and handling of the well stimulation treatment fluids  
31 and additives onsite, the use and potential for use of nontoxic  
32 additives and the use or reuse of treated or produced water in well  
33 stimulation treatment fluids, *and* flowback fluids and *the* handling,  
34 treatment, and disposal of flowback fluids and other materials, if  
35 any, generated by the treatment. Specifically, the potential for the  
36 use of recycled water in well stimulation treatments, including  
37 appropriate water quality requirements and available treatment  
38 technologies, shall be evaluated. Well stimulation treatments  
39 include, but are not limited to, hydraulic fracturing and acid well  
40 stimulation treatments.

1 (B) Review and evaluate acid matrix stimulation treatments,  
2 including the range of acid volumes applied per treated foot and  
3 total acid volumes used in treatments, types of acids, acid  
4 concentration, and other chemicals used in the treatments.

5 (4) Consider, at a minimum, atmospheric emissions, including  
6 potential greenhouse gas emissions, the potential degradation of  
7 air quality, potential impacts on wildlife, native plants, and habitat,  
8 including habitat fragmentation, potential water and surface  
9 contamination, potential noise pollution, induced seismicity, and  
10 the ultimate disposition, transport, transformation, and toxicology  
11 of well stimulation treatments, including acid well stimulation  
12 fluids, hydraulic fracturing fluids, and waste hydraulic fracturing  
13 fluids and acid well stimulation in the environment.

14 (5) Identify and evaluate the geologic features present in the  
15 vicinity of a well, including the well bore, that should be taken  
16 into consideration in the design of a proposed well stimulation  
17 treatment.

18 (6) Include a hazard assessment and risk analysis addressing  
19 occupational and environmental exposures to well stimulation  
20 treatments, including hydraulic fracturing treatments, hydraulic  
21 fracturing treatment-related processes, acid well stimulation  
22 treatments, acid well stimulation treatment-related processes, and  
23 the corresponding impacts on public health and safety with the  
24 participation of the Office of Environmental Health Hazard  
25 Assessment.

26 (7) Clearly identify where additional information is necessary  
27 to inform and improve the analyses.

28 (b) (1) (A) On or before January 1, 2015, the division, in  
29 consultation with the Department of Toxic Substances Control,  
30 the State Air Resources Board, the State Water Resources Control  
31 Board, the Department of Resources Recycling and Recovery, and  
32 any local air districts and regional water quality control boards in  
33 areas where well stimulation treatments, including acid well  
34 stimulation treatments and hydraulic fracturing—~~treatments~~  
35 *treatments*, may occur, shall adopt rules and regulations specific  
36 to well stimulation treatments. The rules and regulations shall  
37 include, but are not limited to, revisions, as needed, to the rules  
38 and regulations governing construction of wells and well casings  
39 to ensure integrity of wells, well casings, and the geologic and  
40 hydrologic isolation of the oil and gas formation during and

1 following well stimulation treatments, and full disclosure of the  
2 composition and disposition of well stimulation fluids, including,  
3 but not limited to, hydraulic fracturing fluids, acid well stimulation  
4 fluids, and flowback fluids.

5 (B) The rules and regulations shall additionally include  
6 provisions for an independent entity or person to perform the  
7 notification requirements pursuant to paragraph (6) of subdivision  
8 (d), for the operator to provide for baseline and followup water  
9 testing upon request as specified in paragraph (7) of subdivision  
10 (d).

11 (C) (i) In order to identify the acid matrix stimulation treatments  
12 that are subject to this section, the rules and regulations shall  
13 establish threshold values for acid volume applied per treated foot  
14 of any individual stage of the well or for total acid volume of the  
15 treatment, or both, based upon a quantitative assessment of the  
16 risks posed by acid matrix stimulation treatments that exceed the  
17 specified threshold value or values in order to prevent, as far as  
18 possible, damage to life, health, property, and natural resources  
19 pursuant to Section 3106.

20 (ii) On or before January 1, 2020, the division shall review and  
21 evaluate the threshold values for acid volume applied per treated  
22 foot and total acid volume of the treatment, based upon data  
23 collected in the state, for acid matrix stimulation treatments. The  
24 division shall revise the values through the regulatory process, if  
25 necessary, based upon the best available scientific information,  
26 including the results of the independent scientific study pursuant  
27 to subparagraph (B) of paragraph (3) of subdivision (a).

28 (2) Full disclosure of the composition and disposition of well  
29 stimulation fluids, including, but not limited to, hydraulic fracturing  
30 fluids and acid stimulation treatment fluids, shall, at a minimum,  
31 include:

32 (A) The date of the well stimulation treatment.

33 (B) A complete list of the names, Chemical Abstract Service  
34 (CAS) numbers, and maximum concentration, in percent by mass,  
35 of each and every chemical constituent of the well stimulation  
36 treatment fluids used. If a CAS number does not exist for a  
37 chemical constituent, the well owner or operator may provide  
38 another unique identifier, if available.

1 (C) The trade name, the supplier, concentration, and a brief  
2 description of the intended purpose of each additive contained in  
3 the well stimulation treatment fluid.

4 (D) The total volume of base fluid used during the well  
5 stimulation treatment, and the identification of whether the base  
6 fluid is water suitable for irrigation or domestic purposes, water  
7 not suitable for irrigation or domestic purposes, or a fluid other  
8 than water.

9 (E) The source, volume, and specific composition and  
10 disposition of all water, including, but not limited to, all water  
11 used as base fluid during the well stimulation treatment and  
12 recovered from the well following the well stimulation treatment  
13 that is not otherwise reported as produced water pursuant to Section  
14 3227. Any repeated reuse of treated or untreated water for well  
15 stimulation treatments and well stimulation treatment-related  
16 activities shall be identified.

17 (F) The specific composition and disposition of all well  
18 stimulation treatment fluids, including waste fluids, other than  
19 water.

20 (G) Any radiological components or tracers injected into the  
21 well as part of, or in order to evaluate, the well stimulation  
22 treatment, a description of the recovery method, if any, for those  
23 components or tracers, the recovery rate, and specific disposal  
24 information for recovered components or tracers.

25 (H) The radioactivity of the recovered well stimulation fluids.

26 (I) The location of the portion of the well subject to the well  
27 stimulation treatment and the extent of the fracturing or other  
28 modification, if any, surrounding the well induced by the treatment.

29 (c) (1) Through the consultation process described in paragraph  
30 (1) of subdivision (b), the division shall collaboratively identify  
31 and delineate the existing statutory authority and regulatory  
32 responsibility relating to well stimulation treatments and well  
33 stimulation treatment-related activities of the Department of Toxic  
34 Substances Control, the State Air Resources Board, any local air  
35 districts, the State Water Resources Control Board, the Department  
36 of Resources Recycling and Recovery, any regional water quality  
37 control board, and other public entities, as applicable. This shall  
38 specify how the respective authority, responsibility, and notification  
39 and reporting requirements associated with well stimulation

1 treatments and well stimulation treatment-related activities are  
2 divided among each public entity.

3 (2) On or before January 1, 2015, the division shall enter into  
4 formal agreements with the Department of Toxic Substances  
5 Control, the State Air Resources Board, any local air districts where  
6 well stimulation treatments may occur, the State Water Resources  
7 Control Board, the Department of Resources Recycling and  
8 Recovery, and any regional water quality control board where well  
9 stimulation treatments may occur, clearly delineating respective  
10 authority, responsibility, and notification and reporting  
11 requirements associated with well stimulation treatments and well  
12 stimulation treatment-related activities, including air and water  
13 quality monitoring, in order to promote regulatory transparency  
14 and accountability.

15 (3) The agreements under paragraph (2) shall specify the  
16 appropriate public entity responsible for air and water quality  
17 monitoring and the safe and lawful disposal of materials in  
18 landfills, include trade secret handling protocols, if necessary, and  
19 provide for ready public access to information related to well  
20 stimulation treatments and related activities.

21 (4) Regulations, if necessary, shall be revised appropriately to  
22 incorporate the agreements under paragraph (2).

23 (d) (1) Notwithstanding any other law or regulation, prior to  
24 performing a well stimulation treatment on a well, the operator  
25 shall apply for a permit to perform a well stimulation treatment  
26 with the supervisor or district deputy. The well stimulation  
27 treatment permit application shall contain the pertinent data the  
28 supervisor requires on printed forms supplied by the division or  
29 on other forms acceptable to the supervisor. The information  
30 provided in the well stimulation treatment permit application shall  
31 include, but is not limited to, the following:

32 (A) The well identification number and location.

33 (B) The time period during which the well stimulation treatment  
34 is planned to occur.

35 (C) A water management plan that shall include all of the  
36 following:

37 (i) An estimate of the amount of water to be used in the  
38 treatment. Estimates of water to be recycled following the well  
39 stimulation treatment may be included.

1 (ii) The anticipated source of the water to be used in the  
2 treatment.

3 (iii) The disposal method identified for the recovered water in  
4 the flowback fluid from the treatment that is not produced water  
5 included in the statement pursuant to Section 3227.

6 (D) A complete list of the names, Chemical Abstract Service  
7 (CAS) numbers, and estimated concentrations, in percent by mass,  
8 of each and every chemical constituent of the well stimulation  
9 fluids anticipated to be used in the treatment. If a CAS number  
10 does not exist for a chemical constituent, the well owner or operator  
11 may provide another unique identifier, if available.

12 (E) The planned location of the well stimulation treatment on  
13 the well bore, the estimated length, height, and direction of the  
14 induced fractures or other planned modification, if any, and the  
15 location of existing wells, including plugged and abandoned wells,  
16 that may be impacted by these fractures and modifications.

17 (F) A groundwater monitoring plan. Required groundwater  
18 monitoring in the vicinity of the well subject to the well stimulation  
19 treatment shall be satisfied by one of the following:

20 (i) The well is located within the boundaries of an existing oil  
21 or gas field-specific or regional monitoring program developed  
22 pursuant to Section 10783 of the Water Code.

23 (ii) The well is located within the boundaries of an existing oil  
24 or gas field-specific or regional monitoring program developed  
25 and implemented by the well owner or operator meeting the model  
26 criteria established pursuant to Section 10783 of the Water Code.

27 (iii) Through a well-specific monitoring plan implemented by  
28 the owner or operator meeting the model criteria established  
29 pursuant to Section 10783 of the Water Code, and submitted to  
30 the appropriate regional water board for review.

31 (G) The estimated amount of treatment-generated waste  
32 materials that are not reported in subparagraph (C) and an identified  
33 disposal method for the waste materials.

34 (2) (A) At the supervisor's discretion, and if applied for  
35 concurrently, the well stimulation treatment permit described in  
36 this section may be combined with the well drilling and related  
37 operation notice of intent required pursuant to Section 3203 into  
38 a single combined authorization. The portion of the combined  
39 authorization applicable to well stimulation shall meet all of the

1 requirements of a well stimulation treatment permit pursuant to  
2 this section.

3 ~~(B) Where the supervisor determines that the activities proposed~~  
4 ~~in the well stimulation treatment permit or the combined~~  
5 ~~authorization have met all of the requirements of Division 13~~  
6 ~~(commencing with Section 21000), and have been fully described,~~  
7 ~~analyzed, evaluated, and mitigated, no additional review or~~  
8 ~~mitigation shall be required.~~

9 ~~(C)~~

10 (B) The time period available for approval of the portion of the  
11 combined authorization applicable to well stimulation is subject  
12 to the terms of this section, and not Section 3203.

13 (3) (A) The supervisor or district deputy shall review the well  
14 stimulation treatment permit application and may approve the  
15 permit if the application is complete. An incomplete application  
16 shall not be approved.

17 (B) A well stimulation treatment or repeat well stimulation  
18 treatment shall not be performed on any well without a valid permit  
19 that the supervisor or district deputy has approved.

20 (C) In considering the permit application, the supervisor shall  
21 evaluate the quantifiable risk of the well stimulation treatment.

22 *(D) In the absence of state implementation of a regional*  
23 *groundwater monitoring program pursuant to paragraph (1) of*  
24 *subdivision (h) of Section 10783 of the Water Code, the supervisor*  
25 *or district deputy may approve a permit application for well*  
26 *stimulation treatment pursuant to subparagraph (A) prior to the*  
27 *approval by the State Water Resources Control Board or a regional*  
28 *water quality control board of an area-specific groundwater*  
29 *monitoring program developed by an owner or operator pursuant*  
30 *to paragraph (2) of subdivision (h) of Section 10783 of the Water*  
31 *Code, but the well stimulation treatment shall not commence until*  
32 *the state board or the regional board approves the area-specific*  
33 *groundwater monitoring program.*

34 (4) The well stimulation treatment permit shall expire one year  
35 from the date that the permit is issued.

36 (5) Within five business days of issuing a permit to perform a  
37 well stimulation treatment, the division shall provide a copy of the  
38 permit to the appropriate regional water quality control board or  
39 boards and to the local planning entity where the well, including  
40 its subsurface portion, is located. The division shall also post the

1 permit on the publicly accessible portion of its Internet Web site  
2 within five business days of issuing a permit.

3 (6) (A) It is the policy of the state that a copy of the approved  
4 well stimulation treatment permit and information on the available  
5 water sampling and testing be provided to every tenant of the  
6 surface property and every surface property owner or authorized  
7 agent of that owner whose property line location is one of the  
8 following:

9 (i) Within a 1,500 foot radius of the wellhead.

10 (ii) Within 500 feet from the horizontal projection of all  
11 subsurface portions of the designated well to the surface.

12 (B) (i) The well owner or operator shall identify the area  
13 requiring notification and shall contract with an independent entity  
14 or person who is responsible for, and shall perform, the notification  
15 required pursuant to subparagraph (A).

16 (ii) The independent entity or person shall identify the  
17 individuals notified, the method of notification, the date of the  
18 notification, a list of those notified, and shall provide a list of this  
19 information to the division.

20 (iii) The performance of the independent entity or persons shall  
21 be subject to review and audit by the division.

22 (C) A well stimulation treatment shall not commence before 30  
23 calendar days after the permit copies pursuant to subparagraph (A)  
24 are provided.

25 (7) (A) A property owner notified pursuant to paragraph (6)  
26 may request water quality sampling and testing from a designated  
27 qualified contractor on any water well suitable for drinking or  
28 irrigation purposes and on any surface water suitable for drinking  
29 or irrigation purposes as follows:

30 (i) Baseline measurements prior to the commencement of the  
31 well stimulation treatment.

32 (ii) Followup measurements after the well stimulation treatment  
33 on the same schedule as the pressure testing of the well casing of  
34 the treated well.

35 (B) The State Water Resources Control Board shall designate  
36 one or more qualified independent third-party contractor or  
37 contractors that adhere to board-specified standards and protocols  
38 to perform the water sampling and testing. The well owner or  
39 operator shall pay for the sampling and testing. The sampling and  
40 testing performed shall be subject to audit and review by the State

1 Water Resources Control Board or applicable regional water quality  
2 control board, as appropriate.

3 (C) The results of the water testing shall be provided to the  
4 division, appropriate regional water board, and the property owner  
5 or authorized agent. A tenant notified pursuant to paragraph (6)  
6 shall receive information on the results of the water testing to the  
7 extent authorized by his or her lease and, where the tenant has  
8 lawful use of the ground or surface water identified in subparagraph  
9 (A), the tenant may independently contract for similar groundwater  
10 or surface water testing.

11 (8) The division shall retain a list of the entities and property  
12 owners notified pursuant to paragraphs (5) and (6).

13 (9) The operator shall provide notice to the division at least 72  
14 hours prior to the actual start of the well stimulation treatment in  
15 order for the division to witness the treatment.

16 (e) The Secretary of the Natural Resources Agency shall notify  
17 the Joint Legislative Budget Committee and the chairs of the  
18 Assembly Natural Resources, Senate Environmental Quality, and  
19 Senate Natural Resources and Water Committees on the progress  
20 of the independent scientific study on well stimulation and related  
21 activities. The first progress report shall be provided to the  
22 *Legislature committees* on or before April 1, 2014, and progress  
23 reports shall continue every four months thereafter until the  
24 independent study is completed, including a peer review of the  
25 study by independent scientific experts.

26 (f) If a well stimulation treatment is performed on a well, a  
27 supplier that performs any part of the stimulation or provides  
28 additives directly to the operator for a well stimulation treatment  
29 shall furnish the operator with information suitable for public  
30 disclosure needed for the operator to comply with subdivision (g).  
31 This information shall be provided as soon as possible but no later  
32 than 30 days following the conclusion of the well stimulation  
33 treatment.

34 (g) (1) Within 60 days following cessation of a well stimulation  
35 treatment on a well, the operator shall post or cause to have posted  
36 to an Internet Web site designated or maintained by the division  
37 and accessible to the public, all of the well stimulation fluid  
38 composition and disposition information required to be collected  
39 pursuant to rules and regulations adopted under subdivision (b),  
40 including well identification number and location. This shall

1 include the collected water quality data, which the operator shall  
2 report electronically to the State Water Resources Control Board.

3 (2) (A) The division shall commence the process to develop  
4 an Internet Web site for operators to report the information required  
5 under this section. The Internet Web site shall be capable of  
6 organizing the reported information in a format, such as a  
7 spreadsheet, that allows the public to easily search and aggregate,  
8 to the extent practicable, each type of information required to be  
9 collected pursuant to subdivision (b) using search functions on  
10 that Internet Web site. The Internet Web site shall be functional  
11 within two years of the Department of Technology's approval of  
12 a Feasibility Study Report or appropriation authority to fund the  
13 development of the Internet Web site, whichever occurs latest, but  
14 no later than January 1, 2016.

15 (B) The division may direct reporting to an alternative Internet  
16 Web site developed by the Ground Water Protection Council and  
17 the Interstate Oil and Gas Compact Commission in the interim  
18 until such time as approval or appropriation authority pursuant to  
19 subparagraph (A) occur. Prior to the implementation of the  
20 division's Internet Web site, the division shall obtain the data  
21 reported by operators to the alternative Internet Web site and make  
22 it available in an organized electronic format to the public no later  
23 than 15 days after it is reported to the alternative *Internet* Web  
24 site.

25 (h) The operator is responsible for compliance with this section.

26 (i) (1) All geologic features within a distance reflecting an  
27 appropriate safety factor of the fracture zone for well stimulation  
28 treatments that fracture the formation and that have the potential  
29 to either limit or facilitate the migration of fluids outside of the  
30 fracture zone shall be identified and added to the well history.  
31 Geologic features include seismic faults identified by the California  
32 Geologic Survey.

33 (2) For the purposes of this section, the "fracture zone" is  
34 defined as the volume surrounding the well bore where fractures  
35 were created or enhanced by the well stimulation treatment. The  
36 safety factor shall be at least five and may vary depending upon  
37 geologic knowledge.

38 (3) The division shall review the geologic features important to  
39 assessing well stimulation treatments identified in the independent  
40 study pursuant to paragraph (5) of subdivision (a). Upon

1 completion of the review, the division shall revise the regulations  
2 governing the reporting of geologic features pursuant to this  
3 subdivision accordingly.

4 (j) (1) Public disclosure of well stimulation treatment fluid  
5 information claimed to contain trade secrets is governed by Section  
6 1060 of the Evidence Code, or the Uniform Trade Secrets Act  
7 (Title 5 (commencing with Section 3426) of Part 1 of Division 4  
8 of the Civil Code), and the California Public Records Act (Chapter  
9 3.5 (commencing with Section 6250) of Division 7 of Title 1 of  
10 the Government Code).

11 (2) Notwithstanding any other law or regulation, none of the  
12 following information shall be protected as a trade secret:

13 (A) The identities of the chemical constituents of additives,  
14 including CAS identification numbers.

15 (B) The concentrations of the additives in the well stimulation  
16 treatment fluids.

17 (C) Any air or other pollution monitoring data.

18 (D) Health and safety data associated with well stimulation  
19 treatment fluids.

20 (E) The chemical composition of the flowback fluid.

21 (3) If a trade secret claim is invalid or invalidated, the division  
22 shall release the information to the public by revising the  
23 information released pursuant to subdivision (g). The supplier shall  
24 notify the division of any change in status within 30 days.

25 (4) (A) If a supplier believes that information regarding a  
26 chemical constituent of a well stimulation fluid is a trade secret,  
27 the supplier shall nevertheless disclose the information to the  
28 division in conjunction with a well stimulation treatment permit  
29 application, if not previously disclosed, within 30 days following  
30 cessation of a well stimulation on a well, and shall notify the  
31 division in writing of that belief.

32 (B) A trade secret claim shall not be made after initial disclosure  
33 of the information to the division.

34 (C) To comply with the public disclosure requirements of this  
35 section, the supplier shall indicate where trade secret information  
36 has been withheld and provide substitute information for public  
37 disclosure. The substitute information shall be a list, in any order,  
38 of the chemical constituents of the additive, including CAS  
39 identification numbers. The division shall review and approve the  
40 supplied substitute information.

1 (D) This subdivision does not permit a supplier to refuse to  
2 disclose the information required pursuant to this section to the  
3 division.

4 (5) In order to substantiate the trade secret claim, the supplier  
5 shall provide information to the division that shows all of the  
6 following:

7 (A) The extent to which the trade secret information is known  
8 by the supplier's ~~employees~~, *employees and* others involved in the  
9 supplier's business and outside the supplier's business.

10 (B) The measures taken by the supplier to guard the secrecy of  
11 the trade secret information.

12 (C) The value of the trade secret information to the supplier and  
13 its competitors.

14 (D) The amount of effort or money the supplier expended  
15 developing the trade secret information and the ease or difficulty  
16 with which the trade secret information could be acquired or  
17 duplicated by others.

18 (6) If the division determines that the information provided in  
19 support of a request for trade secret protection pursuant to  
20 paragraph (5) is incomplete, the division shall notify the supplier  
21 and the supplier shall have 30 days to complete the submission.  
22 An incomplete submission does not meet the substantive criteria  
23 for trade secret designation.

24 (7) If the division determines that the information provided in  
25 support of a request for trade secret protection does not meet the  
26 substantive criteria for trade secret designation, the department  
27 shall notify the supplier by certified mail of its determination. The  
28 division shall release the information to the public, but not earlier  
29 than 60 days after the date of mailing the determination, unless,  
30 prior to the expiration of the 60-day period, the supplier obtains  
31 an action in an appropriate court for a declaratory judgment that  
32 the information is subject to protection or for a preliminary  
33 injunction prohibiting disclosure of the information to the public  
34 and provides notice to the division of the court order.

35 (8) The supplier is not required to disclose trade secret  
36 information to the operator.

37 (9) Upon receipt of a request for the release of trade secret  
38 information to the public, the following procedure applies:

39 (A) The division shall notify the supplier of the request in  
40 writing by certified mail, return receipt requested.

1 (B) The division shall release the information to the public, but  
2 not earlier than 60 days after the date of mailing the notice of the  
3 request for information, unless, prior to the expiration of the 60-day  
4 period, the supplier obtains an action in an appropriate court for a  
5 declaratory judgment that the information is subject to protection  
6 or for a preliminary injunction prohibiting disclosure of the  
7 information to the public and provides notice to the division of  
8 that action.

9 (10) The division shall develop a timely procedure to provide  
10 trade secret information in the following circumstances:

11 (A) To an officer or employee of the division, the state, local  
12 governments, including, but not limited to, local air districts, or  
13 the United States, in connection with the official duties of that  
14 officer or employee, to a health professional under any law for the  
15 protection of health, or to contractors with the division or other  
16 government entities and their employees if, in the opinion of the  
17 division, disclosure is necessary and required for the satisfactory  
18 performance of a contract, for performance of work, or to protect  
19 health and safety.

20 (B) To a health professional in the event of an emergency or to  
21 diagnose or treat a patient.

22 (C) In order to protect public health, to any health professional,  
23 toxicologist, or epidemiologist who is employed in the field of  
24 public health and who provides a written statement of need. The  
25 written statement of need shall include the public health purposes  
26 of the disclosure and shall explain the reason the disclosure of the  
27 specific chemical and its concentration is required.

28 (D) A health professional may share trade secret information  
29 with other persons as may be professionally necessary, in order to  
30 diagnose or treat a patient, including, but not limited to, the patient  
31 and other health professionals, subject to state and federal laws  
32 restricting disclosure of medical records including, but not limited  
33 to, Chapter 2 (commencing with Section 56.10) of Part 2.6 of  
34 Division 1 of the Civil Code.

35 (E) For purposes of this paragraph, “health professional” means  
36 any person licensed or certified pursuant to Division 2  
37 (commencing with Section 500) of the Business and Professions  
38 Code, the Osteopathic Initiative Act, the Chiropractic Initiative  
39 Act, or the Emergency Medical Services System and the

1 Prehospital Emergency Medical Care Personnel Act (Division 2.5  
2 (commencing with Section 1797) of the Health and Safety Code).

3 (F) A person in possession of, or access to, confidential trade  
4 secret information pursuant to the provisions of this subdivision  
5 may disclose this information to any person who is authorized to  
6 receive it. A written confidentiality agreement shall not be required.

7 (k) A well granted confidential status pursuant to Section 3234  
8 shall not be required to disclose well stimulation treatment fluid  
9 information pursuant to subdivision (g) until the confidential status  
10 of the well ceases. Notwithstanding the confidential status of a  
11 well, it is public information that a well will be or has been subject  
12 to a well stimulation treatment.

13 (l) The division shall perform random periodic spot check  
14 inspections to ensure that the information provided on well  
15 stimulation treatments is accurately reported, including that the  
16 estimates provided prior to the commencement of the well  
17 stimulation treatment are reasonably consistent with the well  
18 history.

19 (m) Where the division shares jurisdiction over a well or the  
20 well stimulation treatment on a well with a federal entity, the  
21 division's rules and regulations shall apply in addition to all  
22 applicable federal laws and regulations.

23 (n) This article does not relieve the division or any other agency  
24 from complying with any other provision of existing laws,  
25 regulations, and orders.

26 (o) Well stimulation treatments used for routine maintenance  
27 of wells associated with underground storage facilities where  
28 natural gas is injected into and withdrawn from depleted or partially  
29 depleted oil or gas reservoirs pursuant to subdivision (a) of Section  
30 3403.5 are not subject to this section.

31 *SEC. 131. Section 3161 of the Public Resources Code is*  
32 *amended to read:*

33 3161. (a) The division shall ~~finalize and implement~~ the  
34 regulations governing this article on or before January 1, 2015.  
35 *Notwithstanding any other laws, the regulations shall become*  
36 *effective on July 1, 2015.*

37 (b) The division shall allow, until regulations ~~governing this~~  
38 ~~article specified in subdivision (b) of Section 3160~~ are finalized  
39 and implemented, and upon written notification by an operator,

1 all of the activities defined in Section 3157, provided all of the  
2 following conditions are met:

3 (1) The owner or operator certifies compliance with *paragraph*  
4 *(2)* of subdivision (b) of, ~~subparagraphs (A) to (F), inclusive, of~~  
5 ~~paragraph (1) and paragraphs (6) (1), (6), and (7) of subdivision~~  
6 (d) of, and *paragraph (1)* of subdivision (g) of, Section 3160.

7 (2) The owner or operator ~~provides~~ *shall provide* a complete  
8 well history, incorporating the information required by Section  
9 3160, to the division on or before March 1, 2015.

10 (3) (A) The division ~~conducts~~ *commences the preparation of*  
11 an environmental impact report (EIR) pursuant to the California  
12 Environmental Quality Act (Division 13 (commencing with Section  
13 21000)), ~~in order~~ to provide the public with detailed information  
14 regarding any potential environmental impacts of well stimulation  
15 in the state.

16 ~~(4)~~

17 (B) Any environmental review conducted by the division shall  
18 fully comply with ~~all~~ *both* of the following requirements:

19 ~~(A)~~

20 (i) The EIR shall be certified by the division as the lead agency,  
21 no later than July 1, 2015.

22 ~~(B)~~

23 (ii) The EIR shall address the issue of activities that may be  
24 conducted as defined in Section 3157 and that may occur at oil  
25 wells in the state existing prior to, and after, ~~the effective date of~~  
26 ~~this section.~~ *January 1, 2014.*

27 (C) ~~The EIR shall not conflict with an EIR conducted by a local~~  
28 ~~lead agency that is certified on or before July 1, 2015. Nothing in~~  
29 ~~this section prohibits~~ *This paragraph does not prohibit* a local lead  
30 agency from conducting its own EIR.

31 ~~(5)~~

32 (4) The division ensures that all activities pursuant to this section  
33 fully conform with this article and other applicable provisions of  
34 law on or before December 31, 2015, through a permitting process.

35 ~~(6)~~

36 (c) The division has the emergency regulatory authority to  
37 implement the purposes of this section. *Notwithstanding Section*  
38 *11349.6 of the Government Code or other laws, an emergency*  
39 *regulation adopted pursuant to this subdivision implementing*  
40 *subdivision (b) shall be filed with, but shall not be disapproved*

1 *by, the Office of Administrative Law, and shall remain in effect*  
 2 *until revised by the director or July 1, 2015, whichever is earlier.*

3 *(d) This section does not limit the authority of the division to*  
 4 *take appropriate action pursuant to subdivision (a) of Section*  
 5 *3106.*

6 *SEC. 132. Section 4629.5 of the Public Resources Code is*  
 7 *amended to read:*

8 *4629.5. (a) (1) ~~On and after January 1, 2013, there~~ There is*  
 9 *hereby imposed an assessment on a person who purchases a lumber*  
 10 *product or an engineered wood product for the storage, use, or*  
 11 *other consumption in this state, at the rate of 1 percent of the sales*  
 12 *price.*

13 *(2) A retailer shall charge the person the amount of the*  
 14 *assessment as a charge that is separate from, and not included in,*  
 15 *any other fee, charge, or other amount paid by the purchaser.*

16 *(3) The retailer shall collect the assessment from the person at*  
 17 *the time of sale, and may retain ~~an amount equal to the amount of~~*  
 18 *reimbursement, as determined by the State Board of Equalization*  
 19 *pursuant to regulations, reimbursement pursuant to Sections 2000*  
 20 *and 2001 of Title 18 of the California Code of Regulations, as*  
 21 *approved by the State Board of Equalization at its September 10,*  
 22 *2013, meeting, for any startup costs associated with the collection*  
 23 *of the assessment, to be taken on the first return or next consecutive*  
 24 *returns until the entire reimbursement amount is retained. ~~For~~*  
 25 *purposes of this paragraph, the State Board of Equalization may*  
 26 *adopt emergency regulations pursuant to Section 11346.1 of the*  
 27 *Government Code. The adoption of any regulation pursuant to this*  
 28 *paragraph shall be deemed to be an emergency and necessary for*  
 29 *the immediate preservation of the public peace, health, and safety,*  
 30 *and general welfare.*

31 *(b) The retailer shall separately state the amount of the*  
 32 *assessment imposed under this section on the sales receipt given*  
 33 *by the retailer to the person at the time of sale.*

34 *(c) The State Board of Equalization shall administer and collect*  
 35 *the assessment imposed by this section pursuant to the Fee*  
 36 *Collection Procedures Law (Part 30 (commencing with Section*  
 37 *55001) of Division 2 of the Revenue and Taxation Code) with*  
 38 *those changes as may be necessary to conform to the provisions*  
 39 *of this article. For purposes of this section, the references in the*

1 Fee Collection Procedures Law to “fee” shall include the  
2 assessment imposed by this section.

3 (d) (1) The assessment is required to be collected by a retailer  
4 and any amount unreturned to the person who paid an amount in  
5 excess of the assessment, but was collected from the person under  
6 the representation by the retailer that it was owed as an assessment,  
7 constitutes debts owed by the retailer to this state.

8 (2) ~~Every~~A person who purchases a lumber product or an  
9 engineered wood product for storage, use, or other consumption  
10 in this state is liable for the assessment until it has been paid to  
11 this state, except that payment to a retailer relieves the person from  
12 further liability for the assessment. Any assessment collected from  
13 a person that has not been remitted to the State Board of  
14 Equalization shall be a debt owed to the state by the retailer  
15 required to collect and remit the assessment. ~~Nothing in this part~~  
16 ~~shall~~ *This part does not* impose any obligation upon a retailer to  
17 take any legal action to enforce the collection of the assessment  
18 imposed by this section.

19 (e) Except as provided in paragraph (3) of subdivision (a), the  
20 State Board of Equalization may prescribe, adopt, and enforce  
21 regulations relating to the administration and enforcement of this  
22 section, including, but not limited to, collections, reporting, refunds,  
23 and appeals.

24 (f) (1) The assessment imposed by this section is due and  
25 payable to the State Board of Equalization quarterly on or before  
26 the last day of the month next succeeding each quarterly period.

27 (2) On or before the last day of the month following each  
28 quarterly period, a return for the preceding quarterly period shall  
29 be filed with the State Board of Equalization using electronic  
30 media, in the form prescribed by the State Board of Equalization.  
31 Returns shall be authenticated in a form or pursuant to methods,  
32 as prescribed by the State Board of Equalization.

33 (g) For purposes of this section, all of the following shall apply:

34 (1) “Purchase” has the same meaning as that term is defined in  
35 Section 6010 of the Revenue and Taxation Code.

36 (2) “Retailer” has the same meaning as that term is defined in  
37 Section 6015 of the Revenue and Taxation Code.

38 (3) “Sales price” has the same meaning as that term is defined  
39 in Section 6011 of the Revenue and Taxation Code.

1 (4) “Storage” has the same meaning as that term is defined in  
2 Section 6008 of the Revenue and Taxation Code.

3 (5) “Use” has the same meaning as that term is defined in  
4 Section 6009 of the Revenue and Taxation Code.

5 (h) (1) ~~Every~~A person required to pay the assessment imposed  
6 under this article shall register with the State Board of Equalization.  
7 Every application for registration shall be made in a form  
8 prescribed by the State Board of Equalization and shall set forth  
9 the name under which the applicant transacts or intends to transact  
10 business, the location of ~~his or her~~ *the person’s* place or places of  
11 business, and ~~such any~~ other information ~~as~~ *that* the State Board  
12 of Equalization may require. An application for registration shall  
13 be authenticated in a form or pursuant to methods as may be  
14 prescribed by the State Board of Equalization.

15 (2) An application for registration filed pursuant to this section  
16 may be filed using electronic media as prescribed by the State  
17 Board of Equalization.

18 (3) Electronic media includes, but is not limited to, computer  
19 modem, magnetic media, optical disc, facsimile machine, or  
20 telephone.

21 *SEC. 133. Section 4629.6 of the Public Resources Code is*  
22 *amended to read:*

23 4629.6. Moneys deposited in the fund shall, upon appropriation  
24 by the Legislature, only be expended for the following purposes:

25 (a) To reimburse the State Board of Equalization for its  
26 administrative costs associated with the administration, collection,  
27 audit, and issuance of refunds related to the lumber products and  
28 engineered wood assessment established pursuant to Section  
29 4629.5.

30 (b) To pay refunds issued pursuant to Part 30 (commencing  
31 with Section 55001) of Division 2 of the Revenue and Taxation  
32 Code.

33 (c) To support the activities and costs of the department, the  
34 Department of Conservation, the Department of Fish and ~~Game~~,  
35 *Wildlife*, the State Water Resources Control Board, and regional  
36 water quality control boards associated with the review of projects  
37 or permits necessary to conduct timber operations. On or after July  
38 1, 2013, except for fees applicable for fire prevention or protection  
39 within state responsibility area classified lands or timber yield  
40 assessments, no currently authorized or required fees shall be

1 charged by the agencies listed in this subdivision for activities or  
2 costs associated with the review of a project, inspection and  
3 oversight of projects, and permits necessary to conduct timber  
4 operations of those departments and boards.

5 (d) For transfer to the department's Forest Improvement  
6 Program, upon appropriation by the Legislature, for forest resources  
7 improvement grants and projects administered by the department  
8 pursuant to Chapter 1 (commencing with Section 4790) and  
9 Chapter 2 (commencing with Section 4799.06) of Part 2 of Division  
10 4.

11 (e) To fund existing restoration grant programs, *with priority*  
12 *given to the Fisheries Restoration Grant Program administered*  
13 *by the Department of Fish and Wildlife and grant programs*  
14 *administered by state conservancies.*

15 (f) (1) *As a loan to the Department of Fish and Wildlife for*  
16 *activities to address environmental damage occurring on forest*  
17 *lands resulting from marijuana cultivation. Not more than five*  
18 *hundred thousand dollars (\$500,000) may be loaned from the fund*  
19 *in a fiscal year pursuant to this paragraph. This paragraph shall*  
20 *become inoperative on July 1, 2017.*

21 (2) *Any funds deposited into the Timber Regulation and Forest*  
22 *Restoration Fund pursuant to subdivision (d) or (f) of Section*  
23 *12025 of the Fish and Game Code shall be credited toward loan*  
24 *repayment.*

25 (3) *Moneys from the General Fund shall not be used to repay*  
26 *a loan authorized pursuant to this subdivision.*

27 (~~f~~)

28 (g) To the department, upon appropriation by the Legislature,  
29 for fuel treatment grants and projects pursuant to authorities under  
30 the Wildland Fire Protection and Resources Management Act of  
31 1978 (Article 1 (commencing with Section 4461) of Chapter 7 of  
32 Part 2 of Division 4).

33 (~~g~~)

34 (h) To the department, upon appropriation by the Legislature,  
35 to provide grants to local agencies responsible for fire protection,  
36 qualified nonprofits, recognized tribes, local and state governments,  
37 and resources conservation districts, undertaken on a state  
38 responsibility area (SRA) or on wildlands not in an SRA that pose  
39 a threat to the SRA, to reduce the costs of wildland fire suppression,  
40 reduce greenhouse gas emissions, promote adaptation of forested

1 landscapes to changing climate, improve forest health, and protect  
2 homes and communities.

3 *SEC. 134. Section 4629.7 of the Public Resources Code is*  
4 *amended to read:*

5 4629.7. All grants made pursuant to subdivisions ~~(f)~~ (g) and  
6 ~~(g)~~ (h) of Section 4629.6 shall fund activities that do any of the  
7 following, in order of priority:

8 (a) Improve forest health.

9 (b) Promote climate mitigation strategies included in the  
10 California Global Warming Solutions Act of 2006 (Division 25.5  
11 (commencing with Section 38500) of the Health and Safety Code)  
12 scoping plan for the forest sector, as adopted by the State Air  
13 Resources Control Board, or as amended through subsequent  
14 actions of that board.

15 (c) Promote climate change adaptation strategies for the forest  
16 sector, as adopted by the Natural Resources Agency in the  
17 California Climate Adaptation Strategy.

18 *SEC. 135. Section 4629.8 of the Public Resources Code is*  
19 *amended to read:*

20 4629.8. (a) Funds deposited in the Timber Regulation and  
21 Forest Restoration Fund shall be appropriated in accordance with  
22 the following priorities:

23 (1) First priority shall be for funding associated with the  
24 administration and delivery of responsibilities identified in  
25 subdivisions (a) to (c), inclusive, of Section 4629.6.

26 (2) Only after paragraph (1) is funded, the second priority shall  
27 be, if deposits are sufficient in future years to maintain the fund,  
28 by 2016, at a minimum reserve of four million dollars (\$4,000,000),  
29 for use and appropriation by the Legislature in years during which  
30 revenues to the account are projected to fall short of the ongoing  
31 budget allocations for support of the activities identified in  
32 paragraph (1).

33 (3) Only after paragraphs (1) and (2) are funded, the third  
34 priority shall be in support of activities designated in subdivisions  
35 ~~(d)~~ and ~~(e)~~ (d), (e), and (f) of Section 4629.6.

36 (4) Only after paragraphs (1), (2), and (3) are funded, the fourth  
37 priority shall be to support the activities designated in subdivisions  
38 ~~(f)~~ (g) and ~~(g)~~ (h) of Section 4629.6.

1 (b) ~~No funds shall~~ *Funds shall not* be used to pay for or  
2 reimburse any requirements, including mitigation of a project  
3 proponent or applicant, as a condition of any permit.

4 *SEC. 136. Section 5009 of the Public Resources Code is*  
5 *amended to read:*

6 5009. The State ~~park contingent fund~~ *Park Contingent Fund*  
7 is continued in existence. All moneys collected or received from  
8 ~~gifts or contractual agreements, donations, gifts, bequests, or from~~  
9 ~~municipal or county local government appropriations or donations~~  
10 for improvements or additions to the ~~State state park system system,~~  
11 shall be deposited in the State ~~treasury~~ *Treasury* to the credit of  
12 the contingent fund. All moneys ~~so~~ deposited shall be used for the  
13 ~~improvement~~ *improvement, maintenance, operation,* or  
14 administration of ~~State state~~ parks, or the acquisition of additional  
15 lands and properties for the ~~State state~~ park system, in accordance  
16 with the terms of the ~~agreement, donation, gift, bequest or~~  
17 ~~municipal or county bequest, or local government~~ appropriation  
18 ~~or donation~~ from which the moneys are derived.

19 *SEC. 137. Section 5010.6 of the Public Resources Code is*  
20 *amended to read:*

21 5010.6. (a) For purposes of this section, “subaccount” means  
22 the State Parks Revenue Incentive Subaccount created pursuant  
23 to this section.

24 (b) The State Parks Revenue Incentive Subaccount is hereby  
25 created within the State Parks and Recreation Fund and the  
26 Controller shall annually transfer ~~fifteen million three hundred~~  
27 ~~forty thousand dollars (\$15,340,000)~~ *four million three hundred*  
28 *forty thousand dollars (\$4,340,000)* from the State Parks and  
29 Recreation Fund to the subaccount.

30 (c) Notwithstanding Section 13340 of the Government Code,  
31 the funds in the subaccount are hereby continuously appropriated  
32 to the department ~~to create incentives~~ for *activities, programs, and*  
33 projects, including, but not limited to, capital outlay projects, that  
34 are consistent with the mission of the department and that ~~generate~~  
35 ~~revenue, except the department shall not expend from the~~  
36 ~~subaccount more than eleven million dollars (\$11,000,000)~~  
37 ~~annually pursuant to Section 5003:~~ *increase the department’s*  
38 *capacity to generate revenue and to implement the revenue*  
39 *generation program developed pursuant to Section 5010.7.*  
40 *Expenditures from the subaccount may include expenditures for*

1 *staffing entry points, including department employees, seasonal*  
 2 *employees, state and local conservation corps, individuals qualified*  
 3 *pursuant to Chapter 0908 of the Department Operations Manual,*  
 4 *and employees of organizations with agreements with state parks*  
 5 *pursuant to Sections 513, 5009.1, 5009.3, and 5080. Activities,*  
 6 *programs, and projects funded by the subaccount shall each*  
 7 *include all of the following:*

8 (1) *A clear description of the proposed use of funds.*  
 9 (2) *A timeframe for implementation of the activity, program, or*  
 10 *project.*

11 (3) *A projection of revenues, including annual income, fees,*  
 12 *and projected usage rates.*

13 (4) *A projection of costs, including design, planning,*  
 14 *construction, operation, staff, maintenance, marketing, and*  
 15 *information technology.*

16 (5) *A market analysis demonstrating demand for the activity,*  
 17 *project, or program.*

18 (6) *A projected rate of return on the investment.*

19 (d) *The Office of State Audits and Evaluations shall review the*  
 20 *activities activities, programs, and projects funded from the*  
 21 *subaccount pursuant to subdivision (c) to ensure appropriate*  
 22 *internal controls are in place. The department shall reimburse the*  
 23 *Office of State Audits and Evaluations from the subaccount for*  
 24 *any costs related to the review.*

25 (e) *The revenue generated from activities, programs, and*  
 26 *projects funded by the subaccount shall be deposited in the*  
 27 *subaccount and are continuously appropriated for expenditure by*  
 28 *the department in accordance with the following: pursuant to*  
 29 *subdivisions (c) and (d) of Section 5010.7.*

30 ~~(1) At least 50 percent of the revenue generated shall be~~  
 31 ~~expended in the district of the department that earned that revenue,~~  
 32 ~~as an incentive for revenue generation.~~

33 ~~(2) The remaining revenue may be expended by the department~~  
 34 ~~pursuant to subdivision (c), including, but not limited to, for~~  
 35 ~~expenditure pursuant to Section 5003.~~

36 (f) *The funds in the subaccount shall be available for*  
 37 *encumbrance and expenditure until June 30, 2014, 2019, and for*  
 38 *liquidation until June 30, 2016. 2021.*

39 (g) *This section shall become inoperative on June 30, 2016,*  
 40 *2021, and, as of January 1, 2017, 2022, is repealed, unless a later*

1 enacted statute, that becomes operative on or before January 1,  
2 2017, 2022, deletes or extends the dates on which it becomes  
3 inoperative and is repealed.

4 *SEC. 138. Section 5010.6.5 of the Public Resources Code is*  
5 *amended to read:*

6 5010.6.5. On July 1, ~~2016, 2021~~, the Controller shall transfer  
7 any unexpended funds remaining in the State Parks Revenue  
8 Incentive Subaccount created pursuant to Section 5010.6 to the  
9 State Parks and Recreation Fund.

10 *SEC. 139. Section 5010.7 of the Public Resources Code is*  
11 *amended to read:*

12 5010.7. (a) The department shall develop a revenue generation  
13 program as an essential component of a long-term sustainable park  
14 funding strategy. On or before ~~October 1, 2012~~, the department  
15 ~~shall assign a two-year revenue generation target to each district~~  
16 ~~under the control of the department. The revenue target may be~~  
17 ~~amended annually for subsequent years, beginning in the 2015–16~~  
18 ~~fiscal year. July 1, 2014, and annually thereafter, the department~~  
19 *shall assign a revenue generation target to each district under the*  
20 *control of the department. The department shall develop guidelines*  
21 *for districts to report the use of funds generated by the revenue*  
22 *generation program, and shall post information and copies of the*  
23 *reports on its Internet Web site.*

24 (b) The California State Park Enterprise Fund is hereby created  
25 in the State Treasury as a working capital fund, and the revenue  
26 shall be available to the department upon appropriation by the  
27 ~~Legislature, for the expenditures for the purposes specified in this~~  
28 ~~section~~ *Legislature for capital outlay or support expenditures for*  
29 *revenue generating investments in state parks. These investments*  
30 *may include, but are not limited to, planning and implementation*  
31 *of a statewide electronic fee collection system that includes*  
32 *installation of modern fee collection equipment and technologies*  
33 *to enhance collection of state park users fees and that will enable*  
34 *park users to pay fees with commonly used forms of electronic*  
35 *fund transfers, including, but not limited to, credit and debit card*  
36 *transactions, and other park revenue generating projects, and shall*  
37 *be available for encumbrance and expenditure until June 30, 2014,*  
38 *2019, and for liquidation until June 30, 2016. 2021.*

1 (1) The department shall prepare guidelines for districts to  
 2 apply for funds for capital projects that are consistent with this  
 3 subdivision.

4 (2) The guidelines prepared pursuant to this paragraph shall  
 5 require all of the following:

6 (A) A clear description of the proposed use of funds.

7 (B) A timeframe of implementation of the capital project.

8 (C) A projection of revenue, including annual income, fees, and  
 9 projected usage rates.

10 (D) A projection of costs, including design, planning,  
 11 construction, operation, staff, maintenance, marketing, and  
 12 information technology.

13 (E) A market analysis demonstrating demand for the project.

14 (F) A projected rate of return on the investment.

15 (c) The incremental revenue generated by the revenue generation  
 16 program developed pursuant to subdivision (a) shall be deposited  
 17 into the State Parks and Recreation Fund. Revenue identified as  
 18 being in excess of the revenue targets shall be transferred to the  
 19 State Parks Revenue Incentive Subaccount, established pursuant  
 20 to Section 5010.6, on or before June 1, annually.

21 (d) Moneys ~~appropriated to the department~~ transferred to the  
 22 State Parks Revenue Incentive Subaccount pursuant to subdivision  
 23 ~~(b) and Section 5010.6 (c)~~ shall be expended as follows:

24 (1) (A) The department shall allocate 50 percent of the total  
 25 amount of revenues deposited into the State Parks Revenue  
 26 Incentive Subaccount pursuant to subdivision (c), generated by a  
 27 park district to that district if the amount of revenues generated  
 28 exceeds the targeted revenue amount prescribed in the revenue  
 29 generation program. The revenues to be allocated to a park district  
 30 that fails to achieve the revenue target shall remain in the ~~fund~~  
 31 subaccount.

32 (B) With the approval of the director, each district shall use the  
 33 funds it receives ~~from the department from the revenue generation~~  
 34 ~~program pursuant to this section~~ to improve the parks in that  
 35 district through revenue generation programs and projects and  
 36 other activities that will assist in the district's revenue generation  
 37 activities, and the programs, projects, and other activities shall be  
 38 consistent with the mission and purpose of each unit and with the  
 39 plan developed for the unit pursuant to subdivision (a) of Section  
 40 5002.2.

1 (C) The department shall report to the Legislature, commencing  
2 on July 1, 2014, and annually on or before each July 1 thereafter,  
3 on the revenue distributed to each district pursuant to this section.

4 (2) The department shall use 50 percent of the funds deposited  
5 into the State Parks Revenue Incentive Subaccount pursuant to  
6 subdivision (c) for the following purposes:

7 (A) To fund the capital costs of construction and installation of  
8 new revenue and fee collection equipment and technologies and  
9 other physical upgrades to existing state park system lands and  
10 facilities.

11 (B) For costs of restoration, rehabilitation, and improvement of  
12 the state park system and its natural, historical, and visitor-serving  
13 resources that enhance visitation and are designed to create  
14 opportunities to increase revenues.

15 (C) For costs to the department to implement the action plan  
16 required to be developed by the department pursuant to Section  
17 5019.92 of the Public Resources Code.

18 ~~(D) To establish a revolving loan program pursuant to~~  
19 ~~subdivision (e).~~

20 ~~(e) (1) The department shall establish a revolving loan program~~  
21 ~~and prepare guidelines establishing a process for those districts~~  
22 ~~that receive moneys under paragraph (1) of subdivision (d) to apply~~  
23 ~~for funds that exceed the amount of funds provided to the districts~~  
24 ~~pursuant to paragraph (1) of subdivision (d). It is the intent of the~~  
25 ~~Legislature that the revolving loan program fund only those~~  
26 ~~projects that will contribute to the success of the department's~~  
27 ~~revenue generation program and the continual growth of the fund~~  
28 ~~over time. Districts may apply for funds for capital projects,~~  
29 ~~personnel, and operations that are consistent with this subdivision,~~  
30 ~~including the costs of preparing an application. The department~~  
31 ~~shall provide an annual accounting to the Department of Finance~~  
32 ~~and the relevant legislative committees of the use of those funds~~  
33 ~~in accordance with the purposes outlined in Proposition 40 (the~~  
34 ~~California Clean Water, Clean Air, Safe Neighborhood Parks, and~~  
35 ~~Coastal Protection Bond Act of 2002 (Chapter 1.696 (commencing~~  
36 ~~with Section 5096.600) of Division 5) and Proposition 84 (the Safe~~  
37 ~~Drinking Water, Water Quality and Supply, Flood Control, River~~  
38 ~~and Coastal Protection Bond Act of 2006 (Division 43~~  
39 ~~(commencing with Section 75001)), voter-approved bond acts.~~

- 1     ~~(2) The guidelines prepared pursuant to paragraph (1) shall~~  
2     ~~require that applications for funding include all of the following:~~
- 3     ~~(A) A clear description of the proposed use of funds, including~~  
4     ~~maps and other drawings, as applicable.~~
- 5     ~~(B) A market analysis demonstrating demand for the project or~~  
6     ~~service.~~
- 7     ~~(C) The projected lifespan of the project, which must be at least~~  
8     ~~20 years for a proposed capital project.~~
- 9     ~~(D) A projection of revenues, including the specific assumptions~~  
10    ~~for annual income, fees, occupancy rates, pricing, and other~~  
11    ~~relevant criteria upon which the projection is based.~~
- 12    ~~(E) A projection of costs, including, but not limited to, design,~~  
13    ~~planning, construction, operation, staff, maintenance, marketing,~~  
14    ~~and information technology.~~
- 15    ~~(F) The timeframe for implementation, including all necessary~~  
16    ~~reviews and permitting.~~
- 17    ~~(G) The projected net return on investment of the life of the~~  
18    ~~project.~~
- 19    ~~(H) Provisions providing for mandatory reporting on the project~~  
20    ~~by districts to the department.~~
- 21    ~~(f) The department shall rank all of the proposals and award~~  
22    ~~loans for projects or other activities to districts based on the~~  
23    ~~following criteria, as well as other considerations that the~~  
24    ~~department considers relevant:~~
- 25    ~~(1) Return on investment.~~
- 26    ~~(2) Length of time for implementation.~~
- 27    ~~(3) Length of time for the project debt to be retired.~~
- 28    ~~(4) Percentage of total project costs paid by the district or by a~~  
29    ~~source of matching funds.~~
- 30    ~~(5) Annual operating costs.~~
- 31    ~~(6) Capacity of project to improve services or park experiences,~~  
32    ~~or both, for park visitors.~~
- 33    ~~(D) Pursuant to subdivision (c) of Section 5010.6, for~~  
34    ~~expenditures to support revenue generation projects that include,~~  
35    ~~but are not limited to, staffing kiosks, campgrounds, and parking~~  
36    ~~lots.~~
- 37    ~~(g)~~
- 38    ~~(e) The funds generated by the revenue generation program~~  
39    ~~shall not be used by the department to expand the park system,~~

1 unless there is significant revenue generation potential from such  
2 an expansion.

3 ~~(h)~~

4 (f) Notwithstanding Section 5009, moneys received by the  
5 department from private contributions and other public funding  
6 sources may also be deposited into the California State Park  
7 Enterprise Fund *and the State Parks Revenue Incentive Subaccount*  
8 for use for the purposes of subdivision (c) and subdivision (d).

9 ~~(i)~~

10 (g) The department shall provide all relevant information on its  
11 Internet Web site concerning how ~~the working capital funds are~~  
12 ~~spent, including the guidelines and the department's ranking criteria~~  
13 ~~for each funded loan agreement.~~ *funds in the State Parks and*  
14 *Recreation Revenue Incentive Subaccount and the California State*  
15 *Park Enterprise Fund are spent.*

16 ~~(j) A project agreement shall be negotiated between the~~  
17 ~~department and a park unit and the total amount of requested~~  
18 ~~project costs shall be allocated to the district as soon as is feasible~~  
19 ~~when the agreement is finalized.~~

20 ~~(k)~~

21 (h) The department may recoup its costs for implementing and  
22 administering the working capital from the fund.

23 *SEC. 140. Article 1.5 (commencing with Section 5019.10) is*  
24 *added to Chapter 1 of Division 5 of the Public Resources Code,*  
25 *to read:*

26

27 *Article 1.5. The Parks Project Revolving Fund*

28

29 *5019.10. (a) The Parks Project Revolving Fund is hereby*  
30 *established in the State Treasury. Except as otherwise specified*  
31 *in this section, upon approval of the Department of Finance there*  
32 *shall be transferred to, or deposited in, the fund all money*  
33 *appropriated, contributed, or made available from any source,*  
34 *including sources other than state appropriations, for expenditure*  
35 *on work within the powers and duties of the department with*  
36 *respect to the construction, alteration, repair, and improvement*  
37 *of state park facilities, including, but not limited to, services, new*  
38 *construction, major construction and equipment, minor*  
39 *construction, maintenance, improvements, and equipment, and*  
40 *other building and improvement projects for which an*

1 *appropriation is made or, as to funds from sources other than state*  
2 *appropriations, as may be authorized by written agreement*  
3 *between the contributor or contributors of funds and the*  
4 *department and approved by the Department of Finance.*

5 *(b) Money from state sources transferred to, or deposited in,*  
6 *the fund for major construction shall be limited to the amount*  
7 *necessary based on receipt of competitive bids. Money transferred*  
8 *for this purpose shall be upon the approval of the Department of*  
9 *Finance. Any amount available, in the state appropriation, that is*  
10 *in excess of the amount necessary based on receipt of competitive*  
11 *bids, shall be immediately transferred to the credit of the fund from*  
12 *which the appropriation was made. Money in the fund also may*  
13 *be expended, upon approval of the Department of Finance, to*  
14 *finance the cost of a construction project within the powers and*  
15 *duties of the department for which the federal government will*  
16 *contribute a partial cost thereof, if written evidence has been*  
17 *received from a federal agency indicating that money has been*  
18 *appropriated by Congress and the federal government, and that*  
19 *the federal government will pay to the state the amount specified*  
20 *upon the completion of construction of the project. The director*  
21 *may approve plans, specifications, and estimates of cost, and*  
22 *advertise for and receive bids on, those projects in anticipation of*  
23 *the receipt of the written evidence. Money transferred or deposited*  
24 *for the purposes of this subdivision is continuously appropriated*  
25 *to, and available for expenditure by, the department for the*  
26 *purposes for which it is appropriated, contributed, or made*  
27 *available, without regard to fiscal years and irrespective of the*  
28 *provisions of Section 13340 of the Government Code.*

29 *(c) As used in this article, “fund” means the Parks Project*  
30 *Revolving Fund.*

31 *5019.11. The department shall file against the fund all claims*  
32 *covering expenditures incurred in connection with services, new*  
33 *construction, major construction and equipment, minor*  
34 *construction, maintenance, improvements, and equipment, and*  
35 *other building and improvement projects, and the Controller shall*  
36 *draw his or her warrant therefor against that fund.*

37 *5019.12. The department shall keep a record of all expenditures*  
38 *chargeable against each specific portion of the fund. Any*  
39 *unencumbered balance in any portion of the fund, either within*  
40 *three months after completion of the project for which the portion*

1 was transferred or within three years from the time the portion  
2 was transferred or deposited therein, whichever is earlier, shall  
3 be withdrawn from the fund and transferred to the credit of the  
4 fund from which the appropriation was made. As to funds from  
5 other than state appropriations, they shall be paid out or refunded  
6 as provided in the agreement relating to the contributions. The  
7 Department of Finance may approve an extension of the time of  
8 withdrawal. For the purpose of this section, an estimate, prepared  
9 by the department upon receipt of bids, of the amount required for  
10 supervision, engineering, and other items, if any, necessary for  
11 the completion of a project, on which a construction contract has  
12 been awarded, shall be deemed a valid encumbrance and shall be  
13 included with any other valid encumbrances in determining the  
14 amount of an unencumbered balance.

15 5019.13. At any time, the department, without furnishing a  
16 voucher or itemized statement, may withdraw from the fund a sum  
17 not to exceed five hundred thousand dollars (\$500,000). Any sum  
18 withdrawn pursuant to this section shall be used as a revolving  
19 fund when payments of compensation earned or cash advances  
20 are necessary with respect to the construction, alteration, repair,  
21 or improvement of state park facilities.

22 5019.14. The department shall annually submit to the  
23 Department of Finance a report that reconciles, by project, all of  
24 the following:

25 (a) Amounts transferred to the fund.

26 (b) Amounts expended from the fund.

27 (c) In cases of project savings or completion, or both,  
28 unexpended amounts withdrawn from the fund and transferred to  
29 the credit of the fund, paid out, or refunded, as provided in Section  
30 5019.12.

31 5019.15. This article shall become inoperative on the date that  
32 is three years after the date that Section 5018.1 is repealed, and,  
33 as of January 1 immediately following that inoperative date, is  
34 repealed, unless a later enacted statute that is enacted before that  
35 January 1 deletes or extends the dates on which it becomes  
36 inoperative and is repealed.

37 SEC. 141. Section 14507.5 of the Public Resources Code is  
38 amended to read:

39 14507.5. (a) "Community Conservation Corps" means a  
40 nonprofit public benefit corporation formed or operating pursuant

1 to Part 2 (commencing with Section 5110) of Division 2 of Title  
2 1 of the Corporations Code, or an agency operated by a city,  
3 county, or city and county, that is certified by the California  
4 Conservation Corps as meeting all of the following criteria:

5 (1) The corps is organized in the form of supervised work crews  
6 and selects young men and women for participation on the basis  
7 of motivation for hard work, personal development, and public  
8 service, without regard to their prior employment or educational  
9 background, and consistent with Section 14402. Participation shall  
10 be for a period of one year, and may be extended.

11 (2) The corps' program is based upon a highly disciplined work  
12 experience, includes an educational component, and is designed  
13 to develop corpsmembers' character and civic consciousness  
14 through rigorous work on public projects. The educational  
15 component of the corps' program includes enrollment in a  
16 vocational education program, public or charter high school, or  
17 postsecondary community college.

18 (3) The corps compensates corpsmembers at not less than the  
19 federal minimum wage, and provides corpsmembers assistance in  
20 obtaining permanent employment following their participation in  
21 the corps program.

22 (4) The corps engages in recycling and litter abatement projects  
23 as well as projects that accomplish the conservationist and other  
24 purposes described in subdivisions (a) to (h), inclusive, of Section  
25 14300, and that assist agencies of local government and other  
26 nonprofit community organizations in developing, rehabilitating,  
27 and restoring parklands, recreational facilities, and other  
28 community resources.

29 (5) The corps consists of an average annual enrollment of not  
30 less than 50 corpsmembers between 18 and 25 years of age. In  
31 determining the average annual enrollment of a community  
32 conservation corps for the purposes of ~~subdivision (a) of Section~~  
33 ~~14581~~, *Section 14581.1*, the California Conservation Corps shall  
34 not include special corpsmembers, as described in Section 14303,  
35 who are employed by a community conservation corps.

36 (b) The California Conservation Corps shall evaluate a  
37 community conservation corps for the purpose of determining its  
38 eligibility for certification, pursuant to this section, after it has  
39 completed 12 months of continuous operation, and annually  
40 thereafter.

1     *SEC. 142. Section 14552 of the Public Resources Code is*  
2 *amended to read:*

3     14552. (a) The department shall establish and implement an  
4 auditing system to ensure that the information collected, and refund  
5 values and redemption payments paid pursuant to this division,  
6 comply with the purposes of this division. Notwithstanding  
7 Sections 14573 and 14573.5, the auditing system adopted by the  
8 department may include prepayment or postpayment controls.

9     (b) (1) ~~On or after January 1 of each year, the~~*The* department  
10 may audit or investigate any action taken up to ~~three~~ *five* years  
11 before the onset of the audit or investigation and may determine  
12 if there was compliance with this division and the regulations  
13 adopted pursuant to this division, during that period.

14     (2) Notwithstanding any other provision of law establishing a  
15 shorter statute of limitation, the department may take an  
16 enforcement action, including, but not limited to, an action for  
17 restitution or to impose penalties, at any time within ~~two~~ *five* years  
18 after the department discovers, or with reasonable diligence, should  
19 have discovered, a violation of this division or the regulations  
20 adopted pursuant to this division.

21     (c) During the conduct of any inspection, including, but not  
22 limited to, an inspection conducted as part of an audit or  
23 investigation, the entity that is the subject of the inspection shall,  
24 during its normal business hours, provide the department with  
25 immediate access to its facilities, operations, and any relevant  
26 record, that, in the department's judgment, the department  
27 determines are necessary to carry out this section to verify  
28 compliance with this division and the regulations adopted pursuant  
29 to this division.

30     (1) The department may take disciplinary action pursuant to  
31 Section 14591.2 against any person who fails to provide the  
32 department with access pursuant to this subdivision including, but  
33 not limited to, imposing penalties and the immediate suspension  
34 or termination of any certificate or registration held by the operator.

35     (2) The department shall protect any information obtained  
36 pursuant to this section in accordance with Section 14554, except  
37 that this section does not prohibit the department from releasing  
38 any information that the department determines to be necessary  
39 in the course of an enforcement action.

1 (d) The auditing system adopted by the department shall allow  
 2 for reasonable shrinkage in material due to moisture, dirt, and  
 3 foreign material. The department, after an audit by a qualified  
 4 auditing firm and a hearing, shall adopt a standard to be used to  
 5 account for shrinkage and shall incorporate this standard in the  
 6 audit process.

7 (e) If the department prevails against ~~any~~ an entity in ~~any~~ a civil  
 8 or administrative action brought pursuant to this division, and  
 9 money is owed to the department as a result of the action, the  
 10 department may offset the amount against amounts claimed by the  
 11 entity to be due to it from the department. The department may  
 12 take this offset by withholding payments from the entity or by  
 13 authorizing all processors to withhold payment to a certified  
 14 recycling center.

15 (f) If the department determines, pursuant to an audit or  
 16 investigation, that a distributor or beverage manufacturer has  
 17 overpaid the redemption payment or processing fee, the department  
 18 may do either of the following:

19 (1) Offset the overpayment against future payments.

20 (2) Refund the payment pursuant to Article 3 (commencing with  
 21 Section 13140) of Chapter 2 of Part 3 of Division 3 of Title 2 of  
 22 the Government Code.

23 *SEC. 143. Section 14581 of the Public Resources Code is*  
 24 *amended to read:*

25 14581. (a) Subject to the availability of funds and in  
 26 accordance with subdivision ~~(e)~~; (b), the department shall expend  
 27 the moneys set aside in the fund, pursuant to subdivision (c) of  
 28 Section 14580, for the purposes of this section in the following  
 29 manner:

30 (1) For each fiscal year, the department may expend the amount  
 31 necessary to make the required handling fee payment pursuant to  
 32 Section 14585.

33 (2) Fifteen million dollars (\$15,000,000) shall be expended  
 34 annually for payments for curbside programs and neighborhood  
 35 dropoff programs pursuant to Section 14549.6.

36 ~~(3) (A) Fifteen million dollars (\$15,000,000), plus the~~  
 37 ~~proportional share of the cost-of-living adjustment, as provided in~~  
 38 ~~subdivision (b), shall be expended annually in the form of grants~~  
 39 ~~for beverage container litter reduction programs and recycling~~  
 40 ~~programs issued to either of the following:~~

1 ~~(i) Certified community conservation corps that were in~~  
2 ~~existence on September 30, 1999, or that are formed subsequent~~  
3 ~~to that date, that are designated by a city or a city and county to~~  
4 ~~perform litter abatement, recycling, and related activities, if the~~  
5 ~~city or the city and county has a population, as determined by the~~  
6 ~~most recent census, of more than 250,000 persons.~~

7 ~~(ii) Community conservation corps that are designated by a~~  
8 ~~county to perform litter abatement, recycling, and related activities,~~  
9 ~~and are certified by the California Conservation Corps as having~~  
10 ~~operated for a minimum of two years and as meeting all other~~  
11 ~~criteria of Section 14507.5.~~

12 ~~(B) The grants provided pursuant to this paragraph shall not~~  
13 ~~comprise more than 75 percent of the annual budget of a~~  
14 ~~community conservation corps.~~

15 ~~(C) For the 2009-10 fiscal year only, the eight million two~~  
16 ~~hundred fifty thousand dollars (\$8,250,000) appropriated to the~~  
17 ~~California Conservation Corps for certified local conservation~~  
18 ~~corps by Item 3340-101-0133 of Sec. 2.00 of the 2009-10 Budget~~  
19 ~~Act, as added by Section 166 of Chapter 1 of the Fourth~~  
20 ~~Extraordinary Session of the Statutes of 2009, shall be in addition~~  
21 ~~to the amounts expended pursuant to this paragraph.~~

22 ~~(4)~~

23 ~~(3) (A) Ten million five hundred thousand dollars (\$10,500,000)~~  
24 ~~may be expended annually for payments of five thousand dollars~~  
25 ~~(\$5,000) to cities and ten thousand dollars (\$10,000) for payments~~  
26 ~~to counties for beverage container recycling and litter cleanup~~  
27 ~~activities, or the department may calculate the payments to counties~~  
28 ~~and cities on a per capita basis, and may pay whichever amount~~  
29 ~~is greater, for those activities.~~

30 ~~(B) Eligible activities for the use of these funds may include,~~  
31 ~~but are not necessarily limited to, support for new or existing~~  
32 ~~curbside recycling programs, neighborhood dropoff recycling~~  
33 ~~programs, public education promoting beverage container~~  
34 ~~recycling, litter prevention, and cleanup, cooperative regional~~  
35 ~~efforts among two or more cities or counties, or both, or other~~  
36 ~~beverage container recycling programs.~~

37 ~~(C) These funds shall not be used for activities unrelated to~~  
38 ~~beverage container recycling or litter reduction.~~

39 ~~(D) To receive these funds, a city, county, or city and county~~  
40 ~~shall fill out and return a funding request form to the department.~~

1 The form shall specify the beverage container recycling or litter  
2 reduction activities for which the funds will be used.

3 (E) The department shall annually prepare and distribute a  
4 funding request form to each city, county, or city and county. The  
5 form shall specify the amount of beverage container recycling and  
6 litter cleanup funds for which the jurisdiction is eligible. The form  
7 shall not exceed one double-sided page in length, and may be  
8 submitted electronically. If a city, county, or city and county does  
9 not return the funding request form within 90 days of receipt of  
10 the form from the department, the city, county, or city and county  
11 is not eligible to receive the funds for that funding cycle.

12 (F) For the purposes of this paragraph, per capita population  
13 shall be based on the population of the incorporated area of a city  
14 or city and county and the unincorporated area of a county. The  
15 department may withhold payment to any city, county, or city and  
16 county that has prohibited the siting of a supermarket site, caused  
17 a supermarket site to close its business, or adopted a land use policy  
18 that restricts or prohibits the siting of a supermarket site within its  
19 jurisdiction.

20 ~~(5) (A)~~

21 (4) One million five hundred thousand dollars (\$1,500,000) may  
22 be expended annually in the form of grants for beverage container  
23 recycling and litter reduction programs.

24 ~~(B) Notwithstanding subdivision (f), the department shall not~~  
25 ~~expend funds pursuant to this paragraph for the 2010 and 2011~~  
26 ~~calendar years.~~

27 ~~(6)~~

28 (5) (A) The department shall expend the amount necessary to  
29 pay the processing payment established pursuant to Section 14575.  
30 The department shall establish separate processing fee accounts  
31 in the fund for each beverage container material type for which a  
32 processing payment and processing fee are calculated pursuant to  
33 Section 14575, or for which a processing payment is calculated  
34 pursuant to Section 14575 and a voluntary artificial scrap value is  
35 calculated pursuant to Section 14575.1, into which account shall  
36 be deposited both of the following:

37 (i) All amounts paid as processing fees for each beverage  
38 container material type pursuant to Section 14575.

39 (ii) Funds equal to the difference between the amount in clause  
40 (i) and the amount of the processing payments established in

1 subdivision (b) of Section 14575, and adjusted pursuant to  
2 paragraph (2) of subdivision (c) of, and subdivision (f) of, Section  
3 14575, to reduce the processing fee to the level provided in  
4 subdivision (e) of Section 14575, or to reflect the agreement by a  
5 willing purchaser to pay a voluntary artificial scrap value pursuant  
6 to Section 14575.1.

7 (B) Notwithstanding Section 13340 of the Government Code,  
8 the moneys in each processing fee account are hereby continuously  
9 appropriated to the department for expenditure without regard to  
10 fiscal years, for purposes of making processing payments pursuant  
11 to Section 14575.

12 ~~(C) Notwithstanding the other provisions of this section and~~  
13 ~~Section 14575, for the 2010 and 2011 calendar years, the total~~  
14 ~~amount that the department may expend to reduce the amount of~~  
15 ~~processing fees for each container type shall not exceed the total~~  
16 ~~amount expended to reduce processing fees in the 2008 calendar~~  
17 ~~year.~~

18 ~~(7)(A)~~

19 (6) Up to five million dollars (\$5,000,000) may be annually  
20 expended by the department for the purposes of undertaking a  
21 statewide public education and information campaign aimed at  
22 promoting increased recycling of beverage containers.

23 ~~(B) Notwithstanding subdivision (f), the department shall not~~  
24 ~~expend funds pursuant to this paragraph for the 2010 and 2011~~  
25 ~~calendar years.~~

26 ~~(8)~~

27 (7) Up to ten million dollars (\$10,000,000) may be expended  
28 annually by the department for quality incentive payments for  
29 empty glass beverage containers pursuant to Section 14549.1.

30 ~~(9)~~

31 (8) (A) Up to ten million dollars (\$10,000,000) may be  
32 expended annually by the department for market development  
33 payments for empty plastic beverage containers pursuant to Section  
34 14549.2, until January 1, 2017.

35 ~~(B) On and after January 1, 2012, in~~ *In* addition to the amount  
36 specified in subparagraph (A), the department may expend the  
37 amount calculated pursuant to subparagraph (C) for market  
38 development payments for empty plastic beverage containers  
39 pursuant to Section 14549.2.

1 (C) The department shall calculate the amount authorized for  
2 expenditure pursuant to subparagraph (B) in the following manner:

3 (i) The department shall determine, on or before January 1,  
4 2012, and annually thereafter, whether the amount of funds  
5 estimated to be necessary pursuant to clause (ii) of subparagraph  
6 (A) of paragraph (6) for deposit to a processing fee account  
7 established by the department for plastic beverage containers to  
8 make processing payments for plastic beverage containers for the  
9 current calendar year is less than the total amount of funds that  
10 were estimated to be necessary the previous calendar year pursuant  
11 to clause (ii) of subparagraph (A) of paragraph (6) for deposit to  
12 that processing fee account.

13 (ii) If the amount estimated to be necessary for the current  
14 calendar year, as specified in clause (i), is less than the amount  
15 estimated to be necessary for the previous calendar year, the  
16 department shall calculate the amount of that difference.

17 (iii) The department shall expend an amount that is not greater  
18 than 50 percent of the amount calculated pursuant to clause (ii)  
19 for purposes of subparagraph (B).

20 (iv) If the department determines that the amount of funds  
21 authorized for expenditure pursuant to this subparagraph is not  
22 needed to make plastic market development payments pursuant to  
23 subparagraph (B) in the calendar year for which that amount is  
24 allocated, the department may expend those funds during the  
25 following year.

26 (v) If the department determines that there are insufficient funds  
27 to both make the market development payments pursuant to  
28 subparagraph (B) and to deposit the amount required by clause (ii)  
29 of subparagraph (A) of paragraph (6), for purposes of making the  
30 processing payments and reducing the processing fees pursuant to  
31 Section 14575 for plastic beverage containers, the department shall  
32 suspend the implementation of this subparagraph and subparagraph  
33 (B).

34 (D) Subparagraphs (B) and (C) shall remain operative only until  
35 January 1, 2017.

36 ~~(b) The fifteen million dollars (\$15,000,000) that is set aside~~  
37 ~~pursuant to paragraph (3) of subdivision (a) is a base amount that~~  
38 ~~the department shall adjust annually to reflect any increases or~~  
39 ~~decreases in the cost of living, as measured by the Department of~~  
40 ~~Labor, or a successor agency, of the federal government.~~

1     ~~(e)~~

2     ~~(b)~~ (1) If the department determines, pursuant to a review made  
3 pursuant to Section 14556, that there may be inadequate funds to  
4 pay the payments required by this division, the department shall  
5 immediately notify the appropriate policy and fiscal committees  
6 of the Legislature regarding the inadequacy.

7     (2) On or before 180 days, but not less than 80 days, after the  
8 notice is sent pursuant to paragraph (1), the department may reduce  
9 or eliminate expenditures, or both, from the funds as necessary,  
10 according to the procedure set forth in subdivision ~~(d)~~: (c).

11     ~~(d)~~

12     (c) If the department determines that there are insufficient funds  
13 to make the payments specified pursuant to this section and Section  
14 14575, the department shall reduce all payments proportionally.

15     ~~(e)~~

16     ~~(d)~~ Prior to making an expenditure pursuant to paragraph ~~(7)~~  
17 (6) of subdivision (a), the department shall convene an advisory  
18 committee consisting of representatives of the beverage industry,  
19 beverage container manufacturers, environmental organizations,  
20 the recycling industry, nonprofit organizations, and retailers to  
21 advise the department on the most cost-effective and efficient  
22 method of the expenditure of the funds for that education and  
23 information campaign.

24     ~~(f)~~

25     (e) Subject to the availability of funds, the department shall  
26 retroactively pay in full any payments provided in this section that  
27 have been proportionally reduced during the period of January 1,  
28 2010, through June 30, 2010.

29     *SEC. 144. Section 14581.1 is added to the Public Resources*  
30 *Code, to read:*

31     *14581.1. (a) The department shall expend in each fiscal year,*  
32 *from the moneys set aside in the fund pursuant to subdivision (c)*  
33 *of Section 14580, twenty million nine hundred seventy-four*  
34 *thousand dollars (\$20,974,000), plus the cost-of-living adjustment,*  
35 *as provided in subdivision (c), less fifteen million dollars*  
36 *(\$15,000,000), in the form of grants for beverage container litter*  
37 *reduction programs and recycling programs, including education*  
38 *and outreach, issued to either of the following:*

39     *(1) Certified community conservation corps that were in*  
40 *existence on September 30, 1999, or that are formed subsequent*

1 to that date, that are designated by a city or a city and county to  
 2 perform litter abatement, recycling, and related activities, if the  
 3 city or the city and county has a population, as determined by the  
 4 most recent census, of more than 250,000 persons.

5 (2) Community conservation corps that are designated by a  
 6 county to perform litter abatement, recycling, and related activities,  
 7 and are certified by the California Conservation Corps as having  
 8 operated for a minimum of two years and as meeting all other  
 9 criteria of Section 14507.5.

10 (b) The grants provided pursuant to this section shall not  
 11 comprise more than 75 percent of the annual budget of a  
 12 community conservation corps.

13 (c) The amount of twenty million nine hundred seventy-four  
 14 thousand dollars (\$20,974,000) that is referenced in subdivision  
 15 (a) is a base amount for the 2014–15 fiscal year, and the  
 16 department shall adjust that amount annually to reflect any  
 17 increases or decreases in the cost of living as measured by the  
 18 Department of Labor or a successor agency of the federal  
 19 government.

20 (d) For the 2014–15 fiscal year only, the amount to be expended  
 21 from the fund for the purposes specified in subdivision (a) shall  
 22 be increased by seven million five hundred thousand dollars  
 23 (\$7,500,000).

24 SEC. 145. Division 12.5 (commencing with Section 17000) is  
 25 added to the Public Resources Code, to read:

26

27 **DIVISION 12.5. COMMUNITY CONSERVATION CORPS**

28

29 17000. For purposes of this division, the following definitions  
 30 shall apply:

31 (a) “Certified community conservation corps” means a  
 32 community conservation corps that was in existence on September  
 33 30, 1999, or that is formed subsequent to that date, and that is  
 34 designated by a city or a city and county to perform litter  
 35 abatement, recycling, and related activities, if the city or the city  
 36 and county has a population, as determined by the most recent  
 37 census, of more than 250,000 persons.

38 (b) “Community conservation corps” means a community  
 39 conservation corps, as defined in Section 14507.5, that is  
 40 designated by a county to perform litter abatement, recycling, and

1 related activities, and that is certified by the California  
2 Conservation Corps as having operated for a minimum of two  
3 years and as meeting all other criteria of Section 14507.5.

4 (c) “Department” means the Department of Resources Recycling  
5 and Recovery.

6 17001. (a) For purposes of the 2014–15 fiscal year only,  
7 subject to Section 17002, the department shall expend funds from  
8 the following sources, for issuing grants to certified community  
9 conservation corps and community conservation corps, in  
10 accordance with, and for the purposes specified in, this  
11 subdivision:

12 (1) The department shall expend the amount made available  
13 for expenditure during the 2014–15 fiscal year pursuant to Section  
14 14581.1 in the form of grants for implementing beverage container  
15 litter reduction programs and beverage container recycling  
16 programs, including education and outreach, pursuant to Division  
17 12.1 (commencing with Section 14501).

18 (2) The department shall expend four million dollars  
19 (\$4,000,000) from the funds in the Electronic Waste Recovery and  
20 Recycling Account, upon appropriation by the Legislature, for  
21 grants to implement programs relating to the collection and  
22 recovery of covered electronic waste, including education and  
23 outreach, in accordance with Chapter 8.5 (commencing with  
24 Section 42460) of Part 3 of Division 30.

25 (3) The department shall expend two million five hundred  
26 thousand dollars (\$2,500,000) from the funds in the California  
27 Tire Recycling Management Fund, upon appropriation by the  
28 Legislature, for grants relating to implementing programs to clean  
29 up and abate waste tires and to reuse and recycle waste tires,  
30 including, but not limited to, the tire recycling program authorized  
31 by Section 42872, and including education and outreach, in  
32 accordance with Chapter 17 (commencing with Section 42860) of  
33 Part 3 of Division 30.

34 (4) The department shall expend one million dollars  
35 (\$1,000,000) from the funds in the California Used Oil Recycling  
36 Fund, upon appropriation by the Legislature, for grants to  
37 implement programs relating to the collection of used oil, including  
38 education and outreach, in accordance with Chapter 4  
39 (commencing with Section 48600) of Part 7 of Division 30.

1 (b) On and after July 1, 2015, subject to Section 17002, the  
2 department shall expend funds from the following sources, for  
3 issuing grants to certified community conservation corps and  
4 community conservation corps, in accordance with, and for the  
5 purposes specified in, this subdivision:

6 (1) The department shall expend in each fiscal year the amount  
7 made available pursuant to Section 14581.1 for grants to  
8 implement beverage container litter reduction programs and  
9 beverage container recycling programs, including education and  
10 outreach, pursuant to Division 12.1 (commencing with Section  
11 14501).

12 (2) The department shall expend eight million dollars  
13 (\$8,000,000) each fiscal year from the funds in the Electronic  
14 Waste Recovery and Recycling Account, upon appropriation by  
15 the Legislature, for grants to implement programs relating to the  
16 collection and recovery of covered electronic waste, including  
17 education and outreach, in accordance with Chapter 8.5  
18 (commencing with Section 42460) of Part 3 of Division 30.

19 (3) The department shall expend five million dollars  
20 (\$5,000,000) each fiscal year from the funds in the California Tire  
21 Recycling Management Fund, upon appropriation by the  
22 Legislature, for grants to implement programs relating to clean  
23 up and abate waste tires and to reuse and recycle waste tires,  
24 including, but not limited to, the tire recycling program authorized  
25 by Section 42872, and including education and outreach, in  
26 accordance with Chapter 17 (commencing with Section 42860) of  
27 Part 3 of Division 30.

28 (4) The department shall expend two million dollars  
29 (\$2,000,000) each fiscal year from the funds in the California Used  
30 Oil Recycling Fund, upon appropriation by the Legislature, for  
31 grants to implement programs relating to the collection of used  
32 oil, including education and outreach, in accordance with Chapter  
33 4 (commencing with Section 48600) of Part 7 of Division 30.

34 17002. The amount the department may expend for a fiscal  
35 year pursuant to Section 17001 shall not exceed the amount  
36 determined for that fiscal year pursuant to subdivision (c) of  
37 Section 14581.1.

38 SEC. 146. Section 21190 of the Public Resources Code is  
39 amended to read:

1 21190. There is in this state the California Environmental  
2 Protection Program, which shall be concerned with the preservation  
3 and protection of California's environment. In this connection, the  
4 Legislature hereby finds and declares that, since the inception of  
5 the program pursuant to the Marks-Badham Environmental  
6 Protection and Research Act, the Department of Motor Vehicles  
7 has, in the course of issuing environmental license plates,  
8 consistently informed potential purchasers of those plates, by  
9 means of a detailed brochure, of the manner in which the program  
10 functions, the particular purposes for which revenues from the  
11 issuance of those plates can lawfully be expended, and examples  
12 of particular projects and programs that have been financed by  
13 those revenues. Therefore, because of this representation by the  
14 Department of Motor Vehicles, purchasers come to expect and  
15 rely that the moneys paid by them will be expended only for those  
16 particular purposes, which results in an obligation on the part of  
17 the state to expend the revenues only for those particular purposes.

18 Accordingly, all funds expended pursuant to this division shall  
19 be used only to support identifiable projects and programs of state  
20 agencies, cities, cities and counties, counties, districts, the  
21 University of California, private nonprofit environmental and land  
22 acquisition organizations, and private research organizations ~~which~~  
23 *that* have a clearly defined benefit to the people of the State of  
24 California and ~~which~~ *that* have one or more of the following  
25 purposes:

26 (a) The control and abatement of air pollution, including all  
27 phases of research into the sources, dynamics, and effects of  
28 environmental pollutants.

29 (b) The acquisition, preservation, restoration, or any combination  
30 thereof, of natural areas or ecological reserves.

31 (c) Environmental education, including formal school programs  
32 and informal public education programs. The State Department of  
33 Education may administer moneys appropriated for these programs,  
34 but shall distribute not less than 90 percent of moneys appropriated  
35 for the purposes of this subdivision to fund environmental  
36 education programs of school districts, other local schools, state  
37 agencies other than the State Department of Education, and  
38 community organizations. Not more than 10 percent of the moneys  
39 appropriated for environmental education may be used for State

1 Department of Education programs or defraying administrative  
2 costs.

3 (d) Protection of nongame species and threatened and  
4 endangered plants and animals.

5 (e) Protection, enhancement, and restoration of fish and wildlife  
6 habitat and related water quality, including review of the potential  
7 impact of development activities and land use changes on that  
8 habitat.

9 (f) The purchase, on an opportunity basis, of real property  
10 consisting of sensitive natural areas for the state park system and  
11 for local and regional parks.

12 (g) Reduction or minimization of the effects of soil erosion and  
13 the discharge of sediment into the waters of the Lake Tahoe region,  
14 including the restoration of disturbed wetlands and stream  
15 environment zones, through projects by the California Tahoe  
16 Conservancy and grants to local public agencies, state agencies,  
17 federal agencies, and nonprofit organizations.

18 (h) *Scientific research on the risks to California's natural*  
19 *resources and communities caused by the impacts of climate*  
20 *change.*

21 *SEC. 147. Section 30821 is added to the Public Resources*  
22 *Code, to read:*

23 *30821. (a) In addition to any other penalties imposed pursuant*  
24 *to this division, a person, including a landowner, who is in*  
25 *violation of the public access provisions of this division is subject*  
26 *to an administrative civil penalty that may be imposed by the*  
27 *commission in an amount not to exceed 75 percent of the amount*  
28 *of the maximum penalty authorized pursuant to subdivision (b) of*  
29 *Section 30820 for each violation. The administrative civil penalty*  
30 *may be assessed for each day the violation persists, but for no*  
31 *more than five years.*

32 *(b) All penalties imposed pursuant to subdivision (a) shall be*  
33 *imposed by majority vote of the commissioners present in a duly*  
34 *noticed public hearing in compliance with the requirements of*  
35 *Section 30810, 30811, or 30812.*

36 *(c) In determining the amount of civil liability, the commission*  
37 *shall take into account the factors set forth in subdivision (c) of*  
38 *Section 30820.*

39 *(d) A person shall not be subject to both monetary civil liability*  
40 *imposed under this section and monetary civil liability imposed*

1 *by the superior court for the same act or failure to act. If a person*  
2 *who is assessed a penalty under this section fails to pay the*  
3 *administrative penalty, otherwise fails to comply with a restoration*  
4 *or cease and desist order issued by the commission in connection*  
5 *with the penalty action, or challenges any of these actions by the*  
6 *commission in a court of law, the commission may maintain an*  
7 *action or otherwise engage in judicial proceedings to enforce those*  
8 *requirements and the court may grant any relief as provided under*  
9 *this chapter.*

10 *(e) If a person fails to pay a penalty imposed by the commission*  
11 *pursuant to this section, the commission may record a lien on the*  
12 *property in the amount of the penalty assessed by the commission.*  
13 *This lien shall have the force, effect, and priority of a judgment*  
14 *lien.*

15 *(f) In enacting this section, it is the intent of the Legislature to*  
16 *ensure that unintentional, minor violations of this division that*  
17 *only cause de minimis harm will not lead to the imposition of*  
18 *administrative penalties if the violator has acted expeditiously to*  
19 *correct the violation.*

20 *(g) “Person,” for the purpose of this section, does not include*  
21 *a local government, a special district, or an agency thereof, when*  
22 *acting in a legislative or adjudicative capacity.*

23 *(h) Administrative penalties pursuant to subdivision (a) shall*  
24 *not be assessed if the property owner corrects the violation*  
25 *consistent with this division within 30 days of receiving written*  
26 *notification from the commission regarding the violation, and if*  
27 *the alleged violator can correct the violation without undertaking*  
28 *additional development that requires a permit under this division.*  
29 *This 30-day timeframe for corrective action does not apply to*  
30 *previous violations of permit conditions incurred by a property*  
31 *owner.*

32 *(i) The commission shall prepare and submit, pursuant to*  
33 *Section 9795 of the Government Code, a report to the Legislature*  
34 *by January 15, 2019, that includes all of the following:*

35 *(1) The number of new violations reported annually to the*  
36 *commission from January 1, 2015, to December 31, 2018,*  
37 *inclusive.*

38 *(2) The number of violations resolved from January 1, 2015, to*  
39 *December 31, 2018, inclusive.*

1 (3) *The number of administrative penalties issued pursuant to*  
2 *this section, the dollar amount of the penalties, and a description*  
3 *of the violations from January 1, 2015, to December 31, 2018,*  
4 *inclusive.*

5 (j) *Revenues derived pursuant to this section shall be deposited*  
6 *into the Violation Remediation Account of the Coastal Conservancy*  
7 *Fund and expended pursuant to Section 30823.*

8 *SEC. 148. Section 31012 of the Public Resources Code is*  
9 *amended to read:*

10 31012. (a) The Coastal Trust Fund is hereby established in  
11 the State Treasury, to receive and disburse funds paid to the  
12 conservancy in trust, subject to the right of recovery to fulfill the  
13 purposes of the trust, as provided in this section.

14 (b) (1) There is in the Coastal Trust Fund the San Francisco  
15 Bay Area Conservancy Program Account, which shall be expended  
16 solely for the purposes of Chapter 4.5 (commencing with Section  
17 31160).

18 (2) The conservancy shall deposit in the San Francisco Bay  
19 Area Conservancy Program Account all funds received by the  
20 conservancy for the purposes of the San Francisco Bay Area  
21 Conservancy Program established under Chapter 4.5 (commencing  
22 with Section 31160), from sources other than the state or federal  
23 government and not provided for in subdivision (a) of Section  
24 31164. These funds include, but are not limited to, private  
25 donations, fees, penalties, and local government contributions.

26 (c) (1) There is in the Coastal Trust Fund the Coastal Program  
27 Account. Funds in the Coastal Program Account shall be expended  
28 solely for their specified trust purposes.

29 (2) Upon approval of the Department of Finance, the  
30 conservancy shall deposit in the Coastal Program Account all funds  
31 paid to the conservancy in trust for purposes of this division, except  
32 those funds identified in paragraph (2) of subdivision (b). The  
33 funds that shall be deposited in the Coastal Program Account, upon  
34 that approval, include, but are not limited to, funds that are paid  
35 to the conservancy in trust for purposes of mitigation, for settlement  
36 of litigation, instead of other conditions of coastal development  
37 permits or other regulatory entitlements, or for other trust purposes  
38 consistent with this division and specified by the terms of a gift  
39 or contract. Funds in the Coastal Program Account shall be  
40 separately accounted for according to their source and trust

1 purpose. Funds ~~may~~ shall not be deposited in the Coastal Program  
2 Account without the Department of Finance’s approval.

3 (d) (1) *There is in the Coastal Trust Fund the California*  
4 *Climate Resilience Account. Notwithstanding Section 13340 of*  
5 *the Government Code, and except as provided in paragraph (6),*  
6 *funds in the account are continuously appropriated to the*  
7 *conservancy, as follows, without regard to fiscal year. Funds shall*  
8 *be expended by the conservancy, the California Coastal*  
9 *Commission, and the San Francisco Bay Conservation and*  
10 *Development Commission for coastal zone management planning*  
11 *and implementation activities to address the risks and impacts of*  
12 *climate change, sea level rise, and associated extreme events to*  
13 *coastal and bay communities and natural resources. The purpose*  
14 *of the account is to support project implementation, capital outlay,*  
15 *and local assistance grants. Up to 10 percent of the funds shall*  
16 *be available for administrative costs.*

17 (2) *Except as specified by an instrument imposing conditions*  
18 *on the use or expenditure of the specific funds provided, funds*  
19 *appropriated for these purposes shall be allocated as follows:*

20 (A) *To the California Coastal Commission, 20 percent of the*  
21 *funds deposited in the account during each fiscal year.*

22 (B) *To the San Francisco Bay Conservation and Development*  
23 *Commission, 20 percent of the funds deposited in the account*  
24 *during each fiscal year.*

25 (C) *To the conservancy, 60 percent of the funds deposited in*  
26 *the account during each fiscal year.*

27 (3) *Funds in the account shall be expended solely for their*  
28 *specified purposes.*

29 (4) *Funds that may be deposited into the California Climate*  
30 *Resilience Account include, but are not limited to, appropriations*  
31 *and grants, funds from the federal government, regional planning*  
32 *agencies, and local governments, fees, litigation settlements,*  
33 *permits, and mitigation requirements, and private donations that*  
34 *are eligible to be spent for the purposes of the account.*

35 (5) *Nothing in this section shall apply to funds eligible for*  
36 *deposit in the Bay Fill Clean-Up and Abatement Fund pursuant*  
37 *to Section 66647 of the Government Code or to any funds collected*  
38 *pursuant to the California Coastal Act of 1976 (Division 20*  
39 *(commencing with Section 30000)).*

1 (6) To the extent that any funds are appropriated into the  
 2 account by the Legislature in the annual Budget Act, those funds  
 3 shall be segregated for purposes of accounting. Funds  
 4 appropriated into the account by the Legislature in the Annual  
 5 Budget act shall not be continuously appropriated and are subject  
 6 to the provisions of Section 16304 of the Government Code.

7 ~~(d)~~

8 (e) Interest that accrues on funds in the Coastal Trust Fund shall  
 9 be retained in the Coastal Trust Fund and available for expenditure  
 10 by the conservancy for the trust purposes.

11 ~~(e)~~

12 (f) The conservancy shall maintain separate accountings of funds  
 13 within the Coastal Trust Fund, pursuant to its fiduciary duties, for  
 14 the purpose of separating deposits and interest on those deposits,  
 15 according to their trust purposes.

16 ~~(f)~~

17 (g) Notwithstanding Section 13340 of the Government Code,  
 18 and except as provided in subdivision (d), all funds in the Coastal  
 19 Trust Fund are continuously appropriated, without regard to fiscal  
 20 year, to the conservancy to fulfill the trust purposes for which the  
 21 payments of funds were made.

22 ~~(g)~~

23 (h) The conservancy shall provide an annual accounting to the  
 24 Department of Finance of the conservancy's expenditures from,  
 25 and other activities related to, the Coastal Trust Fund.

26 *SEC. 149. Section 42476 of the Public Resources Code is*  
 27 *amended to read:*

28 42476. (a) The Electronic Waste Recovery and Recycling  
 29 Account is hereby established in the Integrated Waste Management  
 30 Fund. All fees collected pursuant to this chapter shall be deposited  
 31 in the account. Notwithstanding Section 13340 of the Government  
 32 Code, the funds in the account are hereby continuously  
 33 appropriated, without regard to fiscal year, for the following  
 34 purposes:

35 (1) To pay refunds of the covered electronic waste recycling  
 36 fee imposed under Section 42464.

37 (2) To make electronic waste recovery payments to an  
 38 authorized collector of covered electronic waste pursuant to Section  
 39 42479.

1 (3) To make electronic waste recycling payments to covered  
2 electronic waste recyclers pursuant to Section 42479.

3 (4) To make payments to manufacturers pursuant to subdivision  
4 (h).

5 (b) (1) The money in the account may be expended for the  
6 following purposes only upon appropriation by the Legislature in  
7 the annual Budget Act:

8 (A) For the administration of this chapter by the Department of  
9 Resources Recycling and Recovery and the department.

10 (B) To reimburse the State Board of Equalization for its  
11 administrative costs of registering, collecting, making refunds, and  
12 auditing retailers and consumers in connection with the covered  
13 electronic waste recycling fee imposed under Section 42464.

14 (C) To provide funding to the department to implement and  
15 enforce Chapter 6.5 (commencing with Section 25100) of Division  
16 20 of the Health and Safety Code, as that chapter relates to covered  
17 electronic devices, and any regulations adopted by the department  
18 pursuant to that chapter.

19 (D) To establish the public information program specified in  
20 subdivision (d).

21 *(E) For expenditure pursuant to paragraph (2) of subdivision*  
22 *(a) of, and paragraph (2) of subdivision (b) of, Section 17001.*

23 (2) Any fines or penalties collected pursuant to this chapter shall  
24 be deposited in the Electronic Waste Penalty Subaccount, which  
25 is hereby established in the account. The funds in the Electronic  
26 Waste Penalty Subaccount may be expended by the Department  
27 of Resources Recycling and Recovery or the department only upon  
28 appropriation by the Legislature.

29 (c) Notwithstanding Section 16475 of the Government Code,  
30 any interest earned upon funds in the Electronic Waste Recovery  
31 and Recycling Account shall be deposited in that account for  
32 expenditure pursuant to this chapter.

33 (d) Not more than 1 percent of the funds annually deposited in  
34 the Electronic Waste Recovery and Recycling Account shall be  
35 expended for the purposes of establishing the public information  
36 program to educate the public in the hazards of improper covered  
37 electronic device storage and disposal and on the opportunities to  
38 recycle covered electronic devices.

1 (e) The Department of Resources Recycling and Recovery shall  
2 adopt regulations specifying cancellation methods for the recovery,  
3 processing, or recycling of covered electronic waste.

4 (f) The Department of Resources Recycling and Recovery may  
5 pay an electronic waste recycling payment or electronic waste  
6 recovery payment only for covered electronic waste that meets all  
7 of the following conditions:

8 (1) (A) The covered electronic waste is demonstrated to have  
9 been generated by a person who used the covered electronic device  
10 while located in this state.

11 (B) Covered electronic waste generated outside of the state and  
12 subsequently brought into the state is not eligible for payment.

13 (C) The Department of Resources Recycling and Recovery shall  
14 establish documentation requirements for purposes of this  
15 paragraph that are necessary to demonstrate that the covered  
16 electronic waste was generated in the state and eligible for payment.

17 (2) The covered electronic waste, including any residuals from  
18 the processing of the waste, is handled in compliance with all  
19 applicable statutes and regulations.

20 (3) The manufacturer or the authorized collector or recycler of  
21 the electronic waste provides a cost-free and convenient  
22 opportunity to recycle electronic waste, in accordance with the  
23 legislative intent specified in subdivision (b) of Section 42461.

24 (4) If the covered electronic waste is processed, the covered  
25 electronic waste is processed in this state according to the  
26 cancellation method authorized by the Department of Resources  
27 Recycling and Recovery.

28 (g) The Legislature hereby declares that the state is a market  
29 participant in the business of the recycling of covered electronic  
30 waste for all of the following reasons:

31 (1) The fee is collected from the state's consumers for covered  
32 electronic devices sold for use in the state.

33 (2) The purpose of the fee and subsequent payments is to prevent  
34 damage to the public health and the environment from waste  
35 generated in the state.

36 (3) The recycling system funded by the fee ensures that  
37 economically viable and sustainable markets are developed and  
38 supported for recovered materials and components in order to  
39 conserve resources and maximize business and employment  
40 opportunities within the state.

1 (h) (1) The Department of Resources Recycling and Recovery  
2 may make a payment to a manufacturer that takes back a covered  
3 electronic device from a consumer in this state for purposes of  
4 recycling the device at a processing facility. The amount of the  
5 payment made by the Department of Resources Recycling and  
6 Recovery shall equal the value of the covered electronic waste  
7 recycling fee paid for that device. To qualify for a payment  
8 pursuant to this subdivision, the manufacturer shall demonstrate  
9 both of the following to the Department of Resources Recycling  
10 and Recovery:

11 (A) The covered electronic device for which payment is claimed  
12 was used in this state.

13 (B) The covered electronic waste for which a payment is  
14 claimed, including any residuals from the processing of the waste,  
15 has been, and will be, handled in compliance with all applicable  
16 statutes and regulations.

17 (2) A covered electronic device for which a payment is made  
18 under this subdivision is not eligible for an electronic waste  
19 recovery payment or an electronic waste recycling payment under  
20 Section 42479.

21 *SEC. 150. Section 42872.1 of the Public Resources Code is*  
22 *amended to read:*

23 42872.1. (a) This section shall be known, and may be cited,  
24 as the Rubberized—~~Asphalt—Concrete~~ *Pavement* Market  
25 Development Act.

26 (b) In accordance with the tire recycling program authorized by  
27 Section 42872, the department shall award grants in the following  
28 manner:

29 (1) To cities, counties, and other local governmental agencies  
30 for the funding of public works projects that utilize rubberized  
31 ~~asphalt concrete~~. *pavement.*

32 (2) To state and local governmental agencies, including regional  
33 park districts, for the funding of disability access projects at parks  
34 and Class I bikeways as defined in subdivision (a) of Section 890.4,  
35 relative to projects that utilize rubberized—~~asphalt—concrete~~.  
36 *pavement.*

37 (c) (1) Except as provided in paragraph (2), the department  
38 shall award the grants pursuant to subdivision (b) in the amount  
39 of two dollars (\$2) for every 12 pounds of crumb rubber used in

1 a public works or disability access project by a state or local  
2 governmental agency, including a regional park district.

3 (2) The department may adjust the amount of grants awarded  
4 pursuant to paragraph (1) to an amount that is greater than, or less  
5 than, two dollars (\$2) for every 12 pounds of crumb rubber if the  
6 department finds this adjustment would further the purposes of  
7 this article.

8 (d) This section shall become inoperative on June 30, 2019,  
9 and, as of January 1, 2020, is repealed, unless a later enacted  
10 statute, that becomes operative on or before January 1, 2020,  
11 deletes or extends the dates on which it becomes inoperative and  
12 is repealed.

13 *SEC. 151. Section 42885.5 of the Public Resources Code is*  
14 *amended to read:*

15 42885.5. (a) The department shall adopt a five-year plan, which  
16 shall be updated every two years, to establish goals and priorities  
17 for the waste tire program and each program element.

18 (b) On or before July 1, 2001, and every two years thereafter,  
19 the department shall submit the adopted five-year plan to the  
20 appropriate policy and fiscal committees of the Legislature. The  
21 department shall include in the plan, programmatic and fiscal issues  
22 including, but not limited to, the hierarchy used by the department  
23 to maximize productive uses of waste and used tires, and the  
24 performance objectives and measurement criteria used by the  
25 department to evaluate the success of its waste and used tire  
26 recycling program. Additionally, the plan shall describe each  
27 program element's effectiveness, based upon performance measures  
28 developed by the department, including, but not limited to, the  
29 following:

30 (1) Enforcement and regulations relating to the storage of waste  
31 and used tires.

32 (2) Cleanup, abatement, or other remedial action related to waste  
33 tire stockpiles throughout the state.

34 (3) Research directed at promoting and developing alternatives  
35 to the landfill disposal of waste tires.

36 (4) Market development and new technology activities for used  
37 tires and waste tires.

38 (5) The waste and used tire hauler program, the registration of,  
39 and reporting by, tire brokers, and the manifest system.

1 (6) A description of the grants, loans, contracts, and other  
2 expenditures proposed to be made by the department under the  
3 tire recycling program.

4 (7) Until June 30, 2015, the grant program authorized under  
5 Section 42872.5 to encourage the use of waste tires, including, but  
6 not limited to, rubberized asphalt concrete technology, in public  
7 works projects.

8 (8) Border region activities, conducted in coordination with the  
9 California Environmental Protection Agency, including, but not  
10 limited to, all of the following:

11 (A) Training programs to assist Mexican waste and used tire  
12 haulers to meet the requirements for hauling those tires in  
13 California.

14 (B) Environmental education training.

15 (C) Development of a waste tire abatement plan, with the  
16 appropriate government entities of California and Mexico.

17 (D) Tracking both the legal and illegal waste and used tire flow  
18 across the border and recommended revisions to the waste tire  
19 policies of California and Mexico.

20 (E) Coordination with businesses operating in the border region  
21 and with Mexico, with regard to applying the same environmental  
22 and control requirements throughout the border region.

23 (F) Development of projects in Mexico in the California-Mexico  
24 border region, as defined by the La Paz Agreement, that include,  
25 but are not limited to, education, infrastructure, mitigation, cleanup,  
26 prevention, reuse, and recycling projects, that address the  
27 movement of used tires from California to Mexico that are  
28 eventually disposed of in California.

29 (9) *Grants to certified community conservation corps and*  
30 *community conservation corps, pursuant to paragraph (3) of*  
31 *subdivision (a) of, and paragraph (3) of subdivision (b) of, Section*  
32 *17001, for purposes of the programs specified in paragraphs (2)*  
33 *and (6) and for related education and outreach.*

34 (c) The department shall base the budget for the California Tire  
35 Recycling Act and program funding on the plan.

36 (d) The plan may not propose financial or other support that  
37 promotes, or provides for research for the incineration of tires.

38 *SEC. 152. Section 42889 of the Public Resources Code, as*  
39 *amended by Section 33 of Chapter 401 of the Statutes of 2013, is*  
40 *amended to read:*

1 42889. (a) Of the moneys collected pursuant to Section 42885,  
2 an amount equal to seventy-five cents (\$0.75) per tire on which  
3 the fee is imposed shall be transferred by the State Board of  
4 Equalization to the Air Pollution Control Fund. The state board  
5 shall expend those moneys, or allocate those moneys to the districts  
6 for expenditure, to fund programs and projects that mitigate or  
7 remediate air pollution caused by tires in the state, to the extent  
8 that the state board or the applicable district determines that the  
9 program or project remediates air pollution harms created by tires  
10 upon which the fee described in Section 42885 is imposed.

11 (b) The remaining moneys collected pursuant to Section 42885  
12 shall be used to fund the waste tire program, and shall be  
13 appropriated to the department in the annual Budget Act in a  
14 manner consistent with the five-year plan adopted and updated by  
15 the department. These moneys shall be expended for the payment  
16 of refunds under this chapter and for the following purposes:

17 (1) To pay the administrative overhead cost of this chapter, not  
18 to exceed 6 percent of the total revenue deposited in the fund  
19 annually, or an amount otherwise specified in the annual Budget  
20 Act.

21 (2) To pay the costs of administration associated with collection,  
22 making refunds, and auditing revenues in the fund, not to exceed  
23 3 percent of the total revenue deposited in the fund, as provided  
24 in subdivision (c) of Section 42885.

25 (3) To pay the costs associated with operating the tire recycling  
26 program specified in Article 3 (commencing with Section 42870).

27 (4) To pay the costs associated with the development and  
28 enforcement of regulations relating to the storage of waste tires  
29 and used tires. The department shall consider designating a city,  
30 county, or city and county as the enforcement authority of  
31 regulations relating to the storage of waste tires and used tires, as  
32 provided in subdivision (c) of Section 42850, and regulations  
33 relating to the hauling of waste and used tires, as provided in  
34 subdivision (b) of Section 42963. If the department designates a  
35 local entity for that purpose, the department shall provide sufficient,  
36 stable, and noncompetitive funding to that entity for that purpose,  
37 based on available resources, as provided in the five-year plan  
38 adopted and updated as provided in subdivision (a) of Section  
39 42885.5. The department may consider and create, as appropriate,  
40 financial incentives for citizens who report the illegal hauling or

1 disposal of waste tires as a means of enhancing local and statewide  
2 waste tire and used tire enforcement programs.

3 (5) To pay the costs of cleanup, abatement, removal, or other  
4 remedial action related to waste tire stockpiles throughout the state,  
5 including all approved costs incurred by other public agencies  
6 involved in these activities by contract with the department. Not  
7 less than six million five hundred thousand dollars (\$6,500,000)  
8 shall be expended by the department during each of the following  
9 fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

10 (6) To make studies and conduct research directed at promoting  
11 and developing alternatives to the landfill disposal of waste tires.

12 (7) To assist in developing markets and new technologies for  
13 used tires and waste tires. The department’s expenditure of funds  
14 for purposes of this subdivision shall reflect the priorities for waste  
15 management practices specified in subdivision (a) of Section  
16 40051.

17 (8) To pay the costs associated with implementing and operating  
18 a waste tire and used tire hauler program and manifest system  
19 pursuant to Chapter 19 (commencing with Section 42950).

20 (9) To pay the costs to create and maintain an emergency  
21 reserve, which shall not exceed one million dollars (\$1,000,000).

22 (10) To pay the costs of cleanup, abatement, or other remedial  
23 action related to the disposal of waste tires in implementing and  
24 operating the Farm and Ranch Solid Waste Cleanup and Abatement  
25 Grant Program established pursuant to Chapter 2.5 (commencing  
26 with Section 48100) of Part 7.

27 (11) To fund border region activities specified in paragraph (8)  
28 of subdivision (b) of Section 42885.5.

29 (12) *For expenditure pursuant to paragraph (3) of subdivision*  
30 *(a) of, and paragraph (3) of subdivision (b) of, Section 17001.*

31 (c) This section shall remain in effect only until January 1, 2024,  
32 and as of that date is repealed, unless a later enacted statute that  
33 is enacted before January 1, 2024, deletes or extends that date.

34 *SEC. 153. Section 42889 of the Public Resources Code, as*  
35 *amended by Section 34 of Chapter 401 of the Statutes of 2013, is*  
36 *amended to read:*

37 42889. Funding for the waste tire program shall be appropriated  
38 to the department in the annual Budget Act. The moneys in the  
39 fund shall be expended for the payment of refunds under this  
40 chapter and for the following purposes:

- 1 (a) To pay the administrative overhead cost of this chapter, not  
2 to exceed 5 percent of the total revenue deposited in the fund  
3 annually, or an amount otherwise specified in the annual Budget  
4 Act.
- 5 (b) To pay the costs of administration associated with collection,  
6 making refunds, and auditing revenues in the fund, not to exceed  
7 3 percent of the total revenue deposited in the fund, as provided  
8 in subdivision (b) of Section 42885.
- 9 (c) To pay the costs associated with operating the tire recycling  
10 program specified in Article 3 (commencing with Section 42870).
- 11 (d) To pay the costs associated with the development and  
12 enforcement of regulations relating to the storage of waste tires  
13 and used tires. The department shall consider designating a city,  
14 county, or city and county as the enforcement authority of  
15 regulations relating to the storage of waste tires and used tires, as  
16 provided in subdivision (c) of Section 42850, and regulations  
17 relating to the hauling of waste and used tires, as provided in  
18 subdivision (b) of Section 42963. If the department designates a  
19 local entity for that purpose, the department shall provide sufficient,  
20 stable, and noncompetitive funding to that entity for that purpose,  
21 based on available resources, as provided in the five-year plan  
22 adopted and updated as provided in subdivision (a) of Section  
23 42885.5. The department may consider and create, as appropriate,  
24 financial incentives for citizens who report the illegal hauling or  
25 disposal of waste tires as a means of enhancing local and statewide  
26 waste tire and used tire enforcement programs.
- 27 (e) To pay the costs of cleanup, abatement, removal, or other  
28 remedial action related to waste tire stockpiles throughout the state,  
29 including all approved costs incurred by other public agencies  
30 involved in these activities by contract with the department. Not  
31 less than six million five hundred thousand dollars (\$6,500,000)  
32 shall be expended by the department during each of the following  
33 fiscal years for this purpose: 2001–02 to 2006–07, inclusive.
- 34 (f) To fund border region activities specified in paragraph (8)  
35 of subdivision (b) of Section 42885.5.
- 36 (g) *For expenditure pursuant to paragraph (3) of subdivision*  
37 *(a) of, and paragraph (3) of subdivision (b) of, Section 17001.*
- 38 ~~(g)~~
- 39 (h) This section shall become operative on January 1, 2024.

1     *SEC. 154. Section 48653 of the Public Resources Code is*  
2 *amended to read:*

3     48653. The board shall deposit all amounts paid pursuant to  
4 Section 48650 by manufacturers, civil penalties, and fines paid  
5 pursuant to this chapter, and all other revenues received pursuant  
6 to this chapter into the California Used Oil Recycling Fund, which  
7 is hereby created in the State Treasury. Notwithstanding Section  
8 13340 of the Government Code, the money in the fund is to be  
9 appropriated solely as follows:

10     (a) Continuously appropriated to the board for expenditure for  
11 the following purposes:

12         (1) To pay recycling incentives pursuant to Section 48651.

13         (2) To provide a reserve for contingencies, as may be available  
14 after making other payments required by this section, in an amount  
15 not to exceed one million dollars (\$1,000,000).

16         (3) (A) To make payments for the implementation of local used  
17 oil collection programs adopted pursuant to Article 10  
18 (commencing with Section 48690) to cities, based on the city's  
19 population, and counties, based on the population of the  
20 unincorporated area of the county. Payment shall be determined  
21 by multiplying the total annual amount by the fraction equal to the  
22 population of cities and counties that are eligible for payments  
23 pursuant to Section 48690, divided by the population of the state.  
24 The board shall use the latest population estimates of the state  
25 generated by the Population Research Unit of the Department of  
26 Finance in making the calculations required by this paragraph.  
27 Notwithstanding subdivision (b) of Section 48656, the total annual  
28 amount shall equal eleven million dollars (\$11,000,000), subject  
29 to subparagraph (B).

30         (B) If sufficient funds are not available to initially issue full  
31 funding pursuant to subparagraph (A), the board shall provide  
32 funding as follows:

33             (i) For the purposes set forth in this paragraph, one-half of the  
34 amount that remains in the fund after the expenditures are made  
35 pursuant to paragraphs (1) and (2) and subdivision (b). The board  
36 may utilize additional amounts from the fund, up to, but not  
37 exceeding, eleven million dollars (\$11,000,000).

38             (ii) As the board finds is fiscally appropriate, for the purposes  
39 set forth in Section 48656. The board shall give priority to the

1 distribution of funding in clause (i) for the purposes of this  
2 paragraph.

3 (C) Pursuant to paragraph (2) of subdivision (d) of Section  
4 48691, it is the intent of this paragraph that at least one million  
5 dollars (\$1,000,000) be made available specifically for used oil  
6 filter collection and recycling programs.

7 (4) To implement Section 48660.5, in an amount not to exceed  
8 two hundred thousand dollars (\$200,000) annually.

9 (5) For expenditures pursuant to Section 48656.

10 (b) The money in the fund may be expended by the board for  
11 the administration of this chapter and by the department for  
12 inspections and reports pursuant to Section 48661, only upon  
13 appropriation by the Legislature in the annual Budget Act.

14 (c) (1) Except as provided in paragraph (2), the money in the  
15 fund may be transferred to the Farm and Ranch Solid Waste  
16 Cleanup and Abatement Account in the General Fund, upon  
17 appropriation by the Legislature in the annual Budget Act, to pay  
18 the costs associated with implementing and operating the Farm  
19 and Ranch Solid Waste Cleanup and Abatement Grant Program  
20 established pursuant to Chapter 2.5 (commencing with Section  
21 48100).

22 (2) The money in the fund attributable to a charge increase or  
23 adjustment made or authorized in an amendment to subdivision  
24 (a) of Section 48650 by the act adding this paragraph shall not be  
25 transferred to the Farm and Ranch Solid Waste Cleanup and  
26 Abatement Account.

27 *(d) The money in the fund may be expended by the Department*  
28 *of Resources Recycling and Recovery, upon appropriation by the*  
29 *Legislature, pursuant to paragraph (4) of subdivision (a) of, and*  
30 *paragraph (4) of subdivision (b) of, Section 17001.*

31 ~~(d)~~

32 (e) Appropriations to the board to pay the costs necessary to  
33 administer this chapter shall not exceed three million dollars  
34 (\$3,000,000) annually.

35 ~~(e)~~

36 (f) The Legislature hereby finds and declares its intent that three  
37 hundred fifty thousand dollars (\$350,000) should be annually  
38 appropriated from the California Used Oil Recycling Fund in the  
39 annual Budget Act to the board, commencing with fiscal year  
40 2010–11, for the purposes of Section 48655 and to conduct those

1 investigations and enforcement actions necessary to ensure a used  
2 oil storage facility or used oil transfer facility causes the used  
3 lubricating oil to be transported, as required by subdivision (a) of  
4 Section 48651.

5 *SEC. 155. Section 71116 of the Public Resources Code is*  
6 *amended to read:*

7 71116. (a) The Environmental Justice Small Grant Program  
8 is hereby established under the jurisdiction of the California  
9 Environmental Protection Agency. The California Environmental  
10 Protection Agency shall adopt regulations for the implementation  
11 of this section. These regulations shall include, but need not be  
12 limited to, all of the following:

13 (1) Specific criteria and procedures for the implementation of  
14 the program.

15 (2) A requirement that each grant recipient submit a written  
16 report to the agency documenting its expenditures of the grant  
17 funds and the results of the funded project.

18 (3) Provisions promoting the equitable distribution of grant  
19 funds in a variety of areas throughout the state, with the goal of  
20 making grants available to organizations that will attempt to  
21 address environmental justice issues.

22 (b) The purpose of the program is to provide grants to eligible  
23 community groups, including, but not limited to, community-based,  
24 grassroots nonprofit organizations that are located in areas  
25 adversely affected by environmental pollution and hazards and  
26 that are involved in work to address environmental justice issues.

27 (c) (1) Both of the following are eligible to receive moneys  
28 from the fund.

29 (A) A nonprofit entity.

30 (B) A federally recognized tribal government.

31 (2) For the purposes of this section, “nonprofit entity” means  
32 any corporation, trust, association, cooperative, or other  
33 organization that meets all of the following criteria:

34 (A) Is operated primarily for scientific, educational, service,  
35 charitable, or other similar purposes in the public interest.

36 (B) Is not organized primarily for profit.

37 (C) Uses its net proceeds to maintain, improve, or expand, or  
38 any combination thereof, its operations.

39 (D) Is a tax-exempt organization under Section 501 (c)(3) of  
40 the federal Internal Revenue Code, or is able to provide evidence

1 to the agency that the state recognizes the organization as a  
2 nonprofit entity.

3 (3) For the purposes of this section, “nonprofit entity”  
4 specifically excludes an organization that is a tax-exempt  
5 organization under Section 501 (c)(4) of the federal Internal  
6 Revenue Code.

7 (d) Individuals may not receive grant moneys from the fund.

8 (e) Grant recipients shall use the grant award to fund only the  
9 project described in the recipient’s application. Recipients shall  
10 not use the grant funding to shift moneys from existing or proposed  
11 projects to activities for which grant funding is prohibited under  
12 subdivision (g).

13 (f) Grants shall be awarded on a competitive basis for projects  
14 that are based in communities with the most significant exposure  
15 to pollution. Grants shall be limited to any of the following  
16 purposes and no other:

17 (1) Resolve environmental problems through distribution of  
18 information.

19 (2) Identify improvements in communication and coordination  
20 among agencies and stakeholders in order to address the most  
21 significant exposure to pollution.

22 (3) Expand the understanding of a community about the  
23 environmental issues that affect their community.

24 (4) Develop guidance on the relative significance of various  
25 environmental risks.

26 (5) Promote community involvement in the decisionmaking  
27 process that affects the environment of the community.

28 (6) Present environmental data for the purposes of enhancing  
29 community understanding of environmental information systems  
30 and environmental information.

31 (g) (1) The agency shall not award grants for, and grant funding  
32 shall not be used for, any of the following:

33 (A) Other state grant programs.

34 (B) Lobbying or advocacy activities relating to any federal,  
35 state, regional, or local legislative, quasi-legislative, adjudicatory,  
36 or quasi-judicial proceeding involving development or adoption  
37 of statutes, guidelines, rules, regulations, plans or any other  
38 governmental proposal, or involving decisions concerning siting,  
39 permitting, licensing, or any other governmental action.

1 (C) Litigation, administrative challenges, enforcement action,  
2 or any type of adjudicatory proceeding.

3 (D) Funding of a lawsuit against any governmental entity.

4 (E) Funding of a lawsuit against a business or a project owned  
5 by a business.

6 (F) Matching state or federal funding.

7 (G) Performance of any technical assessment for purposes of  
8 opposing or contradicting a technical assessment prepared by a  
9 public agency.

10 (2) An organization's use of funds from a grant awarded under  
11 this section to educate a community regarding an environmental  
12 justice issue or a governmental process does not preclude that  
13 organization from subsequent lobbying or advocacy concerning  
14 that same issue or governmental process, as long as the lobbying  
15 or advocacy is not funded by a grant awarded under this section.

16 (h) The agency shall review, evaluate, and select grant recipients,  
17 and screen grant applications to ensure that they meet the  
18 requirements of this section.

19 (i) The maximum amount of a grant provided pursuant to this  
20 section may not exceed ~~twenty thousand dollars (\$20,000)~~. *fifty*  
21 *thousand dollars (\$50,000)*.

22 (j) For the purposes of this section, "environmental justice" has  
23 the same meaning as defined in Section 65040.12 of the  
24 Government Code.

25 ~~(k) This section shall be implemented only during fiscal years~~  
26 ~~for which an appropriation is provided for the purposes of this~~  
27 ~~section in the annual Budget Act or in another statute.~~

28 (k) *The Secretary for Environmental Protection may expend up*  
29 *to one million five hundred thousand dollars (\$1,500,000) per year*  
30 *for the purposes of this section.*

31 (l) *Board, departments, and offices within the California*  
32 *Environmental Protection Agency may allocate funds from various*  
33 *special funds, settlements, and penalties to implement this program.*

34 *SEC. 156. Section 379.6 of the Public Utilities Code is amended*  
35 *to read:*

36 379.6. (a) (1) It is the intent of the Legislature that the  
37 self-generation incentive program increase deployment of  
38 distributed generation and energy storage systems to facilitate the  
39 integration of those resources into the electrical grid, improve  
40 efficiency and reliability of the distribution and transmission

1 system, and reduce emissions of greenhouse gases, peak demand,  
2 and ratepayer costs. It is the further intent of the Legislature that  
3 the commission, in future proceedings, provide for an equitable  
4 distribution of the costs and benefits of the program.

5 (2) The commission, in consultation with the Energy  
6 Commission, may authorize the annual collection of not more than  
7 the amount authorized for the self-generation incentive program  
8 in the 2008 calendar year, through December 31, ~~2014~~. 2019. The  
9 commission shall require the administration of the program for  
10 distributed energy resources originally established pursuant to  
11 Chapter 329 of the Statutes of 2000 until January 1, ~~2016~~. 2021.  
12 On January 1, ~~2016~~, 2021, the commission shall provide repayment  
13 of all unallocated funds collected pursuant to this section to reduce  
14 ratepayer costs.

15 (3) The commission shall administer solar technologies  
16 separately, pursuant to the California Solar Initiative adopted by  
17 the commission in ~~Decision 06-01-024~~. *Decisions 05-12-044 and*  
18 *06-01-024, as modified by Article 1 (commencing with Section*  
19 *2851) of Chapter 9 of Part 2 of Division 1 of this code and Chapter*  
20 *8.8 (commencing with Section 25780) of Division 15 of the Public*  
21 *Resources Code.*

22 (b) (1) Eligibility for incentives under the *self-generation*  
23 *incentive* program shall be limited to distributed energy resources  
24 that the commission, in consultation with the State Air Resources  
25 Board, determines will achieve reductions *in emissions* of  
26 ~~greenhouse gas emissions~~ *gases* pursuant to the California Global  
27 Warming Solutions Act of 2006 (Division 25.5 (commencing with  
28 Section 38500) of the Health and Safety Code).

29 (2) *On or before July 1, 2015, the commission shall update the*  
30 *factor for avoided greenhouse gas emissions based on the most*  
31 *recent data available to the State Air Resources Board for*  
32 *greenhouse gas emissions from electricity sales in the*  
33 *self-generation incentive program administrators' service areas*  
34 *as well as current estimates of greenhouse gas emissions over the*  
35 *useful life of the distributed energy resource, including*  
36 *consideration of the effects of the California Renewables Portfolio*  
37 *Standard.*

38 (c) Eligibility for the funding of any combustion-operated  
39 distributed generation projects using fossil fuel is subject to all of  
40 the following conditions:

1 (1) An oxides of nitrogen (NO<sub>x</sub>) emissions rate standard of 0.07  
2 pounds per megawatthour and a minimum efficiency of 60 percent,  
3 or any other NO<sub>x</sub> emissions rate and minimum efficiency standard  
4 adopted by the State Air Resources Board. A minimum efficiency  
5 of 60 percent shall be measured as useful energy output divided  
6 by fuel input. The efficiency determination shall be based on 100  
7 percent load.

8 (2) Combined heat and power units that meet the 60-percent  
9 efficiency standard may take a credit to meet the applicable NO<sub>x</sub>  
10 emissions standard of 0.07 pounds per megawatthour. Credit shall  
11 be at the rate of one megawatthour for each ~~3.4 million~~ 3,400,000  
12 British thermal units (Btus) of heat recovered.

13 (3) The customer receiving incentives shall adequately maintain  
14 and service the combined heat and power units so that during  
15 ~~operation~~, *operation* the system continues to meet or exceed the  
16 efficiency and emissions standards established pursuant to  
17 paragraphs (1) and (2).

18 (4) Notwithstanding paragraph (1), a project that does not meet  
19 the applicable NO<sub>x</sub> emissions standard is eligible if it meets both  
20 of the following requirements:

21 (A) The project operates solely on waste gas. The commission  
22 shall require a customer that applies for an incentive pursuant to  
23 this paragraph to provide an affidavit or other form of proof that  
24 specifies that the project shall be operated solely on waste gas.  
25 Incentives awarded pursuant to this paragraph shall be subject to  
26 refund and shall be refunded by the recipient to the extent the  
27 project does not operate on waste gas. As used in this paragraph,  
28 “waste gas” means natural gas that is generated as a byproduct of  
29 petroleum production operations and is not eligible for delivery  
30 to the utility pipeline system.

31 (B) The air quality management district or air pollution control  
32 district, in issuing a permit to operate the project, determines that  
33 operation of the project will produce an onsite net air emissions  
34 benefit, compared to permitted onsite emissions if the project does  
35 not operate. The commission shall require the customer to secure  
36 the permit prior to receiving incentives.

37 (d) In determining the eligibility for the self-generation incentive  
38 program, minimum system efficiency shall be determined either  
39 by calculating electrical and process heat efficiency as set forth in  
40 Section 216.6, or by calculating overall electrical efficiency.

1 (e) Eligibility for incentives under the program shall be limited  
2 to distributed energy resource technologies that the commission  
3 determines meet all of the following requirements:

4 (1) The distributed energy resource technology is capable of  
5 reducing demand from the grid by offsetting some or all of the  
6 customer's onsite energy load, including, but not limited to, peak  
7 electric demand.

8 (2) The distributed energy resource technology is commercially  
9 available.

10 (3) The distributed energy resource technology safely utilizes  
11 the existing transmission and distribution system.

12 (4) The distributed energy resource technology improves air  
13 quality by reducing criteria air pollutants.

14 (f) Recipients of the self-generation incentive program funds  
15 shall provide relevant data to the commission and the State Air  
16 Resources Board, upon request, and shall be subject to onsite  
17 inspection to verify equipment operation and performance,  
18 including capacity, thermal output, and usage to verify criteria  
19 air pollutant and greenhouse gas emissions performance.

20 (g) In administering the self-generation incentive program, the  
21 commission shall determine a capacity factor for each distributed  
22 generation system energy resource technology in the program.

23 ~~(e)~~

24 (h) (1) In administering the self-generation incentive program,  
25 the commission may adjust the amount of rebates and evaluate  
26 other public policy interests, including, but not limited to,  
27 ratepayers, energy efficiency, peak load reduction, load  
28 management, and environmental interests.

29 (2) The commission shall consider the relative amount and the  
30 cost of greenhouse gas emission reductions, peak demand  
31 reductions, system reliability benefits, and other measurable factors  
32 when allocating program funds between eligible technologies.

33 ~~(f)~~

34 (i) The commission shall ensure that distributed generation  
35 resources are made available in the program for all ratepayers.

36 ~~(g)-(1)~~

37 (j) In administering the self-generation incentive program, the  
38 commission shall provide an additional incentive of 20 percent  
39 from existing program funds for the installation of eligible

1 distributed generation resources ~~from a California supplier.~~  
2 *manufactured in California.*

3 (2) ~~“California supplier” as used in this subdivision means any~~  
4 ~~sole proprietorship, partnership, joint venture, corporation, or other~~  
5 ~~business entity that manufactures eligible distributed generation~~  
6 ~~resources in California and that meets either of the following~~  
7 ~~criteria:~~

8 (A) ~~The owners or policymaking officers are domiciled in~~  
9 ~~California and the permanent principal office, or place of business~~  
10 ~~from which the supplier’s trade is directed or managed, is located~~  
11 ~~in California.~~

12 (B) ~~A business or corporation, including those owned by, or~~  
13 ~~under common control of, a corporation, that meets all of the~~  
14 ~~following criteria continuously during the five years prior to~~  
15 ~~providing eligible distributed generation resources to a~~  
16 ~~self-generation incentive program recipient:~~

17 (i) ~~Owns and operates a manufacturing facility located in~~  
18 ~~California that builds or manufactures eligible distributed~~  
19 ~~generation resources.~~

20 (ii) ~~Is licensed by the state to conduct business within the state.~~

21 (iii) ~~Employs California residents for work within the state.~~

22 (3) ~~For purposes of qualifying as a California supplier, a~~  
23 ~~distribution or sales management office or facility does not qualify~~  
24 ~~as a manufacturing facility.~~

25 (h)

26 (k) ~~The costs of the program adopted and implemented pursuant~~  
27 ~~to this section shall not be recovered from customers participating~~  
28 ~~in the California Alternate Rates for Energy (CARE) program.~~

29 (l) ~~The commission shall evaluate the overall success and impact~~  
30 ~~of the self-generation incentive program based on the following~~  
31 ~~performance measures:~~

32 (1) ~~The amount of reductions of emissions of greenhouse gases.~~

33 (2) ~~The amount of reductions of emissions of criteria air~~  
34 ~~pollutants measured in terms of avoided emissions and reductions~~  
35 ~~of criteria air pollutants represented by emissions credits secured~~  
36 ~~for project approval.~~

37 (3) ~~The amount of energy reductions measured in energy value.~~

38 (4) ~~The amount of reductions of aggregate noncoincident~~  
39 ~~customer peak demand.~~

1 (5) *The ratio of the electricity generated by distributed energy*  
 2 *resource projects receiving incentives from the program to the*  
 3 *electricity capable of being produced by those distributed energy*  
 4 *resource projects, commonly known as a capacity factor.*

5 (6) *The value to the electrical transmission and distribution*  
 6 *system measured in avoided costs of transmission and distribution*  
 7 *upgrades and replacement.*

8 (7) *The ability to improve onsite electricity reliability as*  
 9 *compared to onsite electricity reliability before the self-generation*  
 10 *incentive program technology was placed in service.*

11 SEC. 156.5. *Section 1807 of the Public Utilities Code is*  
 12 *amended to read:*

13 1807. ~~Any~~ (a) *An award made under this article shall be paid*  
 14 *by the public utility—~~which~~ that is the subject of the hearing,*  
 15 *investigation, or proceeding, as determined by the commission,*  
 16 *within 30 days. Notwithstanding any other ~~provision of law, any~~*  
 17 *an award paid by a public utility pursuant to this article shall be*  
 18 *allowed by the commission as an expense for the purpose of*  
 19 *establishing rates of the public utility by way of a dollar-for-dollar*  
 20 *adjustment to rates imposed by the commission immediately on*  
 21 *the determination of the amount of the award, so that the amount*  
 22 *of the award shall be fully recovered within one year from the date*  
 23 *of the award.*

24 (b) *Due to the bankruptcy of Sacramento Natural Gas Storage,*  
 25 *the commission's intervenor compensation award to the Avondale*  
 26 *Glen Elder Neighborhood Association in A.07-04-013 has been*  
 27 *reduced to a fraction of the amount awarded. In this limited*  
 28 *circumstance, the commission may pay to the Avondale Glen Elder*  
 29 *Neighborhood Association the difference between the amount*  
 30 *received from the bankruptcy court and the amount awarded by*  
 31 *the commission by increasing the fees collected in Section 401 for*  
 32 *the limited purpose of D.13-11-018.*

33 SEC. 156.7. *Section 2851 of the Public Utilities Code is*  
 34 *amended to read:*

35 2851. (a) *In implementing the California Solar Initiative, the*  
 36 *commission shall do all of the following:*

37 (1) (A) *The commission shall authorize the award of monetary*  
 38 *incentives for up to the first megawatt of alternating current*  
 39 *generated by solar energy systems that meet the eligibility criteria*  
 40 *established by the Energy Commission pursuant to Chapter 8.8*

1 (commencing with Section 25780) of Division 15 of the Public  
2 Resources Code. The commission shall determine the eligibility  
3 of a solar energy system, as defined in Section 25781 of the Public  
4 Resources Code, to receive monetary incentives until the time the  
5 Energy Commission establishes eligibility criteria pursuant to  
6 Section 25782. Monetary incentives shall not be awarded for solar  
7 energy systems that do not meet the eligibility criteria. The  
8 incentive level authorized by the commission shall decline each  
9 year following implementation of the California Solar Initiative,  
10 at a rate of no less than an average of 7 percent per year, and,  
11 except as provided in subparagraph (B), shall be zero as of  
12 December 31, 2016. The commission shall adopt and publish a  
13 schedule of declining incentive levels no less than 30 days in  
14 advance of the first decline in incentive levels. The commission  
15 may develop incentives based upon the output of electricity from  
16 the system, provided those incentives are consistent with the  
17 declining incentive levels of this paragraph and the incentives  
18 apply to only the first megawatt of electricity generated by the  
19 system.

20 (B) The incentive level for the installation of a solar energy  
21 system pursuant to Section 2852 shall be zero as of December 31,  
22 2021.

23 (2) The commission shall adopt a performance-based incentive  
24 program so that by January 1, 2008, 100 percent of incentives for  
25 solar energy systems of 100 kilowatts or greater and at least 50  
26 percent of incentives for solar energy systems of 30 kilowatts or  
27 greater are earned based on the actual electrical output of the solar  
28 energy systems. The commission shall encourage, and may require,  
29 performance-based incentives for solar energy systems of less than  
30 30 kilowatts. Performance-based incentives shall decline at a rate  
31 of no less than an average of 7 percent per year. In developing the  
32 performance-based incentives, the commission may:

33 (A) Apply performance-based incentives only to customer  
34 classes designated by the commission.

35 (B) Design the performance-based incentives so that customers  
36 may receive a higher level of incentives than under incentives  
37 based on installed electrical capacity.

38 (C) Develop financing options that help offset the installation  
39 costs of the solar energy system, provided that this financing is

1 ultimately repaid in full by the consumer or through the application  
2 of the performance-based rebates.

3 (3) By January 1, 2008, the commission, in consultation with  
4 the Energy Commission, shall require reasonable and cost-effective  
5 energy efficiency improvements in existing buildings as a condition  
6 of providing incentives for eligible solar energy systems, with  
7 appropriate exemptions or limitations to accommodate the limited  
8 financial resources of low-income residential housing.

9 (4) Notwithstanding subdivision (g) of Section 2827, the  
10 commission may develop a time-variant tariff that creates the  
11 maximum incentive for ratepayers to install solar energy systems  
12 so that the system's peak electricity production coincides with  
13 California's peak electricity demands and that ensures that  
14 ratepayers receive due value for their contribution to the purchase  
15 of solar energy systems and customers with solar energy systems  
16 continue to have an incentive to use electricity efficiently. In  
17 developing the time-variant tariff, the commission may exclude  
18 customers participating in the tariff from the rate cap for residential  
19 customers for existing baseline quantities or usage by those  
20 customers of up to 130 percent of existing baseline quantities, as  
21 required by Section 739.9. Nothing in this paragraph authorizes  
22 the commission to require time-variant pricing for ratepayers  
23 without a solar energy system.

24 (b) Notwithstanding subdivision (a), in implementing the  
25 California Solar Initiative, the commission may authorize the award  
26 of monetary incentives for solar thermal and solar water heating  
27 devices, in a total amount up to one hundred million eight hundred  
28 thousand dollars (\$100,800,000).

29 (c) (1) In implementing the California Solar Initiative, the  
30 commission shall not allocate more than fifty million dollars  
31 (\$50,000,000) to research, development, and demonstration that  
32 explores solar technologies and other distributed generation  
33 technologies that employ or could employ solar energy for  
34 generation or storage of electricity or to offset natural gas usage.  
35 Any program that allocates additional moneys to research,  
36 development, and demonstration shall be developed in  
37 collaboration with the Energy Commission to ensure there is no  
38 duplication of efforts, and adopted by the commission through a  
39 rulemaking or other appropriate public proceeding. Any grant  
40 awarded by the commission for research, development, and

1 demonstration shall be approved by the full commission at a public  
2 meeting. This subdivision does not prohibit the commission from  
3 continuing to allocate moneys to research, development, and  
4 demonstration pursuant to the self-generation incentive program  
5 for distributed generation resources originally established pursuant  
6 to Chapter 329 of the Statutes of 2000, as modified pursuant to  
7 Section 379.6.

8 (2) The Legislature finds and declares that a program that  
9 provides a stable source of monetary incentives for eligible solar  
10 energy systems will encourage private investment sufficient to  
11 make solar technologies cost effective.

12 (3) On or before June 30, 2009, and by June 30th of every year  
13 thereafter, the commission shall submit to the Legislature an  
14 assessment of the success of the California Solar Initiative program.  
15 That assessment shall include the number of residential and  
16 commercial sites that have installed solar thermal devices for which  
17 an award was made pursuant to subdivision (b) and the dollar value  
18 of the award, the number of residential and commercial sites that  
19 have installed solar energy systems, the electrical generating  
20 capacity of the installed solar energy systems, the cost of the  
21 program, total electrical system benefits, including the effect on  
22 electrical service rates, environmental benefits, how the program  
23 affects the operation and reliability of the electrical grid, how the  
24 program has affected peak demand for electricity, the progress  
25 made toward reaching the goals of the program, whether the  
26 program is on schedule to meet the program goals, and  
27 recommendations for improving the program to meet its goals. If  
28 the commission allocates additional moneys to research,  
29 development, and demonstration that explores solar technologies  
30 and other distributed generation technologies pursuant to paragraph  
31 (1), the commission shall include in the assessment submitted to  
32 the Legislature, a description of the program, a summary of each  
33 award made or project funded pursuant to the program, including  
34 the intended purposes to be achieved by the particular award or  
35 project, and the results of each award or project.

36 (d) (1) The commission shall not impose any charge upon the  
37 consumption of natural gas, or upon natural gas ratepayers, to fund  
38 the California Solar Initiative.

39 (2) Notwithstanding any other provision of law, any charge  
40 imposed to fund the program adopted and implemented pursuant

1 to this section shall be imposed upon all customers not participating  
2 in the California Alternate Rates for Energy (CARE) or family  
3 electric rate assistance (FERA) programs, including those  
4 residential customers subject to the rate limitation specified in  
5 Section 739.9 for existing baseline quantities or usage up to 130  
6 percent of existing baseline quantities of electricity.

7 (3) The costs of the program adopted and implemented pursuant  
8 to this section ~~may~~ *shall* not be recovered from customers  
9 participating in the California Alternate Rates for Energy or CARE  
10 program established pursuant to Section 739.1, except to the extent  
11 that program costs are recovered out of the nonbypassable system  
12 benefits charge authorized pursuant to Section 399.8.

13 (e) Except as provided in subdivision (f), *in* implementing the  
14 California Solar Initiative, the commission shall ensure that the  
15 total cost over the duration of the program does not exceed three  
16 billion five hundred fifty million eight hundred thousand dollars  
17 (\$3,550,800,000). Except as provided in subdivision (f), financial  
18 components of the California Solar Initiative shall consist of the  
19 following:

20 (1) Programs under the supervision of the commission funded  
21 by charges collected from customers of San Diego Gas and Electric  
22 Company, Southern California Edison Company, and Pacific Gas  
23 and Electric Company. Except as provided in subdivision (f), the  
24 total cost over the duration of these programs shall not exceed two  
25 billion three hundred sixty-six million eight hundred thousand  
26 dollars (\$2,366,800,000) and includes moneys collected directly  
27 into a tracking account for support of the California Solar Initiative.

28 (2) Programs adopted, implemented, and financed in the amount  
29 of seven hundred eighty-four million dollars (\$784,000,000), by  
30 charges collected by local publicly owned electric utilities pursuant  
31 to Section 2854. Nothing in this subdivision shall give the  
32 commission power and jurisdiction with respect to a local publicly  
33 owned electric utility or its customers.

34 (3) Programs for the installation of solar energy systems on new  
35 construction (New Solar Homes Partnership Program),  
36 administered by the Energy Commission, and funded by charges  
37 in the amount of four hundred million dollars (\$400,000,000),  
38 collected from customers of San Diego Gas and Electric Company,  
39 Southern California Edison Company, and Pacific Gas and Electric  
40 Company. If the commission is notified by the Energy Commission

1 that funding available pursuant to Section 25751 of the Public  
2 Resources Code for the New Solar Homes Partnership Program  
3 ~~has and any other funding for the purposes of this paragraph have~~  
4 been exhausted, the commission may require an electrical  
5 corporation to continue administration of the program pursuant to  
6 the guidelines established for the program by the Energy  
7 Commission, until the funding limit authorized by this paragraph  
8 has been reached. The commission, in consultation with the Energy  
9 Commission, shall supervise the administration of the continuation  
10 of the New Solar Homes Partnership Program by an electrical  
11 corporation. An electrical corporation may elect to have a third  
12 party, including the Energy Commission, administer the utility's  
13 continuation of the New Solar Homes Partnership Program. After  
14 the exhaustion of funds, the Energy Commission shall notify the  
15 Joint Legislative Budget Committee 30 days prior to the  
16 continuation of the program.

17 (4) The changes made to this subdivision by Chapter 39 of the  
18 Statutes of 2012 do not authorize the levy of a charge or any  
19 increase in the amount collected pursuant to any existing charge,  
20 nor do the changes add to, or detract from, the commission's  
21 existing authority to levy or increase charges.

22 (f) Upon the expenditure or reservation in any electrical  
23 corporation's service territory of the amount specified in paragraph  
24 (1) of subdivision (e) for low-income residential housing programs  
25 pursuant to subdivision (c) of Section 2852, the commission shall  
26 authorize the continued collection of the charge for the purposes  
27 of Section 2852. The commission shall ensure that the total amount  
28 collected pursuant to this subdivision does not exceed one hundred  
29 eight million dollars (\$108,000,000). Upon approval by the  
30 commission, an electrical corporation may use amounts collected  
31 pursuant to subdivision (e) for purposes of funding the general  
32 market portion of the California Solar Initiative, that remain  
33 unspent and unencumbered after December 31, 2016, to reduce  
34 the electrical corporation's portion of the total amount collected  
35 pursuant to this subdivision.

36 *SEC. 157. Section 46001.5 is added to the Revenue and*  
37 *Taxation Code, to read:*

38 *46001.5. (a) The board may adopt regulations relating to the*  
39 *administration and enforcement of this part pursuant to the*  
40 *Administrative Procedure Act (Chapter 3.5 (commencing with*

1 *Section 11340) of Part 1 of Division 3 of Title 2 of the Government*  
2 *Code).*

3 *(b) An emergency regulation adopted pursuant to amendments*  
4 *made to this part by Senate Bill 861 of the 2013–14 Regular*  
5 *Session shall be deemed an emergency and necessary to avoid*  
6 *serious harm to the public peace, health, safety, or general welfare*  
7 *for the purposes of Sections 11346.1 and 11349.6 of the*  
8 *Government Code, and the board is hereby exempt from the*  
9 *requirement that it describe facts showing the need for immediate*  
10 *action and from review by the Office of Administrative Law.*

11 *SEC. 158. Section 46002 of the Revenue and Taxation Code*  
12 *is amended to read:*

13 46002. The collection and administration of the fees referred  
14 to in Sections 46051 and 46052 shall be governed by the definitions  
15 contained in Chapter 7.4 (commencing with Section 8670.1) of  
16 Division 1 of Title 2 of the Government Code, ~~unless expressly~~  
17 ~~otherwise provided by the definitions contained in Code and this~~  
18 ~~part.~~

19 *SEC. 159. Section 46006 of the Revenue and Taxation Code*  
20 *is amended to read:*

21 46006. “Administrator” means ~~the chief deputy director of the~~  
22 ~~Department of Fish and Game~~ *person appointed by the Governor*  
23 *pursuant to Section 8670.4 of the Government Code to implement*  
24 *the Lempert-Keene-Seastrand Oil Spill Prevention and Response*  
25 *Act (Chapter 7.4 (commencing with Section 8670.1) of Division 1*  
26 *of Title 2 of the Government Code).*

27 *SEC. 160. Section 46007 of the Revenue and Taxation Code*  
28 *is amended to read:*

29 46007. “Barges” means ~~any relatively flat-bottomed,~~  
30 ~~waterborne vessel which is propelled by being pulled or pushed~~  
31 ~~by another vessel, and is constructed or adapted to carry crude oil~~  
32 ~~or petroleum products in commercial quantities as cargo. vessels~~  
33 *that carry oil in commercial quantities as cargo but are not*  
34 *equipped with a means of self-propulsion.*

35 *SEC. 161. Section 46008 of the Revenue and Taxation Code*  
36 *is repealed.*

37 46008. “Barrel” means ~~42 gallons of crude oil or petroleum~~  
38 ~~products.~~

39 *SEC. 162. Section 46010 of the Revenue and Taxation Code*  
40 *is amended to read:*

1 46010. “Crude oil” means petroleum in an unrefined or natural  
2 state, including condensate and natural gasoline, *and including*  
3 *substances that enhance, cut, thin, or reduce viscosity.*

4 SEC. 163. Section 46011 of the Revenue and Taxation Code  
5 is repealed.

6 46011. ~~“Discharge” means any release of at least one barrel of~~  
7 ~~oil into marine waters which is not authorized by any federal, state,~~  
8 ~~or local government entity.~~

9 SEC. 164. Section 46011 is added to the Revenue and Taxation  
10 Code, to read:

11 46011. (a) “Facility” means any of the following located in  
12 state waters or located where an oil spill may impact state waters:

13 (1) A building, structure, installation, or equipment used in oil  
14 exploration, oil well drilling operations, oil production, oil refining,  
15 oil storage, oil gathering, oil processing, oil transfer, oil  
16 distribution, or oil transportation.

17 (2) A marine terminal.

18 (3) A pipeline that transports oil.

19 (4) A railroad that transports oil as cargo.

20 (5) A drill ship, semisubmersible drilling platform, jack-up type  
21 drilling rig, or any other floating or temporary drilling platform.

22 (b) “Facility” does not include any of the following:

23 (1) A vessel, except a vessel located and used for any purpose  
24 described in paragraph (5) of subdivision (a).

25 (2) An owner or operator subject to Chapter 6.67 (commencing  
26 with Section 25270) of or Chapter 6.75 (commencing with Section  
27 25299.10) of Division 20 of the Health and Safety Code.

28 (3) Operations on a farm, nursery, logging site, or construction  
29 site that are either of the following:

30 (A) Do not exceed 20,000 gallons in a single storage tank.

31 (B) Have a useable tank storage capacity not exceeding 75,000  
32 gallons.

33 (4) A small craft refueling dock.

34 SEC. 165. Section 46013 of the Revenue and Taxation Code  
35 is amended to read:

36 46013. “Feepayer” means any person ~~who may be~~ liable for  
37 the payment of a fee imposed by either Section 8670.40 or 8670.48  
38 of the Government Code.

39 SEC. 166. Section 46014 of the Revenue and Taxation Code  
40 is repealed.

1 46014. “Independent crude oil producer” means any person or  
2 entity producing crude oil within this state who does not refine  
3 crude oil into product, and who does not own or operate any retail  
4 gasoline marketing facilities.

5 *SEC. 167. Section 46015 of the Revenue and Taxation Code*  
6 *is repealed.*

7 46015. “Local government” means any chartered or general  
8 law city, chartered or general law county, or any city and county.

9 *SEC. 168. Section 46016 of the Revenue and Taxation Code*  
10 *is repealed.*

11 46016. “Marine facility” means any facility of any kind, other  
12 than a vessel, which is or was used for the purposes of exploring  
13 for, drilling for, producing, storing, handling, transferring,  
14 processing, refining, or transporting crude oil or petroleum products  
15 and is located in marine waters, or is located where a discharge  
16 could impact marine waters unless the facility, (1) is subject to  
17 Chapter 6.67 (commencing with Section 25270) or Chapter 6.75  
18 (commencing with Section 25299.10) of Division 20 of the Health  
19 and Safety Code or, (2) is placed on a farm, nursery, logging site,  
20 small craft refueling dock as defined in Section 8670.3 of the  
21 Government Code, or construction site and does not exceed 20,000  
22 gallons in a single storage tank. For the purposes of this part, a  
23 drill ship, semisubmersible drilling platform, jack-up type drilling  
24 rig, or any other floating or temporary drilling platform is a “marine  
25 facility.”

26 *SEC. 169. Section 46017 of the Revenue and Taxation Code*  
27 *is amended to read:*

28 46017. “Marine terminal” means any marine facility used for  
29 transferring crude oil or petroleum products to or from tankers or  
30 barges. For the purposes of this part, a marine terminal includes  
31 all piping not integrally connected to a tank facility as defined in  
32 subdivision ~~(k)~~ (n) of Section 25270.2 of the Health and Safety  
33 Code.

34 *SEC. 170. Section 46018 of the Revenue and Taxation Code*  
35 *is repealed.*

36 46018. “Marine waters” means those waters subject to tidal  
37 influence, and includes the waterways used for waterborne  
38 commercial vessel traffic to the Port of Sacramento and the Port  
39 of Stockton.

1     *SEC. 171. Section 46018 is added to the Revenue and Taxation*  
2     *Code, to read:*

3     46018. “Oil” means any kind of petroleum, liquid  
4     hydrocarbons, or petroleum products or any fraction or residues  
5     therefrom, including, but not limited to, crude oil, bunker fuel,  
6     gasoline, diesel fuel, aviation fuel, oil sludge, oil refuse, oil mixed  
7     with waste, and liquid distillates from unprocessed natural gas.

8     *SEC. 172. Section 46019 of the Revenue and Taxation Code*  
9     *is repealed.*

10    46019. (a) ~~“Operator” means any of the following:~~

11    ~~(1) Any person who owns, operates, charters by demise, or~~  
12    ~~leases a vessel.~~

13    ~~(2) Any person who owns or operates a marine facility.~~

14    ~~(3) Any person who owns or operates a marine pipeline.~~

15    ~~(4) Any person who owns or operates a refinery.~~

16    ~~(b) “Operator” does not include a person who, without~~  
17    ~~participating in the management of a vessel or marine facility,~~  
18    ~~holds indicia of ownership primarily to protect his or her security~~  
19    ~~interest in the vessel or marine facility. Also, “operator” does not~~  
20    ~~include any person who owns the land beneath a marine facility~~  
21    ~~or the facility itself if the person is not involved in the operation~~  
22    ~~of the facility.~~

23    *SEC. 173. Section 46023 of the Revenue and Taxation Code*  
24    *is amended to read:*

25    46023. “Refinery” means a facility ~~or location which~~ *that*  
26    refines crude oil, including condensate and natural gasoline, into  
27    petroleum products, lubricating oils, coke, or asphalt.

28    *SEC. 174. Section 46024 of the Revenue and Taxation Code*  
29    *is repealed.*

30    46024. ~~“Responsible party” or “party responsible” means any~~  
31    ~~of the following:~~

32    ~~(a) The owner or transporter of crude oil or petroleum products~~  
33    ~~or a person or entity accepting responsibility for the crude oil or~~  
34    ~~petroleum products.~~

35    ~~(b) The owner, operator, or lessee of, or person who charters~~  
36    ~~by demise, any vessel or marine facility, or a person or entity~~  
37    ~~accepting responsibility for the vessel or marine facility.~~

38    *SEC. 175. Section 46025 of the Revenue and Taxation Code*  
39    *is repealed.*

1 46025. ~~“Spill” means any release of at least one barrel of crude~~  
 2 ~~oil or petroleum products into marine waters which is not~~  
 3 ~~authorized by any federal, state, or local government entity.~~

4 *SEC. 176. Section 46027 of the Revenue and Taxation Code*  
 5 *is repealed.*

6 46027. ~~“State oil spill contingency plan” means the California~~  
 7 ~~oil spill contingency plan prepared pursuant to Article 3.5~~  
 8 ~~(commencing with Section 8574.1) of Chapter 7 of Division 1 of~~  
 9 ~~Title 2 of the Government Code.~~

10 *SEC. 177. Section 46027 is added to the Revenue and Taxation*  
 11 *Code, to read:*

12 46027. *“State waters” or “waters of the state” means any*  
 13 *surface water, including saline waters, marine waters, and*  
 14 *freshwaters, within the boundaries of the state but does not include*  
 15 *groundwater.*

16 *SEC. 178. Section 46028 of the Revenue and Taxation Code*  
 17 *is amended to read:*

18 46028. ~~“Tanker” means any self-propelled, waterborne vessel,~~  
 19 ~~a self-propelled vessel that is constructed or adapted for the~~  
 20 ~~carriage of crude oil or petroleum products in bulk or in~~  
 21 ~~commercial quantities as cargo.~~

22 *SEC. 179. Section 46101 of the Revenue and Taxation Code*  
 23 *is amended to read:*

24 46101. Every person who operates ~~an oil~~ a refinery in this state,  
 25 a marine terminal in ~~marine~~ waters of the state, or operates a  
 26 pipeline ~~across, under, or through~~ marine waters or any pipeline  
 27 to transport crude oil or petroleum products out of the state shall  
 28 register with the board.

29 *SEC. 180. Section 5024 of the Vehicle Code is amended to*  
 30 *read:*

31 5024. (a) A person described in Section 5101 may also apply  
 32 for a set of commemorative collegiate reflectorized license plates,  
 33 and the department shall issue those special license plates in lieu  
 34 of the regular license plates. The collegiate reflectorized plates  
 35 shall be of a distinctive design, and shall be available in a special  
 36 series of letters or numbers, or both, as determined by the  
 37 department. The collegiate reflectorized plates shall also contain  
 38 the name of the participating institution as well as the reflectorized  
 39 logotype, motto, symbol, or other distinctive design, as approved  
 40 by the department, representing the participating university or

1 college selected by the applicant. The department may issue the  
2 commemorative collegiate reflectorized license plates as  
3 environmental license plates, as defined in Section 5103, in a  
4 combination of numbers or letters, or both, as requested by the  
5 owner or lessee of the vehicle.

6 (b) Any public or private postsecondary educational institution  
7 in the state, which is accredited or has been accepted as a  
8 recognized candidate for accreditation by the Western Association  
9 of Schools and Colleges, may indicate to the department its  
10 decision to be included in the commemorative collegiate license  
11 plate program and submit its distinctive design for the logotype,  
12 motto, symbol, or other design. However, no public or private  
13 postsecondary educational institution may be included in the  
14 program until not less than 5,000 applications are received for  
15 license plates containing that institution's logotype, motto, symbol,  
16 or other design. Each participating institution shall collect and hold  
17 applications for collegiate license plates until it has received at  
18 least 5,000 applications. Once the institution has received at least  
19 5,000 applications, it shall submit the applications, along with the  
20 necessary fees, to the department. Upon receiving the first  
21 application, the institution shall have one calendar year to receive  
22 the remaining required applications. If, after that one calendar  
23 year, 5,000 applications have not been received, the institution  
24 shall refund to all applicants any fees or deposits which have been  
25 collected.

26 (c) In addition to the regular fees for an original registration, a  
27 renewal of registration, or a transfer of registration, the following  
28 commemorative collegiate license plate fees shall be paid:

29 (1) Fifty dollars (\$50) for the initial issuance of the plates. These  
30 plates shall be permanent and shall not be required to be replaced.

31 (2) Forty dollars (\$40) for each renewal of registration which  
32 includes the continued display of the plates.

33 (3) Fifteen dollars (\$15) for transfer of the plates to another  
34 vehicle.

35 (4) Thirty-five dollars (\$35) for replacement plates, if the plates  
36 become damaged or unserviceable.

37 (d) When payment of renewal fees is not required as specified  
38 in Section 4000, or when the person determines to retain the  
39 commemorative collegiate license plates upon sale, trade, or other  
40 release of the vehicle upon which the plates have been displayed,

1 the person shall notify the department and the person may retain  
2 the plates.

3 (e) Of the revenue derived from the additional special fees  
4 provided in this section, less costs incurred by the department  
5 pursuant to this section, one-half shall be deposited in the  
6 California Collegiate License Plate Fund, which is hereby created,  
7 and one-half shall be deposited in the ~~Resources License Plate~~  
8 ~~Fund, which is hereby created.~~ *California Environmental License*  
9 *Plate Fund.*

10 (f) The money in the California Collegiate License Plate Fund  
11 is, notwithstanding Section 13340 of the Government Code,  
12 continuously appropriated to the Controller for allocation as  
13 follows:

14 (1) To the governing body of participating public institutions  
15 in the proportion that funds are collected on behalf of each, to be  
16 used for need-based scholarships, distributed according to federal  
17 student aid guidelines.

18 (2) With respect to funds collected on behalf of accredited  
19 nonprofit, private, and independent colleges and universities in  
20 the state, to the California Student Aid Commission for grants to  
21 students at those institutions, in the proportion that funds are  
22 collected on behalf of each institution, who demonstrate eligibility  
23 and need in accordance with the Cal Grant Program pursuant to  
24 ~~Article 3 (commencing with Section 69530) of Chapter 2~~ *Chapter*  
25 *1.7 (commencing with Section 69430) of Part 42 of the Education*  
26 *Code, but who did not receive an award based on a listing prepared*  
27 *by the California Student Aid Commission.*

28 (g) The scholarships and grants shall be awarded without regard  
29 to race, religion, creed, sex, or age.

30 ~~(h) The money in the Resources License Plate Fund is available,~~  
31 ~~upon appropriation, for the purposes of natural resources~~  
32 ~~preservation, enhancement, and restoration.~~

33 ~~(i) All revenues deposited in, and expenditures from, the~~  
34 ~~California Collegiate License Plate Fund shall be audited by the~~  
35 ~~Auditor General on December 1, 1993, and December 1, 1995.~~

36 ~~(h) The Resources License Plate Fund is hereby abolished and~~  
37 ~~all remaining funds shall be transferred to the California~~  
38 ~~Environmental License Plate Fund effective July 1, 2014.~~

39 *SEC. 181. Section 174 of the Water Code is amended to read:*

1 174. (a) The Legislature hereby finds and declares that in order  
2 to provide for the orderly and efficient administration of the water  
3 resources of the ~~state~~ *state*, it is necessary to establish a control  
4 board ~~which~~ *that* shall exercise the adjudicatory and regulatory  
5 functions of the state in the field of water resources.

6 ¶

7 (b) *It is also the intention of the Legislature to combine the*  
8 *water rights and the water pollution and water quality functions*  
9 *of state government to provide for consideration of water pollution*  
10 *and water quality, and availability of unappropriated water*  
11 *whenever applications for appropriation of water are granted or*  
12 *waste discharge requirements or water quality objectives are*  
13 *established.*

14 (c) *This section shall become inoperative on July 1, 2014, and,*  
15 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
16 *that becomes operative on or before January 1, 2015, deletes or*  
17 *extends the dates on which it becomes inoperative and is repealed.*

18 SEC. 182. *Section 174 is added to the Water Code, to read:*

19 174. (a) *The Legislature hereby finds and declares that in*  
20 *order to provide for the orderly and efficient administration of the*  
21 *water resources of the state, it is necessary to establish a control*  
22 *board that shall exercise the adjudicatory and regulatory functions*  
23 *of the state in the field of water resources.*

24 (b) *It is also the intention of the Legislature to combine the*  
25 *water rights, water quality, and drinking water functions of the*  
26 *state government to provide for coordinated consideration of water*  
27 *rights, water quality, and safe and reliable drinking water.*

28 (c) *This section shall become operative on July 1, 2014.*

29 SEC. 183. *Section 10783 of the Water Code is amended to*  
30 *read:*

31 10783. (a) *The Legislature finds and declares that protecting*  
32 *the state's groundwater for beneficial use, particularly sources and*  
33 *potential sources of drinking water, is of paramount concern.*

34 (b) *The Legislature further finds and declares that strategic,*  
35 *scientifically based groundwater monitoring of the state's oil and*  
36 *gas fields is critical to allaying the public's concerns regarding*  
37 *well stimulation treatments of oil and gas wells.*

38 (c) *On or before July 1, 2015, in order to assess the potential*  
39 *effects of well stimulation treatments, as defined in Article 3*  
40 *(commencing with Section 3150) of Chapter 1 of Division 3 of*

1 the Public Resources Code, on the state's groundwater resources  
2 in a systematic way, the state board shall develop model  
3 groundwater monitoring ~~criteria~~ *criteria*, to be implemented either  
4 on a well-by-well basis for a well subject to well stimulation  
5 ~~treatment~~, *treatment* or on a regional scale. The model criteria shall  
6 address a range of spatial sampling scales from methods for  
7 conducting appropriate monitoring on individual oil and gas wells  
8 subject to a well stimulation treatment, to methods for conducting  
9 a regional groundwater monitoring program. The state board shall  
10 take into consideration the recommendations received pursuant to  
11 subdivision (d) and shall include in the model criteria, at a  
12 minimum, the components identified in subdivision (f). The state  
13 board shall prioritize monitoring of groundwater that is or has the  
14 potential to be a source of drinking water, but shall protect all  
15 waters designated for any beneficial use.

16 (d) The state board, in consultation with the Department of  
17 Conservation, Division of Oil, Gas, and Geothermal Resources,  
18 shall seek the advice of experts on the design of the model  
19 groundwater monitoring criteria. The experts shall assess and make  
20 recommendations to the state board on the model criteria. These  
21 recommendations shall prioritize implementation of regional  
22 groundwater monitoring programs statewide, as warranted, based  
23 upon the prevalence of well stimulation treatments of oil and gas  
24 wells and groundwater suitable as a source of drinking water.

25 (e) The state board shall also seek the advice of stakeholders  
26 representing the diverse interests of the oil- and gas-producing  
27 areas of the state. The stakeholders shall include the oil and gas  
28 industry, agriculture, environmental justice, and local government,  
29 among others, with regional representation commensurate with  
30 the intensity of oil and gas development in that area. The  
31 stakeholders shall also make recommendations to the state board  
32 regarding the development and implementation of groundwater  
33 monitoring criteria, including priority locations for implementation.

34 (f) The scope and nature of the model groundwater monitoring  
35 criteria shall include the determination of all of the following:

36 (1) An assessment of the areas to conduct groundwater quality  
37 monitoring and their appropriate boundaries.

38 (2) A list of the constituents to measure and assess water quality.

39 (3) The location, depth, and number of monitoring wells  
40 necessary to detect groundwater contamination at spatial scales

1 ranging from an individual oil and gas well to a regional  
2 groundwater basin including one or more oil and gas fields.

3 (4) The frequency and duration of the monitoring.

4 (5) A threshold criteria indicating a transition from well-by-well  
5 monitoring to a regional monitoring program.

6 (6) Data collection and reporting protocols.

7 (7) Public access to the collected data under paragraph (6).

8 (g) Factors to consider in addressing subdivision (f) shall  
9 include, but are not limited to, all of the following:

10 (1) The existing quality and existing and potential use of the  
11 groundwater.

12 (2) Groundwater that is not a source of drinking water consistent  
13 with the United States Environmental Protection Agency's  
14 definition of an Underground Source of Drinking Water as  
15 containing less than 10,000 milligrams per liter total dissolved  
16 solids in groundwater (40 C.F.R. 144.3), including exempt aquifers  
17 pursuant to Section 146.4 of Title 40 of the Code of Federal  
18 Regulations.

19 (3) Proximity to human population, public water service wells,  
20 and private groundwater use, if known.

21 (4) The presence of existing oil and gas production fields,  
22 including the distribution, physical attributes, and operational status  
23 of oil and gas wells therein.

24 (5) Events, including well stimulation treatments and oil and  
25 gas well failures, among others, that have the potential to  
26 contaminate groundwater, appropriate monitoring to evaluate  
27 whether groundwater contamination can be attributable to a  
28 particular event, and any monitoring changes necessary if  
29 groundwater contamination is observed.

30 (h) (1) On or before January 1, 2016, the state board or  
31 appropriate regional board shall begin implementation of the  
32 regional groundwater monitoring programs based upon the  
33 ~~developed model~~ criteria *developed* under subdivision (c).

34 (2) In the absence of state implementation of a regional  
35 groundwater monitoring program, a well owner or operator may  
36 develop and implement an area-specific groundwater monitoring  
37 ~~program~~ *program, for the purpose of subparagraph (D) of*  
38 *paragraph (3) of subdivision (d) of Section 3160 of the Public*  
39 *Resources Code, based upon the—developed model* criteria  
40 *developed* under subdivision (c), subject to approval by the state

1 or regional board, ~~if applicable~~, and that meets the requirements  
2 of this section.

3 (i) The model criteria for either a well-by-well basis for a well  
4 subject to well stimulation treatment, or for a regional groundwater  
5 monitoring program, shall be used to satisfy the permitting  
6 requirements for well stimulation treatments on oil and gas wells  
7 pursuant to Section 3160 of the Public Resources Code. The model  
8 criteria used on a well-by-well basis for a well subject to a well  
9 stimulation treatment shall be used where no regional groundwater  
10 monitoring plan approved by the state or regional board, if  
11 applicable, exists and has been implemented by either the state or  
12 regional board or the well owner or operator.

13 (j) The model criteria shall accommodate monitoring where  
14 surface access is limited. Monitoring is not required for oil and  
15 gas wells where the wells do not penetrate groundwater of  
16 beneficial use, as determined by a regional water quality control  
17 board, ~~or do not solely~~ penetrate exempt aquifers pursuant to  
18 Section 146.4 of Title 40 of the Code of Federal Regulations.

19 (k) (1) The model criteria and groundwater monitoring  
20 programs shall be reviewed and updated periodically, as needed.

21 (2) The use of the United States Environmental Protection  
22 Agency's definition of an Underground Source of Drinking Water  
23 as containing less than 10,000 milligrams per liter total dissolved  
24 solids in groundwater (40 C.F.R. 144.3) and whether exempt  
25 aquifers pursuant to Section 146.4 of Title 40 of the Code of  
26 Federal Regulations shall be subject to groundwater monitoring  
27 shall be reviewed by the state board through a public process on  
28 or before January 1, 2020.

29 (l) (1) All groundwater quality data collected pursuant to  
30 subparagraph (F) of paragraph (1) of subdivision (d) of Section  
31 3160 of the Public Resources Code shall be submitted to the state  
32 board in an electronic format that is compatible with the state  
33 board's GeoTracker database, following the guidelines detailed in  
34 Chapter 30 (commencing with Section 3890) of Division 3 of Title  
35 23 of the California Code of Regulations.

36 (2) A copy of the reported data under paragraph (1) shall be  
37 transferred by the state board to a public, nonprofit  
38 doctoral-degree-granting educational institution located in the San  
39 Joaquin Valley, administered pursuant to Section 9 of Article IX  
40 of the California Constitution, in order to form the basis of a

1 comprehensive groundwater quality data repository to promote  
2 research, foster interinstitutional collaboration, and seek  
3 understanding of the numerous factors influencing the state's  
4 groundwater.

5 (m) The adoption of criteria required pursuant to this section is  
6 exempt from the rulemaking provisions of the Administrative  
7 Procedure Act (Chapter 3.5 (commencing with Section 11340) of  
8 Part 1 of Division 3 of Title 2 of the Government Code). The  
9 adoption of criteria pursuant to this section shall instead be  
10 accomplished by means of a public process reasonably calculated  
11 to give those persons interested in their adoption an opportunity  
12 to be heard.

13 *SEC. 184. Section 13272 of the Water Code is amended to*  
14 *read:*

15 13272. (a) Except as provided by subdivision (b), any person  
16 who, without regard to intent or negligence, causes or permits any  
17 oil or petroleum product to be discharged in or on any waters of  
18 the state, or discharged or deposited where it is, or probably will  
19 be, discharged in or on any waters of the state, shall, as soon as  
20 (1) that person has knowledge of the discharge, (2) notification is  
21 possible, and (3) notification can be provided without substantially  
22 impeding cleanup or other emergency measures, immediately  
23 notify the Office of Emergency Services of the discharge in  
24 accordance with the spill reporting provision of the California oil  
25 spill contingency plan adopted pursuant to Article 3.5 (commencing  
26 with Section 8574.1) of Chapter 7 of Division 1 of Title 2 of the  
27 Government Code. ~~This section shall not apply to spills of oil into~~  
28 ~~marine waters as defined in subdivision (f) of Section 8670.3 of~~  
29 ~~the Government Code.~~

30 (b) The notification required by this section shall not apply to  
31 a discharge in compliance with waste discharge requirements or  
32 other provisions of this division.

33 (c) Any person who fails to provide the notice required by this  
34 section is guilty of a misdemeanor and shall be punished by a fine  
35 of not less than five hundred dollars (\$500) or more than five  
36 thousand dollars (\$5,000) per day for each day of failure to notify,  
37 or imprisonment of not more than one year, or both. Except where  
38 a discharge to the waters of this state would have occurred but for  
39 cleanup or emergency response by a public agency, this subdivision  
40 shall not apply to any discharge to land ~~which~~ *that* does not result

1 in a discharge to the waters of this state. This subdivision shall not  
2 apply to any person who is fined by the federal government for a  
3 failure to report a discharge of oil.

4 (d) Notification received pursuant to this section or information  
5 obtained by use of that notification shall not be used against any  
6 person providing the notification in any criminal case, except in  
7 a prosecution for perjury or giving a false statement.

8 (e) Immediate notification to the appropriate regional board of  
9 the discharge, in accordance with reporting requirements set under  
10 Section 13267 or 13383, shall constitute compliance with the  
11 requirements of subdivision (a).

12 (f) The reportable quantity for oil or petroleum products shall  
13 be one barrel (42 gallons) or more, by direct discharge to the  
14 receiving waters, unless a more restrictive reporting standard for  
15 a particular body of water is adopted.

16 *SEC. 185. Section 13350 of the Water Code is amended to*  
17 *read:*

18 13350. (a) A person who (1) violates a cease and desist order  
19 or cleanup and abatement order hereafter issued, reissued, or  
20 amended by a regional board or the state board, or (2) in violation  
21 of a waste discharge requirement, waiver condition, certification,  
22 or other order or prohibition issued, reissued, or amended by a  
23 regional board or the state board, discharges waste, or causes or  
24 permits waste to be deposited where it is discharged, into the waters  
25 of the state, or (3) causes or permits any oil or any residuary  
26 product of petroleum to be deposited in or on any of the waters of  
27 the state, except in accordance with waste discharge requirements  
28 or other actions or provisions of this division, shall be liable civilly,  
29 and remedies may be proposed, in accordance with subdivision  
30 (d) or (e).

31 (b) (1) A person who, without regard to intent or negligence,  
32 causes or permits a hazardous substance to be discharged in or on  
33 any of the waters of the state, except in accordance with waste  
34 discharge requirements or other provisions of this division, shall  
35 be strictly liable civilly in accordance with subdivision (d) or (e).

36 (2) For purposes of this subdivision, the term “discharge”  
37 includes only those discharges for which Section 13260 directs  
38 that a report of waste discharge shall be filed with the regional  
39 board.

1 (3) For purposes of this subdivision, the term “discharge” does  
2 not include an emission excluded from the applicability of Section  
3 311 of the Clean Water Act (33 U.S.C. Sec. 1321) pursuant to  
4 Environmental Protection Agency regulations interpreting Section  
5 311(a)(2) of the Clean Water Act (33 U.S.C. Sec. 1321(a)(2)).

6 (c) A person shall not be liable under subdivision (b) if the  
7 discharge is caused solely by any one or combination of the  
8 following:

9 (1) An act of war.

10 (2) An unanticipated grave natural disaster or other natural  
11 phenomenon of an exceptional, inevitable, and irresistible  
12 character, the effects of which could not have been prevented or  
13 avoided by the exercise of due care or foresight.

14 (3) Negligence on the part of the state, the United States, or any  
15 department or agency thereof. However, this paragraph shall not  
16 be interpreted to provide the state, the United States, or any  
17 department or agency thereof a defense to liability for any  
18 discharge caused by its own negligence.

19 (4) An intentional act of a third party, the effects of which could  
20 not have been prevented or avoided by the exercise of due care or  
21 foresight.

22 (5) Any other circumstance or event that causes the discharge  
23 despite the exercise of every reasonable precaution to prevent or  
24 mitigate the discharge.

25 (d) The court may impose civil liability either on a daily basis  
26 or on a per gallon basis, but not on both.

27 (1) The civil liability on a daily basis shall not exceed fifteen  
28 thousand dollars (\$15,000) for each day the violation occurs.

29 (2) The civil liability on a per gallon basis shall not exceed  
30 twenty dollars (\$20) for each gallon of waste discharged.

31 (e) The state board or a regional board may impose civil liability  
32 administratively pursuant to Article 2.5 (commencing with Section  
33 13323) of Chapter 5 either on a daily basis or on a per gallon basis,  
34 but not on both.

35 (1) The civil liability on a daily basis shall not exceed five  
36 thousand dollars (\$5,000) for each day the violation occurs.

37 (A) When there is a discharge, and a cleanup and abatement  
38 order is issued, except as provided in subdivision (f), the civil  
39 liability shall not be less than five hundred dollars (\$500) for each

1 day in which the discharge occurs and for each day the cleanup  
2 and abatement order is violated.

3 (B) When there is no discharge, but an order issued by the  
4 regional board is violated, except as provided in subdivision (f),  
5 the civil liability shall not be less than one hundred dollars (\$100)  
6 for each day in which the violation occurs.

7 (2) The civil liability on a per gallon basis shall not exceed ten  
8 dollars (\$10) for each gallon of waste discharged.

9 (f) A regional board shall not administratively impose civil  
10 liability in accordance with paragraph (1) of subdivision (e) in an  
11 amount less than the minimum amount specified, unless the  
12 regional board makes express findings setting forth the reasons  
13 for its action based upon the specific factors required to be  
14 considered pursuant to Section 13327.

15 (g) The Attorney General, upon request of a regional board or  
16 the state board, shall petition the superior court to impose, assess,  
17 and recover the sums. Except in the case of a violation of a cease  
18 and desist order, a regional board or the state board shall make the  
19 request only after a hearing, with due notice of the hearing given  
20 to all affected persons. In determining the amount to be imposed,  
21 assessed, or recovered, the court shall be subject to Section 13351.

22 (h) Article 3 (commencing with Section 13330) and Article 6  
23 (commencing with Section 13360) apply to proceedings to impose,  
24 assess, and recover an amount pursuant to this article.

25 (i) A person who incurs any liability established under this  
26 section shall be entitled to contribution for that liability from a  
27 third party, in an action in the superior court and upon proof that  
28 the discharge was caused in whole or in part by an act or omission  
29 of the third party, to the extent that the discharge is caused by the  
30 act or omission of the third party, in accordance with the principles  
31 of comparative fault.

32 (j) Remedies under this section are in addition to, and do not  
33 supersede or limit, any and all other remedies, civil or criminal,  
34 except that no liability shall be recoverable under subdivision (b)  
35 for any discharge for which liability is recovered under Section  
36 13385.

37 (k) Notwithstanding any other law, all funds generated by the  
38 imposition of liabilities pursuant to this section shall be deposited  
39 into the Waste Discharge Permit Fund. These moneys shall be  
40 separately accounted for, and shall be expended by the state board,

1 available for expenditure, upon appropriation by the Legislature,  
2 ~~to~~ for the following purposes:

3 (1) To the state board to assist regional boards, and other public  
4 agencies with authority to clean up waste or abate the effects of  
5 the waste, in cleaning up or abating the effects of the waste on  
6 waters of the state, or for the purposes authorized in Section 13443,  
7 or to assist in implementing Chapter 7.3 (commencing with Section  
8 13560).

9 (2) Up to five hundred thousand dollars (\$500,000) per fiscal  
10 year, to assist the Department of Fish and Wildlife to address the  
11 impacts of marijuana cultivation on the natural resources of the  
12 state.

13 (l) This section shall remain in effect only until July 1, 2017,  
14 and as of that date is repealed, unless a later enacted statute, that  
15 is enacted before July 1, 2017, deletes or extends that date.

16 SEC. 186. Section 13350 is added to the Water Code, to read:

17 13350. (a) A person who (1) violates a cease and desist order  
18 or cleanup and abatement order hereafter issued, reissued, or  
19 amended by a regional board or the state board, or (2) in violation  
20 of a waste discharge requirement, waiver condition, certification,  
21 or other order or prohibition issued, reissued, or amended by a  
22 regional board or the state board, discharges waste, or causes or  
23 permits waste to be deposited where it is discharged, into the  
24 waters of the state, or (3) causes or permits any oil or any  
25 residuary product of petroleum to be deposited in or on any of the  
26 waters of the state, except in accordance with waste discharge  
27 requirements or other actions or provisions of this division, shall  
28 be liable civilly, and remedies may be proposed, in accordance  
29 with subdivision (d) or (e).

30 (b) (1) A person who, without regard to intent or negligence,  
31 causes or permits a hazardous substance to be discharged in or  
32 on any of the waters of the state, except in accordance with waste  
33 discharge requirements or other provisions of this division, shall  
34 be strictly liable civilly in accordance with subdivision (d) or (e).

35 (2) For purposes of this subdivision, the term “discharge”  
36 includes only those discharges for which Section 13260 directs  
37 that a report of waste discharge shall be filed with the regional  
38 board.

39 (3) For purposes of this subdivision, the term “discharge” does  
40 not include an emission excluded from the applicability of Section

1 311 of the Clean Water Act (33 U.S.C. Sec. 1321) pursuant to  
2 Environmental Protection Agency regulations interpreting Section  
3 311(a)(2) of the Clean Water Act (33 U.S.C. Sec. 1321(a)(2)).

4 (c) A person shall not be liable under subdivision (b) if the  
5 discharge is caused solely by any one or combination of the  
6 following:

7 (1) An act of war.

8 (2) An unanticipated grave natural disaster or other natural  
9 phenomenon of an exceptional, inevitable, and irresistible  
10 character, the effects of which could not have been prevented or  
11 avoided by the exercise of due care or foresight.

12 (3) Negligence on the part of the state, the United States, or any  
13 department or agency thereof. However, this paragraph shall not  
14 be interpreted to provide the state, the United States, or any  
15 department or agency thereof a defense to liability for any  
16 discharge caused by its own negligence.

17 (4) An intentional act of a third party, the effects of which could  
18 not have been prevented or avoided by the exercise of due care or  
19 foresight.

20 (5) Any other circumstance or event that causes the discharge  
21 despite the exercise of every reasonable precaution to prevent or  
22 mitigate the discharge.

23 (d) The court may impose civil liability either on a daily basis  
24 or on a per gallon basis, but not on both.

25 (1) The civil liability on a daily basis shall not exceed fifteen  
26 thousand dollars (\$15,000) for each day the violation occurs.

27 (2) The civil liability on a per gallon basis shall not exceed  
28 twenty dollars (\$20) for each gallon of waste discharged.

29 (e) The state board or a regional board may impose civil liability  
30 administratively pursuant to Article 2.5 (commencing with Section  
31 13323) of Chapter 5 either on a daily basis or on a per gallon  
32 basis, but not on both.

33 (1) The civil liability on a daily basis shall not exceed five  
34 thousand dollars (\$5,000) for each day the violation occurs.

35 (A) When there is a discharge, and a cleanup and abatement  
36 order is issued, except as provided in subdivision (f), the civil  
37 liability shall not be less than five hundred dollars (\$500) for each  
38 day in which the discharge occurs and for each day the cleanup  
39 and abatement order is violated.

1 (B) When there is no discharge, but an order issued by the  
2 regional board is violated, except as provided in subdivision (f),  
3 the civil liability shall not be less than one hundred dollars (\$100)  
4 for each day in which the violation occurs.

5 (2) The civil liability on a per gallon basis shall not exceed ten  
6 dollars (\$10) for each gallon of waste discharged.

7 (f) A regional board shall not administratively impose civil  
8 liability in accordance with paragraph (1) of subdivision (e) in an  
9 amount less than the minimum amount specified, unless the  
10 regional board makes express findings setting forth the reasons  
11 for its action based upon the specific factors required to be  
12 considered pursuant to Section 13327.

13 (g) The Attorney General, upon request of a regional board or  
14 the state board, shall petition the superior court to impose, assess,  
15 and recover the sums. Except in the case of a violation of a cease  
16 and desist order, a regional board or the state board shall make  
17 the request only after a hearing, with due notice of the hearing  
18 given to all affected persons. In determining the amount to be  
19 imposed, assessed, or recovered, the court shall be subject to  
20 Section 13351.

21 (h) Article 3 (commencing with Section 13330) and Article 6  
22 (commencing with Section 13360) apply to proceedings to impose,  
23 assess, and recover an amount pursuant to this article.

24 (i) A person who incurs any liability established under this  
25 section shall be entitled to contribution for that liability from a  
26 third party, in an action in the superior court and upon proof that  
27 the discharge was caused in whole or in part by an act or omission  
28 of the third party, to the extent that the discharge is caused by the  
29 act or omission of the third party, in accordance with the principles  
30 of comparative fault.

31 (j) Remedies under this section are in addition to, and do not  
32 supersede or limit, any and all other remedies, civil or criminal,  
33 except that no liability shall be recoverable under subdivision (b)  
34 for any discharge for which liability is recovered under Section  
35 13385.

36 (k) Notwithstanding any other law, all funds generated by the  
37 imposition of liabilities pursuant to this section shall be deposited  
38 into the Waste Discharge Permit Fund. These moneys shall be  
39 separately accounted for, and shall be expended by the state board,  
40 upon appropriation by the Legislature, to assist regional boards,

1 *and other public agencies with authority to clean up waste or abate*  
2 *the effects of the waste, in cleaning up or abating the effects of the*  
3 *waste on waters of the state, or for the purposes authorized in*  
4 *Section 13443, or to assist in implementing Chapter 7.3*  
5 *(commencing with Section 13560).*

6 *(l) This section shall become operative on July 1, 2017.*

7 *SEC. 187. Section 13478 of the Water Code is amended to*  
8 *read:*

9 13478. (a) The board may undertake any of the following:

10 ~~(a)~~

11 (1) Enter into agreements with the federal government for  
12 federal contributions to the fund.

13 ~~(b)~~

14 (2) Accept federal contributions to the fund.

15 ~~(c)~~

16 (3) Enter into an agreement with, and accept matching funds  
17 from, a municipality. A municipality that seeks to enter into an  
18 agreement with the board and provide matching funds pursuant to  
19 this subdivision shall provide to the board evidence of the  
20 availability of those funds in the form of a written resolution  
21 adopted by the governing body of the municipality before it  
22 requests a preliminary financial assistance commitment.

23 ~~(d)~~

24 (4) Use moneys in the fund for the purposes permitted by the  
25 federal act.

26 ~~(e)~~

27 (5) Provide for the deposit of matching funds and any other  
28 available and necessary moneys into the fund.

29 ~~(f)~~

30 (6) Make requests on behalf of the state for deposit into the fund  
31 of available federal moneys under the federal act and determine  
32 on behalf of the state appropriate maintenance of progress toward  
33 compliance with the enforceable deadlines, goals, and requirements  
34 of the federal act.

35 ~~(g)~~

36 (7) Determine on behalf of the state that publicly owned  
37 treatment works that receive financial assistance from the fund  
38 will meet the requirements of, and otherwise be treated as required  
39 by, the federal act.

40 ~~(h)~~

1 (8) Provide for appropriate audit, accounting, and fiscal  
2 management services, plans, and reports relative to the fund.

3 ~~(i)~~

4 (9) Take additional incidental action as appropriate for the  
5 adequate administration and operation of the fund.

6 ~~(j)~~

7 (10) Charge municipalities that elect to provide matching funds  
8 a fee to cover the actual cost of obtaining the federal funds pursuant  
9 to Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7))  
10 and processing the financial assistance application. The fee shall  
11 be waived by the board if sufficient funds to cover those costs are  
12 available from other sources.

13 ~~(k)~~

14 (11) Use money returned to the fund under clause (ii) of  
15 subparagraph (D) of paragraph (1) of subdivision (b) of Section  
16 13480, and any other source of matching funds, if not prohibited  
17 by statute, as matching funds for the federal administrative  
18 allowance under Section 603(d)(7) of the federal act (33 U.S.C.  
19 Sec. 1383(d)(7)).

20 ~~(l)~~

21 (12) Expend money repaid by financial assistance recipients for  
22 financial assistance service under clauses (i) and (ii) of  
23 subparagraph (D) of paragraph (1) of subdivision (b) of Section  
24 13480 to pay administrative costs incurred by the board under this  
25 chapter.

26 (b) *This section shall become inoperative on July 1, 2014, and,*  
27 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
28 *that becomes operative on or before January 1, 2015, deletes or*  
29 *extends the dates on which it becomes inoperative and is repealed.*

30 *SEC. 188. Section 13478 is added to the Water Code, to read:*

31 *13478. (a) The board may undertake any of the following:*

32 *(1) Enter into agreements with the federal government for*  
33 *federal contributions to the fund.*

34 *(2) Accept federal contributions to the fund.*

35 *(3) Enter into an agreement with, and accept matching funds*  
36 *from, a municipality. A municipality that seeks to enter into an*  
37 *agreement with the board and provide matching funds pursuant*  
38 *to this subdivision shall provide to the board evidence of the*  
39 *availability of those funds in the form of a written resolution*

1 *adopted by the governing body of the municipality before it*  
2 *requests a preliminary financial assistance commitment.*

3 (4) *Use moneys in the fund for the purposes permitted by the*  
4 *federal act.*

5 (5) *Provide for the deposit of matching funds and any other*  
6 *available and necessary moneys into the fund.*

7 (6) *Make requests on behalf of the state for deposit into the fund*  
8 *of available federal moneys under the federal act and determine*  
9 *on behalf of the state appropriate maintenance of progress toward*  
10 *compliance with the enforceable deadlines, goals, and*  
11 *requirements of the federal act.*

12 (7) *Determine on behalf of the state that publicly owned*  
13 *treatment works that receive financial assistance from the fund*  
14 *will meet the requirements of, and otherwise be treated as required*  
15 *by, the federal act.*

16 (8) *Provide for appropriate audit, accounting, and fiscal*  
17 *management services, plans, and reports relative to the fund.*

18 (9) *Take additional incidental action as appropriate for the*  
19 *adequate administration and operation of the fund.*

20 (10) *Charge municipalities that elect to provide matching funds*  
21 *a fee to cover the actual cost of obtaining the federal funds*  
22 *pursuant to Section 603(d)(7) of the federal act (33 U.S.C. Sec.*  
23 *1383(d)(7)) and processing the financial assistance application.*  
24 *The fee shall be waived by the board if sufficient funds to cover*  
25 *those costs are available from other sources.*

26 (11) *Use money returned to the fund under clause (ii) of*  
27 *subparagraph (D) of paragraph (1) of subdivision (b) of Section*  
28 *13480, and any other source of matching funds, if not prohibited*  
29 *by statute, as matching funds for the federal administrative*  
30 *allowance under Section 603(d)(7) of the federal act (33 U.S.C.*  
31 *Sec. 1383(d)(7)).*

32 (12) *Expend money repaid by financial assistance recipients*  
33 *for financial assistance service under clauses (i) and (ii) of*  
34 *subparagraph (D) of paragraph (1) of subdivision (b) of Section*  
35 *13480 to pay administrative costs incurred by the board under*  
36 *this chapter.*

37 (13) *Engage in the transfer of capitalization grant funds, as*  
38 *authorized by Section 35.3530(c) of Title 40 of the Code of Federal*  
39 *Regulations and reauthorized by Public Law 109-54, to the extent*

1 *set forth in an Intended Use Plan, that shall be subject to approval*  
2 *by the board.*

3 *(14) Cross-collateralize revenue bonds with the Safe Drinking*  
4 *Water State Revolving Fund created pursuant to Section 116760.30*  
5 *of the Health and Safety Code, as authorized by Section 35.3530(d)*  
6 *of Title 40 of the Code of Federal Regulations.*

7 *(b) This section shall become operative on July 1, 2014.*

8 *SEC. 189. Section 13485 of the Water Code is amended to*  
9 *read:*

10 13485. *(a) The board may adopt rules and regulations*  
11 *necessary or convenient to implement this chapter and to meet*  
12 *federal requirements pursuant to the federal act.*

13 *(b) This section shall become inoperative on July 1, 2014, and,*  
14 *as of January 1, 2015, is repealed, unless a later enacted statute,*  
15 *that becomes operative on or before January 1, 2015, deletes or*  
16 *extends the dates on which it becomes inoperative and is repealed.*

17 *SEC. 190. Section 13485 is added to the Water Code, to read:*

18 13485. *(a) The board may adopt rules and regulations*  
19 *necessary or convenient to implement this chapter and to meet*  
20 *federal requirements pursuant to the federal act.*

21 *(b) The board may implement this chapter through a policy*  
22 *handbook that shall not be subject to the requirements of Chapter*  
23 *3.5 (commencing with Section 11340) of Part 1 of Division 3 of*  
24 *the Government Code.*

25 *(c) This section shall become operative on July 1, 2014.*

26 *SEC. 191. Section 13528.5 is added to the Water Code, to read:*

27 13528.5. *(a) The state board may carry out the duties and*  
28 *authority granted to a regional board pursuant to this chapter.*

29 *(b) This section shall become operative on July 1, 2014.*

30 *SEC. 192. (a) The Director of Finance may make available*  
31 *for expenditure in the 2014–15 fiscal year from the Oil Spill*  
32 *Prevention and Administration Fund, established pursuant to*  
33 *Section 8670.38 of the Government Code, an augmentation of Item*  
34 *0860-001-0320 of the Budget Act of 2014 in an amount equal to*  
35 *the reasonable costs incurred by the State Board of Equalization*  
36 *associated with amendments made to Section 8670.40 of the*  
37 *Government Code in the 2013–14 Regular Session.*

38 *(b) Any augmentation shall be authorized no sooner than 30*  
39 *days following the transmittal of the approval to the Chairperson*  
40 *of the Joint Legislative Budget Committee.*

1     *SEC. 193. Notwithstanding any other law, the unencumbered*  
2 *balance of the appropriation provided for in Item 4265-111-0001*  
3 *of Chapter 2 of the Statutes of 2014, for the purposes specified in*  
4 *Provision 3 of that item, is hereby appropriated to the State Water*  
5 *Resources Control Board, as of June 30, 2014. This fund shall be*  
6 *available for encumbrance or expenditure until June 30, 2016, for*  
7 *purposes consistent with subdivisions (a) and (c) of Section 75021*  
8 *of the Public Resources Code for grants pursuant to the Public*  
9 *Water System Drought Emergency Funding Guidelines adopted*  
10 *by the State Department of Public Health on March 28, 2014, for*  
11 *public water systems to address drought-related drinking water*  
12 *emergencies. The State Water Resources Control Board shall make*  
13 *every effort to use other funds available to address drinking water*  
14 *emergencies, including federal funds made available for the*  
15 *drought prior to using the funds specified in this section.*

16     *SEC. 194. No reimbursement is required by this act pursuant*  
17 *to Section 6 of Article XIII B of the California Constitution because*  
18 *the only costs that may be incurred by a local agency or school*  
19 *district will be incurred because this act creates a new crime or*  
20 *infraction, eliminates a crime or infraction, or changes the penalty*  
21 *for a crime or infraction, within the meaning of Section 17556 of*  
22 *the Government Code, or changes the definition of a crime within*  
23 *the meaning of Section 6 of Article XIII B of the California*  
24 *Constitution.*

25     *SEC. 195. This act is a bill providing for appropriations related*  
26 *to the Budget Bill within the meaning of subdivision (e) of Section*  
27 *12 of Article IV of the California Constitution, has been identified*  
28 *as related to the budget in the Budget Bill, and shall take effect*  
29 *immediately.*

30     ~~SECTION 1. It is the intent of the Legislature to enact statutory~~  
31 ~~changes relating to the Budget Act of 2014.~~