Senate Bill No. 861

Passed the Senate June 15, 2014

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Secretary of the Senate

Passed the Assembly June 15, 2014

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Chief Clerk of the Assembly

This bill was received by the Governor this _____ day of _____, 2014, at _____ o'clock ____M.

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Private Secretary of the Governor

CHAPTER _____

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, Committee on Budget and Fiscal Review. 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 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 who 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 per barrel, 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, 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 bill to be operative 90 days after the effective

date of the bill. 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 moneys in the fund are 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 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 $10 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, 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 to implement 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 moneys 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 moneys 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 and expanded for specified purposes, including for a revolving loan program.

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. The 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 transferred from the fund to the State Parks Revenue Incentive Subaccount be expended, for those specified purposes other than a revolving loan program.

Existing law establishes the California State Park Enterprise Fund and upon appropriation, 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 liquidation 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. The bill would revise and recast provisions 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 require that the moneys deposited 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. The 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 beverage 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, 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 of Resources Recycling and Recovery 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 resource 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 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 monetary civil liability imposed by the superior court for the same act or failure to act. The bill would also authorizethe 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, for specified program purposes.

This bill would additionally authorize the expenditure of moneys in the fund that are available for the program, upon appropriation, 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.

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 requires the amount of a grant shall not exceed $20,000. Existing law provides that the program 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 $50,000. The 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 moneys 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 are 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 State Department of Public Health for the purposes of the administration of those drinking water programs. The bill would require the state board to appoint a deputy director, as specified, for drinking water programs.

This bill would, among other things, authorize the board, in order to administer the Safe Drinking Water State Revolving 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.

Appropriation: yes.

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

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

12025. (a) In addition to any penalties imposed by any other law, a person found to have violated Section 1602, 5650, or 5652 in connection with the production or cultivation of a controlled substance on land under the management of the Department of Parks and Recreation, the Department of Fish and Wildlife, the Department of Forestry and Fire Protection, the State Lands

Commission, a regional park district, the United States Forest Service, or the Bureau of Land Management, or within the respective ownership of a timberland production zone, as defined in Chapter 6.7 (commencing with Section 51100) of Division 1 of Title 5 of the Government Code, of more than 50,000 acres, or while trespassing on other public or private land in connection with the production or cultivation of a controlled substance, shall be liable for a civil penalty in the following amounts:

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

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

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

(b) (1) In addition to any penalties imposed by any other law, a person found to have violated Section 1602, 5650, or 5652 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 may be liable for a civil penalty in the following amounts:

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

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

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

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

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

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

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

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

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

(3) Forty percent shall be deposited into the Timber Regulation and Forest Restoration Fund, created by Section 4629.3 of the Public Resources Code, and used for grants authorized pursuant to Section 4629.6 of the Public Resources Code that improve forest health by remediating former marijuana growing operations.

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

(1) The chief deputy director or law enforcement division assistant chief in charge of marijuana-related enforcement issues a complaint to any person or entity on which an administrative civil penalty may be imposed pursuant to this section. The complaint shall allege the act or failure to act that constitutes a violation, any facts related to natural resources impacts, the

provision of law authorizing the civil penalty to be imposed, and the proposed penalty amount.

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

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

(4) A party may obtain review of the final order by filing a petition for a writ of mandate with the superior court within 30 days of the date of service of the final order. The administrative penalty shall be due and payable to the department within 60 days after the time to seek judicial review has expired, or, where the party has not requested a hearing of the order, within 20 days after the order imposing an administrative penalty becomes final.

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

(f) All administrative penalties imposed or collected by the department for a separate violation pursuant to this section shall not be considered to be fines or forfeitures, as described in Section 13003, and shall be deposited into the Timber Regulation and Forest Restoration Fund, created by Section 4629.3 of the Public Resources Code, to repay any unpaid balance of a loan authorized by subdivision (f) of Section 4629.6 of the Public Resources Code. Any remaining funds from administrative penalties collected

pursuant to this section shall be apportioned in the following manner:

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

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

(g) For purposes of this section, "controlled substance" has the same meaning as defined in Section 11007 of the Health and Safety Code.

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

8574.4. State agencies designated to implement the contingency plan shall account for all state expenditures made under the plan with respect to each oil spill. Expenditures accounted for under this section from an oil spill in waters of the state shall be paid from the Oil Spill Response Trust Fund created pursuant to Section 8670.46. All other expenditures accounted for under this section shall be paid from the State Water Pollution Cleanup and Abatement Account in the State Water Quality Control Fund provided for in Article 3 (commencing with Section 13440) of Chapter 6 of Division 7 of the Water Code. If the party responsible for the spill is identified, that party shall be liable for the expenditures accounted for under this section, in addition to any other liability that may be provided for by law, in an action brought by the Attorney General. The proceeds from any action for a spill in marine waters shall be paid into the Oil Spill Response Trust Fund.

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

8574.7. The Governor shall require the administrator, not in conflict with the National Contingency Plan, to amend the California oil spill contingency plan to provide for the best achievable protection of waters of the state. "Administrator" for purposes of this section means the administrator appointed by the Governor pursuant to Section 8670.4. The plan shall consist of all of the following elements:

(a) A state response element that specifies the hierarchy for state and local agency response to an oil spill. The element shall define the necessary tasks for oversight and control of cleanup and removal activities associated with an oil spill and shall specify each agency's particular responsibility in carrying out these tasks. The element shall also include an organizational chart of the state oil spill response organization and a definition of the resources, capabilities, and response assignments of each agency involved in cleanup and removal actions in an oil spill.

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

(1) Traffic and crowd control.

(2) Firefighting.

(3) Boating traffic control.

(4) Radio and communications control and provision of access to equipment.

(5) Identification and use of available local and regional equipment or other resources suitable for use in cleanup and removal actions.

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

(7) Provision of medical emergency services.

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

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

(1) Appropriate shipping lanes and navigational aids for tankers, barges, and other commercial vessels to reduce the likelihood of

collisions between tankers, barges, and other commercial vessels. Designated shipping lanes shall be located off the coastline at a distance sufficient to significantly reduce the likelihood that disabled vessels will run aground along the coast of the state.

(2) Ship position reporting and communications requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Any recommendations for action that cannot be financed or implemented pursuant to existing authority of the administrator, which shall also be reported to the Legislature along with recommendations for financing those actions.

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

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

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

(b) The administrator shall submit to the Governor and the Legislature an amended California oil spill contingency plan required pursuant to Section 8574.7, on or before January 1, 2017, that addresses marine and inland oil spills. The administrator shall thereafter submit revised plans every three years.

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

8670.2. The Legislature finds and declares as follows:

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

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

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

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

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

(f) Because of the inadequacy of existing cleanup and response measures and technology, the emphasis must be put on prevention, if the risk and consequences of oil spills are to be minimized.

(g) Improvements in the design, construction, and operation of rail tank cars, tank trucks, tank ships, terminals, and pipelines; improvements in marine safety; maintenance of emergency response stations and personnel; and stronger inspection and enforcement efforts are necessary to reduce the risks of and from a major oil spill.

(h) A major oil spill in state waters is extremely expensive because of the need to clean up discharged oil, protect sensitive environmental areas, and restore ecosystem damage.

(i) Immediate action must be taken to improve control and cleanup technology in order to strengthen the capabilities and capacities of cleanup operations.

(j) California government should improve its response and management of oil spills that occur in state waters.

(k) Those who transport oil through or near the waters of the state must meet minimum safety standards and demonstrate financial responsibility.

(*l*) The federal government plays an important role in preventing and responding to petroleum spills and it is in the interests of the state to coordinate with agencies of the federal government,

including the Coast Guard and the United States Environmental Protection Agency, to the greatest degree possible.

(m) California has approximately 1,100 miles of coast, including four marine sanctuaries that occupy 88,767 square miles. The weather, topography, and tidal currents in and around California's coastal ports and waterways make vessel navigation challenging. The state's major ports are among the busiest in the world. Approximately 700 million barrels of oil are consumed annually by California, with over 500 million barrels being transported by vessel. The peculiarities of California's maritime coast require special precautionary measures regarding oil pollution.

(n) California has approximately 158,500 square miles of interior area where there are approximately 6,800 miles of pipeline used for oil distribution, 5,800 miles of class I railroad track, and 172,100 miles of maintained roads.

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

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

(a) "Administrator" means the administrator for oil spill response appointed by the Governor pursuant to Section 8670.4.

(b) (1) "Best achievable protection" means the highest level of protection that can be achieved through both the use of the best achievable technology and those manpower levels, training procedures, and operational methods that provide the greatest degree of protection achievable. The administrator's determination of which measures provide the best achievable protection shall be guided by the critical need to protect valuable natural resources and state waters, while also considering all of the following:

(A) The protection provided by the measure.

(B) The technological achievability of the measure.

(C) The cost of the measure.

(2) The administrator shall not use a cost-benefit or cost-effectiveness analysis or any particular method of analysis in determining which measures provide the best achievable protection. The administrator shall instead, when determining which measures provide best achievable protection, give reasonable consideration to the protection provided by the measures, the technological achievability of the measures, and the cost of the measures when

establishing the requirements to provide the best achievable protection for the natural resources of the state.

(c) (1) "Best achievable technology" means that technology that provides the greatest degree of protection, taking into consideration both of the following:

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

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

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

(d) "California oil spill contingency plan" means the California oil spill contingency plan prepared pursuant to Article 3.5 (commencing with Section 8574.1) of Chapter 7.

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

(f) "Environmentally sensitive area" means an area defined pursuant to the applicable area contingency plans or geographic response plans, as created and revised by the Coast Guard, the United States Environmental Protection Agency, and the administrator.

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

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

(B) A marine terminal.

(C) A pipeline that transports oil.

(D) A railroad that transports oil as cargo.

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

(2) "Facility" does not include any of the following:

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

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

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

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

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

(D) A small craft refueling dock.

(h) "Local government" means a chartered or general law city, a chartered or general law county, or a city and county.

(i) (1) "Marine terminal" means any facility used for transferring oil to or from a tank ship or tank barge.

(2) "Marine terminal" includes, for purposes of this chapter, all piping not integrally connected to a tank facility, as defined in subdivision (n) of Section 25270.2 of the Health and Safety Code.

(j) "Mobile transfer unit" means a vehicle, truck, or trailer, including all connecting hoses and piping, used for the transferring of oil at a location where a discharge could impact waters of the state.

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

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

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

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

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

(p) "Oil spill contingency plan" or "contingency plan" means the oil spill contingency plan required pursuant to Article 5 (commencing with Section 8670.28).

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

(2) "OSRO" does not include an owner or operator with an oil spill contingency plan approved by the administrator or an entity that only provides spill management services, or who provides services or equipment that are only ancillary to containment, cleanup, or removal activities.

(r) (1) "Owner" or "operator" means any of the following:

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

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

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

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

(2) "Owner" or "operator" does not include a person who, without participating in the management of a vessel or facility, holds indicia of ownership primarily to protect the person's security interest in the vessel or facility.

(3) "Operator" does not include a person who owns the land underlying a facility or the facility itself if the person is not involved in the operations of the facility.

(s) "Person" means an individual, trust, firm, joint stock company, or corporation, including, but not limited to, a government corporation, partnership, and association. "Person" also includes a city, county, city and county, district, and the state

or any department or agency thereof, and the federal government, or any department or agency thereof, to the extent permitted by law.

(t) "Pipeline" means a pipeline used at any time to transport oil.

(u) "Railroad" means a railroad, railway, rail car, rolling stock, or train.

(v) "Rated OSRO" means an OSRO that has received a satisfactory rating from the administrator for a particular rating level established pursuant to Section 8670.30.

(w) "Responsible party" or "party responsible" means any of the following:

(1) The owner or transporter of oil or a person or entity accepting responsibility for the oil.

(2) The owner, operator, or lessee of, or a person that charters by demise, a vessel or facility, or a person or entity accepting responsibility for the vessel or facility.

(x) "Small craft" means a vessel, other than a tank ship or tank barge, that is less than 20 meters in length.

(y) "Small craft refueling dock" means a waterside operation that dispenses only nonpersistent oil in bulk and small amounts of persistent lubrication oil in containers primarily to small craft and meets both of the following criteria:

(1) Has tank storage capacity not exceeding 20,000 gallons in any single storage tank or tank compartment.

(2) Has total usable tank storage capacity not exceeding 75,000 gallons.

(z) "Small marine fueling facility" means either of the following:

(1) A mobile transfer unit.

(2) A fixed facility that is not a marine terminal, that dispenses primarily nonpersistent oil, that may dispense small amounts of persistent oil, primarily to small craft, and that meets all of the following criteria:

(A) Has tank storage capacity greater than 20,000 gallons but not more than 40,000 gallons in any single storage tank or storage tank compartment.

(B) Has total usable tank storage capacity not exceeding 75,000 gallons.

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

(aa) "Spill," "discharge," or "oil spill" means a release of any amount of oil into waters of the state that is not authorized by a federal, state, or local government entity.

(ab) "Tank barge" means a vessel that carries oil in commercial quantities as cargo but is not equipped with a means of self-propulsion.

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

(ad) "Tank vessel" means a tank ship or tank barge.

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

(af) "Vessel carrying oil as secondary cargo" means a vessel that does not carry oil as a primary cargo, but does carry oil as cargo. The administrator may establish minimum oil volume amounts or other criteria by regulations.

(ag) "Waters of the state" or "state waters" means any surface water, including saline waters, marine waters, and freshwaters, within the boundaries of the state but does not include groundwater.

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

8670.5. The Governor shall ensure that the state fully and adequately responds to all oil spills in waters of the state. The administrator, acting at the direction of the Governor, shall implement activities relating to oil spill response, including drills and preparedness and oil spill containment and cleanup. The administrator shall also represent the state in any coordinated response efforts with the federal government.

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

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

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

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

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

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

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

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

(f) The administrator shall have the state authority over the use of all response methods, including, but not limited to, in situ burning, dispersants, and any oil spill cleanup agents in connection with an oil discharge. The administrator shall consult with the federal on-scene coordinator prior to exercising authority under this subdivision.

(g) (1) The administrator shall conduct workshops, consistent with the intent of this chapter, with the participation of appropriate local, state, and federal agencies, including the State Air Resources Board, air pollution control and air quality management districts, and affected private organizations, on the subject of oil spill response technologies, including in situ burning. The workshops shall review the latest research and findings regarding the efficacy and toxicity of oil spill cleanup agents and other technologies, their potential public health and safety and environmental impacts, and any other relevant factors concerning their use in oil spill response. In conducting these workshops, the administrator shall solicit the views of all participating parties concerning the use of these

technologies, with particular attention to any special considerations that apply to coastal areas and waters of the state.

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The administrator may offer training to anyone who is required to take part in response and cleanup efforts under the

California oil spill contingency plan or under local government contingency plans prepared and approved under this chapter.

(c) Upon request by a local government, the administrator may 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.

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

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

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

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

(h) All training provided by the administrator shall follow the requirements of applicable federal and state occupational safety and health standards adopted by the Occupational Safety and Health Administration of the Department of Labor and the Occupational Safety and Health Standards Board.

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

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

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

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

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

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

(1) Coordination of vessel safety and traffic.

(2) Spill prevention equipment and response required on vessels and at facilities.

(3) The availability of oil spill response and cleanup equipment and personnel.

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

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

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

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

(b) The administrator shall study the use and effects of dispersants, incineration, bioremediation, and any other methods used to respond to a spill. The study shall periodically be updated to ensure the best achievable protection from the use of those

methods. Based upon substantial evidence in the record, the administrator may determine in individual cases that best achievable protection is provided by establishing requirements that provide the greatest degree of protection achievable without imposing costs that significantly outweigh the incremental protection that would otherwise be provided. The studies shall do all of the following:

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

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

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

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

(1) Equipment and technology needs.

(2) Coordination with private response personnel.

(3) Liability and insurance.

(4) Compensation.

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

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

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

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

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

(1) Segment the state into appropriate areas as necessary.

(2) Evaluate the oil spill contingency plans for each area to determine if deficiencies exist in equipment, personnel, training, and any other area determined to be necessary, including those response resources properly authorized for cascading into the area, to ensure the best achievable protection of state waters from oil spills.

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

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

8670.25. (a) A person who, without regard to intent or negligence, causes or permits any oil to be discharged in or on the waters of the state shall immediately contain, clean up, and remove the oil in the most effective manner that minimizes environmental damage and in accordance with the applicable contingency plans, unless ordered otherwise by the Coast Guard or the administrator.

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

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

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

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

(b) Immediately upon receiving notification pursuant to subdivision (a), the Office of Emergency Services shall notify the administrator, the State Lands Commission, the California Coastal

Commission, the California regional water quality control board having jurisdiction over the location of the discharged oil, and the appropriate local governmental agencies in the area surrounding the discharged oil, and take the actions required by subdivision (d) of Section 8589.7. If the spill has occurred within the jurisdiction of the San Francisco Bay Conservation and Development Commission, the Office of Emergency Services shall notify that commission. Each public agency specified in this subdivision shall adopt an internal protocol over communications regarding the discharge of oil and file the internal protocol with the Office of Emergency Services.

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

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

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

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

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

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

(2) Except as provided in subdivision (b), the responsible party, potentially responsible parties, their agents and employees, the operators of all vessels docked at a marine facility that is the source of a discharge, and all state and local agencies shall carry out spill response consistent with the California oil spill contingency plan or other applicable federal, state, or local spill response plans, and

owners and operators shall carry out spill response consistent with their applicable response contingency plans, unless directed otherwise by the administrator or the Coast Guard.

(b) If a responsible party or potentially responsible party reasonably, and in good faith, believes that the directions or orders given by the administrator pursuant to subdivision (a) will substantially endanger the public safety or the environment, the party may refuse to act in compliance with the orders or directions of the administrator. The responsible party or potentially responsible party shall state, at the time of the refusal, the reasons why the party refuses to follow the orders or directions of the administrator. The responsible party or potentially responsible party shall give the administrator written notice of the reasons for the refusal within 48 hours of refusing to follow the orders or directions of the administrator. In any civil or criminal proceeding commenced pursuant to this section, the burden of proof shall be on the responsible party or potentially responsible party to demonstrate, by clear and convincing evidence, why the refusal to follow the orders or directions of the administrator was justified under the circumstances.

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

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

(1) All areas of state waters are at all times protected by prevention, response, containment, and cleanup equipment and operations.

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

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

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

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

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

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

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

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

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

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

(b) The regulations and guidelines adopted pursuant to this section shall also include provisions to provide public review and comment on submitted oil spill contingency plans.

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

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

(e) The regulations adopted pursuant to subdivision (d) shall be exempt from review by the Office of Administrative Law. Subsequent amendments and changes to the regulations shall not be exempt from review by the Office of Administrative Law.

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

8670.29. (a) In accordance with the rules, regulations, and policies established by the administrator pursuant to Section 8670.28, an owner or operator of a facility, small marine fueling facility, or mobile transfer unit, or an owner or operator of a tank vessel, nontank vessel, or vessel carrying oil as secondary cargo, while operating in the waters of the state or where a spill could impact waters of the state, shall have an oil spill contingency plan that has been submitted to, and approved by, the administrator pursuant to Section 8670.31. An oil spill contingency plan shall

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

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

(1) Be a written document, reviewed for feasibility and executability, and signed by the owner or operator, or his or her designee.

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

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

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

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

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

(7) Identify a qualified individual.

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

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

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

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

(2) The plan shall provide evidence of compliance with the International Safety Management Code, established by the International Maritime Organization, as applicable.

(3) If the oil spill contingency plan is for a tank vessel, the plan shall include both of the following:

(A) The plan shall specify oil and petroleum cargo capacity.

(B) The plan shall specify the types of oil and petroleum cargo carried.

(4) If the oil spill contingency plan is for a nontank vessel, the plan shall include both of the following:

(A) The plan shall specify the type and total amount of fuel carried.

(B) The plan shall specify the capacity of the largest fuel tank.

(d) An oil spill contingency plan for a facility shall also include, but is not limited to, all of the following provisions, as appropriate:

(1) Provisions for site security and control.

(2) Provisions for emergency medical treatment and first aid.

(3) Provisions for safety training, as required by state and federal safety laws for all personnel likely to be engaged in oil spill response.

(4) Provisions detailing site layout and locations of environmentally sensitive areas requiring special protection.

(5) Provisions for vessels that are in the operational control of the facility for loading and unloading.

(e) Unless preempted by federal law or regulations, an oil spill contingency plan for a railroad also shall include, but is not limited to, all of the following:

(1) A list of the types of train cars that may make up the consist.

(2) A list of the types of oil and petroleum products that may be transported.

(3) A map of track routes and facilities.

(4) A list, description, and map of any prestaged spill response equipment and personnel for deployment of the equipment.

(f) The oil spill contingency plan shall be available to response personnel and to relevant state and federal agencies for inspection and review.

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

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

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

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

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

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

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

8670.31. (a) Each oil spill contingency plan required under this article shall be submitted to the administrator for review and approval.

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

(c) Each contingency plan submitted shall be approved or disapproved within 30 days after receipt by the administrator. The administrator may approve or disapprove portions of a plan. A plan is not deemed approved until all portions are approved

pursuant to this section. The disapproved portion shall be subject to the procedures contained in subdivision (d).

(d) If the administrator finds the submitted contingency plan is inadequate under the rules, policies, and regulations of the administrator, the plan shall be returned to the submitter with written reasons why the plan was found inadequate and, if practicable, suggested modifications or alternatives, if appropriate. The submitter shall submit a new or modified plan within 30 days after the earlier plan was returned, responding to the findings and incorporating any suggested modifications. The resubmittal shall be treated as a new submittal and processed according to the provisions of this section, except that the resubmitted plan shall be deemed approved unless the administrator acts pursuant to subdivision (c).

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

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

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

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

8670.32. (a) To reduce the risk of an oil spill as a result of fuel, cargo, and lube oil transfers, the administrator shall develop and implement a screening mechanism and a comprehensive

risk-based monitoring program for inspecting the bunkering and lightering operations of vessels at anchor and alongside a dock. This program shall identify those bunkering and lightering operations that pose the highest risk of a pollution incident.

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

(c) The administrator shall establish regulations to provide for the best achievable protection during bunkering and lightering operations.

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

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

8670.33. (a) If the operator of a tank ship or tank barge for which a contingency plan has not been approved desires to have the tank ship or tank barge enter waters of the state, the administrator may give approval by telephone or facsimile machine for the entry of the tank ship or tank barge into waters of the state under an approved contingency plan applicable to a terminal or tank ship, if all of the following are met:

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

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

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

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

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

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

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

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

(a) The operators or crew of the tank vessel, nontank vessel, or vessel carrying oil as a secondary cargo comply at all times with all orders and directions given by the administrator, or his or her designee, while the tank vessel, nontank vessel, or vessel carrying oil as a secondary cargo is in waters of the state, unless the orders or directions are contradicted by orders or directions of the Coast Guard.

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

(1) The transfer is necessary for the safety of the crew.

(2) The transfer is necessary to prevent harm to public safety or the environment.

(3) An oil spill contingency plan is approved or made applicable to the tank vessel, nontank vessel, or vessel carrying oil as a secondary cargo, under subdivision (c).

(c) The tank vessel, nontank vessel, or vessel carrying oil as a secondary cargo shall leave the waters of the state as soon as it may do so without imminent risk of harm to the crew, public safety,

or the environment, unless an oil spill contingency plan is approved or made applicable to it under this article.

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

8670.35. (a) The administrator, taking into consideration the California oil spill contingency plan, shall promulgate regulations regarding the adequacy of oil spill elements of area plans required pursuant to Section 25503 of the Health and Safety Code. In developing the regulations, the administrator shall consult with the Oil Spill Technical Advisory Committee.

(b) The administrator may offer, to a unified program agency with jurisdiction over or directly adjacent to waters of the state, a grant to complete, update, or revise an oil spill element of the area plan.

(c) Each oil spill element established under this section shall include provisions for training fire and police personnel in oil spill response and cleanup equipment use and operations.

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

(e) If a grant is awarded, the administrator shall review and approve each oil spill element established pursuant to this section. If, upon review, the administrator determines that the oil spill element is inadequate, the administrator shall return it to the agency that prepared it, specifying the nature and extent of the inadequacies, and, if practicable, suggesting modifications. The unified program agency shall submit a new or modified element within 90 days after the element was returned, responding to the findings and incorporating any suggested modifications.

(f) The administrator shall review the preparedness of unified program agencies to determine whether a program of grants for completing oil spill elements is desirable and should be continued. If the administrator determines that local government preparedness should be improved, the administrator shall request the Legislature to appropriate funds from the Oil Spill Prevention and Administration Fund for the purposes of this section.

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

8670.36. The administrator shall, within five working days after receipt of a contingency plan prepared pursuant to Section 8670.28 or 8670.35, post a notice that the plan is available for review. The administrator shall send a copy of the plan within two working days after receiving a request from the Oil Spill Technical Advisory Committee. The State Lands Commission and the California Coastal Commission shall review the plans for facilities or local governments within the coastal zone. The San Francisco Bay Conservation and Development Commission shall review the plans for facilities or local governments within the area described in Sections 66610 and 29101 of the Public Resources Code. Any state agency or committee that comments shall submit its comments to the administrator within 15 days of receipt of the plan. The administrator shall consider all comments.

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

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

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

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

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

8670.37.5. (a) The administrator shall establish a network of rescue and rehabilitation stations for wildlife injured by oil spills, including sea otters and other marine mammals. In addition to rehabilitative care, the primary focus of the Oiled Wildlife Care Network shall include proactive oiled wildlife search and collection rescue efforts. These facilities shall be established and maintained

in a state of preparedness to provide the best achievable treatment for wildlife, mammals, and birds affected by an oil spill in waters of the state. The administrator shall consider all feasible management alternatives for operation of the network.

(b) (1) The first rescue and rehabilitation station established pursuant to this section shall be located within the sea otter range on the central coast. The administrator initially shall establish regional oiled wildlife rescue and rehabilitation facilities in the Los Angeles Harbor area, the San Francisco Bay area, the San Diego area, the Monterey Bay area, the Humboldt County area, and the Santa Barbara area. The administrator also may establish facilities in other areas of the state as the administrator determines to be necessary.

(2) One or more of the oiled wildlife rescue and rehabilitation stations shall be open to the public for educational purposes and shall be available for wildlife health research. Wherever possible in the establishment of these facilities, the administrator shall improve existing authorized wildlife rehabilitation facilities and may expand or take advantage of existing educational or scientific programs and institutions for oiled wildlife rehabilitation purposes. Expenditures shall be reviewed by the agencies and organizations specified in subdivision (c).

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

(d) The administrator may enter into agreements with nonprofit organizations to establish and equip wildlife rescue and rehabilitation stations and to ensure that they are operated in a professional manner in keeping with the pertinent guidance documents issued by the administrator. The implementation of the agreement shall not constitute a California public works project.

The agreement shall be deemed a contract for wildlife rehabilitation as authorized by Section 8670.61.5.

(e) In the event of a spill, the responsible party may request that the administrator perform the rescue and rehabilitation of oiled wildlife required of the responsible party pursuant to this chapter if the responsible party and the administrator enter into an agreement for the reimbursement of the administrator's costs incurred in taking the requested action. If the administrator performs the rescue and rehabilitation of oiled wildlife, the administrator shall primarily utilize the network of rescue and rehabilitation stations established pursuant to subdivision (a), unless more immediate care is required. Any of those activities conducted pursuant to this section or Section 8670.56.5 or 8670.61.5 shall be performed under the direction of the administrator. This subdivision does not remove the responsible party from liability for the costs of, or the responsibility for, the rescue and rehabilitation of oiled wildlife, as established by this chapter. This subdivision does not prohibit an owner or operator from retaining, in a contingency plan prepared pursuant to this article, wildlife rescue and rehabilitation services different from the rescue and rehabilitation stations established pursuant to this section.

(f) (1) The administrator shall appoint a rescue and rehabilitation advisory board to advise the administrator regarding operation of the network of rescue and rehabilitation stations established pursuant to subdivision (a), including the economic operation and maintenance of the network. For the purpose of assisting the administrator in determining what constitutes the best achievable treatment for oiled wildlife, the advisory board shall provide recommendations to the administrator on the care achieved by current standard treatment methods, new or alternative treatment methods, the costs of treatment methods, and any other information that the advisory board believes that the administrator might find useful in making that determination. The administrator shall consult with the advisory board in preparing the administrator's submission to the Legislature pursuant to subdivision (a) of Section 8670.40.5. The administrator shall present the recommendations of the advisory board to the Oil Spill Technical Advisory Committee created pursuant to Article 8 (commencing with Section 8670.54), upon the request of the committee.

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

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

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

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

(1) Providing for the recruitment and training of an adequate network of wildlife specialists and volunteers from Oiled Wildlife Care Network participant organizations who can be called into immediate action in the event of an oil spill to assist in the field with collection of live oiled wildlife. The training shall include a process for certification of trained volunteers and renewal of certifications. The initial wildlife rescue training shall include field experience in species identification and appropriate field collection techniques for species at risk in different spills. In addition to training in wildlife rescue, the administrator shall provide for appropriate hazardous materials training for new volunteers and contract personnel, with refresher courses offered as necessary to allow for continual readiness of search and collection teams. Moneys in the Oil Spill Prevention and Administration Fund shall not be used to reimburse volunteers for time or travel associated with required training.

(2) Developing and implementing a plan for the provision of emergency equipment for wildlife rescue in strategic locations to facilitate ready deployment in the case of an oil spill. The administrator shall ensure that the equipment identified as necessary in his or her wildlife response plan is available and deployed in a timely manner to assist in providing the best achievable protection and collection efforts.

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

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

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

8670.37.51. (a) A tank vessel or vessel carrying oil as a secondary cargo shall not be used to transport oil across waters of the state unless the owner or operator has applied for and obtained a certificate of financial responsibility issued by the administrator for that vessel or for the owner of all of the oil contained in and to be transferred to or from that vessel.

(b) An operator of a marine terminal within the state shall not transfer oil to or from a tank vessel or vessel carrying oil as a secondary cargo unless the operator of the marine terminal has received a copy of a certificate of financial responsibility issued

by the administrator for the operator of that vessel or for all of the oil contained in and to be transferred to or from that vessel.

(c) An operator of a marine terminal within the state shall not transfer oil to or from any vessel that is or is intended to be used for transporting oil as cargo to or from a second vessel unless the operator of the marine terminal has first received a copy of a certificate of financial responsibility issued by the administrator for the person responsible for both the first and second vessels or all of the oil contained in both vessels, as well as all the oil to be transferred to or from both vessels.

(d) An owner or operator of a facility where a spill could impact waters of the state shall apply for and obtain a certificate of financial responsibility issued by the administrator for the facility or the oil to be handled, stored, or transported by the facility.

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

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

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

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

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

(b) The administrator may establish a lower standard of financial responsibility for small tank barges, vessels carrying oil as a secondary cargo, and small marine fueling facilities. The standard shall be based on the quantity of oil that can be carried or stored and the risk of spill into waters of the state. The administrator shall not set a standard that is less than the expected costs from a reasonable worst case oil spill into waters of the state.

(c) (1) To receive a certificate of financial responsibility for a facility, the applicant shall demonstrate to the satisfaction of the administrator the financial ability to pay for any damages that

might arise during a reasonable worst case oil spill into waters of the state that results from the operations of the facility. The administrator shall consider criteria including, but not necessarily limited to, the amount of oil that could be spilled into waters of the state from the facility, the cost of cleaning up spilled oil, the frequency of operations at the facility, and the damages that could result from a spill.

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

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

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

(b) If a person holds a certificate for more than one tank vessel, vessel carrying oil as a secondary cargo, nontank vessel, or facility and a spill or spills occurs from one or more of those vessels or facilities for which the owner or operator may be liable for damages in an amount exceeding 5 percent of the financial resources reflected by the certificate, as determined by the administrator, the certificate shall immediately be considered inapplicable to any vessel or facility not associated with the spill. In that event, the owner or operator shall demonstrate to the satisfaction of the administrator the amount of financial ability required pursuant to this article, as well as the financial ability to pay all damages that arise or have arisen from the spill or spills that have occurred.

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

8670.37.58. (a) A nontank vessel shall not enter waters of the state unless the nontank vessel owner or operator has provided to the administrator evidence of financial responsibility that demonstrates, to the administrator's satisfaction, the ability to pay at least three hundred million dollars ($300,000,000) to cover damages caused by a spill, and the owner or operator of the nontank vessel has obtained a certificate of financial responsibility from the administrator for the nontank vessel.

(b) Notwithstanding subdivision (a), the administrator may establish a lower standard of financial responsibility for a nontank

vessel that has a carrying capacity of 6,500 barrels of oil or less, or for a nontank vessel that is owned and operated by California or a federal agency and has a carrying capacity of 7,500 barrels of oil or less. The standard shall be based upon the quantity of oil that can be carried by the nontank vessel and the risk of an oil spill into waters of the state. The administrator shall not set a standard that is less than the expected cleanup costs and damages from an oil spill into waters of the state.

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

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

8670.40. (a) The State Board of Equalization shall collect a fee in an amount determined by the administrator to be sufficient to pay the reasonable regulatory costs to carry out the purposes set forth in subdivision (e), and a reasonable reserve for contingencies. The annual assessment shall not exceed six and one-half cents ($0.065) per barrel of crude oil or petroleum products. The oil spill prevention and administration fee shall be based on each barrel of crude oil or petroleum products, as described in subdivision (b).

(b) (1) The oil spill prevention and administration fee shall be imposed upon a person owning crude oil at the time that the crude oil is received at a marine terminal, by any mode of delivery that passed over, across, under, or through waters of the state, from within or outside the state, and upon a person who owns petroleum products at the time that those petroleum products are received at a marine terminal, by any mode of delivery that passed over, across, under, or through waters of the state, from outside this state. The fee shall be collected by the marine terminal operator from the owner of the crude oil or petroleum products for each barrel of crude oil or petroleum products received.

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

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

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

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

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

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

(4) The fees shall be remitted to the State Board of Equalization by the owner of the crude oil or petroleum products, the refinery operator, or the marine terminal operator on the 25th day of the month based upon the number of barrels of crude oil or petroleum products received at a refinery or marine terminal during the preceding month. A fee shall not be imposed pursuant to this section with respect to crude oil or petroleum products if the person who would be liable for that fee, or responsible for its collection, establishes that the fee has already been collected by a refinery or

marine terminal operator registered under this chapter or paid to the State Board of Equalization with respect to the crude oil or petroleum product.

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

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

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

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

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

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

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

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

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

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

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

(6) To fund the Oiled Wildlife Care Network pursuant to Section 8670.40.5.

(f) The moneys deposited in the fund shall not be used for responding to a spill.

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

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

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

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

8670.40.5. (a) For each fiscal year, consistent with this article, the administrator shall submit, as a proposed appropriation in the Governor's Budget, an amount up to two million five hundred thousand dollars ($2,500,000) for the purpose of equipping, operating, and maintaining the network of oiled wildlife rescue and rehabilitation stations and proactive oiled wildlife search and collection rescue efforts established pursuant to Section 8670.37.5 and for the support of technology development and research related to oiled wildlife care.

(b) The administrator shall report to the Legislature, upon request, on the progress and effectiveness of the network of oiled wildlife rescue and rehabilitation stations established pursuant to

Section 8670.37.5 and the adequacy of the Oil Spill Prevention and Administration Fund to meet the purposes for which the network was established.

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

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

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

8670.42. (a) The administrator and the State Lands Commission, independently, shall contract with the Department of Finance for the preparation of a detailed report that shall be submitted on or before January 1, 2013, and no less than once every four years thereafter, to the Governor and the Legislature on the financial basis and programmatic effectiveness of the state's oil spill prevention, response, and preparedness program. This report shall include an analysis of all of the oil spill prevention, response, and preparedness program's major expenditures, fees and fines collected, staffing and equipment levels, spills responded to, and other relevant issues. The report shall recommend measures to improve the efficiency and effectiveness of the state's oil spill prevention, response, and preparedness program, including, but

not limited to, measures to modify existing contingency plan requirements, to improve protection of environmentally sensitive sites, and to ensure adequate and equitable funding for the state's oil spill prevention, response, and preparedness program.

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

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

8670.47.5. The following shall be deposited into the fund:

(a) The fee required pursuant to Section 8670.48.

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

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

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

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

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

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

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

(b) An operator of a pipeline shall also pay a uniform oil spill response fee in an amount not exceeding twenty-five cents ($0.25) for each barrel of petroleum products, as set by the administrator

pursuant to subdivision (f), transported into the state by means of a pipeline operating across, under, or through the waters of the state. The fee shall be paid on the 25th day of each month based upon the number of barrels of petroleum products so transported into the state during the preceding month.

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

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

(e) An operator of a pipeline shall pay a uniform oil spill response fee in an amount not exceeding twenty-five cents ($0.25), in accordance with subdivision (g), for each barrel of crude oil, as set by the administrator pursuant to subdivision (f), transported out of the state by pipeline.

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

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

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

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

(2) The administrator, in consultation with the State Board of Equalization, and with the approval of the Treasurer, may direct the State Board of Equalization to cease collecting the fee when

the administrator determines that further collection of the fee is not necessary for the purposes specified in paragraph (1).

(3) The administrator, in consultation with the State Board of Equalization, shall set the amount of the oil spill response fees. The oil spill response fees shall be imposed on all feepayers in the same amount. The administrator shall not set the amount of the fee at less than twenty-five cents ($0.25) for each barrel of petroleum products or crude oil, unless the administrator finds that the assessment of a lesser fee will cause the fund to reach the designated amount specified in subdivision (a) of Section 46012 of the Revenue and Taxation Code within four months. The fee shall not be less than twenty-five cents ($0.25) for each barrel of petroleum products or crude oil if the administrator has drawn upon the financial security obtained by the Treasurer pursuant to subdivision (o) or if the Treasurer has borrowed money pursuant to Article 7.5 (commencing with Section 8670.53.1) and principal, interest, premium, fees, charges, or costs of any kind incurred in connection with those borrowings remain outstanding or unpaid, unless the Treasurer has certified to the administrator that the money in the fund is not necessary for the purposes specified in paragraph (1).

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

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

(i) The administrator, in consultation with the State Board of Equalization and with the approval of the Treasurer, shall authorize refunds of any money collected that is not necessary for the purposes specified in paragraph (1) of subdivision (f). The State Board of Equalization, as directed by the administrator, and in accordance with Section 46653 of the Revenue and Taxation Code, shall refund the excess amount of fees collected to each feepayer who paid the fee to the state, in proportion to the amount that each feepayer paid into the fund during the preceding 12 monthly

reporting periods in which there was a fee due, including the month in which the fund exceeded the specified amount. If the total amount of money in the fund exceeds the amount specified in this subdivision by 10 percent or less, refunds need not be ordered by the administrator. This section does not require the refund of excess fees as provided in this subdivision more frequently than once each year.

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

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

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

(2) To cover response and cleanup costs and other damages suffered by the state or other persons or entities from oil spills into waters of the state that cannot otherwise be compensated by responsible parties or the federal government.

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

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

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

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

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

(8) [Reserved]

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

(*l*) The interest that the state earns on the funds deposited into the Oil Spill Response Trust Fund shall be deposited in the fund and shall be used to maintain the fund at the designated amount specified in subdivision (a) of Section 46012 of the Revenue and Taxation Code. If the amount in the fund exceeds that designated amount, the interest shall be deposited into the Oil Spill Prevention and Administration Fund, and shall be available for the purposes authorized by Article 6 (commencing with Section 8670.38).

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

(n) [Reserved]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) Except as authorized by Section 8670.51.1, a responsible party does not exist or the responsible party is unable or unwilling to provide adequate and timely cleanup and to pay for the damages resulting from the spill. The administrator shall make a reasonable effort to have the party responsible remove the oil or agree to pay for any actions resulting from the spill that may be required by law, provided that the efforts are not detrimental to fish, plant, animal, or bird life in the affected waters. The reasonable effort

of the administrator shall include attempting to access the responsible parties' insurance or other proof of financial responsibility.

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

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

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

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

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

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

(A) Undertaken pursuant to the state and local oil spill contingency plans established under this chapter, and the California oil spill contingency plan established under Article 3.5 (commencing with Section 8574.1) of Chapter 7.

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

(C) Undertaken at the direction of the administrator.

(2) Meeting the requirements of Section 8670.61.5 relating to wildlife rehabilitation.

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

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

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

8670.51. (a) When a person has obtained a final judgment for damages resulting from an oil spill in waters of the state, but is unable, within one year after the date of its entry, to enforce the judgment pursuant to Title 9 (commencing with Section 680.010) of the Code of Civil Procedure, or is unable to obtain satisfaction of the judgment from the federal government within 90 additional days, the administrator shall pay an amount not to exceed those amounts that cannot be recovered from a responsible party and the fund shall be subrogated to all rights, claims, and causes of action that the claimant has under this chapter, Article 3. 5 (commencing with Section 8574.1) of Chapter 7, Section 8670.61.5, and Division 7.8 (commencing with Section 8750) of the Public Resources Code.

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

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

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

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

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

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

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

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

8670.54. (a) The Oil Spill Technical Advisory Committee, hereafter in this article, the committee, is hereby established to provide public input and independent judgment of the actions of the administrator. The committee shall consist of 14 members, of whom eight shall be appointed by the Governor, three by the

Speaker of the Assembly, and three by the Senate Rules Committee. The appointments shall be made in the following manner:

(1) The Speaker of the Assembly and Senate Committee on Rules shall each appoint a member who shall be a representative of the public.

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

(3) The Speaker of the Assembly and the Senate Committee on Rules shall each appoint two members who have demonstrable knowledge of environmental protection and the study of ecosystems.

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

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

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

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

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

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

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

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

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

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

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

8670.55. (a) The committee shall provide recommendations to the administrator, the State Lands Commission, the California Coastal Commission, the San Francisco Bay Conservation and

Development Commission, the Division of Oil, Gas, and Geothermal Resources, the Office of the State Fire Marshal, and the Public Utilities Commission, on any provision of this chapter, including the promulgation of all rules, regulations, guidelines, and policies.

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

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

(d) The committee shall report biennially to the Governor and the Legislature on its evaluation of oil spill response and preparedness programs within the state and may prepare and send any additional reports it determines to be appropriate to the Governor and the Legislature.

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

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

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

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

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

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

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

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

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

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

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

(e) In determining whether a party is a responsible party under this section, the court shall consider the results of chemical or other scientific tests conducted to determine whether oil or other substances produced, discharged, or controlled by the defendant matches the oil or other substance that caused the damage to the injured party. The defendant shall have the burden of producing the results of tests of samples of the substance that caused the injury and of substances for which the defendant is responsible, unless it is not possible to conduct the tests because of unavailability of samples to test or because the substance is not one for which reliable tests have been developed. At the request of a party, any other party shall provide samples of oil or other substances within its possession or control for testing.

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

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

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

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

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

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

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

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

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

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

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

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

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

(*l*) An action that a private or public individual or entity may have against a responsible party under this section may be brought directly by the individual or entity or by the state on behalf of the individual or entity. However, the state shall not pursue an action on behalf of a private individual or entity that requests the state not to pursue that action.

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

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

8670.56.6. (a) (1) Except as provided in subdivisions (b) and (d), and subject to subdivision (c), a person, including, but not limited to, an oil spill cooperative, its agents, subcontractors, or employees, shall not be liable under this chapter or the laws of the state to any person for costs, damages, or other claims or expenses as a result of actions taken or omitted in good faith in the course of rendering care, assistance, or advice in accordance with the National Contingency Plan, the California oil spill contingency plan, or at the direction of the administrator, onsite coordinator, or the Coast Guard in response to a spill or threatened spill.

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

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

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

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

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

(b) Nothing in this section shall, in any manner or respect, affect or impair any cause of action against or any liability of any party or parties responsible for the spill, or the responsible party's agents, employees, or subcontractors, except persons immunized under subdivision (a) for response efforts, for the discharged oil, or for the vessel, terminal, pipeline, or facility from which the oil was discharged.

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

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

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

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

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

(f) As used in this section, a "cooperative" means an organization of private persons that is established for the primary purpose and activity of preventing or rendering care, assistance, or advice in response to a spill or threatened spill.

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

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

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

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

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

(3) The administrator may indemnify response contractors for (A) all damages payable by means of settlement or judgment that arise from response efforts to which the immunity conferred by this section would otherwise apply, and (B) reasonably related

legal costs and expenses incurred by the responder, provided that indemnification shall only apply to response efforts undertaken after the expiration of any immunity that may exist as the result of the contract negotiations authorized in this subdivision. In negotiating these contracts, the administrator shall procure, to the maximum extent practicable, the services of persons who are willing to respond to oil spills with no, or as little, right to indemnification as possible. All indemnification shall be paid by the administrator from the Oil Spill Response Trust Fund.

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

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

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

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

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

(A) Due to inadequate or incomplete containment and stabilization, there exists a substantial probability that the size of the spill will significantly expand and (i) threaten previously uncontaminated resources, (ii) threaten already contaminated resources with substantial additional contamination, or (iii)

otherwise endanger the public health and safety or harm the environment.

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

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

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

(4) A person or their agents, subcontractors, or employees shall not incur any liability under this chapter or any other provision of law solely as a result of that person's decision to terminate their response efforts because of the expiration of the immunity conferred by this section. A person's decision to terminate response efforts because of the expiration of the immunity conferred by this section shall not in any manner impair, curtail, limit, or otherwise affect the immunity conferred on the person with regard to the person's response efforts undertaken during the period of time the immunity applied to those response efforts.

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

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

Protection Agency, or the Coast Guard in response to a spill or threatened spill into waters of the state.

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

8670.61.5. (a) For purposes of this chapter, "wildlife rehabilitation" means those actions that are necessary to fully mitigate for the damage from a spill caused to wildlife, fisheries, wildlife habitat, and fisheries habitat.

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

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

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

of other similar resources to the extent necessary to meet the requirements of subdivision (b). In evaluating whether a wildlife rehabilitation plan is adequate, the administrator may use the habitat evaluation methods or procedures established by the United States Fish and Wildlife Service or any other reasonable methods as determined by the Department of Fish and Wildlife.

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

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

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

(1) Clean up the oil.

(2) Abate the effects of the discharge.

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

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

(c) Consistent with the state contingency plan, the administrator may expend available money to perform any response; containment; cleanup; wildlife rehabilitation, which includes assessment of resource injuries and damages, or remedial work required pursuant to subdivision (a) that, in the administrator's judgment, is required by the circumstances or the urgency of prompt action required to prevent pollution, nuisance, or injury to the environment of the state. The action may be taken in default of, or in addition to, remedial work by the responsible party or other persons, and regardless of whether injunctive relief is sought. The administrator may perform the work in cooperation with any other governmental agency, and may use rented tools or equipment, either with or without operators furnished. Notwithstanding any other law, the administrator may enter into oral contracts for the

work, and the contracts, whether written or oral, may include provisions for equipment rental and the furnishing of labor and materials necessary to accomplish the work. The contracts shall be exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code and Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code.

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

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

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

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

8670.64. (a) A person who commits any of the following acts shall, upon conviction, be punished by imprisonment in a county jail for not more than one year or by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code:

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

(2) Knowingly fails to notify the Coast Guard that a vessel is disabled within one hour of the disability and the vessel, while disabled, causes a discharge of oil that enters marine waters. For purposes of this paragraph, "vessel" means a vessel, as defined in Section 21 of the Harbors and Navigation Code, of 300 gross tons or more.

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

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

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

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

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

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

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

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

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

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

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

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

(2) Fails to notify the Coast Guard that a vessel is disabled within one hour of the disability and the vessel, while disabled, causes a spill that enters waters of the state. For purposes of this paragraph, "vessel" means a vessel, as defined in Section 21 of the Harbors and Navigation Code, of 300 gross tons or more.

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

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

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

(c) A person shall not be liable for a civil penalty imposed under this section and for a civil penalty imposed pursuant to Section 8670.67 for the same act or failure to act.

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

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

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

(2) Fails to notify the Coast Guard that a vessel is disabled within one hour of the disability and the vessel, while disabled, causes a discharge that enters waters of the state. For purposes of this paragraph, "vessel" means a vessel, as defined in Section 21 of the Harbors and Navigation Code, of 300 gross tons or more.

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

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

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

(c) A person shall not be liable for a civil penalty imposed under this section and for a civil penalty imposed pursuant to Section 8670.66 for the same act or failure to act.

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

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

(b) A penalty may be administratively imposed by the administrator in accordance with Section 8670.68 in an amount not to exceed twenty dollars ($20) per gallon for a spill. The amount of the penalty shall be reduced for every gallon of released oil that is recovered and properly disposed of in accordance with applicable law.

(c) Whenever the release of oil resulted from gross negligence or reckless conduct, the administrator shall, in accordance with Section 8670.68, impose a penalty in an amount not to exceed sixty dollars ($60) per gallon for a spill. The amount of the penalty shall be reduced for every gallon of released oil that is recovered and properly disposed of in accordance with applicable law.

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

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

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

(b) Any cease and desist order issued by the administrator may be subject to those terms and conditions as the administrator may determine are necessary to ensure compliance with this division.

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

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

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

SEC. 58. Section 8670.69.7 of the Government Code is repealed.

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

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

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

(1) Is located within or immediately adjacent to waters of the state, as defined in Section 8670.3.

(2) Has measurable outcomes within a predetermined timeframe.

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

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

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

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

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

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

SEC. 62. It is the intent of the Legislature that the reorganization and transfer made by Sections 63 to 127, inclusive, Section 181, and Sections 187 to 190, inclusive, of this act be carried out in a manner to preserve state primacy under the federal

Safe Drinking Water Act and that the terms of this act shall be liberally construed to achieve this purpose.

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

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

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

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

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

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

(5) Article 2 (commencing with Section 116800), Article 3 (commencing with Section 116825), and Article 4 (commencing with Section 116875) of Chapter 5.

(6) Chapter 7 (commencing with Section 116975).

(7) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code).

(8) The Water Recycling Law (Chapter 7 (commencing with Section 13500) of Division 7 of the Water Code).

(9) Chapter 7.3 (commencing with Section 13560) of Division 7 of the Water Code.

(10) The California Safe Drinking Water Bond Law of 1976 (Chapter 10.5 (commencing with Section 13850) of Division 7 of the Water Code).

(11) Wholesale Regional Water System Security and Reliability Act (Division 20.5 (commencing with Section 73500) of the Water Code).

(12) Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Division 26.5 (commencing with Section 79500) of the Water Code).

(b) The State Water Resources Control Board shall maintain a drinking water program and carry out the duties, responsibilities, and functions described in this section. Statutory reference to "department," "state department," or "director" regarding a function transferred to the State Water Resources Control Board shall refer to the State Water Resources Control Board. This section does not impair the authority of a local health officer to enforce this chapter or a county's election not to enforce this chapter, as provided in Section 116500.

(c) The State Water Resources Control Board shall succeed to the status of grantee or applicant, as appropriate, for any federal Drinking Water State Revolving Fund capitalization grants that the State Department of Public Health and any of its predecessors applied for.

(d) Regulations adopted, orders issued, and all other administrative actions taken by the State Department of Public Health, any of its predecessors, or its director, pursuant to the authorities now vested in the State Water Resources Control Board and in effect immediately preceding the operative date of this section shall remain in effect and are fully enforceable unless and until readopted, amended, or repealed, or until they expire by their own terms. Regulations in the process of adoption pursuant to the authorities vested in the State Water Resources Control Board shall continue under the authority of the State Water Resources Control Board unless and until the State Water Resources Control Board determines otherwise. Any other administrative action adopted, prescribed, taken, or performed by, or on behalf of, the State Department of Public Health, or its director, in the administration of a program or the performance of a duty, responsibility, or authorization transferred to the State Water Resources Control Board shall remain in effect and shall be deemed to be an action of the State Water Resources Control Board unless and until the State Water Resources Control Board determines otherwise.

(e) Permits, licenses, accreditations, certificates, and other formal approvals and authorizations issued by the State Department of Public Health, any of its predecessors, or its director pursuant to authorities vested in the State Water Resources Control Board pursuant to this section are not affected by the transfer and remain in effect, subject to all applicable laws and regulations, unless and

until renewed, reissued, revised, amended, suspended, or revoked by the State Water Resources Control Board or its deputy director, as authorized pursuant to subdivision (k).

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

(g) On and after the operative date of this section, the unexpended balance of all funds available for use by the State Department of Public Health or any of its predecessors in carrying out any functions transferred to the State Water Resources Control Board are available for use by the State Water Resources Control Board.

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

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

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

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

(2) The deputy director is delegated the State Water Resources Control Board's authority to provide notice, approve notice content, approve emergency notification plans, and take other action pursuant to Article 5 (commencing with Section 116450), to issue, renew, reissue, revise, amend, or deny any public water system permits pursuant to Article 7 (commencing with Section 116525), to suspend or revoke any public water system permit pursuant to Article 8 (commencing with Section 116625), and to issue citations, assess penalties, or issue orders pursuant to Article 9 (commencing with Section 116650). Decisions and actions of the deputy director taken pursuant to Article 5 (commencing with Section 116450) or Article 7 (commencing with Section 116525) are deemed decisions and actions taken, but are not subject to reconsideration, by the State Water Resources Control Board. Decisions and actions of the deputy director taken pursuant to Article 8 (commencing with Section 116625) and Article 9 (commencing with Section 116650) are deemed decisions and actions taken by the State Water Resources Control Board, but any aggrieved person may petition the State Water Resources Control Board for reconsideration of the decision or action. This subdivision is not a limitation on the State Water Resources Control Board's authority to delegate any other powers and duties.

(3) The State Water Resources Control Board shall not delegate any authority, duty, power, purpose, function, or responsibility specified in this section, including, but not limited to, issuance and

enforcement of public water system permits, to the regional water quality control boards.

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

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

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

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

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

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

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

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

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

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

(3) A project whose primary purpose is to enable a public water system to improve public health protection by complying with

drinking water standards and regulations and that also includes components to accommodate a reasonable amount of growth over its useful life shall be eligible for assistance from the Safe Drinking Water State Revolving Fund, but the project shall receive priority based on the component to meet drinking water standards pursuant to Section 116760.70. The department shall expressly consider the effort of the applicant to secure funds other than those available from the Safe Drinking Water State Revolving Fund in establishing the priority listing for funding pursuant to Article 4 (commencing with Section 116760.50).

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

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

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

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

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

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

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

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

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

116760.10. (a) Because the federal Safe Drinking Water Act (42 U.S.C. Sec. 300j et seq.) provides for establishment of a perpetual drinking water revolving fund, which will be partially capitalized by federal contributions, it is in the interest of the people of the state, in order to ensure full participation by the state under the federal Safe Drinking Water Act, to enact this chapter to authorize the state to establish and implement a state drinking water revolving fund that will meet federal conditions for receipt of federal funds. The primary purpose of this chapter is to enable receipt of funds under the federal Safe Drinking Water Act. It is the intent of the Legislature that the terms of this chapter shall be liberally construed to achieve this purpose.

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

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

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

(e) The protection of the health, safety, and welfare of the people of California requires that the water supplied for domestic purposes be at all times pure, wholesome, and potable. It is in the interest of the people that the State of California provide technical and financial assistance to ensure a safe, dependable, and potable supply of water for domestic purposes and that water is available in

adequate quantity at sufficient pressure for health, cleanliness, and other domestic purposes.

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

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

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

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

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

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

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

(m) This chapter shall govern implementation of the Safe Drinking Water State Revolving Fund, and shall be implemented

in a manner that is consistent with the federal Safe Drinking Water Act, and, to the extent authorized under the federal act, in a manner that is consistent with the California Safe Drinking Water Act, Chapter 4 (commencing with Section 116270).

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

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

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

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

(2) "Cost-effective project" means a project that achieves an acceptable result at the most reasonable cost.

(3) "Department" means the State Department of Public Health.

(4) "Disadvantaged community" means a community that meets the definition provided in Section 116275.

(5) "Federal Safe Drinking Water Act" or "federal act" means the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and acts amendatory thereof or supplemental thereto.

(6) "Fund" means the Safe Drinking Water State Revolving Fund created by Section 116760.30.

(7) "Funding" means a loan or grant, or both, awarded under this chapter.

(8) "Matching funds" means state money that equals that percentage of federal contributions required by the federal act to be matched with state funds.

(9) "Project" means proposed facilities for the construction, improvement, or rehabilitation of a public water system, and may include all items set forth in Section 116761 as necessary to carry out the purposes of this chapter. It also may include refinancing loans, annexation or consolidation of water systems, source water

assessments, source water protection, and other activities specified under the federal act.

(10) "Public agency" means any city, county, city and county, whether general law or chartered, district, joint powers authority, or other political subdivision of the state, that owns or operates a public water system.

(11) "Public water system" or "public water supply system" means a system for the provision to the public of water for human consumption, as defined in Chapter 4 (commencing with Section 116270), as it may be amended from time to time.

(12) "Reasonable amount of growth" means an increase in growth not to exceed 10 percent of the design capacity needed, based on peak flow, to serve the water and fire flow demand in existence at the time plans and specifications for the project are approved by the department, over the 20-year useful life of a project. For projects other than the construction of treatment plants including, but not limited to, storage facilities, pipes, pumps, and similar equipment, where the 10-percent allowable growth cannot be adhered to due to the sizes of equipment or materials available, the project shall be limited to the next available larger size.

(13) "Safe drinking water standards" means those standards established pursuant to Chapter 4 (commencing with Section 116270), as they may now or hereafter be amended.

(14) "Severely disadvantaged community" means a community with a median household income of less than 60 percent of the statewide average.

(15) "Supplier" means any person, partnership, corporation, association, public agency, or other entity that owns or operates a public water system.

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

SEC. 67. Section 116760.20 is added to the Health and Safety Code, to read:

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

(1) "Acceptable result" means the project that, when constructed, solves the problem for which the project was placed on the project priority list established pursuant to Section 116760.70, ensures the

owner and operator of the improved or restructured public water system shall have long-term technical, managerial, and financial capacity to operate and maintain the public water system in compliance with state and federal safe drinking water standards, can provide a dependable source of safe drinking water long term, and is both short-term and long-term affordable, as determined by applicable regulations adopted by the board.

(2) "Board" means the State Water Resources Control Board.

(3) "Cost-effective project" means a project that achieves an acceptable result at the most reasonable cost.

(4) "Disadvantaged community" means a community that meets the definition provided in Section 116275.

(5) "Federal Safe Drinking Water Act" or "federal act" means the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and acts amendatory thereof or supplemental thereto.

(6) "Fund" means the Safe Drinking Water State Revolving Fund created by Section 116760.30.

(7) "Funding" means a loan or grant, or both, awarded under this chapter.

(8) "Matching funds" means state money that equals that percentage of federal contributions required by the federal act to be matched with state funds.

(9) "Project" means proposed facilities for the construction, improvement, or rehabilitation of a public water system, and may include all items set forth in Section 116761 as necessary to carry out the purposes of this chapter. It also may include refinancing loans, annexation or consolidation of water systems, source water assessments, source water protection, and other activities specified under the federal act.

(10) "Public agency" means any city, county, city and county, whether general law or chartered, district, joint powers authority, or other political subdivision of the state, that owns or operates a public water system.

(11) "Public water system" or "public water supply system" means a system for the provision to the public of water for human consumption, as defined in Chapter 4 (commencing with Section 116270), as it may be amended from time to time.

(12) "Reasonable amount of growth" means an increase in growth not to exceed 10 percent of the design capacity needed, based on peak flow, to serve the water and fire flow demand in

existence at the time plans and specifications for the project are approved by the board, over the 20-year useful life of a project. For projects other than the construction of treatment plants including, but not limited to, storage facilities, pipes, pumps, and similar equipment, where the 10-percent allowable growth cannot be adhered to due to the sizes of equipment or materials available, the project shall be limited to the next available larger size.

(13) "Safe drinking water standards" means those standards established pursuant to Chapter 4 (commencing with Section 116270), as they may now or hereafter be amended.

(14) "Severely disadvantaged community" means a community with a median household income of less than 60 percent of the statewide average.

(15) "Small community water system" has the meaning set forth in Section 116275.

(16) "Supplier" means any person, partnership, corporation, association, public agency, or other entity that owns or operates a public water system.

(b) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 68. Section 116760.20 is added to the Health and Safety Code, to read:

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

(1) "Acceptable result" means the project that, when constructed, solves the problem for which the project was placed on the project priority list, ensures the owner and operator of the improved or restructured public water system shall have long term technical, managerial, and financial capacity to operate and maintain the public water system in compliance with state and federal safe drinking water standards, can provide a dependable source of safe drinking water long term, and is both short-term and long-term affordable, as determined by the board.

(2) "Board" means the State Water Resources Control Board.

(3) "Cost-effective" means achieves an acceptable result at the most reasonable cost.

(4) "Disadvantaged community" means a community that meets the definition provided in Section 116275.

(5) "Federal Safe Drinking Water Act" or "federal act" means the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and acts amendatory thereof or supplemental thereto.

(6) "Fund" means the Safe Drinking Water State Revolving Fund created by Section 116760.30.

(7) "Financing" means financial assistance awarded under this chapter, including loans, refinancing, installment sales agreements, purchase of debt, loan guarantees for municipal revolving funds, and grants.

(8) "Matching funds" means state money that equals that percentage of federal contributions required by the federal act to be matched with state funds.

(9) "Project" means cost-effective facilities for the construction, improvement, or rehabilitation of a public water system. It also may include the planning and design of the facilities, annexation or consolidation of water systems, source water assessments, source water protection, and other activities specified under the federal act.

(10) "Public agency" means any city, county, city and county, whether general law or chartered, district, joint powers authority, or other political subdivision of the state, that owns or operates a public water system.

(11) "Public water system" or "public water supply system" means a system for the provision to the public of water for human consumption, as defined in Chapter 4 (commencing with Section 116270).

(12) "Safe drinking water standards" means those standards established pursuant to Chapter 4 (commencing with Section 116270), as they may now or hereafter be amended.

(13) "Severely disadvantaged community" means a community with a median household income of less than 60 percent of the statewide average.

(14) "Small community water system" has the meaning set forth in Section 116275.

(15) "Supplier" means any person, partnership, corporation, association, public agency, or other entity that owns or operates a public water system.

(b) This section shall become operative on January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 69. Section 116760.30 of the Health and Safety Code is amended to read:

116760.30. (a) There is hereby created in the State Treasury the Safe Drinking Water State Revolving Fund for the purpose of implementing this chapter, and, notwithstanding Section 13340 of the Government Code, the fund is hereby continuously appropriated, without regard to fiscal years, to the department to provide, from moneys available for this purpose, 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. The department shall be responsible for administering the fund.

(b) Notwithstanding Section 10231.5 of the Government Code, the department shall report at least once every two years to the policy and budget committees of the Legislature on the implementation of this chapter and expenditures from the fund. The report shall describe the numbers and types of projects funded, the reduction in risks to public health from contaminants in drinking water provided through the funding of the projects, and the criteria used by the department to determine funding priorities. Commencing with reports submitted on or after January 1, 2013, the report shall include the results of the United States Environmental Protection Agency's most recent survey of the infrastructure needs of California's public water systems, the amount of money available through the fund to finance those needs, the total dollar amount of all funding agreements executed pursuant to this chapter since the date of the previous report, the fund utilization rate, the amount of unliquidated obligations, and the total dollar amount paid to funding recipients since the previous report.

(c) Notwithstanding any other law, the Controller may use the moneys in the Safe Drinking Water State Revolving Fund for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. However, interest shall be paid on all moneys loaned to the General Fund from the Safe Drinking Water

State Revolving Fund. Interest payable shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which loaned. This subdivision does not authorize any transfer that will interfere with the carrying out of the object for which the Safe Drinking Water State Revolving Fund was created.

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

SEC. 70. Section 116760.30 is added to the Health and Safety Code, to read:

116760.30. (a) There is hereby created in the State Treasury the Safe Drinking Water State Revolving Fund for the purpose of implementing this chapter, and, notwithstanding Section 13340 of the Government Code, moneys in the fund are hereby continuously appropriated, without regard to fiscal years, to the board for expenditure in accordance with this chapter.

(b) Notwithstanding Section 10231.5 of the Government Code, the board shall, at least once every two years, post information on its Internet Web site and send a link of the Internet Web site to the policy and budget committees of the Legislature regarding the implementation of this chapter and expenditures from the fund. The information posted on the board's Internet Web site shall describe the numbers and types of projects funded, the reduction in risks to public health from contaminants in drinking water provided through the funding of the projects, and the criteria used by the board to determine funding priorities. The Internet Web site posting shall include the results of the United States Environmental Protection Agency's most recent survey of the infrastructure needs of California's public water systems, the amount of money available through the fund to finance those needs, the total dollar amount of all funding agreements executed pursuant to this chapter since the date of the previous report or Internet Web site post, the fund utilization rate, the amount of unliquidated obligations, and the total dollar amount paid to funding recipients since the previous report or Internet Web site post.

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

SEC. 71. Section 116760.39 of the Health and Safety Code is amended to read:

116760.39. (a) In addition to the actions described in Section 116760.40, the department may, to implement the Safe Drinking Water State Revolving Fund, improve access to financial assistance for small community water systems and not-for-profit nontransient noncommunity water systems serving severely disadvantaged communities by doing both of the following:

(1) Working to establish a payment process pursuant to which the recipient of financial assistance would receive funds within 30 days of the date on which the department receives a complete project payment request, unless the department, within that 30-day period, determines that the project payment would not be in accordance with the terms of the program guidelines.

(2) Investigating the use of wire transfers or other appropriate payment procedures to expedite project payments.

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

SEC. 72. Section 116760.39 is added to the Health and Safety Code, to read:

116760.39. (a) In addition to the actions described in Section 116760.40, the board may, to implement the Safe Drinking Water State Revolving Fund, improve access to financial assistance for small community water systems and not-for-profit nontransient noncommunity water systems serving severely disadvantaged communities by doing both of the following:

(1) Working to establish a payment process pursuant to which the recipient of financial assistance would receive funds within 30 days of the date on which the board receives a complete project payment request, unless the board, within that 30-day period, determines that the project payment would not be in accordance with the terms of the program guidelines.

(2) Investigating the use of wire transfers or other appropriate payment procedures to expedite project payments.

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

SEC. 73. Section 116760.40 of the Health and Safety Code is amended to read:

116760.40. (a) The department may undertake any of the following actions to implement the Safe Drinking Water State Revolving Fund:

(1) Enter into agreements with the federal government for federal contributions to the fund.

(2) Accept federal contributions to the fund.

(3) Use moneys in the fund for the purposes permitted by the federal act.

(4) Provide for the deposit of matching funds and other available and necessary moneys into the fund.

(5) Make requests, on behalf of the state, for deposit into the fund of available federal moneys under the federal act.

(6) Determine, on behalf of the state, that public water systems that receive financial assistance from the fund will meet the requirements of, and otherwise be treated as required by, the federal act.

(7) Provide for appropriate audit, accounting, and fiscal management services, plans, and reports relative to the fund.

(8) Take additional incidental action as may be appropriate for adequate administration and operation of the fund.

(9) Enter into an agreement with, and accept matching funds from, a public water system. A public water system that seeks to enter into an agreement with the department and provide matching funds pursuant to this subdivision shall provide to the department evidence of the availability of those funds in the form of a written resolution, or equivalent document, from the public water system before it requests a preliminary loan commitment.

(10) Charge public water systems that elect to provide matching funds a fee to cover the actual cost of obtaining the federal funds pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec. 300j-12) and to process the loan application. The fee shall be waived by the department if sufficient funds to cover those costs are available from other sources.

(11) Use money returned to the fund under Section 116761.85 and any other source of matching funds, if not prohibited by statute, as matching funds for the federal administrative allowance under Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).

(12) Establish separate accounts or subaccounts as required or allowed in the federal act and related guidance, for funds to be used for administration of the fund and other purposes. Within the fund the department shall establish the following accounts, including, but not limited to:

(A) A fund administration account for state expenses related to administration of the fund pursuant to Section 1452(g)(2) of the federal act.

(B) A water system reliability account for department expenses pursuant to Section 1452(g)(2)(A), (B), (C), or (D) of the federal act.

(C) A source protection account for state expenses pursuant to Section 1452(k) of the federal act.

(D) A small system technical assistance account for department expenses pursuant to Section 1452(g)(2) of the federal act.

(E) A state revolving loan account pursuant to Section 1452(a)(2) of the federal act.

(F) A wellhead protection account established pursuant to Section 1452(a)(2) of the federal act.

(13) Deposit federal funds for administration and other purposes into separate accounts or subaccounts as allowed by the federal act.

(14) Determine, on behalf of the state, whether sufficient progress is being made toward compliance with the enforceable deadlines, goals, and requirements of the federal act and the California Safe Drinking Water Act, Chapter 4 (commencing with Section 116270).

(15) To the extent permitted under federal law, including, but not limited to, Section 1452(a)(2) and (f)(4) of the federal Safe Drinking Water Act (42 U.S.C. Sec. 300j-12(a)(2) and (f)(4)), use any and all amounts deposited in the fund, including, but not limited to, loan repayments and interest earned on the loans, as a source of reserve and security for the payment of principal and interest on revenue bonds, the proceeds of which are deposited in the fund.

(16) Request the Infrastructure and Economic Development Bank (I-Bank), established under Chapter 2 (commencing with Section 63021) of Division 1 of Title 6.7 of the Government Code, to issue revenue bonds, enter into agreements with the I-Bank, and take all other actions necessary or convenient for the issuance and sale of revenue bonds pursuant to Article 6.3 (commencing with Section 63048.55) of Chapter 2 of Division 1 of Title 6.7 of the Government Code. The purpose of the bonds is to augment the fund.

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

SEC. 74. Section 116760.40 is added to the Health and Safety Code, to read:

116760.40. (a) The board may undertake any of the following actions to implement the Safe Drinking Water State Revolving Fund:

(1) Enter into agreements with the federal government for federal contributions to the fund.

(2) Accept federal contributions to the fund.

(3) Use moneys in the fund for the purposes permitted by the federal act.

(4) Provide for the deposit of matching funds and other available and necessary moneys into the fund.

(5) Make requests, on behalf of the state, for deposit into the fund of available federal moneys under the federal act.

(6) Determine, on behalf of the state, that public water systems that receive financial assistance from the fund will meet the requirements of, and otherwise be treated as required by, the federal act.

(7) Provide for appropriate audit, accounting, and fiscal management services, plans, and reports relative to the fund.

(8) Take additional incidental action as may be appropriate for adequate administration and operation of the fund.

(9) Enter into an agreement with, and accept matching funds from, a public water system.

(10) Charge public water systems that elect to provide matching funds a fee to cover the actual cost of obtaining the federal funds pursuant to Section 1452(e) of the federal act (42 U.S.C. Sec. 300j-12) and to process the loan application. The fee shall be waived by the board if sufficient funds to cover those costs are available from other sources.

(11) Use any source of matching funds, if not prohibited by statute, as matching funds for the federal administrative allowance under Section 1452(g) of the federal act (42 U.S.C. Sec. 300j-12).

(12) Establish separate accounts or subaccounts as required or allowed in the federal act and related guidance, for funds to be used for administration of the fund and other purposes. Within the

fund, the board may modify existing accounts and may establish other accounts as the board deems appropriate or necessary for proper administration of the chapter.

(13) Deposit federal funds for administration and other purposes into separate accounts or subaccounts, as allowed by the federal act.

(14) Determine, on behalf of the state, whether sufficient progress is being made toward compliance with the enforceable deadlines, goals, and requirements of the federal act and the California Safe Drinking Water Act, Chapter 4 (commencing with Section 116270).

(15) To the extent permitted under federal law, including, but not limited to, Section 1452(a)(2) and (f)(4) of the federal Safe Drinking Water Act (42 U.S.C. Sec. 300j-12(a)(2) and (f)(4)), use any and all amounts deposited in the fund, including, but not limited to, loan repayments and interest earned on the loans, as a source of reserve and security for the payment of principal and interest on revenue bonds, the proceeds of which are deposited in the fund.

(16) Request the Infrastructure and Economic Development Bank (I-Bank), established under Chapter 2 (commencing with Section 63021) of Division 1 of Title 6.7 of the Government Code, to issue revenue bonds, enter into agreements with the I-Bank, and take all other actions necessary or convenient for the issuance and sale of revenue bonds pursuant to Article 6.3 (commencing with Section 63048.55) of Chapter 2 of Division 1 of Title 6.7 of the Government Code. The purpose of the bonds is to augment the fund.

(17) Engage in the transfer of capitalization grant funds, as authorized by Section 35.3530(c) of Title 40 of the Code of Federal Regulations and reauthorized by Public Law 109-54, to the extent set forth in an Intended Use Plan, that shall be subject to approval by the board.

(18) Cross-collateralize revenue bonds with the State Water Pollution Control Revolving Fund created pursuant to Section 13477 of the Water Code, as authorized by Section 35.3530(d) of Title 40 of the Code of Federal Regulations.

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

SEC. 75. Section 116760.42 of the Health and Safety Code is amended to read:

116760.42. (a) The department may enter into an agreement with the federal government for federal contributions to the fund only if both of the following apply:

(1) The state has obtained or appropriated any required state matching funds.

(2) The department is prepared to commit to expenditure of any minimum amount in the fund in the manner required by the federal act.

(b) An agreement between the department and the federal government shall contain those provisions, terms, and conditions required by the federal act, and any implementing federal rules, regulations, guidelines, and policies, including, but not limited to, agreement to the following:

(1) Moneys in the fund shall be expended in an expeditious and timely manner.

(2) All moneys in the fund as a result of federal capitalization grants shall be expended to ensure sufficient progress is being made toward compliance with the enforceable deadlines, goals, and requirements of the federal act, including any applicable compliance deadlines.

(3) Federal funds deposited in the special accounts are continuously appropriated for use by the department as allowed by federal law. Unexpended funds in the special accounts shall be carried over into subsequent years for use by the department.

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

SEC. 76. Section 116760.42 is added to the Health and Safety Code, to read:

116760.42. (a) The board may enter into an agreement with the federal government for federal contributions to the fund only if the board is prepared to commit to expenditure of any minimum amount in the fund in the manner required by the federal act.

(b) An agreement between the board and the federal government shall contain those provisions, terms, and conditions required by the federal act, and implementing federal rules, regulations, guidelines, and policies, including, but not limited to, agreement to the following:

(1) Moneys in the fund shall be expended in an expeditious and timely manner.

(2) All moneys in the fund as a result of federal capitalization grants shall be expended to ensure sufficient progress is being made toward compliance with the enforceable deadlines, goals, and requirements of the federal act, including any applicable compliance deadlines.

(3) Federal funds deposited in the special accounts are continuously appropriated for use by the board as allowed by federal law. Unexpended funds in the special accounts shall be carried over into subsequent years for use by the board.

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

SEC. 77. Section 116760.43 of the Health and Safety Code is amended to read:

116760.43. (a) The department may adopt emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code necessary or convenient to implement this chapter and to meet requirements pursuant to the federal act.

(b) The adoption of any emergency regulations that are filed with the Office of Administrative Law within 18 months of the effective date of this act shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

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

SEC. 78. Section 116760.43 is added to the Health and Safety Code, to read:

116760.43. (a) The board shall implement this chapter pursuant to the adoption of a policy handbook that is not subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Government Code. The policy handbook shall be posted on the board's Internet Web site.

(b) Any regulations that have been promulgated pursuant to this chapter are repealed effective upon adoption by the board of the policy handbook.

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

SEC. 79. Section 116760.44 of the Health and Safety Code is amended to read:

116760.44. (a) The department may deposit administrative fees and charges paid by public water systems and other available and necessary money into the administrative account of the fund.

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

SEC. 80. Section 116760.44 is added to the Health and Safety Code, to read:

116760.44. (a) The board may deposit administrative fees and charges paid by public water systems and other available and necessary money into an account of the fund.

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

SEC. 81. Section 116760.46 of the Health and Safety Code is amended to read:

116760.46. (a) The Safe Drinking Water Small Community Emergency Grant Fund is hereby created in the State Treasury.

(b) The following moneys shall be deposited in the grant fund:

(1) Moneys transferred to the grant fund pursuant to subdivision (c).

(2) Notwithstanding Section 16475 of the Government Code, any interest earned upon the moneys deposited in the grant fund.

(c) (1) For any loans made for projects meeting the eligibility criteria under Section 116760.50, the department may assess an annual charge to be deposited in the grant fund in lieu of interest that would otherwise be charged.

(2) Any amounts collected under this subdivision shall be deposited in the grant fund. Not more than fifty million dollars ($50,000,000) shall be deposited in the grant fund.

(3) The charge authorized by this subdivision may be applied at any time during the term of the financing and, once applied, shall remain unchanged.

(4) The charge authorized by this subdivision shall not increase the financing repayment amount, as set forth in the terms and conditions imposed pursuant to this chapter.

(d) (1) Moneys in the grant fund may be expended on grants for projects that meet the requirements stated in Section 116475

and that serve disadvantaged and severely disadvantaged communities.

(2) For the purpose of approving grants, the department shall give priority to projects that serve severely disadvantaged communities.

(3) Funds expended pursuant to this section shall be expended in a manner consistent with the federal EPA grant regulations established in Section 35.3530(b)(2) of Title 40 of the Code of Federal Regulations.

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

SEC. 82. Section 116760.46 is added to the Health and Safety Code, to read:

116760.46. (a) The Safe Drinking Water Small Community Emergency Grant Fund is hereby created in the State Treasury.

(b) The following moneys shall be deposited in the grant fund:

(1) Moneys transferred to the grant fund pursuant to subdivision (c).

(2) Notwithstanding Section 16475 of the Government Code, any interest earned upon the moneys deposited in the grant fund.

(c) (1) For any financing made pursuant to this chapter, the board may assess an annual charge to be deposited in the grant fund in lieu of interest that would otherwise be charged.

(2) Any amounts collected under this subdivision shall be deposited in the grant fund.

(3) The charge authorized by this subdivision may be applied at any time during the term of the financing and, once applied, shall remain unchanged, unless the board determines that the application of the charge is any of the following:

(A) No longer consistent with federal requirements regarding the fund.

(B) No longer necessary.

(C) Negatively affecting the board's ability to fund projects that support the board's goals as specified in this chapter.

(4) If the board ceases collecting the charge before the financing repayment is complete, the board shall replace the charge with an identical interest rate.

(5) The charge authorized by this subdivision shall not increase the financing repayment amount, as set forth in the terms and conditions imposed pursuant to this chapter.

(d) (1) Moneys in the grant fund may be expended on grants for projects that meet the requirements of this chapter and that serve disadvantaged and severely disadvantaged communities or address emergencies experienced by small community water systems.

(2) For the purpose of approving grants, the board shall give priority to projects that serve severely disadvantaged communities.

(3) Funds expended pursuant to this section shall be expended in a manner consistent with the federal EPA capitalization grant requirements established in Section 35.3530(b)(2) of Title 40 of the Code of Federal Regulations.

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

SEC. 83. Section 116760.50 of the Health and Safety Code is amended to read:

116760.50. (a) The department shall establish criteria that shall be met for projects to be eligible for consideration for funding under this chapter. The criteria shall include all of the following:

(1) All preliminary design work for a defined project that will enable the applicant to supply water that meets safe drinking water standards, including a cost estimate for the project, shall be completed.

(2) A legal entity shall exist that has the authority to enter into contracts and incur debt on behalf of the community to be served and owns the public water system or has the right to operate the public water system under a lease with a term of at least 20 years, unless otherwise authorized by the department. If the proposed project is funded by a loan under this chapter, the department may require the applicant to secure a lease for the full term of the loan if the loan exceeds 20 years.

(3) The applicant shall hold all necessary water rights.

(4) The applicant shall have completed any review required pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and the guidelines adopted pursuant thereto, and have included plans for compliance with that act in its preliminary plans for the project.

(5) The applicant has assembled sufficient financial data to establish its ability to complete the proposed project and to establish the amount of debt financing it can undertake.

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

SEC. 84. Section 116760.50 is added to the Health and Safety Code, to read:

116760.50. (a) The board shall establish eligibility criteria for funding pursuant to this chapter that includes all of the following:

(1) All preliminary design work for a defined project that will enable the applicant to supply water that meets safe drinking water standards, including a cost estimate for the project, shall be completed.

(2) A legal entity shall exist that has the authority to enter into contracts and incur debt on behalf of the community to be served and owns the public water system or has the right to operate the public water system for at least the term of the financing agreement.

(3) The applicant shall hold all necessary water rights.

(4) The applicant shall have completed any review required pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and the guidelines adopted pursuant thereto, and have included plans for compliance with that act in its preliminary plans for the project.

(5) The applicant shall have assembled sufficient financial data to establish its ability to complete the proposed project and to establish the amount of debt financing it can undertake.

(b) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 85. Section 116760.50 is added to the Health and Safety Code, to read:

116760.50. (a) The board shall establish eligibility criteria for project financing pursuant to this chapter that shall be consistent with federal requirements.

(b) This section shall become operative on January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 86. Section 116760.55 of the Health and Safety Code is amended to read:

116760.55. (a) For purposes of the department considering eligibility for grant funding for a planning project, a legal entity may apply on behalf of one or more public water systems serving disadvantaged or severely disadvantaged communities if all of the following requirements are met:

(1) The legal entity has a signed agreement with each public water system for which it is applying for funding for a planning and feasibility study project that indicates that the public water system agrees to the joint application and that the legal entity is acting on behalf of, and in place of, the public water system.

(2) The application is for 100 percent grant funding for a planning and feasibility project.

(3) The planning and feasibility study project includes a study of the feasibility of consolidation, which may include expansion of service to communities not currently served by a public water system.

(4) The applicant has demonstrated that the legal entity has the ability to complete the proposed planning project.

(5) At least one of the project participating public water systems has a primary drinking water standard violation and is on the project priority list.

(b) For purposes of this section, “legal entity” means an entity that is duly formed and operating under the laws of this state.

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

SEC. 87. Section 116760.55 is added to the Health and Safety Code, to read:

116760.55. (a) For purposes of the board considering eligibility for grant or principal forgiveness funding for a planning project, a legal entity may apply on behalf of one or more public water

systems serving disadvantaged or severely disadvantaged communities if all of the following requirements are met:

(1) The legal entity has a signed agreement with each public water system for which it is applying for funding for a planning and feasibility study project that indicates that the public water system agrees to the joint application and that the legal entity is acting on behalf of, and in place of, the public water system.

(2) The application is for 100 percent grant or principal forgiveness funding for a planning and feasibility project.

(3) The planning and feasibility study project includes a study of the feasibility of consolidation, which may include expansion of service to communities not currently served by a public water system.

(4) The applicant has demonstrated that the legal entity has the ability to complete the proposed planning project.

(5) At least one of the project participating public water systems has a primary drinking water standard violation and is on the project priority list.

(b) For purposes of this section, "legal entity" means an entity that is duly formed and operating under the laws of this state.

(c) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 88. Section 116760.60 of the Health and Safety Code is amended to read:

116760.60. (a) The department shall notify suppliers that may be eligible for funding pursuant to this chapter of the purposes of this chapter and the regulations established by the department.

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

SEC. 89. Section 116760.70 of the Health and Safety Code is amended to read:

116760.70. (a) The department, after public notice and hearing, shall, from time to time, establish a priority list of proposed projects to be considered for funding under this chapter. In doing so, the department shall determine if improvement or rehabilitation of the

public water system is necessary to provide pure, wholesome, and potable water in adequate quantity and at sufficient pressure for health, cleanliness, and other domestic purposes. The department shall establish criteria for placing public water systems on the priority list for funding that shall include criteria for priority list categories. Priority shall be given to projects that meet all of the following requirements:

(1) Address the most serious risk to human health.

(2) Are necessary to ensure compliance with requirements of Chapter 4 (commencing with Section 116270) including requirements for filtration.

(3) Assist systems most in need on a per household basis according to affordability criteria.

(b) The department may, in establishing a new priority list, merge those proposed projects from the existing priority list into the new priority list.

(c) In establishing the priority list, the department shall consider the system's implementation of an ongoing source water protection program or wellhead protection program.

(d) In establishing the priority list categories and the priority for funding projects, the department shall carry out the intent of the Legislature pursuant to subdivisions (e) to (h), inclusive, of Section 116760.10 and do all of the following:

(1) Give priority to upgrade an existing system to meet drinking water standards.

(2) After giving priority pursuant to paragraph (1), consider whether the applicant has sought other funds when providing funding for a project to upgrade an existing system and to accommodate a reasonable amount of growth.

(e) Consideration of an applicant's eligibility for funding shall initially be based on the priority list in effect at the time the application is received and the project's ability to proceed. If a new priority list is established during the time the application is under consideration, but before the applicant receives a letter of commitment, the department may consider the applicant's eligibility for funding based on either the old or new priority list.

(f) The department may change the ranking of a specific project on the priority lists at any time following the publication of the list if information, that was not available at the time of the

publication of the list, is provided that justifies the change in the ranking of the project.

(g) The department shall provide one or more public hearings on the Intended Use Plan, the priority list, and the criteria for placing public water systems on the priority list. The department shall provide notice of the Intended Use Plan, criteria, and priority list not less than 30 days before the public hearing. The Intended Use Plan, criteria, and priority list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall conduct duly noticed public hearings and workshops around the state to encourage the involvement and active input of public and affected parties, including, but not limited to, water utilities, local government, public interest, environmental, and consumer groups, public health groups, land conservation interests, health care providers, groups representing vulnerable populations, groups representing business and agricultural interests, and members of the general public, in the development and periodic updating of the Intended Use Plan and the priority list.

(h) The requirements of this section do not constitute an adjudicatory proceeding as defined in Section 11405.20 of the Government Code and Section 11410.10 of the Government Code is not applicable.

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

SEC. 90. Section 116760.70 is added to the Health and Safety Code, to read:

116760.70. (a) The board, after public notice and opportunity for comment, shall, from time to time, establish a priority list of proposed projects to be considered for funding under this chapter. In doing so, the board shall determine if improvement or rehabilitation of the public water system is necessary to provide pure, wholesome, and potable water in adequate quantity and at sufficient pressure for health, cleanliness, and other domestic purposes. The board shall establish criteria for placing public water systems on the priority list for funding that shall include criteria for priority list categories. Priority shall be given to projects that meet all of the following requirements:

(1) Address the most serious risk to human health.

(2) Are necessary to ensure compliance with requirements of Chapter 4 (commencing with Section 116270) including requirements for filtration.

(3) Assist systems most in need on a per household basis according to affordability criteria.

(b) The board may, in establishing a new priority list, merge those proposed projects from the existing priority list into the new priority list.

(c) In establishing the priority list, the board shall consider the system's implementation of an ongoing source water protection program or wellhead protection program.

(d) In establishing the priority list categories and the priority for funding projects, the board shall carry out the intent of the Legislature pursuant to subdivisions (f) to (i), inclusive, of Section 116760.10 and do all of the following:

(1) Give priority to upgrade an existing system to meet drinking water standards.

(2) After giving priority pursuant to paragraph (1), consider whether the applicant has sought other funds when providing funding for a project to upgrade an existing system and to accommodate a reasonable amount of growth.

(e) Consideration of an applicant's eligibility for funding shall initially be based on the priority list in effect at the time the application is received and the project's ability to proceed. If a new priority list is established during the time the application is under consideration, but before the applicant receives a letter of commitment, the board may consider the applicant's eligibility for funding based on either the old or new priority list.

(f) The board may change the ranking of a specific project on the priority lists at any time following the publication of the list if information, that was not available at the time of the publication of the list, is provided that justifies the change in the ranking of the project.

(g) The board shall provide one or more public hearings on the Intended Use Plan, the priority list, and the criteria for placing public water systems on the priority list. The board shall adopt an Intended Use Plan and provide notice of the Intended Use Plan, criteria, and priority list not less than 30 days before the adoption of the Intended Use Plan. The Intended Use Plan, criteria, and

priority list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(h) The requirements of this section do not constitute an adjudicatory proceeding as defined in Section 11405.20 of the Government Code and Section 11410.10 of the Government Code is not applicable.

(i) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 91. Section 116760.79 of the Health and Safety Code is amended to read:

116760.79. (a) Applications for funding under this chapter shall be made in the form and with the supporting material prescribed by the department.

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

SEC. 92. Section 116760.79 is added to the Health and Safety Code, to read:

116760.79. (a) Applications for funding under this chapter shall be made in the form and with the supporting material prescribed by the board.

(b) This section shall become operative on July 1, 2014, and is repealed on January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 93. Section 116760.80 of the Health and Safety Code is amended to read:

116760.80. (a) The department shall determine, based on applications received, whether a particular applicant meets the criteria to be eligible for consideration.

(b) If the applicant does not meet the criteria, it may be considered for planning and preliminary engineering study funding. An applicant successfully completing a study is eligible for consideration for project design and construction funding after the

study is completed and it has met the criteria to be eligible for consideration for project design and construction funding.

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

SEC. 94. Section 116760.80 is added to the Health and Safety Code, to read:

116760.80. (a) The board shall determine, based on applications received, whether a particular applicant meets the criteria to be eligible for consideration.

(b) If the applicant does not meet the criteria, it may be considered for planning and preliminary engineering study funding. An applicant successfully completing a study is eligible for consideration for project design and construction funding after the study is completed and it has met the criteria to be eligible for consideration for project design and construction funding.

(c) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 95. Section 116760.90 of the Health and Safety Code is amended to read:

116760.90. (a) The department shall not approve an application for funding unless the department determines that the proposed study or project is necessary to enable the applicant to meet safe drinking water standards, and is consistent with an adopted countywide plan, if any. The department may refuse to fund a study or project if it determines that the purposes of this chapter may more economically and efficiently be met by means other than the proposed study or project. The department shall not approve an application for funding a project with a primary purpose to supply or attract future growth. The department may limit funding to costs necessary to enable suppliers to meet primary drinking water standards, as defined in Chapter 4 (commencing with Section 116270).

(b) With respect to applications for funding of project design and construction, the department shall also determine all of the following:

(1) Upon completion of the project, the applicant will be able to supply water that meets safe drinking water standards.

(2) The project is cost effective.

(3) If the entire project is not to be funded under this chapter, the department shall specify which costs are eligible for funding.

(c) In considering an application for funding a project that meets all other requirements of this chapter and regulations, the department shall not be prejudiced by the applicant initiating the project before the department approves the application for funding. Preliminary project costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred by the applicant before the department approves the application for funding. Construction costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred after the approval of the application by the department but prior to the department entering into a contract with the applicant pursuant to Section 116761.50.

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

SEC. 96. Section 116760.90 is added to the Health and Safety Code, to read:

116760.90. (a) The board shall not approve an application for funding unless the board determines that the proposed study or project is necessary to enable the applicant to meet safe drinking water standards, and is consistent with an adopted countywide plan, if any. The board may refuse to fund a study or project if it determines that the purposes of this chapter may more economically and efficiently be met by means other than the proposed study or project. The board shall not approve an application for funding a project with a primary purpose to supply or attract future growth. The board may limit funding to costs necessary to enable suppliers to meet primary drinking water standards, as defined in Chapter 4 (commencing with Section 116270).

(b) With respect to applications for funding of project design and construction, the board shall also determine all of the following:

(1) Upon completion of the project, the applicant will be able to supply water that meets safe drinking water standards.

(2) The project is cost effective.

(3) If the entire project is not to be funded under this chapter, the board shall specify which costs are eligible for funding.

(c) In considering an application for funding a project that meets all other requirements of this chapter and regulations, the board shall not be prejudiced by the applicant initiating the project before the board approves the application for funding. Preliminary project costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred by the applicant before the board approves the application for funding. Construction costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred after the approval of the application by the board, but before the board entering into a contract with the applicant pursuant to Section 116761.50.

(d) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 97. Section 116761 of the Health and Safety Code is amended to read:

116761. (a) Planning and preliminary engineering studies, project design, and construction costs eligible for funding under this chapter shall be established by the department and may include any of the following:

(1) Reasonable costs for the construction, improvement, or rehabilitation of facilities of the public water system, which may include water supply, treatment works, and all or part of a water distribution system, if necessary to carry out the purposes of this chapter.

(2) Reasonable costs associated with the consolidation of water systems, including, but not limited to, reasonable facility fees, connection fees, or similar charges.

(3) Reasonable costs of purchasing water systems, water rights, or watershed lands.

(4) Operation and maintenance costs only to the extent they are used in the startup and testing of the completed project. All other

operation and maintenance costs shall be the responsibility of the supplier and shall not be considered as part of the project costs.

(5) Reasonable costs of establishing eligibility for funding under this chapter that were incurred before the department entered into a commitment to fund the project under this chapter.

(6) The acquisition of real property or interests therein only if the acquisition is integral to a project, and as otherwise limited in the federal act.

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

SEC. 98. Section 116761 is added to the Health and Safety Code, to read:

116761. (a) Planning and preliminary engineering studies, project design, and construction costs eligible for funding under this chapter shall be established by the board and may include any of the following:

(1) Reasonable costs for the construction, improvement, or rehabilitation of facilities of the public water system, which may include water supply, treatment works, and all or part of a water distribution system, if necessary to carry out the purposes of this chapter.

(2) Reasonable costs associated with the consolidation of water systems, including, but not limited to, reasonable facility fees, connection fees, or similar charges.

(3) Reasonable costs of purchasing water systems, water rights, or watershed lands.

(4) Operation and maintenance costs only to the extent they are used in the startup and testing of the completed project. All other operation and maintenance costs shall be the responsibility of the supplier and shall not be considered as part of the project costs.

(5) Reasonable costs of establishing eligibility for funding under this chapter that were incurred before the board entered into a commitment to fund the project under this chapter.

(6) The acquisition of real property or interests therein only if the acquisition is integral to a project, and as otherwise limited in the federal act.

(b) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after

the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 99. Section 116761.20 of the Health and Safety Code is amended to read:

116761.20. (a) Planning and preliminary engineering studies, project design, and construction costs incurred by community and not-for-profit noncommunity public water systems may be funded under this chapter by loans, and, if these systems are owned by public agencies or private not-for-profit water companies, by grants or a combination of grants and loans.

(b) (1) The department shall determine what portion of the full costs the public agency or private not-for-profit water company is capable of repaying and authorize funding in the form of a loan for that amount. The department shall authorize a grant only to the extent the department finds the public agency or not-for-profit water company is unable to repay the full costs of a loan.

(2) Notwithstanding any other provision of this chapter, a small community water system or nontransient noncommunity water system that is owned by a public agency or a private not-for-profit water company and serving a severely disadvantaged community, is deemed to have no ability to repay a loan.

(c) At the request of the department, the Public Utilities Commission shall submit comments concerning the ability of suppliers, subject to its jurisdiction, to finance the project from other sources and to repay the loan.

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

SEC. 100. Section 116761.20 is added to the Health and Safety Code, to read:

116761.20. (a) Planning and preliminary engineering studies, project design, and construction costs incurred by community and not-for-profit noncommunity public water systems may be funded under this chapter by loans or other repayable financing, and, if these systems are owned by public agencies or private not-for-profit water companies, by grants, principal forgiveness, or a combination of grants and loans or other financial assistance.

(b) (1) The board shall determine what portion of the full costs the public agency or private not-for-profit water company is capable of repaying and authorize funding in the form of a loan or other repayable financing for that amount. The board shall authorize a grant or principal forgiveness only to the extent the board finds the public agency or not-for-profit water company is unable to repay the full costs of the financing.

(2) Notwithstanding any other provision of this chapter, a small community water system or nontransient noncommunity water system that is owned by a public agency or a private not-for-profit water company and serving a severely disadvantaged community, is deemed to have no ability to repay any financing.

(c) At the request of the board, the Public Utilities Commission shall submit comments concerning the ability of suppliers, subject to its jurisdiction, to finance the project from other sources and to repay the financing.

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

SEC. 101. Section 116761.21 of the Health and Safety Code is amended to read:

116761.21. (a) Not more than 30 percent and not less than 15 percent, provided that there are projects eligible for funding as prescribed in Section 116760.70, of the total amount deposited in the fund may be expended for grants. This amount shall be limited to disadvantaged communities specified in Section 1452(d) of the federal act (42 U.S.C.A. Sec. 300j-12).

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

SEC. 102. Section 116761.22 of the Health and Safety Code is amended to read:

116761.22. (a) Loans for project design and construction shall be repaid over a term not longer than the useful life of the project constructed or 20 years, whichever is shorter, except as provided in the federal act.

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

SEC. 103. Section 116761.23 of the Health and Safety Code is amended to read:

116761.23. (a) The maximum amount of a planning grant permitted under this chapter for each participating public water system's share of the costs of the planning, engineering studies, environmental documentation, and design of a single project shall be no more than five hundred thousand dollars ($500,000).

(b) Unless the department approves an increase pursuant to this subdivision, the maximum amount of a construction grant award authorized under this chapter to each participating public water system for its share of the cost of the construction of a single project shall be no more than three million dollars ($3,000,000). The department may approve an increase in the maximum amount for a construction grant award authorized under this chapter so that the maximum amount of the construction grant award does not exceed ten million dollars ($10,000,000) only if the department makes all of the following findings:

(1) A public water system that serves a disadvantaged community has a defined project need that exceeds the maximum grant amount of three million dollars ($3,000,000).

(2) The defined project has been bypassed in at least one funding cycle due to a lack of funds.

(3) The defined project is eligible for funding pursuant to the program regulations.

(4) The defined project represents the highest public health risk among unfunded projects, as determined by the department according to its standard criteria.

(c) Total funding under this article for planning, engineering studies, environmental documentation, project design, and construction costs of a single project, whether in the form of a loan or a grant, or both, shall be determined by an assessment of affordability using criteria established by the department.

(d) Subject to all other limitations of this chapter, a small community water system or nontransient noncommunity water system, owned by a public agency or private not-for-profit water company, serving severely disadvantaged communities shall be eligible to receive up to 100 percent of eligible project costs in the form of a grant, to the extent the system cannot afford a loan as determined by the department pursuant to Section 116761.20.

(e) Subject to the availability of funds and the applicant's ability to repay, an applicant may receive up to the full cost of the project in the form of a loan bearing interest at the rate established pursuant to subdivision (a) of Section 116761.65.

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

SEC. 104. Section 116761.23 is added to the Health and Safety Code, to read:

116761.23. (a) The maximum amount of a planning grant permitted under this chapter for each participating public water system's share of the costs of the planning, engineering studies, environmental documentation, and design of a single project shall be no more than five hundred thousand dollars ($500,000).

(b) Unless the board approves an increase pursuant to this subdivision, the maximum amount of a construction grant award authorized under this chapter to each participating public water system for its share of the cost of the construction of a single project shall be no more than three million dollars ($3,000,000). The board may approve an increase in the maximum amount for a construction grant award authorized under this chapter so that the maximum amount of the construction grant award does not exceed ten million dollars ($10,000,000) only if the board makes all of the following findings:

(1) A public water system that serves a disadvantaged community has a defined project need that exceeds the maximum grant amount of three million dollars ($3,000,000).

(2) The defined project has been bypassed in at least one funding cycle due to a lack of funds.

(3) The defined project is eligible for funding pursuant to the program regulations.

(4) The defined project represents the highest public health risk among unfunded projects, as determined by the board according to its standard criteria.

(c) Total funding under this article for planning, engineering studies, environmental documentation, project design, and construction costs of a single project, whether in the form of a loan or a grant, or both, shall be determined by an assessment of affordability using criteria established by the board.

(d) Subject to all other limitations of this chapter, a small community water system or nontransient noncommunity water system, owned by a public agency or private not-for-profit water company, serving severely disadvantaged communities shall be eligible to receive up to 100 percent of eligible project costs in the form of a grant, to the extent the system cannot afford a loan as determined by the board pursuant to Section 116761.20.

(e) Subject to the availability of funds and the applicant's ability to repay, an applicant may receive up to the full cost of the project in the form of a loan bearing interest at the rate established pursuant to subdivision (a) of Section 116761.65.

(f) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 105. Section 116761.24 of the Health and Safety Code is amended to read:

116761.24. (a) Not less than 15 percent of the total amount deposited in the fund shall be expended for providing loans and grants to public water systems that regularly serve fewer than 10,000 persons to the extent those funds can be obligated for eligible projects.

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

SEC. 106. Section 116761.40 of the Health and Safety Code is amended to read:

116761.40. (a) The failure or inability of any public water system to receive funds under this chapter or any other loan or grant program or any delay in obtaining the funds shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of the California Safe Drinking Water Act or the federal act.

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

SEC. 107. Section 116761.40 is added to the Health and Safety Code, to read:

116761.40. (a) The failure or inability of any public water system to receive funds under this chapter or any other financial assistance program or any delay in obtaining the funds shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of the California Safe Drinking Water Act or the federal act.

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

SEC. 108. Section 116761.50 of the Health and Safety Code is amended to read:

116761.50. (a) The department may enter into contracts with applicants for grants or loans for the purposes set forth in this chapter. Any contract entered into pursuant to this section shall include only terms and conditions consistent with this chapter and the regulations established under this chapter.

(b) The contract shall include all of the following terms and conditions that are applicable:

(1) An estimate of the reasonable cost of the project or study.

(2) An agreement by the department to loan or grant, or loan and grant, the applicant an amount that equals the portion of the costs found by the department to be eligible for a state loan or grant. The agreement may provide for disbursement of funds during the progress of the study or construction, or following completion of the study or construction, as agreed by the parties.

(3) An agreement by the applicant to proceed expeditiously with the project or study.

(4) An agreement by the applicant to commence operations of the project upon completion of the project, and to properly operate and maintain the project in accordance with the applicable provisions of law.

(5) In the case of a loan, an agreement by the applicant to repay the state, over a period not to exceed the useful life of the project or 20 years, whichever is shorter, except as provided in the federal act, or in the case of a study, over a period not to exceed five years, all of the following:

(A) The amount of the loan.

(B) The administrative fee specified in subdivision (a) of Section 116761.70.

(C) Interest on the principal, which is the amount of the loan plus the administrative fee.

(6) In the case of a grant, an agreement by the public agency or private not-for-profit water company to operate and maintain the water system for a period of 20 years, unless otherwise authorized by the department.

(c) The contract may include any of the following terms and conditions:

(1) An agreement by the supplier to adopt a fee structure that provides for the proper maintenance and operations of the project and includes a sinking fund for repair and replacement of the facilities in cases where appropriate. The fee structure shall also provide an acceptable dedicated source of revenue for the repayment of the amount of the loan, and the payment of administrative fees and interest.

(2) If the entire project is not funded pursuant to this chapter, the department may include a provision requiring the applicant to share the cost of the project or obtain funding from other sources.

(d) The department may require applicants to provide security for loan contracts.

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

SEC. 109. Section 116761.50 is added to the Health and Safety Code, to read:

116761.50. (a) The board may enter into contracts with applicants for grants or loans for the purposes set forth in this chapter. Any contract entered into pursuant to this section shall include only terms and conditions consistent with this chapter and the regulations established under this chapter.

(b) The contract shall include all of the following terms and conditions that are applicable:

(1) An estimate of the reasonable cost of the project or study.

(2) An agreement by the board to loan or grant, or loan and grant, the applicant an amount that equals the portion of the costs found by the board to be eligible for a state loan or grant. The agreement may provide for disbursement of funds during the progress of the study or construction, or following completion of the study or construction, as agreed by the parties.

(3) An agreement by the applicant to proceed expeditiously with the project or study.

(4) An agreement by the applicant to commence operations of the project upon completion of the project, and to properly operate and maintain the project in accordance with the applicable provisions of law.

(5) In the case of a loan, an agreement by the applicant to repay the state, over a period not to exceed the useful life of the project or 20 years, whichever is shorter, except as provided in the federal act, or in the case of a study, over a period not to exceed five years, all of the following:

(A) The amount of the loan.

(B) The administrative fee specified in subdivision (a) of Section 116761.70.

(C) Interest on the principal, which is the amount of the loan plus the administrative fee.

(6) In the case of a grant, an agreement by the public agency or private not-for-profit water company to operate and maintain the water system for the term of the financing agreement or the useful life of the project, as determined by the board, unless otherwise authorized by the board.

(c) The contract may include any of the following terms and conditions:

(1) An agreement by the supplier to adopt a fee structure that provides for the proper maintenance and operations of the project and includes a sinking fund for repair and replacement of the facilities in cases where appropriate. The fee structure shall also provide an acceptable dedicated source of revenue for the repayment of the amount of the loan, and the payment of administrative fees and interest.

(2) If the entire project is not funded pursuant to this chapter, the board may include a provision requiring the applicant to share the cost of the project or obtain funding from other sources.

(d) The board may require applicants to provide security for loan contracts.

(e) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 110. Section 116761.50 is added to the Health and Safety Code, to read:

116761.50. (a) The board may enter into financing agreements with applicants for the purposes set forth in this chapter.

(b) If the board provides construction financing, the financing recipient shall commit to operate and maintain, or ensure the operation and maintenance of, the water system for the term of the financing agreement or the useful life of the project, as determined by the board, unless otherwise authorized by the board.

(c) This section shall become operative on January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 111. Section 116761.60 of the Health and Safety Code is amended to read:

116761.60. (a) All funding received under this chapter shall be expended by the applicant within three years of the execution of the contract with the department or its designee. The three-year period may be extended, with the approval of the department, until five years after the date the original contract, not including amendments, was executed.

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

SEC. 112. Section 116761.60 is added to the Health and Safety Code, to read:

116761.60. (a) All funding received under this chapter shall be expended by the applicant within three years of the execution of the contract with the board or its designee. The three-year period may be extended, with the approval of the board, until five years after the date the original contract, not including amendments, was executed.

(b) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 113. Section 116761.62 of the Health and Safety Code is amended to read:

116761.62. (a) To the extent permitted by federal and state law, moneys in the fund may be expended to rebate to the federal government all arbitrage profits required by the federal Tax Reform Act of 1986 (Public Law 99-514) or any amendment of or supplement to that law. To the extent that this expenditure of the moneys in the fund is prohibited by federal or state law, any rebates required by federal law shall be paid from the General Fund or other sources, upon appropriation by the Legislature.

(b) Notwithstanding any other law or regulation, the department may enter into contracts or may procure those services and equipment that may be necessary to ensure prompt and complete compliance with any provisions relating to the fund imposed by either the federal Tax Reform Act of 1986 (Public Law 99-514) or the federal Safe Drinking Water Act.

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

SEC. 114. Section 116761.62 is added to the Health and Safety Code, to read:

116761.62. (a) To the extent permitted by federal and state law, moneys in the fund may be expended to rebate to the federal government all arbitrage profits required by the federal Tax Reform Act of 1986 (Public Law 99-514) or any amendment of or supplement to that law. To the extent that this expenditure of the moneys in the fund is prohibited by federal or state law, any rebates required by federal law shall be paid from the General Fund or other sources, upon appropriation by the Legislature.

(b) Notwithstanding any other law or regulation, the board may enter into contracts or may procure those services and equipment that may be necessary to ensure prompt and complete compliance with any provisions relating to the fund imposed by either the federal Tax Reform Act of 1986 (Public Law 99-514) or the federal Safe Drinking Water Act.

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

SEC. 115. Section 116761.65 of the Health and Safety Code is amended to read:

116761.65. (a) The department shall annually establish the interest rate for loans made pursuant to this chapter at 50 percent of the average interest rate, computed by the true interest cost method, paid by the state on general obligation bonds issued in the prior calendar year. All loans made pursuant to this chapter shall carry the interest rate established for the calendar year in which the funds are committed to the loan, as of the date of the letter of commitment. The interest rate set for each loan shall be applied throughout the repayment period of the loan. Interest on the loan shall not be deferred.

(b) Notwithstanding subdivision (a), if the loan applicant is a public water system that is a disadvantaged community or provides matching funds, the interest rate on the loan shall be zero percent.

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

SEC. 116. Section 116761.65 is added to the Health and Safety Code, to read:

116761.65. (a) The board shall annually establish the interest rate for loans made pursuant to this chapter at a rate not to exceed 50 percent of the average interest rate, computed by the true interest cost method, paid by the state on general obligation bonds issued in the prior calendar year. All loans made pursuant to this chapter shall carry the interest rate established for the calendar year in which the funds are committed to the loan, as of the date of the letter of commitment. The interest rate set for each loan shall be applied throughout the repayment period of the loan. Interest on the loan shall not be deferred.

(b) Notwithstanding subdivision (a), if the loan applicant is a public water system that is a disadvantaged community or provides matching funds, the interest rate on the loan shall be zero percent.

(c) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 117. Section 116761.65 is added to the Health and Safety Code, to read:

116761.65. (a) The board shall annually establish the interest rate for repayable financing made pursuant to this chapter at a rate not to exceed 50 percent of the average interest rate, computed by the true interest cost method, paid by the state on general obligation bonds issued in the prior calendar year, rounded up to the closest one-tenth of 1 percent.

(b) Notwithstanding subdivision (a), if the financing is for a public water system that serves a disadvantaged community with a financial hardship as determined by the board or if the financing is for a public water system that provides matching funds, the interest rate shall be 0 percent.

(c) This section shall become operative on January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 118. Section 116761.70 of the Health and Safety Code is amended to read:

116761.70. (a) Not more than 4 percent of the capitalization grant may be used by the department for administering this chapter. The department may establish a reasonable schedule of administrative fees for loans, which shall be paid by the applicant to reimburse the state for the costs of the state administration of this chapter.

(b) Charges incurred by the Attorney General in protection of the state's interest in the use of repayment of grant and loan funds under this chapter shall be paid. These charges shall not be paid from funds allocated for administrative purposes, but shall be treated as a program expense not to exceed one-half of 1 percent of the total amount deposited in the fund.

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

SEC. 119. Section 116761.70 is added to the Health and Safety Code, to read:

116761.70. (a) Not more than 4 percent of the capitalization grant may be used by the board for administering this chapter. The board may establish a reasonable schedule of administrative fees

that shall be paid by the applicant to reimburse the state for the costs of the state administration of this chapter.

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

SEC. 120. Section 116761.80 of the Health and Safety Code is amended to read:

116761.80. (a) The department may expend money repaid to the state pursuant to any contract executed under Section 116761.50 as necessary for the administration of contracts entered into by the department under this chapter, but those expenditures may not in any year exceed 1.5 percent of the amount of principal and interest projected to be paid to the state in that year pursuant to this chapter.

(b) Charges incurred by the Attorney General in protecting the state's interest in the use of funds and repayment of funds under this chapter may be paid by the department from these funds, but those charges may not exceed one-half of 1 percent of the amount of principal and interest projected to be paid to the state in that year pursuant to this chapter.

(c) Any of these sums unexpended by the department at the end of any year shall automatically revert to the fund.

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

SEC. 121. Section 116761.85 of the Health and Safety Code is amended to read:

116761.85. (a) Except as provided in Section 116761.80, all money repaid to the state pursuant to any contract executed under subdivision (a) of Section 116761.50, including interest payments and all interest earned on or accruing to any moneys in the fund, shall be deposited in the fund and shall be available in perpetuity, for expenditure for the purposes and uses permitted by this chapter and the federal act.

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

SEC. 122. Section 116761.85 is added to the Health and Safety Code, to read:

116761.85. (a) Moneys repaid to the state pursuant to any contract executed pursuant to this chapter, including interest

payments and all interest earned on or accruing to any moneys in the fund, shall be deposited in the fund and shall be available in perpetuity, for expenditure for the purposes and uses permitted by this chapter and the federal act.

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

SEC. 123. Section 116762.60 of the Health and Safety Code is amended to read:

116762.60. (a) The department shall, contingent upon receiving federal capitalization grant funds, develop and implement a program to protect sources of drinking water. In carrying out this program, the department shall coordinate with local, state, and federal agencies that have public health and environmental management programs to ensure an effective implementation of the program while avoiding duplication of effort and reducing program costs. The program shall include all of the following:

(1) A source water assessment program to delineate and assess the drinking water supplies of public drinking water systems pursuant to Section 1453 of the federal act.

(2) A wellhead protection program to protect drinking water wells from contamination pursuant to Section 1428 of the federal act.

(3) Pursuant to Section 1452(k) of the federal act, the department shall set aside federal capitalization grant funds sufficient to carry out paragraphs (1) and (2) of subdivision (a).

(b) The department shall set aside federal capitalization grant funds to provide assistance to water systems pursuant to Section 1452(k) of the federal act for the following source water protection activities, to the extent that those activities are proposed:

(1) To acquire land or a conservation easement if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with primary drinking water regulations.

(2) To implement local, voluntary source water protection measures to protect source water in areas delineated pursuant to Section 1453 of the federal act, in order to facilitate compliance with primary drinking water regulations applicable to the water system under Section 1412 of the federal act or otherwise significantly further the health protection objectives of the federal and state acts.

(3) To carry out a voluntary, incentive-based source water quality protection partnership pursuant to Section 1454 of the federal act.

(c) The department shall conduct duly noticed public hearings, public workshops, focus groups, or meetings around the state to encourage the involvement and active input of public and affected parties in the development and periodic updating of the source water protection program adopted pursuant to this article. The notices shall contain basic information about the program in an understandable format and shall notify widely representative groups, including, but not limited to, federal, state, and local governmental agencies, water utilities, public interest, environmental, and consumer groups, public health groups, land conservation groups, health care providers, groups representing vulnerable populations, groups representing business and agricultural interests, and members of the general public. In addition, the department shall convene a technical advisory committee and a citizens' advisory committee made up of those representative groups to provide advice and direction on program development and implementation.

(d) The department shall submit a report to the Legislature every two years on its activities under this section. The report shall contain a description of each program for which funds have been set aside under this section, the effectiveness of each program in carrying out the intent of the federal and state acts, and an accounting of the amount of set-aside funds used.

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

SEC. 124. Section 116762.60 is added to the Health and Safety Code, to read:

116762.60. (a) The board shall, contingent upon receiving federal capitalization grant funds, develop and implement a program to protect sources of drinking water. In carrying out this program, the board shall coordinate with local, state, and federal agencies that have public health and environmental management programs to ensure an effective implementation of the program while avoiding duplication of effort and reducing program costs. The program shall include all of the following:

(1) A source water assessment program to delineate and assess the drinking water supplies of public drinking water systems pursuant to Section 1453 of the federal act.

(2) A wellhead protection program to protect drinking water wells from contamination pursuant to Section 1428 of the federal act.

(3) Pursuant to Section 1452(k) of the federal act, the board shall set aside federal capitalization grant funds sufficient to carry out paragraphs (1) and (2) of subdivision (a).

(b) The board shall set aside federal capitalization grant funds to provide assistance to water systems pursuant to Section 1452(k) of the federal act for the following source water protection activities, to the extent that those activities are proposed:

(1) To acquire land or a conservation easement if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with primary drinking water regulations.

(2) To implement local, voluntary source water protection measures to protect source water in areas delineated pursuant to Section 1453 of the federal act, in order to facilitate compliance with primary drinking water regulations applicable to the water system under Section 1412 of the federal act or otherwise significantly further the health protection objectives of the federal and state acts.

(3) To carry out a voluntary, incentive-based source water quality protection partnership pursuant to Section 1454 of the federal act.

(c) The board shall conduct duly noticed public hearings, public workshops, focus groups, or meetings around the state to encourage the involvement and active input of public and affected parties in the development and periodic updating of the source water protection program adopted pursuant to this article. The notices shall contain basic information about the program in an understandable format and shall notify widely representative groups, including, but not limited to, federal, state, and local governmental agencies, water utilities, public interest, environmental, and consumer groups, public health groups, land conservation groups, health care providers, groups representing vulnerable populations, groups representing business and agricultural interests, and members of the general public. In

addition, the board shall convene a technical advisory committee and a citizens' advisory committee made up of those representative groups to provide advice and direction on program development and implementation.

(d) (1) The board shall submit a report to the Legislature every two years on its activities under this section. The report shall contain a description of each program for which funds have been set aside under this section, the effectiveness of each program in carrying out the intent of the federal and state acts, and an accounting of the amount of set-aside funds used.

(2) A report submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(e) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 125. Section 116762.60 is added to the Health and Safety Code, to read:

116762.60. (a) The board shall, contingent upon receiving federal capitalization grant funds, develop and implement a program to protect sources of drinking water. In carrying out this program, the board shall coordinate with local, state, and federal agencies that have public health and environmental management programs to ensure an effective implementation of the program while avoiding duplication of effort and reducing program costs. The program shall include all of the following:

(1) A source water assessment program to delineate and assess the drinking water supplies of public drinking water systems pursuant to Section 1453 of the federal act.

(2) A wellhead protection program to protect drinking water wells from contamination pursuant to Section 1428 of the federal act.

(3) Pursuant to Section 1452(k) of the federal act, the board shall set aside federal capitalization grant funds sufficient to carry out paragraphs (1) and (2).

(b) The board shall set aside federal capitalization grant funds to provide assistance to water systems pursuant to Section 1452(k)

of the federal act for the following source water protection activities, to the extent that those activities are proposed:

(1) To acquire land or a conservation easement if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with primary drinking water regulations.

(2) To implement local, voluntary source water protection measures to protect source water in areas delineated pursuant to Section 1453 of the federal act, in order to facilitate compliance with primary drinking water regulations applicable to the water system under Section 1412 of the federal act or otherwise significantly further the health protection objectives of the federal and state acts.

(3) To carry out a voluntary, incentive-based source water quality protection partnership pursuant to Section 1454 of the federal act.

(c) The board shall post a report to its Internet Web site, every two years, on its activities under this section. The report shall contain a description of each program for which funds have been set aside under this section, the effectiveness of each program in carrying out the intent of the federal and state acts, and an accounting of the amount of set-aside funds used.

(d) This section shall become operative on January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.

SEC. 126. Section 131110 of the Health and Safety Code is amended to read:

131110. (a) The department shall maintain a program of Drinking Water and Environmental Management.

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

SEC. 127. Section 131110 is added to the Health and Safety Code, to read:

131110. (a) The department shall maintain a program of Environmental Management.

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

SEC. 128. Section 541.5 of the Public Resources Code is amended to read:

541.5. (a) The department shall not close, or propose to close, a state park in the 2012–13 or 2013–14 fiscal year. The commission and the department shall recommend all necessary steps to establish a sustainable funding strategy for the department to the Legislature on or before January 1, 2015.

(b) There is hereby appropriated twenty million five hundred thousand dollars ($20,500,000) to the department from the State Parks and Recreation Fund, which shall be available for encumbrance until June 30, 2016, and for liquidation until June 30, 2018, to be expended as follows:

(1) Ten million dollars ($10,000,000) shall be available to provide for matching funds pursuant to subdivision (c).

(2) Ten million dollars ($10,000,000) shall be available for the department to direct funds to parks that remain at risk of closure or that will keep parks open during the 2012–13 to 2015–16 fiscal years, inclusive. Priority may be given to parks subject to a donor or operating agreement or other contractual arrangement with the department.

(3) Up to five hundred thousand dollars ($500,000) shall be available for the department to pay for ongoing audits and investigations as directed by the Joint Legislative Audit Committee, the office of the Attorney General, the Department of Finance, or other state agency.

(c) The department shall match on a dollar-for-dollar basis all financial contributions contributed by a donor pursuant to an agreement for the 2012–13 fiscal year for which the department received funds as of July 31, 2013, and for agreements entered into in the 2013–14 fiscal year. These matching funds shall be used exclusively in the park unit subject to those agreements.

(d) The department shall notify the Joint Legislative Budget Committee in writing not less than 30 days before the expenditure of funds under this section of the funding that shall be expended, the manner of the expenditure, and the recipient of the expenditure.

(e) The prohibition on the closure or proposed closure of a state park in the 2012–13 or 2013–14 fiscal year, pursuant to paragraph (a), does not limit or affect the department's authority to enter into an operating agreement, pursuant to Section 5080.42, during the 2012–13 or 2013–14 fiscal year, for purposes of the operation of

the entirety of a state park during the 2012–13 or 2013–14 fiscal year.

SEC. 129. Section 2705 of the Public Resources Code is amended to read:

2705. (a) A city, county, and city and county shall collect a fee from each applicant for a building permit. Each fee shall be equal to a specific amount of the proposed building construction for which the building permit is issued as determined by the local building officials. The fee amount shall be assessed in the following way:

(1) Group R occupancies, as defined in the California Building Code (Part 2 of Title 24 of the California Code of Regulations), one to three stories in height, except hotels and motels, shall be assessed at the rate of thirteen dollars ($13) per one hundred thousand dollars ($100,000), with appropriate fractions thereof.

(2) All other buildings shall be assessed at the rate of twenty-eight dollars ($28) per one hundred thousand dollars ($100,000), with appropriate fractions thereof.

(3) The fee shall be the amount assessed under paragraph (1) or (2), depending on building type, or fifty cents ($0.50), whichever is the higher.

(b) (1) In lieu of the requirements of subdivision (a), a city, county, and city and county may elect to include a rate of thirteen dollars ($13) per one hundred thousand dollars ($100,000), with appropriate fractions thereof, in its basic building permit fee for any Group R occupancy defined in paragraph (1) of subdivision (a), and a rate of twenty-eight dollars ($28) per one hundred thousand dollars ($100,000), with appropriate fractions thereof, for all other building types. A city, county, and city and county electing to collect the fee pursuant to this subdivision need not segregate the fees in a fund separate from any fund into which basic building permit fees are deposited.

(2) "Building," for the purpose of this chapter, is any structure built for the support, shelter, or enclosure of persons, animals, chattels, or property of any kind.

(c) (1) A city, county, and city and county may retain up to 5 percent of the total amount it collects under subdivision (a) or (b) for data utilization, for seismic education incorporating data interpretations from data of the strong-motion instrumentation program and the seismic hazards mapping program, and, in

accordance with paragraph (2), for improving the preparation for damage assessment after strong seismic motion events.

(2) A city, county, and city and county may use any funds retained pursuant to this subdivision to improve the preparation for damage assessment in its jurisdiction only after it provides the Department of Conservation with information indicating to the department that data utilization and seismic education activities have been adequately funded.

(d) Funds collected pursuant to subdivisions (a) and (b), less the amount retained pursuant to subdivision (c), shall be deposited in the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund, as created by Section 2699.5 to be used exclusively for purposes of this chapter, Chapter 7.5 (commencing with Section 2621), and Chapter 7.8 (commencing with Section 2690).

SEC. 130. Section 3160 of the Public Resources Code is amended to read:

3160. (a) On or before January 1, 2015, the Secretary of the Natural Resources Agency shall cause to be conducted, and completed, an independent scientific study on well stimulation treatments, including, but not limited to, hydraulic fracturing and acid well stimulation treatments. The scientific study shall evaluate the hazards and risks and potential hazards and risks that well stimulation treatments pose to natural resources and public, occupational, and environmental health and safety. The scientific study shall do all of the following:

(1) Follow the well-established standard protocols of the scientific profession, including, but not limited to, the use of recognized experts, peer review, and publication.

(2) Identify areas with existing and potential conventional and unconventional oil and gas reserves where well stimulation treatments are likely to spur or enable oil and gas exploration and production.

(3) (A) Evaluate all aspects and effects of well stimulation treatments, including, but not limited to, the well stimulation treatment, additive and water transportation to and from the well site, mixing and handling of the well stimulation treatment fluids and additives onsite, the use and potential for use of nontoxic additives and the use or reuse of treated or produced water in well stimulation treatment fluids, and flowback fluids and the handling, treatment, and disposal of flowback fluids and other materials, if

any, generated by the treatment. Specifically, the potential for the use of recycled water in well stimulation treatments, including appropriate water quality requirements and available treatment technologies, shall be evaluated. Well stimulation treatments include, but are not limited to, hydraulic fracturing and acid well stimulation treatments.

(B) Review and evaluate acid matrix stimulation treatments, including the range of acid volumes applied per treated foot and total acid volumes used in treatments, types of acids, acid concentration, and other chemicals used in the treatments.

(4) Consider, at a minimum, atmospheric emissions, including potential greenhouse gas emissions, the potential degradation of air quality, potential impacts on wildlife, native plants, and habitat, including habitat fragmentation, potential water and surface contamination, potential noise pollution, induced seismicity, and the ultimate disposition, transport, transformation, and toxicology of well stimulation treatments, including acid well stimulation fluids, hydraulic fracturing fluids, and waste hydraulic fracturing fluids and acid well stimulation in the environment.

(5) Identify and evaluate the geologic features present in the vicinity of a well, including the well bore, that should be taken into consideration in the design of a proposed well stimulation treatment.

(6) Include a hazard assessment and risk analysis addressing occupational and environmental exposures to well stimulation treatments, including hydraulic fracturing treatments, hydraulic fracturing treatment-related processes, acid well stimulation treatments, acid well stimulation treatment-related processes, and the corresponding impacts on public health and safety with the participation of the Office of Environmental Health Hazard Assessment.

(7) Clearly identify where additional information is necessary to inform and improve the analyses.

(b) (1) (A) On or before January 1, 2015, the division, in consultation with the Department of Toxic Substances Control, the State Air Resources Board, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and any local air districts and regional water quality control boards in areas where well stimulation treatments, including acid well stimulation treatments and hydraulic fracturing treatments, may

occur, shall adopt rules and regulations specific to well stimulation treatments. The rules and regulations shall include, but are not limited to, revisions, as needed, to the rules and regulations governing construction of wells and well casings to ensure integrity of wells, well casings, and the geologic and hydrologic isolation of the oil and gas formation during and following well stimulation treatments, and full disclosure of the composition and disposition of well stimulation fluids, including, but not limited to, hydraulic fracturing fluids, acid well stimulation fluids, and flowback fluids.

(B) The rules and regulations shall additionally include provisions for an independent entity or person to perform the notification requirements pursuant to paragraph (6) of subdivision (d), for the operator to provide for baseline and followup water testing upon request as specified in paragraph (7) of subdivision (d).

(C) (i) In order to identify the acid matrix stimulation treatments that are subject to this section, the rules and regulations shall establish threshold values for acid volume applied per treated foot of any individual stage of the well or for total acid volume of the treatment, or both, based upon a quantitative assessment of the risks posed by acid matrix stimulation treatments that exceed the specified threshold value or values in order to prevent, as far as possible, damage to life, health, property, and natural resources pursuant to Section 3106.

(ii) On or before January 1, 2020, the division shall review and evaluate the threshold values for acid volume applied per treated foot and total acid volume of the treatment, based upon data collected in the state, for acid matrix stimulation treatments. The division shall revise the values through the regulatory process, if necessary, based upon the best available scientific information, including the results of the independent scientific study pursuant to subparagraph (B) of paragraph (3) of subdivision (a).

(2) Full disclosure of the composition and disposition of well stimulation fluids, including, but not limited to, hydraulic fracturing fluids and acid stimulation treatment fluids, shall, at a minimum, include:

(A) The date of the well stimulation treatment.

(B) A complete list of the names, Chemical Abstract Service (CAS) numbers, and maximum concentration, in percent by mass, of each and every chemical constituent of the well stimulation

treatment fluids used. If a CAS number does not exist for a chemical constituent, the well owner or operator may provide another unique identifier, if available.

(C) The trade name, the supplier, concentration, and a brief description of the intended purpose of each additive contained in the well stimulation treatment fluid.

(D) The total volume of base fluid used during the well stimulation treatment, and the identification of whether the base fluid is water suitable for irrigation or domestic purposes, water not suitable for irrigation or domestic purposes, or a fluid other than water.

(E) The source, volume, and specific composition and disposition of all water, including, but not limited to, all water used as base fluid during the well stimulation treatment and recovered from the well following the well stimulation treatment that is not otherwise reported as produced water pursuant to Section 3227. Any repeated reuse of treated or untreated water for well stimulation treatments and well stimulation treatment-related activities shall be identified.

(F) The specific composition and disposition of all well stimulation treatment fluids, including waste fluids, other than water.

(G) Any radiological components or tracers injected into the well as part of, or in order to evaluate, the well stimulation treatment, a description of the recovery method, if any, for those components or tracers, the recovery rate, and specific disposal information for recovered components or tracers.

(H) The radioactivity of the recovered well stimulation fluids.

(I) The location of the portion of the well subject to the well stimulation treatment and the extent of the fracturing or other modification, if any, surrounding the well induced by the treatment.

(c) (1) Through the consultation process described in paragraph (1) of subdivision (b), the division shall collaboratively identify and delineate the existing statutory authority and regulatory responsibility relating to well stimulation treatments and well stimulation treatment-related activities of the Department of Toxic Substances Control, the State Air Resources Board, any local air districts, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, any regional water quality control board, and other public entities, as applicable. This shall

specify how the respective authority, responsibility, and notification and reporting requirements associated with well stimulation treatments and well stimulation treatment-related activities are divided among each public entity.

(2) On or before January 1, 2015, the division shall enter into formal agreements with the Department of Toxic Substances Control, the State Air Resources Board, any local air districts where well stimulation treatments may occur, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and any regional water quality control board where well stimulation treatments may occur, clearly delineating respective authority, responsibility, and notification and reporting requirements associated with well stimulation treatments and well stimulation treatment-related activities, including air and water quality monitoring, in order to promote regulatory transparency and accountability.

(3) The agreements under paragraph (2) shall specify the appropriate public entity responsible for air and water quality monitoring and the safe and lawful disposal of materials in landfills, include trade secret handling protocols, if necessary, and provide for ready public access to information related to well stimulation treatments and related activities.

(4) Regulations, if necessary, shall be revised appropriately to incorporate the agreements under paragraph (2).

(d) (1) Notwithstanding any other law or regulation, prior to performing a well stimulation treatment on a well, the operator shall apply for a permit to perform a well stimulation treatment with the supervisor or district deputy. The well stimulation treatment permit application shall contain the pertinent data the supervisor requires on printed forms supplied by the division or on other forms acceptable to the supervisor. The information provided in the well stimulation treatment permit application shall include, but is not limited to, the following:

(A) The well identification number and location.

(B) The time period during which the well stimulation treatment is planned to occur.

(C) A water management plan that shall include all of the following:

(i) An estimate of the amount of water to be used in the treatment. Estimates of water to be recycled following the well stimulation treatment may be included.

(ii) The anticipated source of the water to be used in the treatment.

(iii) The disposal method identified for the recovered water in the flowback fluid from the treatment that is not produced water included in the statement pursuant to Section 3227.

(D) A complete list of the names, Chemical Abstract Service (CAS) numbers, and estimated concentrations, in percent by mass, of each and every chemical constituent of the well stimulation fluids anticipated to be used in the treatment. If a CAS number does not exist for a chemical constituent, the well owner or operator may provide another unique identifier, if available.

(E) The planned location of the well stimulation treatment on the well bore, the estimated length, height, and direction of the induced fractures or other planned modification, if any, and the location of existing wells, including plugged and abandoned wells, that may be impacted by these fractures and modifications.

(F) A groundwater monitoring plan. Required groundwater monitoring in the vicinity of the well subject to the well stimulation treatment shall be satisfied by one of the following:

(i) The well is located within the boundaries of an existing oil or gas field-specific or regional monitoring program developed pursuant to Section 10783 of the Water Code.

(ii) The well is located within the boundaries of an existing oil or gas field-specific or regional monitoring program developed and implemented by the well owner or operator meeting the model criteria established pursuant to Section 10783 of the Water Code.

(iii) Through a well-specific monitoring plan implemented by the owner or operator meeting the model criteria established pursuant to Section 10783 of the Water Code, and submitted to the appropriate regional water board for review.

(G) The estimated amount of treatment-generated waste materials that are not reported in subparagraph (C) and an identified disposal method for the waste materials.

(2) (A) At the supervisor's discretion, and if applied for concurrently, the well stimulation treatment permit described in this section may be combined with the well drilling and related operation notice of intent required pursuant to Section 3203 into

a single combined authorization. The portion of the combined authorization applicable to well stimulation shall meet all of the requirements of a well stimulation treatment permit pursuant to this section.

(B) The time period available for approval of the combined authorization applicable to well stimulation is subject to the terms of this section, and not Section 3203.

(3) (A) The supervisor or district deputy shall review the well stimulation treatment permit application and may approve the permit if the application is complete. An incomplete application shall not be approved.

(B) A well stimulation treatment or repeat well stimulation treatment shall not be performed on any well without a valid permit that the supervisor or district deputy has approved.

(C) In considering the permit application, the supervisor shall evaluate the quantifiable risk of the well stimulation treatment.

(D) In the absence of state implementation of a regional groundwater monitoring program pursuant to paragraph (1) of subdivision (h) of Section 10783 of the Water Code, the supervisor or district deputy may approve a permit application for well stimulation treatment pursuant to subparagraph (A) prior to the approval by the State Water Resources Control Board or a regional water quality control board of an area-specific groundwater monitoring program developed by an owner or operator pursuant to paragraph (2) of subdivision (h) of Section 10783 of the Water Code, but the well stimulation treatment shall not commence until the state board or the regional board approves the area-specific groundwater monitoring program.

(4) The well stimulation treatment permit shall expire one year from the date that the permit is issued.

(5) Within five business days of issuing a permit to perform a well stimulation treatment, the division shall provide a copy of the permit to the appropriate regional water quality control board or boards and to the local planning entity where the well, including its subsurface portion, is located. The division shall also post the permit on the publicly accessible portion of its Internet Web site within five business days of issuing a permit.

(6) (A) It is the policy of the state that a copy of the approved well stimulation treatment permit and information on the available water sampling and testing be provided to every tenant of the

surface property and every surface property owner or authorized agent of that owner whose property line location is one of the following:

(i) Within a 1,500 foot radius of the wellhead.

(ii) Within 500 feet from the horizontal projection of all subsurface portions of the designated well to the surface.

(B) (i) The well owner or operator shall identify the area requiring notification and shall contract with an independent entity or person who is responsible for, and shall perform, the notification required pursuant to subparagraph (A).

(ii) The independent entity or person shall identify the individuals notified, the method of notification, the date of the notification, a list of those notified, and shall provide a list of this information to the division.

(iii) The performance of the independent entity or persons shall be subject to review and audit by the division.

(C) A well stimulation treatment shall not commence before 30 calendar days after the permit copies pursuant to subparagraph (A) are provided.

(7) (A) A property owner notified pursuant to paragraph (6) may request water quality sampling and testing from a designated qualified contractor on any water well suitable for drinking or irrigation purposes and on any surface water suitable for drinking or irrigation purposes as follows:

(i) Baseline measurements prior to the commencement of the well stimulation treatment.

(ii) Followup measurements after the well stimulation treatment on the same schedule as the pressure testing of the well casing of the treated well.

(B) The State Water Resources Control Board shall designate one or more qualified independent third-party contractor or contractors that adhere to board-specified standards and protocols to perform the water sampling and testing. The well owner or operator shall pay for the sampling and testing. The sampling and testing performed shall be subject to audit and review by the State Water Resources Control Board or applicable regional water quality control board, as appropriate.

(C) The results of the water testing shall be provided to the division, appropriate regional water board, and the property owner or authorized agent. A tenant notified pursuant to paragraph (6)

shall receive information on the results of the water testing to the extent authorized by his or her lease and, where the tenant has lawful use of the ground or surface water identified in subparagraph (A), the tenant may independently contract for similar groundwater or surface water testing.

(8) The division shall retain a list of the entities and property owners notified pursuant to paragraphs (5) and (6).

(9) The operator shall provide notice to the division at least 72 hours prior to the actual start of the well stimulation treatment in order for the division to witness the treatment.

(e) The Secretary of the Natural Resources Agency shall notify the Joint Legislative Budget Committee and the chairs of the Assembly Natural Resources, Senate Environmental Quality, and Senate Natural Resources and Water Committees on the progress of the independent scientific study on well stimulation and related activities. The first progress report shall be provided to the committees on or before April 1, 2014, and progress reports shall continue every four months thereafter until the independent study is completed, including a peer review of the study by independent scientific experts.

(f) If a well stimulation treatment is performed on a well, a supplier that performs any part of the stimulation or provides additives directly to the operator for a well stimulation treatment shall furnish the operator with information suitable for public disclosure needed for the operator to comply with subdivision (g). This information shall be provided as soon as possible but no later than 30 days following the conclusion of the well stimulation treatment.

(g) (1) Within 60 days following cessation of a well stimulation treatment on a well, the operator shall post or cause to have posted to an Internet Web site designated or maintained by the division and accessible to the public, all of the well stimulation fluid composition and disposition information required to be collected pursuant to rules and regulations adopted under subdivision (b), including well identification number and location. This shall include the collected water quality data, which the operator shall report electronically to the State Water Resources Control Board.

(2) (A) The division shall commence the process to develop an Internet Web site for operators to report the information required under this section. The Internet Web site shall be capable of

organizing the reported information in a format, such as a spreadsheet, that allows the public to easily search and aggregate, to the extent practicable, each type of information required to be collected pursuant to subdivision (b) using search functions on that Internet Web site. The Internet Web site shall be functional within two years of the Department of Technology's approval of a Feasibility Study Report or appropriation authority to fund the development of the Internet Web site, whichever occurs latest, but no later than January 1, 2016.

(B) The division may direct reporting to an alternative Internet Web site developed by the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission in the interim until such time as approval or appropriation authority pursuant to subparagraph (A) occur. Prior to the implementation of the division's Internet Web site, the division shall obtain the data reported by operators to the alternative Internet Web site and make it available in an organized electronic format to the public no later than 15 days after it is reported to the alternative Internet Web site.

(h) The operator is responsible for compliance with this section.

(i) (1) All geologic features within a distance reflecting an appropriate safety factor of the fracture zone for well stimulation treatments that fracture the formation and that have the potential to either limit or facilitate the migration of fluids outside of the fracture zone shall be identified and added to the well history. Geologic features include seismic faults identified by the California Geologic Survey.

(2) For the purposes of this section, the "fracture zone" is defined as the volume surrounding the well bore where fractures were created or enhanced by the well stimulation treatment. The safety factor shall be at least five and may vary depending upon geologic knowledge.

(3) The division shall review the geologic features important to assessing well stimulation treatments identified in the independent study pursuant to paragraph (5) of subdivision (a). Upon completion of the review, the division shall revise the regulations governing the reporting of geologic features pursuant to this subdivision accordingly.

(j) (1) Public disclosure of well stimulation treatment fluid information claimed to contain trade secrets is governed by Section 1060 of the Evidence Code, or the Uniform Trade Secrets Act

(Title 5 (commencing with Section 3426) of Part 1 of Division 4 of the Civil Code), and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(2) Notwithstanding any other law or regulation, none of the following information shall be protected as a trade secret:

(A) The identities of the chemical constituents of additives, including CAS identification numbers.

(B) The concentrations of the additives in the well stimulation treatment fluids.

(C) Any air or other pollution monitoring data.

(D) Health and safety data associated with well stimulation treatment fluids.

(E) The chemical composition of the flowback fluid.

(3) If a trade secret claim is invalid or invalidated, the division shall release the information to the public by revising the information released pursuant to subdivision (g). The supplier shall notify the division of any change in status within 30 days.

(4) (A) If a supplier believes that information regarding a chemical constituent of a well stimulation fluid is a trade secret, the supplier shall nevertheless disclose the information to the division in conjunction with a well stimulation treatment permit application, if not previously disclosed, within 30 days following cessation of a well stimulation on a well, and shall notify the division in writing of that belief.

(B) A trade secret claim shall not be made after initial disclosure of the information to the division.

(C) To comply with the public disclosure requirements of this section, the supplier shall indicate where trade secret information has been withheld and provide substitute information for public disclosure. The substitute information shall be a list, in any order, of the chemical constituents of the additive, including CAS identification numbers. The division shall review and approve the supplied substitute information.

(D) This subdivision does not permit a supplier to refuse to disclose the information required pursuant to this section to the division.

(5) In order to substantiate the trade secret claim, the supplier shall provide information to the division that shows all of the following:

(A) The extent to which the trade secret information is known by the supplier's employees and others involved in the supplier's business and outside the supplier's business.

(B) The measures taken by the supplier to guard the secrecy of the trade secret information.

(C) The value of the trade secret information to the supplier and its competitors.

(D) The amount of effort or money the supplier expended developing the trade secret information and the ease or difficulty with which the trade secret information could be acquired or duplicated by others.

(6) If the division determines that the information provided in support of a request for trade secret protection pursuant to paragraph (5) is incomplete, the division shall notify the supplier and the supplier shall have 30 days to complete the submission. An incomplete submission does not meet the substantive criteria for trade secret designation.

(7) If the division determines that the information provided in support of a request for trade secret protection does not meet the substantive criteria for trade secret designation, the department shall notify the supplier by certified mail of its determination. The division shall release the information to the public, but not earlier than 60 days after the date of mailing the determination, unless, prior to the expiration of the 60-day period, the supplier obtains an action in an appropriate court for a declaratory judgment that the information is subject to protection or for a preliminary injunction prohibiting disclosure of the information to the public and provides notice to the division of the court order.

(8) The supplier is not required to disclose trade secret information to the operator.

(9) Upon receipt of a request for the release of trade secret information to the public, the following procedure applies:

(A) The division shall notify the supplier of the request in writing by certified mail, return receipt requested.

(B) The division shall release the information to the public, but not earlier than 60 days after the date of mailing the notice of the request for information, unless, prior to the expiration of the 60-day period, the supplier obtains an action in an appropriate court for a declaratory judgment that the information is subject to protection or for a preliminary injunction prohibiting disclosure of the

information to the public and provides notice to the division of that action.

(10) The division shall develop a timely procedure to provide trade secret information in the following circumstances:

(A) To an officer or employee of the division, the state, local governments, including, but not limited to, local air districts, or the United States, in connection with the official duties of that officer or employee, to a health professional under any law for the protection of health, or to contractors with the division or other government entities and their employees if, in the opinion of the division, disclosure is necessary and required for the satisfactory performance of a contract, for performance of work, or to protect health and safety.

(B) To a health professional in the event of an emergency or to diagnose or treat a patient.

(C) In order to protect public health, to any health professional, toxicologist, or epidemiologist who is employed in the field of public health and who provides a written statement of need. The written statement of need shall include the public health purposes of the disclosure and shall explain the reason the disclosure of the specific chemical and its concentration is required.

(D) A health professional may share trade secret information with other persons as may be professionally necessary, in order to diagnose or treat a patient, including, but not limited to, the patient and other health professionals, subject to state and federal laws restricting disclosure of medical records including, but not limited to, Chapter 2 (commencing with Section 56.10) of Part 2.6 of Division 1 of the Civil Code.

(E) For purposes of this paragraph, "health professional" means any person licensed or certified pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, the Chiropractic Initiative Act, or the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act (Division 2.5 (commencing with Section 1797) of the Health and Safety Code).

(F) A person in possession of, or access to, confidential trade secret information pursuant to the provisions of this subdivision may disclose this information to any person who is authorized to receive it. A written confidentiality agreement shall not be required.

(k) A well granted confidential status pursuant to Section 3234 shall not be required to disclose well stimulation treatment fluid information pursuant to subdivision (g) until the confidential status of the well ceases. Notwithstanding the confidential status of a well, it is public information that a well will be or has been subject to a well stimulation treatment.

(*l*) The division shall perform random periodic spot check inspections to ensure that the information provided on well stimulation treatments is accurately reported, including that the estimates provided prior to the commencement of the well stimulation treatment are reasonably consistent with the well history.

(m) Where the division shares jurisdiction over a well or the well stimulation treatment on a well with a federal entity, the division's rules and regulations shall apply in addition to all applicable federal laws and regulations.

(n) This article does not relieve the division or any other agency from complying with any other provision of existing laws, regulations, and orders.

(o) Well stimulation treatments used for routine maintenance of wells associated with underground storage facilities where natural gas is injected into and withdrawn from depleted or partially depleted oil or gas reservoirs pursuant to subdivision (a) of Section 3403.5 are not subject to this section.

SEC. 131. Section 3161 of the Public Resources Code is amended to read:

3161. (a) The division shall finalize the regulations governing this article on or before January 1, 2015. Notwithstanding any other laws, the regulations shall become effective on July 1, 2015.

(b) The division shall allow, until regulations specified in subdivision (b) of Section 3160 are finalized and implemented, and upon written notification by an operator, all of the activities defined in Section 3157, provided all of the following conditions are met:

(1) The owner or operator certifies compliance with paragraph (2) of subdivision (b) of, paragraphs (1), (6), and (7) of subdivision (d) of, and paragraph (1) of subdivision (g) of, Section 3160.

(2) The owner or operator shall provide a complete well history, incorporating the information required by Section 3160, to the division on or before March 1, 2015.

(3) (A) The division commences the preparation of an environmental impact report (EIR) pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000)), to provide the public with detailed information regarding any potential environmental impacts of well stimulation in the state.

(B) Any environmental review conducted by the division shall fully comply with both of the following requirements:

(i) The EIR shall be certified by the division as the lead agency, no later than July 1, 2015.

(ii) The EIR shall address the issue of activities that may be conducted as defined in Section 3157 and that may occur at oil wells in the state existing prior to, and after, January 1, 2014.

(C) This paragraph does not prohibit a local lead agency from conducting its own EIR.

(4) The division ensures that all activities pursuant to this section fully conform with this article and other applicable provisions of law on or before December 31, 2015, through a permitting process.

(c) The division has the emergency regulatory authority to implement the purposes of this section. Notwithstanding Section 11349.6 of the Government Code or other laws, an emergency regulation adopted pursuant to this subdivision implementing subdivision (b) shall be filed with, but shall not be disapproved by, the Office of Administrative Law, and shall remain in effect until revised by the director or July 1, 2015, whichever is earlier.

(d) This section does not limit the authority of the division to take appropriate action pursuant to subdivision (a) of Section 3106.

SEC. 132. Section 4629.5 of the Public Resources Code is amended to read:

4629.5. (a) (1) There is hereby imposed an assessment on a person who purchases a lumber product or an engineered wood product for the storage, use, or other consumption in this state, at the rate of 1 percent of the sales price.

(2) A retailer shall charge the person the amount of the assessment as a charge that is separate from, and not included in, any other fee, charge, or other amount paid by the purchaser.

(3) The retailer shall collect the assessment from the person at the time of sale, and may retain reimbursement pursuant to Sections 2000 and 2001 of Title 18 of the California Code of Regulations, as approved by the State Board of Equalization at its September

10, 2013, meeting, for startup costs associated with the collection of the assessment, to be taken on the first return or next consecutive returns until the entire reimbursement amount is retained.

(b) The retailer shall separately state the amount of the assessment imposed under this section on the sales receipt given by the retailer to the person at the time of sale.

(c) The State Board of Equalization shall administer and collect the assessment imposed by this section pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code) with those changes as may be necessary to conform to this article. For purposes of this section, the references in the Fee Collection Procedures Law to "fee" shall include the assessment imposed by this section.

(d) (1) The assessment is required to be collected by a retailer and any amount unreturned to the person who paid an amount in excess of the assessment, but was collected from the person under the representation by the retailer that it was owed as an assessment, constitutes debts owed by the retailer to this state.

(2) A person who purchases a lumber product or an engineered wood product for storage, use, or other consumption in this state is liable for the assessment until it has been paid to this state, except that payment to a retailer relieves the person from further liability for the assessment. Any assessment collected from a person that has not been remitted to the State Board of Equalization shall be a debt owed to the state by the retailer required to collect and remit the assessment. This part does not impose any obligation upon a retailer to take any legal action to enforce the collection of the assessment imposed by this section.

(e) Except as provided in paragraph (3) of subdivision (a), the State Board of Equalization may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this section, including, but not limited to, collections, reporting, refunds, and appeals.

(f) (1) The assessment imposed by this section is due and payable to the State Board of Equalization quarterly on or before the last day of the month next succeeding each quarterly period.

(2) On or before the last day of the month following each quarterly period, a return for the preceding quarterly period shall be filed with the State Board of Equalization using electronic

media, in the form prescribed by the State Board of Equalization. Returns shall be authenticated in a form or pursuant to methods, as prescribed by the State Board of Equalization.

(g) For purposes of this section, all of the following shall apply:

(1) "Purchase" has the same meaning as that term is defined in Section 6010 of the Revenue and Taxation Code.

(2) "Retailer" has the same meaning as that term is defined in Section 6015 of the Revenue and Taxation Code.

(3) "Sales price" has the same meaning as that term is defined in Section 6011 of the Revenue and Taxation Code.

(4) "Storage" has the same meaning as that term is defined in Section 6008 of the Revenue and Taxation Code.

(5) "Use" has the same meaning as that term is defined in Section 6009 of the Revenue and Taxation Code.

(h) (1) A person required to pay the assessment imposed under this article shall register with the State Board of Equalization. Every application for registration shall be made in a form prescribed by the State Board of Equalization and shall set forth the name under which the applicant transacts or intends to transact business, the location of the person's place or places of business, and any other information that the State Board of Equalization may require. An application for registration shall be authenticated in a form or pursuant to methods as may be prescribed by the State Board of Equalization.

(2) An application for registration filed pursuant to this section may be filed using electronic media as prescribed by the State Board of Equalization.

(3) Electronic media includes, but is not limited to, computer modem, magnetic media, optical disc, facsimile machine, or telephone.

SEC. 133. Section 4629.6 of the Public Resources Code is amended to read:

4629.6. Moneys deposited in the fund shall, upon appropriation by the Legislature, only be expended for the following purposes:

(a) To reimburse the State Board of Equalization for its administrative costs associated with the administration, collection, audit, and issuance of refunds related to the lumber products and engineered wood assessment established pursuant to Section 4629.5.

(b) To pay refunds issued pursuant to Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code.

(c) To support the activities and costs of the department, the Department of Conservation, the Department of Fish and Wildlife, the State Water Resources Control Board, and regional water quality control boards associated with the review of projects or permits necessary to conduct timber operations. On or after July 1, 2013, except for fees applicable for fire prevention or protection within state responsibility area classified lands or timber yield assessments, no currently authorized or required fees shall be charged by the agencies listed in this subdivision for activities or costs associated with the review of a project, inspection and oversight of projects, and permits necessary to conduct timber operations of those departments and boards.

(d) For transfer to the department's Forest Improvement Program, upon appropriation by the Legislature, for forest resources improvement grants and projects administered by the department pursuant to Chapter 1 (commencing with Section 4790) and Chapter 2 (commencing with Section 4799.06) of Part 2 of Division 4.

(e) To fund existing restoration grant programs, with priority given to the Fisheries Restoration Grant Program administered by the Department of Fish and Wildlife and grant programs administered by state conservancies.

(f) (1) As a loan to the Department of Fish and Wildlife for activities to address environmental damage occurring on forest lands resulting from marijuana cultivation. Not more than five hundred thousand dollars ($500,000) may be loaned from the fund in a fiscal year pursuant to this paragraph. This paragraph shall become inoperative on July 1, 2017.

(2) Any funds deposited into the Timber Regulation and Forest Restoration Fund pursuant to subdivision (d) or (f) of Section 12025 of the Fish and Game Code shall be credited toward loan repayment.

(3) Moneys from the General Fund shall not be used to repay a loan authorized pursuant to this subdivision.

(g) To the department, upon appropriation by the Legislature, for fuel treatment grants and projects pursuant to authorities under the Wildland Fire Protection and Resources Management Act of

1978 (Article 1 (commencing with Section 4461) of Chapter 7 of Part 2 of Division 4).

(h) To the department, upon appropriation by the Legislature, to provide grants to local agencies responsible for fire protection, qualified nonprofits, recognized tribes, local and state governments, and resources conservation districts, undertaken on a state responsibility area (SRA) or on wildlands not in an SRA that pose a threat to the SRA, to reduce the costs of wildland fire suppression, reduce greenhouse gas emissions, promote adaptation of forested landscapes to changing climate, improve forest health, and protect homes and communities.

SEC. 134. Section 4629.7 of the Public Resources Code is amended to read:

4629.7. All grants made pursuant to subdivisions (g) and (h) of Section 4629.6 shall fund activities that do any of the following, in order of priority:

(a) Improve forest health.

(b) Promote climate mitigation strategies included in the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) scoping plan for the forest sector, as adopted by the State Air Resources Control Board, or as amended through subsequent actions of that board.

(c) Promote climate change adaptation strategies for the forest sector, as adopted by the Natural Resources Agency in the California Climate Adaptation Strategy.

SEC. 135. Section 4629.8 of the Public Resources Code is amended to read:

4629.8. (a) Funds deposited in the Timber Regulation and Forest Restoration Fund shall be appropriated in accordance with the following priorities:

(1) First priority shall be for funding associated with the administration and delivery of responsibilities identified in subdivisions (a) to (c), inclusive, of Section 4629.6.

(2) Only after paragraph (1) is funded, the second priority shall be, if deposits are sufficient in future years to maintain the fund, by 2016, at a minimum reserve of four million dollars ($4,000,000), for use and appropriation by the Legislature in years during which revenues to the account are projected to fall short of the ongoing

budget allocations for support of the activities identified in paragraph (1).

(3) Only after paragraphs (1) and (2) are funded, the third priority shall be in support of activities designated in subdivisions (d), (e), and (f) of Section 4629.6.

(4) Only after paragraphs (1), (2), and (3) are funded, the fourth priority shall be to support the activities designated in subdivisions (g) and (h) of Section 4629.6.

(b) Funds shall not be used to pay for or reimburse any requirements, including mitigation of a project proponent or applicant, as a condition of any permit.

SEC. 136. Section 5009 of the Public Resources Code is amended to read:

5009. The State Park Contingent Fund is continued in existence. All moneys collected or received from contractual agreements, donations, gifts, bequests, or local government appropriations for improvements or additions to the state park system, shall be deposited in the State Treasury to the credit of the contingent fund. All moneys deposited shall be used for the improvement, maintenance, operation, or administration of state parks, or the acquisition of additional lands and properties for the state park system, in accordance with the terms of the agreement, donation, gift, bequest, or local government appropriation from which the moneys are derived.

SEC. 137. Section 5010.6 of the Public Resources Code is amended to read:

5010.6. (a) For purposes of this section, "subaccount" means the State Parks Revenue Incentive Subaccount created pursuant to this section.

(b) The State Parks Revenue Incentive Subaccount is hereby created within the State Parks and Recreation Fund and the Controller shall annually transfer four million three hundred forty thousand dollars ($4,340,000) from the State Parks and Recreation Fund to the subaccount.

(c) Notwithstanding Section 13340 of the Government Code, the funds in the subaccount are hereby continuously appropriated to the department for activities, programs, and projects, including, but not limited to, capital outlay projects, that are consistent with the mission of the department and that increase the department's capacity to generate revenue and to implement the revenue

generation program developed pursuant to Section 5010.7. Expenditures from the subaccount may include expenditures for staffing entry points, including department employees, seasonal employees, state and local conservation corps, individuals qualified pursuant to Chapter 0908 of the Department Operations Manual, and employees of organizations with agreements with state parks pursuant to Sections 513, 5009.1, 5009.3, and 5080. Activities, programs, and projects funded by the subaccount shall each include all of the following:

(1) A clear description of the proposed use of funds.

(2) A timeframe for implementation of the activity, program, or project.

(3) A projection of revenues, including annual income, fees, and projected usage rates.

(4) A projection of costs, including design, planning, construction, operation, staff, maintenance, marketing, and information technology.

(5) A market analysis demonstrating demand for the activity, project, or program.

(6) A projected rate of return on the investment.

(d) The Office of State Audits and Evaluations shall review the activities, programs, and projects funded from the subaccount pursuant to subdivision (c) to ensure appropriate internal controls are in place. The department shall reimburse the Office of State Audits and Evaluations from the subaccount for any costs related to the review.

(e) The revenue generated from activities, programs, and projects funded by the subaccount are continuously appropriated for expenditure by the department pursuant to subdivisions (c) and (d) of Section 5010.7.

(f) The funds in the subaccount shall be available for encumbrance and expenditure until June 30, 2019, and for liquidation until June 30, 2021.

(g) This section shall become inoperative on June 30, 2021, and, as of January 1, 2022, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2022, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 138. Section 5010.6.5 of the Public Resources Code is amended to read:

5010.6.5. On July 1, 2021, the Controller shall transfer any unexpended funds remaining in the State Parks Revenue Incentive Subaccount created pursuant to Section 5010.6 to the State Parks and Recreation Fund.

SEC. 139. Section 5010.7 of the Public Resources Code is amended to read:

5010.7. (a) The department shall develop a revenue generation program as an essential component of a long-term sustainable park funding strategy. On or before July 1, 2014, and annually thereafter, the department shall assign a revenue generation target to each district under the control of the department. The department shall develop guidelines for districts to report the use of funds generated by the revenue generation program, and shall post information and copies of the reports on its Internet Web site.

(b) The California State Park Enterprise Fund is hereby created in the State Treasury as a working capital fund, and the revenue shall be available to the department upon appropriation by the Legislature for capital outlay or support expenditures for revenue generating investments in state parks. These investments may include, but are not limited to, planning and implementation of a statewide electronic fee collection system that includes installation of modern fee collection equipment and technologies to enhance collection of state park users fees and that will enable park users to pay fees with commonly used forms of electronic fund transfers, including, but not limited to, credit and debit card transactions, and other park revenue generating projects, and shall be available for encumbrance and expenditure until June 30, 2019, and for liquidation until June 30, 2021.

(1) The department shall prepare guidelines for districts to apply for funds for capital projects that are consistent with this subdivision.

(2) The guidelines prepared pursuant to this paragraph shall require all of the following:

(A) A clear description of the proposed use of funds.

(B) A timeframe of implementation of the capital project.

(C) A projection of revenue, including annual income, fees, and projected usage rates.

(D) A projection of costs, including design, planning, construction, operation, staff, maintenance, marketing, and information technology.

(E) A market analysis demonstrating demand for the project.

(F) A projected rate of return on the investment.

(c) The revenue generated by the revenue generation program developed pursuant to subdivision (a) shall be deposited into the State Parks and Recreation Fund. Revenue identified as being in excess of the revenue targets shall be transferred to the State Parks Revenue Incentive Subaccount, established pursuant to Section 5010.6, on or before June 1, annually.

(d) Moneys transferred to the State Parks Revenue Incentive Subaccount pursuant to subdivision (c) shall be expended as follows:

(1) (A) The department shall allocate 50 percent of the total amount of revenues deposited into the State Parks Revenue Incentive Subaccount pursuant to subdivision (c), generated by a park district to that district if the amount of revenues generated exceeds the targeted revenue amount prescribed in the revenue generation program. The revenues to be allocated to a park district that fails to achieve the revenue target shall remain in the subaccount.

(B) With the approval of the director, each district shall use the funds it receives pursuant to this section to improve the parks in that district through revenue generation programs and projects and other activities that will assist in the district's revenue generation activities, and the programs, projects, and other activities shall be consistent with the mission and purpose of each unit and with the plan developed for the unit pursuant to subdivision (a) of Section 5002.2.

(C) The department shall report to the Legislature, commencing on July 1, 2014, and annually on or before each July 1 thereafter, on the revenue distributed to each district pursuant to this section.

(2) The department shall use 50 percent of the funds deposited into the State Parks Revenue Incentive Subaccount pursuant to subdivision (c) for the following purposes:

(A) To fund the capital costs of construction and installation of new revenue and fee collection equipment and technologies and other physical upgrades to existing state park system lands and facilities.

(B) For costs of restoration, rehabilitation, and improvement of the state park system and its natural, historical, and visitor-serving

resources that enhance visitation and are designed to create opportunities to increase revenues.

(C) For costs to the department to implement the action plan required to be developed by the department pursuant to Section 5019.92 of the Public Resources Code.

(D) Pursuant to subdivision (c) of Section 5010.6, for expenditures to support revenue generation projects that include, but are not limited to, staffing kiosks, campgrounds, and parking lots.

(e) The funds generated by the revenue generation program shall not be used by the department to expand the park system, unless there is significant revenue generation potential from such an expansion.

(f) Notwithstanding Section 5009, moneys received by the department from private contributions and other public funding sources may also be deposited into the California State Park Enterprise Fund and the State Parks Revenue Incentive Subaccount for use for the purposes of subdivision (c) and subdivision (d).

(g) The department shall provide all relevant information on its Internet Web site concerning how funds in the State Parks and Recreation Revenue Incentive Subaccount and the California State Park Enterprise Fund are spent.

(h) The department may recoup its costs for implementing and administering the working capital from the fund.

SEC. 140. Article 1.5 (commencing with Section 5019.10) is added to Chapter 1 of Division 5 of the Public Resources Code, to read:

Article 1.5. The Parks Project Revolving Fund

5019.10. (a) The Parks Project Revolving Fund is hereby established in the State Treasury. Except as otherwise specified in this section, upon approval of the Department of Finance there shall be transferred to, or deposited in, the fund 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, including, but not limited to, services, new construction, major construction and equipment, minor

construction, maintenance, improvements, and equipment, and other building and improvement projects for which an appropriation is made or, as to funds from sources other than state appropriations, as may be authorized by written agreement between the contributor or contributors of funds and the department and approved by the Department of Finance.

(b) Money from state sources transferred to, or deposited in, the fund for major construction shall be limited to the amount necessary based on receipt of competitive bids. Money transferred for this purpose shall be upon the approval of the Department of Finance. Any amount available, in the state appropriation, that is in excess of the amount necessary based on receipt of competitive bids, shall be immediately transferred to the credit of the fund from which the appropriation was made. Money in the fund also may be expended, upon approval of the Department of Finance, to finance the cost of a construction project within the powers and duties of the department for which the federal government will contribute a partial cost thereof, if written evidence has been received from a federal agency indicating that money has been appropriated by Congress and the federal government, and that the federal government will pay to the state the amount specified upon the completion of construction of the project. The director may approve plans, specifications, and estimates of cost, and advertise for and receive bids on, those projects in anticipation of the receipt of the written evidence. Money transferred or deposited for the purposes of this subdivision is continuously appropriated to, and available for expenditure by, the department for the purposes for which it is appropriated, contributed, or made available, without regard to fiscal years and irrespective of the provisions of Section 13340 of the Government Code.

(c) As used in this article, "fund" means the Parks Project Revolving Fund.

5019.11. The department shall file against the fund all claims covering expenditures incurred in connection with services, new construction, major construction and equipment, minor construction, maintenance, improvements, and equipment, and other building and improvement projects, and the Controller shall draw his or her warrant therefor against that fund.

5019.12. The department shall keep a record of all expenditures chargeable against each specific portion of the fund. Any

unencumbered balance in any portion of the fund, either within three months after completion of the project for which the portion was transferred or within three years from the time the portion was transferred or deposited therein, whichever is earlier, shall be withdrawn from the fund and transferred to the credit of the fund from which the appropriation was made. As to funds from other than state appropriations, they shall be paid out or refunded as provided in the agreement relating to the contributions. The Department of Finance may approve an extension of the time of withdrawal. For the purpose of this section, an estimate, prepared by the department upon receipt of bids, of the amount required for supervision, engineering, and other items, if any, necessary for the completion of a project, on which a construction contract has been awarded, shall be deemed a valid encumbrance and shall be included with any other valid encumbrances in determining the amount of an unencumbered balance.

5019.13. At any time, the department, without furnishing a voucher or itemized statement, may withdraw from the fund a sum not to exceed five hundred thousand dollars ($500,000). Any sum withdrawn pursuant to this section shall be used as a revolving fund when payments of compensation earned or cash advances are necessary with respect to the construction, alteration, repair, or improvement of state park facilities.

5019.14. The department shall annually submit to the Department of Finance a report that reconciles, by project, all of the following:

(a) Amounts transferred to the fund.

(b) Amounts expended from the fund.

(c) In cases of project savings or completion, or both, unexpended amounts withdrawn from the fund and transferred to the credit of the fund, paid out, or refunded, as provided in Section 5019.12.

5019.15. This article shall become inoperative on the date that is three years after the date that Section 5018.1 is repealed, and, as of January 1 immediately following that inoperative date, is repealed, unless a later enacted statute that is enacted before that January 1 deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 141. Section 14507.5 of the Public Resources Code is amended to read:

14507.5. (a) "Community Conservation Corps" means a nonprofit public benefit corporation formed or operating pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, or an agency operated by a city, county, or city and county, that is certified by the California Conservation Corps as meeting all of the following criteria:

(1) The corps is organized in the form of supervised work crews and selects young men and women for participation on the basis of motivation for hard work, personal development, and public service, without regard to their prior employment or educational background, and consistent with Section 14402. Participation shall be for a period of one year, and may be extended.

(2) The corps' program is based upon a highly disciplined work experience, includes an educational component, and is designed to develop corpsmembers' character and civic consciousness through rigorous work on public projects. The educational component of the corps' program includes enrollment in a vocational education program, public or charter high school, or postsecondary community college.

(3) The corps compensates corpsmembers at not less than the federal minimum wage, and provides corpsmembers assistance in obtaining permanent employment following their participation in the corps program.

(4) The corps engages in recycling and litter abatement projects as well as projects that accomplish the conservationist and other purposes described in subdivisions (a) to (h), inclusive, of Section 14300, and that assist agencies of local government and other nonprofit community organizations in developing, rehabilitating, and restoring parklands, recreational facilities, and other community resources.

(5) The corps consists of an average annual enrollment of not less than 50 corpsmembers between 18 and 25 years of age. In determining the average annual enrollment of a community conservation corps for the purposes of Section 14581.1, the California Conservation Corps shall not include special corpsmembers, as described in Section 14303, who are employed by a community conservation corps.

(b) The California Conservation Corps shall evaluate a community conservation corps for the purpose of determining its eligibility for certification, pursuant to this section, after it has

completed 12 months of continuous operation, and annually thereafter.

SEC. 142. Section 14552 of the Public Resources Code is amended to read:

14552. (a) The department shall establish and implement an auditing system to ensure that the information collected, and refund values and redemption payments paid pursuant to this division, comply with the purposes of this division. Notwithstanding Sections 14573 and 14573.5, the auditing system adopted by the department may include prepayment or postpayment controls.

(b) (1) The department may audit or investigate any action taken up to five years before the onset of the audit or investigation and may determine if there was compliance with this division and the regulations adopted pursuant to this division, during that period.

(2) Notwithstanding any other provision of law establishing a shorter statute of limitation, the department may take an enforcement action, including, but not limited to, an action for restitution or to impose penalties, at any time within five years after the department discovers, or with reasonable diligence, should have discovered, a violation of this division or the regulations adopted pursuant to this division.

(c) During the conduct of any inspection, including, but not limited to, an inspection conducted as part of an audit or investigation, the entity that is the subject of the inspection shall, during its normal business hours, provide the department with immediate access to its facilities, operations, and any relevant record, that, in the department's judgment, the department determines are necessary to carry out this section to verify compliance with this division and the regulations adopted pursuant to this division.

(1) The department may take disciplinary action pursuant to Section 14591.2 against any person who fails to provide the department with access pursuant to this subdivision including, but not limited to, imposing penalties and the immediate suspension or termination of any certificate or registration held by the operator.

(2) The department shall protect any information obtained pursuant to this section in accordance with Section 14554, except that this section does not prohibit the department from releasing any information that the department determines to be necessary in the course of an enforcement action.

(d) The auditing system adopted by the department shall allow for reasonable shrinkage in material due to moisture, dirt, and foreign material. The department, after an audit by a qualified auditing firm and a hearing, shall adopt a standard to be used to account for shrinkage and shall incorporate this standard in the audit process.

(e) If the department prevails against an entity in a civil or administrative action brought pursuant to this division, and money is owed to the department as a result of the action, the department may offset the amount against amounts claimed by the entity to be due to it from the department. The department may take this offset by withholding payments from the entity or by authorizing all processors to withhold payment to a certified recycling center.

(f) If the department determines, pursuant to an audit or investigation, that a distributor or beverage manufacturer has overpaid the redemption payment or processing fee, the department may do either of the following:

(1) Offset the overpayment against future payments.

(2) Refund the payment pursuant to Article 3 (commencing with Section 13140) of Chapter 2 of Part 3 of Division 3 of Title 2 of the Government Code.

SEC. 143. Section 14581 of the Public Resources Code is amended to read:

14581. (a) Subject to the availability of funds and in accordance with subdivision (b), the department shall expend the moneys set aside in the fund, pursuant to subdivision (c) of Section 14580, for the purposes of this section in the following manner:

(1) For each fiscal year, the department may expend the amount necessary to make the required handling fee payment pursuant to Section 14585.

(2) Fifteen million dollars ($15,000,000) shall be expended annually for payments for curbside programs and neighborhood dropoff programs pursuant to Section 14549.6.

(3) (A) Ten million five hundred thousand dollars ($10,500,000) may be expended annually for payments of five thousand dollars ($5,000) to cities and ten thousand dollars ($10,000) for payments to counties for beverage container recycling and litter cleanup activities, or the department may calculate the payments to counties and cities on a per capita basis, and may pay whichever amount is greater, for those activities.

(B) Eligible activities for the use of these funds may include, but are not necessarily limited to, support for new or existing curbside recycling programs, neighborhood dropoff recycling programs, public education promoting beverage container recycling, litter prevention, and cleanup, cooperative regional efforts among two or more cities or counties, or both, or other beverage container recycling programs.

(C) These funds shall not be used for activities unrelated to beverage container recycling or litter reduction.

(D) To receive these funds, a city, county, or city and county shall fill out and return a funding request form to the department. The form shall specify the beverage container recycling or litter reduction activities for which the funds will be used.

(E) The department shall annually prepare and distribute a funding request form to each city, county, or city and county. The form shall specify the amount of beverage container recycling and litter cleanup funds for which the jurisdiction is eligible. The form shall not exceed one double-sided page in length, and may be submitted electronically. If a city, county, or city and county does not return the funding request form within 90 days of receipt of the form from the department, the city, county, or city and county is not eligible to receive the funds for that funding cycle.

(F) For the purposes of this paragraph, per capita population shall be based on the population of the incorporated area of a city or city and county and the unincorporated area of a county. The department may withhold payment to any city, county, or city and county that has prohibited the siting of a supermarket site, caused a supermarket site to close its business, or adopted a land use policy that restricts or prohibits the siting of a supermarket site within its jurisdiction.

(4) One million five hundred thousand dollars ($1,500,000) may be expended annually in the form of grants for beverage container recycling and litter reduction programs.

(5) (A) The department shall expend the amount necessary to pay the processing payment established pursuant to Section 14575. The department shall establish separate processing fee accounts in the fund for each beverage container material type for which a processing payment and processing fee are calculated pursuant to Section 14575, or for which a processing payment is calculated pursuant to Section 14575 and a voluntary artificial scrap value is

calculated pursuant to Section 14575.1, into which account shall be deposited both of the following:

(i) All amounts paid as processing fees for each beverage container material type pursuant to Section 14575.

(ii) Funds equal to the difference between the amount in clause (i) and the amount of the processing payments established in subdivision (b) of Section 14575, and adjusted pursuant to paragraph (2) of subdivision (c) of, and subdivision (f) of, Section 14575, to reduce the processing fee to the level provided in subdivision (e) of Section 14575, or to reflect the agreement by a willing purchaser to pay a voluntary artificial scrap value pursuant to Section 14575.1.

(B) Notwithstanding Section 13340 of the Government Code, the moneys in each processing fee account are hereby continuously appropriated to the department for expenditure without regard to fiscal years, for purposes of making processing payments pursuant to Section 14575.

(6) Up to five million dollars ($5,000,000) may be annually expended by the department for the purposes of undertaking a statewide public education and information campaign aimed at promoting increased recycling of beverage containers.

(7) Up to ten million dollars ($10,000,000) may be expended annually by the department for quality incentive payments for empty glass beverage containers pursuant to Section 14549.1.

(8) (A) Up to ten million dollars ($10,000,000) may be expended annually by the department for market development payments for empty plastic beverage containers pursuant to Section 14549.2, until January 1, 2017.

(B) In addition to the amount specified in subparagraph (A), the department may expend the amount calculated pursuant to subparagraph (C) for market development payments for empty plastic beverage containers pursuant to Section 14549.2.

(C) The department shall calculate the amount authorized for expenditure pursuant to subparagraph (B) in the following manner:

(i) The department shall determine, on or before January 1, 2012, and annually thereafter, whether the amount of funds estimated to be necessary pursuant to clause (ii) of subparagraph (A) of paragraph (6) for deposit to a processing fee account established by the department for plastic beverage containers to make processing payments for plastic beverage containers for the

current calendar year is less than the total amount of funds that were estimated to be necessary the previous calendar year pursuant to clause (ii) of subparagraph (A) of paragraph (6) for deposit to that processing fee account.

(ii) If the amount estimated to be necessary for the current calendar year, as specified in clause (i), is less than the amount estimated to be necessary for the previous calendar year, the department shall calculate the amount of that difference.

(iii) The department shall expend an amount that is not greater than 50 percent of the amount calculated pursuant to clause (ii) for purposes of subparagraph (B).

(iv) If the department determines that the amount of funds authorized for expenditure pursuant to this subparagraph is not needed to make plastic market development payments pursuant to subparagraph (B) in the calendar year for which that amount is allocated, the department may expend those funds during the following year.

(v) If the department determines that there are insufficient funds to both make the market development payments pursuant to subparagraph (B) and to deposit the amount required by clause (ii) of subparagraph (A) of paragraph (6), for purposes of making the processing payments and reducing the processing fees pursuant to Section 14575 for plastic beverage containers, the department shall suspend the implementation of this subparagraph and subparagraph (B).

(D) Subparagraphs (B) and (C) shall remain operative only until January 1, 2017.

(b) (1) If the department determines, pursuant to a review made pursuant to Section 14556, that there may be inadequate funds to pay the payments required by this division, the department shall immediately notify the appropriate policy and fiscal committees of the Legislature regarding the inadequacy.

(2) On or before 180 days, but not less than 80 days, after the notice is sent pursuant to paragraph (1), the department may reduce or eliminate expenditures, or both, from the funds as necessary, according to the procedure set forth in subdivision (c).

(c) If the department determines that there are insufficient funds to make the payments specified pursuant to this section and Section 14575, the department shall reduce all payments proportionally.

(d) Prior to making an expenditure pursuant to paragraph (6) of subdivision (a), the department shall convene an advisory committee consisting of representatives of the beverage industry, beverage container manufacturers, environmental organizations, the recycling industry, nonprofit organizations, and retailers to advise the department on the most cost-effective and efficient method of the expenditure of the funds for that education and information campaign.

(e) Subject to the availability of funds, the department shall retroactively pay in full any payments provided in this section that have been proportionally reduced during the period of January 1, 2010, through June 30, 2010.

SEC. 144. Section 14581.1 is added to the Public Resources Code, to read:

14581.1. (a) The department shall expend in each fiscal year, from the moneys set aside in the fund pursuant to subdivision (c) of Section 14580, twenty million nine hundred seventy-four thousand dollars ($20,974,000), plus the cost-of-living adjustment, as provided in subdivision (c), less fifteen million dollars ($15,000,000), in the form of grants for beverage container litter reduction programs and recycling programs, including education and outreach, issued to either of the following:

(1) Certified community conservation corps that were in existence on September 30, 1999, or that are formed subsequent to that date, that are designated by a city or a city and county to perform litter abatement, recycling, and related activities, if the city or the city and county has a population, as determined by the most recent census, of more than 250,000 persons.

(2) Community conservation corps that are designated by a county to perform litter abatement, recycling, and related activities, and are certified by the California Conservation Corps as having operated for a minimum of two years and as meeting all other criteria of Section 14507.5.

(b) The grants provided pursuant to this section shall not comprise more than 75 percent of the annual budget of a community conservation corps.

(c) The amount of twenty million nine hundred seventy-four thousand dollars ($20,974,000) that is referenced in subdivision (a) is a base amount for the 2014–15 fiscal year, and the department shall adjust that amount annually to reflect any increases or

decreases in the cost of living as measured by the Department of Labor or a successor agency of the federal government.

(d) For the 2014–15 fiscal year only, the amount to be expended from the fund for the purposes specified in subdivision (a) shall be increased by seven million five hundred thousand dollars ($7,500,000).

SEC. 145. Division 12.5 (commencing with Section 17000) is added to the Public Resources Code, to read:

DIVISION 12.5. COMMUNITY CONSERVATION CORPS

17000. For purposes of this division, the following definitions shall apply:

(a) "Certified community conservation corps" means a community conservation corps that was in existence on September 30, 1999, or that is formed subsequent to that date, and that is designated by a city or a city and county to perform litter abatement, recycling, and related activities, if the city or the city and county has a population, as determined by the most recent census, of more than 250,000 persons.

(b) "Community conservation corps" means a community conservation corps, as defined in Section 14507.5, that is designated by a county to perform litter abatement, recycling, and related activities, and that is certified by the California Conservation Corps as having operated for a minimum of two years and as meeting all other criteria of Section 14507.5.

(c) "Department" means the Department of Resources Recycling and Recovery.

17001. (a) For purposes of the 2014–15 fiscal year only, subject to Section 17002, the department shall expend funds from the following sources, for issuing grants to certified community conservation corps and community conservation corps, in accordance with, and for the purposes specified in, this subdivision:

(1) The department shall expend the amount made available for expenditure during the 2014–15 fiscal year pursuant to Section 14581.1 in the form of grants for implementing beverage container litter reduction programs and beverage container recycling programs, including education and outreach, pursuant to Division 12.1 (commencing with Section 14501).

(2) The department shall expend four million dollars ($4,000,000) from the funds in the Electronic Waste Recovery and Recycling Account, upon appropriation by the Legislature, for grants to implement programs relating to the collection and recovery of covered electronic waste, including education and outreach, in accordance with Chapter 8.5 (commencing with Section 42460) of Part 3 of Division 30.

(3) The department shall expend two million five hundred thousand dollars ($2,500,000) from the funds in the California Tire Recycling Management Fund, upon appropriation by the Legislature, for grants relating to implementing programs to clean up and abate waste tires and to reuse and recycle waste tires, including, but not limited to, the tire recycling program authorized by Section 42872, and including education and outreach, in accordance with Chapter 17 (commencing with Section 42860) of Part 3 of Division 30.

(4) The department shall expend one million dollars ($1,000,000) from the funds in the California Used Oil Recycling Fund, upon appropriation by the Legislature, for grants to implement programs relating to the collection of used oil, including education and outreach, in accordance with Chapter 4 (commencing with Section 48600) of Part 7 of Division 30.

(b) On and after July 1, 2015, subject to Section 17002, the department shall expend funds from the following sources, for issuing grants to certified community conservation corps and community conservation corps, in accordance with, and for the purposes specified in, this subdivision:

(1) The department shall expend in each fiscal year the amount made available pursuant to Section 14581.1 for grants to implement beverage container litter reduction programs and beverage container recycling programs, including education and outreach, pursuant to Division 12.1 (commencing with Section 14501).

(2) The department shall expend eight million dollars ($8,000,000) each fiscal year from the funds in the Electronic Waste Recovery and Recycling Account, upon appropriation by the Legislature, for grants to implement programs relating to the collection and recovery of covered electronic waste, including education and outreach, in accordance with Chapter 8.5 (commencing with Section 42460) of Part 3 of Division 30.

(3) The department shall expend five million dollars ($5,000,000) each fiscal year from the funds in the California Tire Recycling Management Fund, upon appropriation by the Legislature, for grants to implement programs relating to clean up and abate waste tires and to reuse and recycle waste tires, including, but not limited to, the tire recycling program authorized by Section 42872, and including education and outreach, in accordance with Chapter 17 (commencing with Section 42860) of Part 3 of Division 30.

(4) The department shall expend two million dollars ($2,000,000) each fiscal year from the funds in the California Used Oil Recycling Fund, upon appropriation by the Legislature, for grants to implement programs relating to the collection of used oil, including education and outreach, in accordance with Chapter 4 (commencing with Section 48600) of Part 7 of Division 30.

17002. The amount the department may expend for a fiscal year pursuant to Section 17001 shall not exceed the amount determined for that fiscal year pursuant to subdivision (c) of Section 14581.1.

SEC. 146. Section 21190 of the Public Resources Code is amended to read:

21190. There is in this state the California Environmental Protection Program, which shall be concerned with the preservation and protection of California's environment. In this connection, the Legislature hereby finds and declares that, since the inception of the program pursuant to the Marks-Badham Environmental Protection and Research Act, the Department of Motor Vehicles has, in the course of issuing environmental license plates, consistently informed potential purchasers of those plates, by means of a detailed brochure, of the manner in which the program functions, the particular purposes for which revenues from the issuance of those plates can lawfully be expended, and examples of particular projects and programs that have been financed by those revenues. Therefore, because of this representation by the Department of Motor Vehicles, purchasers come to expect and rely that the moneys paid by them will be expended only for those particular purposes, which results in an obligation on the part of the state to expend the revenues only for those particular purposes.

Accordingly, all funds expended pursuant to this division shall be used only to support identifiable projects and programs of state

agencies, cities, cities and counties, counties, districts, the University of California, private nonprofit environmental and land acquisition organizations, and private research organizations that have a clearly defined benefit to the people of the State of California and that have one or more of the following purposes:

(a) The control and abatement of air pollution, including all phases of research into the sources, dynamics, and effects of environmental pollutants.

(b) The acquisition, preservation, restoration, or any combination thereof, of natural areas or ecological reserves.

(c) Environmental education, including formal school programs and informal public education programs. The State Department of Education may administer moneys appropriated for these programs, but shall distribute not less than 90 percent of moneys appropriated for the purposes of this subdivision to fund environmental education programs of school districts, other local schools, state agencies other than the State Department of Education, and community organizations. Not more than 10 percent of the moneys appropriated for environmental education may be used for State Department of Education programs or defraying administrative costs.

(d) Protection of nongame species and threatened and endangered plants and animals.

(e) Protection, enhancement, and restoration of fish and wildlife habitat and related water quality, including review of the potential impact of development activities and land use changes on that habitat.

(f) The purchase, on an opportunity basis, of real property consisting of sensitive natural areas for the state park system and for local and regional parks.

(g) Reduction or minimization of the effects of soil erosion and the discharge of sediment into the waters of the Lake Tahoe region, including the restoration of disturbed wetlands and stream environment zones, through projects by the California Tahoe Conservancy and grants to local public agencies, state agencies, federal agencies, and nonprofit organizations.

(h) Scientific research on the risks to California's natural resources and communities caused by the impacts of climate change.

SEC. 147. Section 30821 is added to the Public Resources Code, to read:

30821. (a) In addition to any other penalties imposed pursuant to this division, a person, including a landowner, who is in violation of the public access provisions of this division is subject to an administrative civil penalty that may be imposed by the commission in an amount not to exceed 75 percent of the amount of the maximum penalty authorized pursuant to subdivision (b) of Section 30820 for each violation. The administrative civil penalty may be assessed for each day the violation persists, but for no more than five years.

(b) All penalties imposed pursuant to subdivision (a) shall be imposed by majority vote of the commissioners present in a duly noticed public hearing in compliance with the requirements of Section 30810, 30811, or 30812.

(c) In determining the amount of civil liability, the commission shall take into account the factors set forth in subdivision (c) of Section 30820.

(d) A person shall not be subject to both monetary civil liability imposed under this section and monetary civil liability imposed by the superior court for the same act or failure to act. If a person who is assessed a penalty under this section fails to pay the administrative penalty, otherwise fails to comply with a restoration or cease and desist order issued by the commission in connection with the penalty action, or challenges any of these actions by the commission in a court of law, the commission may maintain an action or otherwise engage in judicial proceedings to enforce those requirements and the court may grant any relief as provided under this chapter.

(e) If a person fails to pay a penalty imposed by the commission pursuant to this section, the commission may record a lien on the property in the amount of the penalty assessed by the commission. This lien shall have the force, effect, and priority of a judgment lien.

(f) In enacting this section, it is the intent of the Legislature to ensure that unintentional, minor violations of this division that only cause de minimis harm will not lead to the imposition of administrative penalties if the violator has acted expeditiously to correct the violation.

(g) "Person," for the purpose of this section, does not include a local government, a special district, or an agency thereof, when acting in a legislative or adjudicative capacity.

(h) Administrative penalties pursuant to subdivision (a) shall not be assessed if the property owner corrects the violation consistent with this division within 30 days of receiving written notification from the commission regarding the violation, and if the alleged violator can correct the violation without undertaking additional development that requires a permit under this division. This 30-day timeframe for corrective action does not apply to previous violations of permit conditions incurred by a property owner.

(i) The commission shall prepare and submit, pursuant to Section 9795 of the Government Code, a report to the Legislature by January 15, 2019, that includes all of the following:

(1) The number of new violations reported annually to the commission from January 1, 2015, to December 31, 2018, inclusive.

(2) The number of violations resolved from January 1, 2015, to December 31, 2018, inclusive.

(3) The number of administrative penalties issued pursuant to this section, the dollar amount of the penalties, and a description of the violations from January 1, 2015, to December 31, 2018, inclusive.

(j) Revenues derived pursuant to this section shall be deposited into the Violation Remediation Account of the Coastal Conservancy Fund and expended pursuant to Section 30823.

SEC. 148. Section 31012 of the Public Resources Code is amended to read:

31012. (a) The Coastal Trust Fund is hereby established in the State Treasury, to receive and disburse funds paid to the conservancy in trust, subject to the right of recovery to fulfill the purposes of the trust, as provided in this section.

(b) (1) There is in the Coastal Trust Fund the San Francisco Bay Area Conservancy Program Account, which shall be expended solely for the purposes of Chapter 4.5 (commencing with Section 31160).

(2) The conservancy shall deposit in the San Francisco Bay Area Conservancy Program Account all funds received by the conservancy for the purposes of the San Francisco Bay Area

Conservancy Program established under Chapter 4.5 (commencing with Section 31160), from sources other than the state or federal government and not provided for in subdivision (a) of Section 31164. These funds include, but are not limited to, private donations, fees, penalties, and local government contributions.

(c) (1) There is in the Coastal Trust Fund the Coastal Program Account. Funds in the Coastal Program Account shall be expended solely for their specified trust purposes.

(2) Upon approval of the Department of Finance, the conservancy shall deposit in the Coastal Program Account all funds paid to the conservancy in trust for purposes of this division, except those funds identified in paragraph (2) of subdivision (b). The funds that shall be deposited in the Coastal Program Account, upon that approval, include, but are not limited to, funds that are paid to the conservancy in trust for purposes of mitigation, for settlement of litigation, instead of other conditions of coastal development permits or other regulatory entitlements, or for other trust purposes consistent with this division and specified by the terms of a gift or contract. Funds in the Coastal Program Account shall be separately accounted for according to their source and trust purpose. Funds shall not be deposited in the Coastal Program Account without the Department of Finance's approval.

(d) (1) There is in the Coastal Trust Fund the California Climate Resilience Account. Notwithstanding Section 13340 of the Government Code, and except as provided in paragraph (6), funds in the account are continuously appropriated to the conservancy, as follows, without regard to fiscal year. Funds shall be expended by the 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, sea level rise, and associated extreme events to coastal and bay communities and natural resources. The purpose of the account is to support project implementation, capital outlay, and local assistance grants. Up to 10 percent of the funds shall be available for administrative costs.

(2) Except as specified by an instrument imposing conditions on the use or expenditure of the specific funds provided, funds appropriated for these purposes shall be allocated as follows:

(A) To the California Coastal Commission, 20 percent of the funds deposited in the account during each fiscal year.

(B) To the San Francisco Bay Conservation and Development Commission, 20 percent of the funds deposited in the account during each fiscal year.

(C) To the conservancy, 60 percent of the funds deposited in the account during each fiscal year.

(3) Funds in the account shall be expended solely for their specified purposes.

(4) Funds that may be deposited into the California Climate Resilience Account include, but are not limited to, appropriations and grants, funds from the federal government, regional planning agencies, and local governments, fees, litigation settlements, permits, and mitigation requirements, and private donations that are eligible to be spent for the purposes of the account.

(5) Nothing in this section shall apply to funds eligible for deposit in the Bay Fill Clean-Up and Abatement Fund pursuant to Section 66647 of the Government Code or to any funds collected pursuant to the California Coastal Act of 1976 (Division 20 (commencing with Section 30000)).

(6) To the extent that any funds are appropriated into the account by the Legislature in the annual Budget Act, those funds shall be segregated for purposes of accounting. Funds appropriated into the account by the Legislature in the annual Budget Act shall not be continuously appropriated and are subject to the provisions of Section 16304 of the Government Code.

(e) Interest that accrues on funds in the Coastal Trust Fund shall be retained in the Coastal Trust Fund and available for expenditure by the conservancy for the trust purposes.

(f) The conservancy shall maintain separate accountings of funds within the Coastal Trust Fund, pursuant to its fiduciary duties, for the purpose of separating deposits and interest on those deposits, according to their trust purposes.

(g) Notwithstanding Section 13340 of the Government Code, and except as provided in subdivision (d), all funds in the Coastal Trust Fund are continuously appropriated, without regard to fiscal year, to the conservancy to fulfill the trust purposes for which the payments of funds were made.

(h) The conservancy shall provide an annual accounting to the Department of Finance of the conservancy's expenditures from, and other activities related to, the Coastal Trust Fund.

SEC. 149. Section 42476 of the Public Resources Code is amended to read:

42476. (a) The Electronic Waste Recovery and Recycling Account is hereby established in the Integrated Waste Management Fund. All fees collected pursuant to this chapter shall be deposited in the account. Notwithstanding Section 13340 of the Government Code, the funds in the account are hereby continuously appropriated, without regard to fiscal year, for the following purposes:

(1) To pay refunds of the covered electronic waste recycling fee imposed under Section 42464.

(2) To make electronic waste recovery payments to an authorized collector of covered electronic waste pursuant to Section 42479.

(3) To make electronic waste recycling payments to covered electronic waste recyclers pursuant to Section 42479.

(4) To make payments to manufacturers pursuant to subdivision (h).

(b) (1) The money in the account may be expended for the following purposes only upon appropriation by the Legislature in the annual Budget Act:

(A) For the administration of this chapter by the Department of Resources Recycling and Recovery and the department.

(B) To reimburse the State Board of Equalization for its administrative costs of registering, collecting, making refunds, and auditing retailers and consumers in connection with the covered electronic waste recycling fee imposed under Section 42464.

(C) To provide funding to the department to implement and enforce Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code, as that chapter relates to covered electronic devices, and any regulations adopted by the department pursuant to that chapter.

(D) To establish the public information program specified in subdivision (d).

(E) For expenditure pursuant to paragraph (2) of subdivision (a) of, and paragraph (2) of subdivision (b) of, Section 17001.

(2) Any fines or penalties collected pursuant to this chapter shall be deposited in the Electronic Waste Penalty Subaccount, which is hereby established in the account. The funds in the Electronic Waste Penalty Subaccount may be expended by the Department of Resources Recycling and Recovery or the department only upon appropriation by the Legislature.

(c) Notwithstanding Section 16475 of the Government Code, any interest earned upon funds in the Electronic Waste Recovery and Recycling Account shall be deposited in that account for expenditure pursuant to this chapter.

(d) Not more than 1 percent of the funds annually deposited in the Electronic Waste Recovery and Recycling Account shall be expended for the purposes of establishing the public information program to educate the public in the hazards of improper covered electronic device storage and disposal and on the opportunities to recycle covered electronic devices.

(e) The Department of Resources Recycling and Recovery shall adopt regulations specifying cancellation methods for the recovery, processing, or recycling of covered electronic waste.

(f) The Department of Resources Recycling and Recovery may pay an electronic waste recycling payment or electronic waste recovery payment only for covered electronic waste that meets all of the following conditions:

(1) (A) The covered electronic waste is demonstrated to have been generated by a person who used the covered electronic device while located in this state.

(B) Covered electronic waste generated outside of the state and subsequently brought into the state is not eligible for payment.

(C) The Department of Resources Recycling and Recovery shall establish documentation requirements for purposes of this paragraph that are necessary to demonstrate that the covered electronic waste was generated in the state and eligible for payment.

(2) The covered electronic waste, including any residuals from the processing of the waste, is handled in compliance with all applicable statutes and regulations.

(3) The manufacturer or the authorized collector or recycler of the electronic waste provides a cost-free and convenient opportunity to recycle electronic waste, in accordance with the legislative intent specified in subdivision (b) of Section 42461.

(4) If the covered electronic waste is processed, the covered electronic waste is processed in this state according to the cancellation method authorized by the Department of Resources Recycling and Recovery.

(g) The Legislature hereby declares that the state is a market participant in the business of the recycling of covered electronic waste for all of the following reasons:

(1) The fee is collected from the state's consumers for covered electronic devices sold for use in the state.

(2) The purpose of the fee and subsequent payments is to prevent damage to the public health and the environment from waste generated in the state.

(3) The recycling system funded by the fee ensures that economically viable and sustainable markets are developed and supported for recovered materials and components in order to conserve resources and maximize business and employment opportunities within the state.

(h) (1) The Department of Resources Recycling and Recovery may make a payment to a manufacturer that takes back a covered electronic device from a consumer in this state for purposes of recycling the device at a processing facility. The amount of the payment made by the Department of Resources Recycling and Recovery shall equal the value of the covered electronic waste recycling fee paid for that device. To qualify for a payment pursuant to this subdivision, the manufacturer shall demonstrate both of the following to the Department of Resources Recycling and Recovery:

(A) The covered electronic device for which payment is claimed was used in this state.

(B) The covered electronic waste for which a payment is claimed, including any residuals from the processing of the waste, has been, and will be, handled in compliance with all applicable statutes and regulations.

(2) A covered electronic device for which a payment is made under this subdivision is not eligible for an electronic waste recovery payment or an electronic waste recycling payment under Section 42479.

SEC. 150. Section 42872.1 of the Public Resources Code is amended to read:

42872.1. (a) This section shall be known, and may be cited, as the Rubberized Pavement Market Development Act.

(b) In accordance with the tire recycling program authorized by Section 42872, the department shall award grants in the following manner:

(1) To cities, counties, and other local governmental agencies for the funding of public works projects that utilize rubberized pavement.

(2) To state and local governmental agencies, including regional park districts, for the funding of disability access projects at parks and Class I bikeways as defined in subdivision (a) of Section 890.4, relative to projects that utilize rubberized pavement.

(c) (1) Except as provided in paragraph (2), the department shall award the grants pursuant to subdivision (b) in the amount of two dollars ($2) for every 12 pounds of crumb rubber used in a public works or disability access project by a state or local governmental agency, including a regional park district.

(2) The department may adjust the amount of grants awarded pursuant to paragraph (1) to an amount that is greater than, or less than, two dollars ($2) for every 12 pounds of crumb rubber if the department finds this adjustment would further the purposes of this article.

(d) This section shall become inoperative on June 30, 2019, and, as of January 1, 2020, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2020, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 151. Section 42885.5 of the Public Resources Code is amended to read:

42885.5. (a) The department shall adopt a five-year plan, which shall be updated every two years, to establish goals and priorities for the waste tire program and each program element.

(b) On or before July 1, 2001, and every two years thereafter, the department shall submit the adopted five-year plan to the appropriate policy and fiscal committees of the Legislature. The department shall include in the plan, programmatic and fiscal issues including, but not limited to, the hierarchy used by the department to maximize productive uses of waste and used tires, and the performance objectives and measurement criteria used by the department to evaluate the success of its waste and used tire

recycling program. Additionally, the plan shall describe each program element's effectiveness, based upon performance measures developed by the department, including, but not limited to, the following:

(1) Enforcement and regulations relating to the storage of waste and used tires.

(2) Cleanup, abatement, or other remedial action related to waste tire stockpiles throughout the state.

(3) Research directed at promoting and developing alternatives to the landfill disposal of waste tires.

(4) Market development and new technology activities for used tires and waste tires.

(5) The waste and used tire hauler program, the registration of, and reporting by, tire brokers, and the manifest system.

(6) A description of the grants, loans, contracts, and other expenditures proposed to be made by the department under the tire recycling program.

(7) Until June 30, 2015, the grant program authorized under Section 42872.5 to encourage the use of waste tires, including, but not limited to, rubberized asphalt concrete technology, in public works projects.

(8) Border region activities, conducted in coordination with the California Environmental Protection Agency, including, but not limited to, all of the following:

(A) Training programs to assist Mexican waste and used tire haulers to meet the requirements for hauling those tires in California.

(B) Environmental education training.

(C) Development of a waste tire abatement plan, with the appropriate government entities of California and Mexico.

(D) Tracking both the legal and illegal waste and used tire flow across the border and recommended revisions to the waste tire policies of California and Mexico.

(E) Coordination with businesses operating in the border region and with Mexico, with regard to applying the same environmental and control requirements throughout the border region.

(F) Development of projects in Mexico in the California-Mexico border region, as defined by the La Paz Agreement, that include, but are not limited to, education, infrastructure, mitigation, cleanup, prevention, reuse, and recycling projects, that address the

movement of used tires from California to Mexico that are eventually disposed of in California.

(9) Grants to certified community conservation corps and community conservation corps, pursuant to paragraph (3) of subdivision (a) of, and paragraph (3) of subdivision (b) of, Section 17001, for purposes of the programs specified in paragraphs (2) and (6) and for related education and outreach.

(c) The department shall base the budget for the California Tire Recycling Act and program funding on the plan.

(d) The plan may not propose financial or other support that promotes, or provides for research for the incineration of tires.

SEC. 152. Section 42889 of the Public Resources Code, as amended by Section 33 of Chapter 401 of the Statutes of 2013, is amended to read:

42889. (a) Of the moneys collected pursuant to Section 42885, an amount equal to seventy-five cents ($0.75) per tire on which the fee is imposed shall be transferred by the State Board of Equalization to the Air Pollution Control Fund. The state board shall expend those moneys, or allocate those moneys to the districts for expenditure, to fund programs and projects that mitigate or remediate air pollution caused by tires in the state, to the extent that the state board or the applicable district determines that the program or project remediates air pollution harms created by tires upon which the fee described in Section 42885 is imposed.

(b) The remaining moneys collected pursuant to Section 42885 shall be used to fund the waste tire program, and shall be appropriated to the department in the annual Budget Act in a manner consistent with the five-year plan adopted and updated by the department. These moneys shall be expended for the payment of refunds under this chapter and for the following purposes:

(1) To pay the administrative overhead cost of this chapter, not to exceed 6 percent of the total revenue deposited in the fund annually, or an amount otherwise specified in the annual Budget Act.

(2) To pay the costs of administration associated with collection, making refunds, and auditing revenues in the fund, not to exceed 3 percent of the total revenue deposited in the fund, as provided in subdivision (c) of Section 42885.

(3) To pay the costs associated with operating the tire recycling program specified in Article 3 (commencing with Section 42870).

(4) To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires and used tires. The department shall consider designating a city, county, or city and county as the enforcement authority of regulations relating to the storage of waste tires and used tires, as provided in subdivision (c) of Section 42850, and regulations relating to the hauling of waste and used tires, as provided in subdivision (b) of Section 42963. If the department designates a local entity for that purpose, the department shall provide sufficient, stable, and noncompetitive funding to that entity for that purpose, based on available resources, as provided in the five-year plan adopted and updated as provided in subdivision (a) of Section 42885.5. The department may consider and create, as appropriate, financial incentives for citizens who report the illegal hauling or disposal of waste tires as a means of enhancing local and statewide waste tire and used tire enforcement programs.

(5) To pay the costs of cleanup, abatement, removal, or other remedial action related to waste tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with the department. Not less than six million five hundred thousand dollars ($6,500,000) shall be expended by the department during each of the following fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

(6) To make studies and conduct research directed at promoting and developing alternatives to the landfill disposal of waste tires.

(7) To assist in developing markets and new technologies for used tires and waste tires. The department's expenditure of funds for purposes of this subdivision shall reflect the priorities for waste management practices specified in subdivision (a) of Section 40051.

(8) To pay the costs associated with implementing and operating a waste tire and used tire hauler program and manifest system pursuant to Chapter 19 (commencing with Section 42950).

(9) To pay the costs to create and maintain an emergency reserve, which shall not exceed one million dollars ($1,000,000).

(10) To pay the costs of cleanup, abatement, or other remedial action related to the disposal of waste tires in implementing and operating the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program established pursuant to Chapter 2.5 (commencing with Section 48100) of Part 7.

(11) To fund border region activities specified in paragraph (8) of subdivision (b) of Section 42885.5.

(12) For expenditure pursuant to paragraph (3) of subdivision (a) of, and paragraph (3) of subdivision (b) of, Section 17001.

(c) This section shall remain in effect only until January 1, 2024, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2024, deletes or extends that date.

SEC. 153. Section 42889 of the Public Resources Code, as amended by Section 34 of Chapter 401 of the Statutes of 2013, is amended to read:

42889. Funding for the waste tire program shall be appropriated to the department in the annual Budget Act. The moneys in the fund shall be expended for the payment of refunds under this chapter and for the following purposes:

(a) To pay the administrative overhead cost of this chapter, not to exceed 5 percent of the total revenue deposited in the fund annually, or an amount otherwise specified in the annual Budget Act.

(b) To pay the costs of administration associated with collection, making refunds, and auditing revenues in the fund, not to exceed 3 percent of the total revenue deposited in the fund, as provided in subdivision (b) of Section 42885.

(c) To pay the costs associated with operating the tire recycling program specified in Article 3 (commencing with Section 42870).

(d) To pay the costs associated with the development and enforcement of regulations relating to the storage of waste tires and used tires. The department shall consider designating a city, county, or city and county as the enforcement authority of regulations relating to the storage of waste tires and used tires, as provided in subdivision (c) of Section 42850, and regulations relating to the hauling of waste and used tires, as provided in subdivision (b) of Section 42963. If the department designates a local entity for that purpose, the department shall provide sufficient, stable, and noncompetitive funding to that entity for that purpose, based on available resources, as provided in the five-year plan adopted and updated as provided in subdivision (a) of Section 42885.5. The department may consider and create, as appropriate, financial incentives for citizens who report the illegal hauling or disposal of waste tires as a means of enhancing local and statewide waste tire and used tire enforcement programs.

(e) To pay the costs of cleanup, abatement, removal, or other remedial action related to waste tire stockpiles throughout the state, including all approved costs incurred by other public agencies involved in these activities by contract with the department. Not less than six million five hundred thousand dollars ($6,500,000) shall be expended by the department during each of the following fiscal years for this purpose: 2001–02 to 2006–07, inclusive.

(f) To fund border region activities specified in paragraph (8) of subdivision (b) of Section 42885.5.

(g) For expenditure pursuant to paragraph (3) of subdivision (a) of, and paragraph (3) of subdivision (b) of, Section 17001.

(h) This section shall become operative on January 1, 2024.

SEC. 154. Section 48653 of the Public Resources Code is amended to read:

48653. The board shall deposit all amounts paid pursuant to Section 48650 by manufacturers, civil penalties, and fines paid pursuant to this chapter, and all other revenues received pursuant to this chapter into the California Used Oil Recycling Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the money in the fund is to be appropriated solely as follows:

(a) Continuously appropriated to the board for expenditure for the following purposes:

(1) To pay recycling incentives pursuant to Section 48651.

(2) To provide a reserve for contingencies, as may be available after making other payments required by this section, in an amount not to exceed one million dollars ($1,000,000).

(3) (A) To make payments for the implementation of local used oil collection programs adopted pursuant to Article 10 (commencing with Section 48690) to cities, based on the city's population, and counties, based on the population of the unincorporated area of the county. Payment shall be determined by multiplying the total annual amount by the fraction equal to the population of cities and counties that are eligible for payments pursuant to Section 48690, divided by the population of the state. The board shall use the latest population estimates of the state generated by the Population Research Unit of the Department of Finance in making the calculations required by this paragraph. Notwithstanding subdivision (b) of Section 48656, the total annual

amount shall equal eleven million dollars ($11,000,000), subject to subparagraph (B).

(B) If sufficient funds are not available to initially issue full funding pursuant to subparagraph (A), the board shall provide funding as follows:

(i) For the purposes set forth in this paragraph, one-half of the amount that remains in the fund after the expenditures are made pursuant to paragraphs (1) and (2) and subdivision (b). The board may utilize additional amounts from the fund, up to, but not exceeding, eleven million dollars ($11,000,000).

(ii) As the board finds is fiscally appropriate, for the purposes set forth in Section 48656. The board shall give priority to the distribution of funding in clause (i) for the purposes of this paragraph.

(C) Pursuant to paragraph (2) of subdivision (d) of Section 48691, it is the intent of this paragraph that at least one million dollars ($1,000,000) be made available specifically for used oil filter collection and recycling programs.

(4) To implement Section 48660.5, in an amount not to exceed two hundred thousand dollars ($200,000) annually.

(5) For expenditures pursuant to Section 48656.

(b) The money in the fund may be expended by the board for the administration of this chapter and by the department for inspections and reports pursuant to Section 48661, only upon appropriation by the Legislature in the annual Budget Act.

(c) (1) Except as provided in paragraph (2), the money in the fund may be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account in the General Fund, upon appropriation by the Legislature in the annual Budget Act, to pay the costs associated with implementing and operating the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program established pursuant to Chapter 2.5 (commencing with Section 48100).

(2) The money in the fund attributable to a charge increase or adjustment made or authorized in an amendment to subdivision (a) of Section 48650 by the act adding this paragraph shall not be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account.

(d) The money in the fund may be expended by the Department of Resources Recycling and Recovery, upon appropriation by the

Legislature, pursuant to paragraph (4) of subdivision (a) of, and paragraph (4) of subdivision (b) of, Section 17001.

(e) Appropriations to the board to pay the costs necessary to administer this chapter shall not exceed three million dollars ($3,000,000) annually.

(f) The Legislature hereby finds and declares its intent that three hundred fifty thousand dollars ($350,000) should be annually appropriated from the California Used Oil Recycling Fund in the annual Budget Act to the board, commencing with fiscal year 2010–11, for the purposes of Section 48655 and to conduct those investigations and enforcement actions necessary to ensure a used oil storage facility or used oil transfer facility causes the used lubricating oil to be transported, as required by subdivision (a) of Section 48651.

SEC. 155. Section 71116 of the Public Resources Code is amended to read:

71116. (a) The Environmental Justice Small Grant Program is hereby established under the jurisdiction of the California Environmental Protection Agency. The California Environmental Protection Agency shall adopt regulations for the implementation of this section. These regulations shall include, but need not be limited to, all of the following:

(1) Specific criteria and procedures for the implementation of the program.

(2) A requirement that each grant recipient submit a written report to the agency documenting its expenditures of the grant funds and the results of the funded project.

(3) Provisions promoting the equitable distribution of grant funds in a variety of areas throughout the state, with the goal of making grants available to organizations that will attempt to address environmental justice issues.

(b) The purpose of the program is to provide grants to eligible community groups, including, but not limited to, community-based, grassroots nonprofit organizations that are located in areas adversely affected by environmental pollution and hazards and that are involved in work to address environmental justice issues.

(c) (1) Both of the following are eligible to receive moneys from the fund:

(A) A nonprofit entity.

(B) A federally recognized tribal government.

(2) For the purposes of this section, "nonprofit entity" means any corporation, trust, association, cooperative, or other organization that meets all of the following criteria:

(A) Is operated primarily for scientific, educational, service, charitable, or other similar purposes in the public interest.

(B) Is not organized primarily for profit.

(C) Uses its net proceeds to maintain, improve, or expand, or any combination thereof, its operations.

(D) Is a tax-exempt organization under Section 501(c)(3) of the federal Internal Revenue Code, or is able to provide evidence to the agency that the state recognizes the organization as a nonprofit entity.

(3) For the purposes of this section, "nonprofit entity" specifically excludes an organization that is a tax-exempt organization under Section 501(c)(4) of the federal Internal Revenue Code.

(d) Individuals may not receive grant moneys from the fund.

(e) Grant recipients shall use the grant award to fund only the project described in the recipient's application. Recipients shall not use the grant funding to shift moneys from existing or proposed projects to activities for which grant funding is prohibited under subdivision (g).

(f) Grants shall be awarded on a competitive basis for projects that are based in communities with the most significant exposure to pollution. Grants shall be limited to any of the following purposes and no other:

(1) Resolve environmental problems through distribution of information.

(2) Identify improvements in communication and coordination among agencies and stakeholders in order to address the most significant exposure to pollution.

(3) Expand the understanding of a community about the environmental issues that affect their community.

(4) Develop guidance on the relative significance of various environmental risks.

(5) Promote community involvement in the decisionmaking process that affects the environment of the community.

(6) Present environmental data for the purposes of enhancing community understanding of environmental information systems and environmental information.

(g) (1) The agency shall not award grants for, and grant funding shall not be used for, any of the following:

(A) Other state grant programs.

(B) Lobbying or advocacy activities relating to any federal, state, regional, or local legislative, quasi-legislative, adjudicatory, or quasi-judicial proceeding involving development or adoption of statutes, guidelines, rules, regulations, plans or any other governmental proposal, or involving decisions concerning siting, permitting, licensing, or any other governmental action.

(C) Litigation, administrative challenges, enforcement action, or any type of adjudicatory proceeding.

(D) Funding of a lawsuit against any governmental entity.

(E) Funding of a lawsuit against a business or a project owned by a business.

(F) Matching state or federal funding.

(G) Performance of any technical assessment for purposes of opposing or contradicting a technical assessment prepared by a public agency.

(2) An organization's use of funds from a grant awarded under this section to educate a community regarding an environmental justice issue or a governmental process does not preclude that organization from subsequent lobbying or advocacy concerning that same issue or governmental process, as long as the lobbying or advocacy is not funded by a grant awarded under this section.

(h) The agency shall review, evaluate, and select grant recipients, and screen grant applications to ensure that they meet the requirements of this section.

(i) The maximum amount of a grant provided pursuant to this section may not exceed fifty thousand dollars ($50,000).

(j) For the purposes of this section, "environmental justice" has the same meaning as defined in Section 65040.12 of the Government Code.

(k) The Secretary for Environmental Protection may expend up to one million five hundred thousand dollars ($1,500,000) per year for the purposes of this section.

(*l*) Board, departments, and offices within the California Environmental Protection Agency may allocate funds from various special funds, settlements, and penalties to implement this program.

SEC. 156. Section 379.6 of the Public Utilities Code is amended to read:

379.6. (a) (1) It is the intent of the Legislature that the self-generation incentive program increase deployment of distributed generation and energy storage systems to facilitate the integration of those resources into the electrical grid, improve efficiency and reliability of the distribution and transmission system, and reduce emissions of greenhouse gases, peak demand, and ratepayer costs. It is the further intent of the Legislature that the commission, in future proceedings, provide for an equitable distribution of the costs and benefits of the program.

(2) The commission, in consultation with the Energy Commission, may authorize the annual collection of not more than the amount authorized for the self-generation incentive program in the 2008 calendar year, through December 31, 2019. The commission shall require the administration of the program for distributed energy resources originally established pursuant to Chapter 329 of the Statutes of 2000 until January 1, 2021. On January 1, 2021, the commission shall provide repayment of all unallocated funds collected pursuant to this section to reduce ratepayer costs.

(3) The commission shall administer solar technologies separately, pursuant to the California Solar Initiative adopted by the commission in Decisions 05-12-044 and 06-01-024, as modified by Article 1 (commencing with Section 2851) of Chapter 9 of Part 2 of Division 1 of this code and Chapter 8.8 (commencing with Section 25780) of Division 15 of the Public Resources Code.

(b) (1) Eligibility for incentives under the self-generation incentive program shall be limited to distributed energy resources that the 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 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(2) On or before July 1, 2015, the commission shall update the factor for avoided greenhouse gas emissions based on the most recent data available to the State Air Resources Board for greenhouse gas emissions from electricity sales in the self-generation incentive program administrators' service areas as well as current estimates of greenhouse gas emissions over the useful life of the distributed energy resource, including

consideration of the effects of the California Renewables Portfolio Standard.

(c) Eligibility for the funding of any combustion-operated distributed generation projects using fossil fuel is subject to all of the following conditions:

(1) An oxides of nitrogen (NO_x) emissions rate standard of 0.07 pounds per megawatthour and a minimum efficiency of 60 percent, or any other NO_x emissions rate and minimum efficiency standard adopted by the State Air Resources Board. A minimum efficiency of 60 percent shall be measured as useful energy output divided by fuel input. The efficiency determination shall be based on 100 percent load.

(2) Combined heat and power units that meet the 60-percent efficiency standard may take a credit to meet the applicable NO_x emissions standard of 0.07 pounds per megawatthour. Credit shall be at the rate of one megawatthour for each 3,400,000 British thermal units (Btus) of heat recovered.

(3) The customer receiving incentives shall adequately maintain and service the combined heat and power units so that during operation the system continues to meet or exceed the efficiency and emissions standards established pursuant to paragraphs (1) and (2).

(4) Notwithstanding paragraph (1), a project that does not meet the applicable NO_x emissions standard is eligible if it meets both of the following requirements:

(A) The project operates solely on waste gas. The commission shall require a customer that applies for an incentive pursuant to this paragraph to provide an affidavit or other form of proof that specifies that the project shall be operated solely on waste gas. Incentives awarded pursuant to this paragraph shall be subject to refund and shall be refunded by the recipient to the extent the project does not operate on waste gas. As used in this paragraph, “waste gas” means natural gas that is generated as a byproduct of petroleum production operations and is not eligible for delivery to the utility pipeline system.

(B) The air quality management district or air pollution control district, in issuing a permit to operate the project, determines that operation of the project will produce an onsite net air emissions benefit, compared to permitted onsite emissions if the project does

not operate. The commission shall require the customer to secure the permit prior to receiving incentives.

(d) In determining the eligibility for the self-generation incentive program, minimum system efficiency shall be determined either by calculating electrical and process heat efficiency as set forth in Section 216.6, or by calculating overall electrical efficiency.

(e) Eligibility for incentives under the program shall be limited to distributed energy resource technologies that the commission determines meet all of the following requirements:

(1) The distributed energy resource technology is capable of reducing demand from the grid by offsetting some or all of the customer's onsite energy load, including, but not limited to, peak electric demand.

(2) The distributed energy resource technology is commercially available.

(3) The distributed energy resource technology safely utilizes the existing transmission and distribution system.

(4) The distributed energy resource technology improves air quality by reducing criteria air pollutants.

(f) Recipients of the self-generation incentive program funds shall provide relevant data to the commission and the State Air Resources Board, upon request, and shall be subject to onsite inspection to verify equipment operation and performance, including capacity, thermal output, and usage to verify criteria air pollutant and greenhouse gas emissions performance.

(g) In administering the self-generation incentive program, the commission shall determine a capacity factor for each distributed generation system energy resource technology in the program.

(h) (1) In administering the self-generation incentive program, the commission may adjust the amount of rebates and evaluate other public policy interests, including, but not limited to, ratepayers, energy efficiency, peak load reduction, load management, and environmental interests.

(2) The commission shall consider the relative amount and the cost of greenhouse gas emission reductions, peak demand reductions, system reliability benefits, and other measurable factors when allocating program funds between eligible technologies.

(i) The commission shall ensure that distributed generation resources are made available in the program for all ratepayers.

(j) In administering the self-generation incentive program, the commission shall provide an additional incentive of 20 percent from existing program funds for the installation of eligible distributed generation resources manufactured in California.

(k) The costs of the program adopted and implemented pursuant to this section shall not be recovered from customers participating in the California Alternate Rates for Energy (CARE) program.

(*l*) The commission shall evaluate the overall success and impact of the self-generation incentive program based on the following performance measures:

(1) The amount of reductions of emissions of greenhouse gases.

(2) The amount of reductions of emissions of criteria air pollutants measured in terms of avoided emissions and reductions of criteria air pollutants represented by emissions credits secured for project approval.

(3) The amount of energy reductions measured in energy value.

(4) The amount of reductions of aggregate noncoincident customer peak demand.

(5) The ratio of the electricity generated by distributed energy resource projects receiving incentives from the program to the electricity capable of being produced by those distributed energy resource projects, commonly known as a capacity factor.

(6) The value to the electrical transmission and distribution system measured in avoided costs of transmission and distribution upgrades and replacement.

(7) The ability to improve onsite electricity reliability as compared to onsite electricity reliability before the self-generation incentive program technology was placed in service.

SEC. 156.5. Section 1807 of the Public Utilities Code is amended to read:

1807. (a) An award made under this article shall be paid by the public utility that is the subject of the hearing, investigation, or proceeding, as determined by the commission, within 30 days. Notwithstanding any other law, an award paid by a public utility pursuant to this article shall be allowed by the commission as an expense for the purpose of establishing rates of the public utility by way of a dollar-for-dollar adjustment to rates imposed by the commission immediately on the determination of the amount of the award, so that the amount of the award shall be fully recovered within one year from the date of the award.

(b) Due to the bankruptcy of Sacramento Natural Gas Storage, the commission's intervenor compensation award to the Avondale Glen Elder Neighborhood Association in A.07-04-013 has been reduced to a fraction of the amount awarded. In this limited circumstance, the commission may 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 in Section 401 for the limited purpose of D.13-11-018.

SEC. 156.7. Section 2851 of the Public Utilities Code is amended to read:

2851. (a) In implementing the California Solar Initiative, the commission shall do all of the following:

(1) (A) The commission shall authorize the award of monetary incentives for up to the first megawatt of alternating current generated by solar energy systems that meet the eligibility criteria established by the Energy Commission pursuant to Chapter 8.8 (commencing with Section 25780) of Division 15 of the Public Resources Code. The commission shall determine the eligibility of a solar energy system, as defined in Section 25781 of the Public Resources Code, to receive monetary incentives until the time the Energy Commission establishes eligibility criteria pursuant to Section 25782. Monetary incentives shall not be awarded for solar energy systems that do not meet the eligibility criteria. The incentive level authorized by the commission shall decline each year following implementation of the California Solar Initiative, at a rate of no less than an average of 7 percent per year, and, except as provided in subparagraph (B), shall be zero as of December 31, 2016. The commission shall adopt and publish a schedule of declining incentive levels no less than 30 days in advance of the first decline in incentive levels. The commission may develop incentives based upon the output of electricity from the system, provided those incentives are consistent with the declining incentive levels of this paragraph and the incentives apply to only the first megawatt of electricity generated by the system.

(B) The incentive level for the installation of a solar energy system pursuant to Section 2852 shall be zero as of December 31, 2021.

(2) The commission shall adopt a performance-based incentive program so that by January 1, 2008, 100 percent of incentives for solar energy systems of 100 kilowatts or greater and at least 50 percent of incentives for solar energy systems of 30 kilowatts or greater are earned based on the actual electrical output of the solar energy systems. The commission shall encourage, and may require, performance-based incentives for solar energy systems of less than 30 kilowatts. Performance-based incentives shall decline at a rate of no less than an average of 7 percent per year. In developing the performance-based incentives, the commission may:

(A) Apply performance-based incentives only to customer classes designated by the commission.

(B) Design the performance-based incentives so that customers may receive a higher level of incentives than under incentives based on installed electrical capacity.

(C) Develop financing options that help offset the installation costs of the solar energy system, provided that this financing is ultimately repaid in full by the consumer or through the application of the performance-based rebates.

(3) By January 1, 2008, the commission, in consultation with the Energy Commission, shall require reasonable and cost-effective energy efficiency improvements in existing buildings as a condition of providing incentives for eligible solar energy systems, with appropriate exemptions or limitations to accommodate the limited financial resources of low-income residential housing.

(4) Notwithstanding subdivision (g) of Section 2827, the commission may develop a time-variant tariff that creates the maximum incentive for ratepayers to install solar energy systems so that the system's peak electricity production coincides with California's peak electricity demands and that ensures that ratepayers receive due value for their contribution to the purchase of solar energy systems and customers with solar energy systems continue to have an incentive to use electricity efficiently. In developing the time-variant tariff, the commission may exclude customers participating in the tariff from the rate cap for residential customers for existing baseline quantities or usage by those customers of up to 130 percent of existing baseline quantities, as required by Section 739.9. Nothing in this paragraph authorizes the commission to require time-variant pricing for ratepayers without a solar energy system.

(b) Notwithstanding subdivision (a), in implementing the California Solar Initiative, the commission may authorize the award of monetary incentives for solar thermal and solar water heating devices, in a total amount up to one hundred million eight hundred thousand dollars ($100,800,000).

(c) (1) In implementing the California Solar Initiative, the commission shall not allocate more than fifty million dollars ($50,000,000) to research, development, and demonstration that explores solar technologies and other distributed generation technologies that employ or could employ solar energy for generation or storage of electricity or to offset natural gas usage. Any program that allocates additional moneys to research, development, and demonstration shall be developed in collaboration with the Energy Commission to ensure there is no duplication of efforts, and adopted by the commission through a rulemaking or other appropriate public proceeding. Any grant awarded by the commission for research, development, and demonstration shall be approved by the full commission at a public meeting. This subdivision does not prohibit the commission from continuing to allocate moneys to research, development, and demonstration pursuant to the self-generation incentive program for distributed generation resources originally established pursuant to Chapter 329 of the Statutes of 2000, as modified pursuant to Section 379.6.

(2) The Legislature finds and declares that a program that provides a stable source of monetary incentives for eligible solar energy systems will encourage private investment sufficient to make solar technologies cost effective.

(3) On or before June 30, 2009, and by June 30th of every year thereafter, the commission shall submit to the Legislature an assessment of the success of the California Solar Initiative program. That assessment shall include the number of residential and commercial sites that have installed solar thermal devices for which an award was made pursuant to subdivision (b) and the dollar value of the award, the number of residential and commercial sites that have installed solar energy systems, the electrical generating capacity of the installed solar energy systems, the cost of the program, total electrical system benefits, including the effect on electrical service rates, environmental benefits, how the program affects the operation and reliability of the electrical grid, how the

program has affected peak demand for electricity, the progress made toward reaching the goals of the program, whether the program is on schedule to meet the program goals, and recommendations for improving the program to meet its goals. If the commission allocates additional moneys to research, development, and demonstration that explores solar technologies and other distributed generation technologies pursuant to paragraph (1), the commission shall include in the assessment submitted to the Legislature, a description of the program, a summary of each award made or project funded pursuant to the program, including the intended purposes to be achieved by the particular award or project, and the results of each award or project.

(d) (1) The commission shall not impose any charge upon the consumption of natural gas, or upon natural gas ratepayers, to fund the California Solar Initiative.

(2) Notwithstanding any other provision of law, any charge imposed to fund the program adopted and implemented pursuant to this section shall be imposed upon all customers not participating in the California Alternate Rates for Energy (CARE) or family electric rate assistance (FERA) programs, including those residential customers subject to the rate limitation specified in Section 739.9 for existing baseline quantities or usage up to 130 percent of existing baseline quantities of electricity.

(3) The costs of the program adopted and implemented pursuant to this section shall not be recovered from customers participating in the California Alternate Rates for Energy or CARE program established pursuant to Section 739.1, except to the extent that program costs are recovered out of the nonbypassable system benefits charge authorized pursuant to Section 399.8.

(e) Except as provided in subdivision (f), in implementing the California Solar Initiative, the commission shall ensure that the total cost over the duration of the program does not exceed three billion five hundred fifty million eight hundred thousand dollars ($3,550,800,000). Except as provided in subdivision (f), financial components of the California Solar Initiative shall consist of the following:

(1) Programs under the supervision of the commission funded by charges collected from customers of San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company. Except as provided in subdivision (f), the

total cost over the duration of these programs shall not exceed two billion three hundred sixty-six million eight hundred thousand dollars ($2,366,800,000) and includes moneys collected directly into a tracking account for support of the California Solar Initiative.

(2) Programs adopted, implemented, and financed in the amount of seven hundred eighty-four million dollars ($784,000,000), by charges collected by local publicly owned electric utilities pursuant to Section 2854. Nothing in this subdivision shall give the commission power and jurisdiction with respect to a local publicly owned electric utility or its customers.

(3) Programs for the installation of solar energy systems on new construction (New Solar Homes Partnership Program), administered by the Energy Commission, and funded by charges in the amount of four hundred million dollars ($400,000,000), collected from customers of San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company. If the commission is notified by the Energy Commission that funding available pursuant to Section 25751 of the Public Resources Code for the New Solar Homes Partnership Program and any other funding for the purposes of this paragraph have been exhausted, the commission may require an electrical corporation to continue administration of the program pursuant to the guidelines established for the program by the Energy Commission, until the funding limit authorized by this paragraph has been reached. The commission, in consultation with the Energy Commission, shall supervise the administration of the continuation of the New Solar Homes Partnership Program by an electrical corporation. An electrical corporation may elect to have a third party, including the Energy Commission, administer the utility's continuation of the New Solar Homes Partnership Program. After the exhaustion of funds, the Energy Commission shall notify the Joint Legislative Budget Committee 30 days prior to the continuation of the program.

(4) The changes made to this subdivision by Chapter 39 of the Statutes of 2012 do not authorize the levy of a charge or any increase in the amount collected pursuant to any existing charge, nor do the changes add to, or detract from, the commission's existing authority to levy or increase charges.

(f) Upon the expenditure or reservation in any electrical corporation's service territory of the amount specified in paragraph

(1) of subdivision (e) for low-income residential housing programs pursuant to subdivision (c) of Section 2852, the commission shall authorize the continued collection of the charge for the purposes of Section 2852. The commission shall ensure that the total amount collected pursuant to this subdivision does not exceed one hundred eight million dollars ($108,000,000). Upon approval by the commission, an electrical corporation may use amounts collected pursuant to subdivision (e) for purposes of funding the general market portion of the California Solar Initiative, that remain unspent and unencumbered after December 31, 2016, to reduce the electrical corporation's portion of the total amount collected pursuant to this subdivision.

SEC. 157. Section 46001.5 is added to the Revenue and Taxation Code, to read:

46001.5. (a) The board may adopt regulations relating to the administration and enforcement of this part pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(b) An emergency regulation adopted pursuant to amendments made to this part by Senate Bill 861 of the 2013–14 Regular Session shall be deemed an emergency and necessary to avoid serious harm to the public peace, health, safety, or general welfare for the purposes of Sections 11346.1 and 11349.6 of the Government Code, and the board is hereby exempt from the requirement that it describe facts showing the need for immediate action and from review by the Office of Administrative Law.

SEC. 158. Section 46002 of the Revenue and Taxation Code is amended to read:

46002. The collection and administration of the fees referred to in Sections 46051 and 46052 shall be governed by the definitions contained in Chapter 7.4 (commencing with Section 8670.1) of Division 1 of Title 2 of the Government Code and this part.

SEC. 159. Section 46006 of the Revenue and Taxation Code is amended to read:

46006. "Administrator" means the person appointed by the Governor pursuant to Section 8670.4 of the Government Code to implement the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (Chapter 7.4 (commencing with Section 8670.1) of Division 1 of Title 2 of the Government Code).

SEC. 160. Section 46007 of the Revenue and Taxation Code is amended to read:

46007. "Barges" means vessels that carry oil in commercial quantities as cargo but are not equipped with a means of self-propulsion.

SEC. 161. Section 46008 of the Revenue and Taxation Code is repealed.

SEC. 162. Section 46010 of the Revenue and Taxation Code is amended to read:

46010. "Crude oil" means petroleum in an unrefined or natural state, including condensate and natural gasoline, and including substances that enhance, cut, thin, or reduce viscosity.

SEC. 163. Section 46011 of the Revenue and Taxation Code is repealed.

SEC. 164. Section 46011 is added to the Revenue and Taxation Code, to read:

46011. (a) "Facility" means any of the following located in state waters or located where an oil spill may impact state waters:

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

(2) A marine terminal.

(3) A pipeline that transports oil.

(4) A railroad that transports oil as cargo.

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

(b) "Facility" does not include any of the following:

(1) A vessel, except a vessel located and used for any purpose described in paragraph (5) of subdivision (a).

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

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

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

(B) Have a useable tank storage capacity not exceeding 75,000 gallons.

(4) A small craft refueling dock.

SEC. 165. Section 46013 of the Revenue and Taxation Code is amended to read:

46013. "Feepayer" means any person liable for the payment of a fee imposed by either Section 8670.40 or 8670.48 of the Government Code.

SEC. 166. Section 46014 of the Revenue and Taxation Code is repealed.

SEC. 167. Section 46015 of the Revenue and Taxation Code is repealed.

SEC. 168. Section 46016 of the Revenue and Taxation Code is repealed.

SEC. 169. Section 46017 of the Revenue and Taxation Code is amended to read:

46017. "Marine terminal" means any facility used for transferring crude oil or petroleum products to or from tankers or barges. For purposes of this part, a marine terminal includes all piping not integrally connected to a tank facility as defined in subdivision (n) of Section 25270.2 of the Health and Safety Code.

SEC. 170. Section 46018 of the Revenue and Taxation Code is repealed.

SEC. 171. Section 46018 is added to the Revenue and Taxation Code, to read:

46018. "Oil" means any kind of petroleum, liquid hydrocarbons, or petroleum products or any fraction or residues therefrom, including, but not limited to, crude oil, bunker fuel, gasoline, diesel fuel, aviation fuel, oil sludge, oil refuse, oil mixed with waste, and liquid distillates from unprocessed natural gas.

SEC. 172. Section 46019 of the Revenue and Taxation Code is repealed.

SEC. 173. Section 46023 of the Revenue and Taxation Code is amended to read:

46023. "Refinery" means a facility that refines crude oil, including condensate and natural gasoline, into petroleum products, lubricating oils, coke, or asphalt.

SEC. 174. Section 46024 of the Revenue and Taxation Code is repealed.

SEC. 175. Section 46025 of the Revenue and Taxation Code is repealed.

SEC. 176. Section 46027 of the Revenue and Taxation Code is repealed.

SEC. 177. Section 46027 is added to the Revenue and Taxation Code, to read:

46027. "State waters" or "waters of the state" means any surface water, including saline waters, marine waters, and freshwaters, within the boundaries of the state but does not include groundwater.

SEC. 178. Section 46028 of the Revenue and Taxation Code is amended to read:

46028. "Tanker" means a self-propelled vessel that is constructed or adapted for the carriage of oil in bulk or in commercial quantities as cargo.

SEC. 179. Section 46101 of the Revenue and Taxation Code is amended to read:

46101. Every person who operates a refinery in this state, a marine terminal in waters of the state, or operates a pipeline to transport crude oil or petroleum products out of the state shall register with the board.

SEC. 180. Section 5024 of the Vehicle Code is amended to read:

5024. (a) A person described in Section 5101 may also apply for a set of commemorative collegiate reflectorized license plates, and the department shall issue those special license plates in lieu of the regular license plates. The collegiate reflectorized plates shall be of a distinctive design, and shall be available in a special series of letters or numbers, or both, as determined by the department. The collegiate reflectorized plates shall also contain the name of the participating institution as well as the reflectorized logotype, motto, symbol, or other distinctive design, as approved by the department, representing the participating university or college selected by the applicant. The department may issue the commemorative collegiate reflectorized license plates as environmental license plates, as defined in Section 5103, in a combination of numbers or letters, or both, as requested by the owner or lessee of the vehicle.

(b) Any public or private postsecondary educational institution in the state, which is accredited or has been accepted as a recognized candidate for accreditation by the Western Association of Schools and Colleges, may indicate to the department its decision to be included in the commemorative collegiate license plate program and submit its distinctive design for the logotype,

motto, symbol, or other design. However, no public or private postsecondary educational institution may be included in the program until not less than 5,000 applications are received for license plates containing that institution's logotype, motto, symbol, or other design. Each participating institution shall collect and hold applications for collegiate license plates until it has received at least 5,000 applications. Once the institution has received at least 5,000 applications, it shall submit the applications, along with the necessary fees, to the department. Upon receiving the first application, the institution shall have one calendar year to receive the remaining required applications. If, after that one calendar year, 5,000 applications have not been received, the institution shall refund to all applicants any fees or deposits which have been collected.

(c) In addition to the regular fees for an original registration, a renewal of registration, or a transfer of registration, the following commemorative collegiate license plate fees shall be paid:

(1) Fifty dollars ($50) for the initial issuance of the plates. These plates shall be permanent and shall not be required to be replaced.

(2) Forty dollars ($40) for each renewal of registration which includes the continued display of the plates.

(3) Fifteen dollars ($15) for transfer of the plates to another vehicle.

(4) Thirty-five dollars ($35) for replacement plates, if the plates become damaged or unserviceable.

(d) When payment of renewal fees is not required as specified in Section 4000, or when the person determines to retain the commemorative collegiate license plates upon sale, trade, or other release of the vehicle upon which the plates have been displayed, the person shall notify the department and the person may retain the plates.

(e) Of the revenue derived from the additional special fees provided in this section, less costs incurred by the department pursuant to this section, one-half shall be deposited in the California Collegiate License Plate Fund, which is hereby created, and one-half shall be deposited in the California Environmental License Plate Fund.

(f) The money in the California Collegiate License Plate Fund is, notwithstanding Section 13340 of the Government Code,

continuously appropriated to the Controller for allocation as follows:

(1) To the governing body of participating public institutions in the proportion that funds are collected on behalf of each, to be used for need-based scholarships, distributed according to federal student aid guidelines.

(2) With respect to funds collected on behalf of accredited nonprofit, private, and independent colleges and universities in the state, to the California Student Aid Commission for grants to students at those institutions, in the proportion that funds are collected on behalf of each institution, who demonstrate eligibility and need in accordance with the Cal Grant Program pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 of the Education Code, but who did not receive an award based on a listing prepared by the California Student Aid Commission.

(g) The scholarships and grants shall be awarded without regard to race, religion, creed, sex, or age.

(h) The Resources License Plate Fund is hereby abolished and all remaining funds shall be transferred to the California Environmental License Plate Fund effective July 1, 2014.

SEC. 181. Section 174 of the Water Code is amended to read:

174. (a) The Legislature hereby finds and declares that in order to provide for the orderly and efficient administration of the water resources of the state, it is necessary to establish a control board that shall exercise the adjudicatory and regulatory functions of the state in the field of water resources.

(b) It is also the intention of the Legislature to combine the water rights and the water pollution and water quality functions of state government to provide for consideration of water pollution and water quality, and availability of unappropriated water whenever applications for appropriation of water are granted or waste discharge requirements or water quality objectives are established.

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

SEC. 182. Section 174 is added to the Water Code, to read:

174. (a) The Legislature hereby finds and declares that in order to provide for the orderly and efficient administration of the water

resources of the state, it is necessary to establish a control board that shall exercise the adjudicatory and regulatory functions of the state in the field of water resources.

(b) It is also the intention of the Legislature to combine the water rights, water quality, and drinking water functions of the state government to provide for coordinated consideration of water rights, water quality, and safe and reliable drinking water.

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

SEC. 183. Section 10783 of the Water Code is amended to read:

10783. (a) The Legislature finds and declares that protecting the state's groundwater for beneficial use, particularly sources and potential sources of drinking water, is of paramount concern.

(b) The Legislature further finds and declares that strategic, scientifically based groundwater monitoring of the state's oil and gas fields is critical to allaying the public's concerns regarding well stimulation treatments of oil and gas wells.

(c) On or before July 1, 2015, in order to assess the potential effects of well stimulation treatments, as defined in Article 3 (commencing with Section 3150) of Chapter 1 of Division 3 of the Public Resources Code, on the state's groundwater resources in a systematic way, the state board shall develop model groundwater monitoring criteria, to be implemented either on a well-by-well basis for a well subject to well stimulation treatment or on a regional scale. The model criteria shall address a range of spatial sampling scales from methods for conducting appropriate monitoring on individual oil and gas wells subject to a well stimulation treatment, to methods for conducting a regional groundwater monitoring program. The state board shall take into consideration the recommendations received pursuant to subdivision (d) and shall include in the model criteria, at a minimum, the components identified in subdivision (f). The state board shall prioritize monitoring of groundwater that is or has the potential to be a source of drinking water, but shall protect all waters designated for any beneficial use.

(d) The state board, in consultation with the Department of Conservation, Division of Oil, Gas, and Geothermal Resources, shall seek the advice of experts on the design of the model groundwater monitoring criteria. The experts shall assess and make recommendations to the state board on the model criteria. These

recommendations shall prioritize implementation of regional groundwater monitoring programs statewide, as warranted, based upon the prevalence of well stimulation treatments of oil and gas wells and groundwater suitable as a source of drinking water.

(e) The state board shall also seek the advice of stakeholders representing the diverse interests of the oil- and gas-producing areas of the state. The stakeholders shall include the oil and gas industry, agriculture, environmental justice, and local government, among others, with regional representation commensurate with the intensity of oil and gas development in that area. The stakeholders shall also make recommendations to the state board regarding the development and implementation of groundwater monitoring criteria, including priority locations for implementation.

(f) The scope and nature of the model groundwater monitoring criteria shall include the determination of all of the following:

(1) An assessment of the areas to conduct groundwater quality monitoring and their appropriate boundaries.

(2) A list of the constituents to measure and assess water quality.

(3) The location, depth, and number of monitoring wells necessary to detect groundwater contamination at spatial scales ranging from an individual oil and gas well to a regional groundwater basin including one or more oil and gas fields.

(4) The frequency and duration of the monitoring.

(5) A threshold criteria indicating a transition from well-by-well monitoring to a regional monitoring program.

(6) Data collection and reporting protocols.

(7) Public access to the collected data under paragraph (6).

(g) Factors to consider in addressing subdivision (f) shall include, but are not limited to, all of the following:

(1) The existing quality and existing and potential use of the groundwater.

(2) Groundwater that is not a source of drinking water consistent with the United States Environmental Protection Agency's definition of an Underground Source of Drinking Water as containing less than 10,000 milligrams per liter total dissolved solids in groundwater (40 C.F.R. 144.3), including exempt aquifers pursuant to Section 146.4 of Title 40 of the Code of Federal Regulations.

(3) Proximity to human population, public water service wells, and private groundwater use, if known.

(4) The presence of existing oil and gas production fields, including the distribution, physical attributes, and operational status of oil and gas wells therein.

(5) Events, including well stimulation treatments and oil and gas well failures, among others, that have the potential to contaminate groundwater, appropriate monitoring to evaluate whether groundwater contamination can be attributable to a particular event, and any monitoring changes necessary if groundwater contamination is observed.

(h) (1) On or before January 1, 2016, the state board or appropriate regional board shall begin implementation of the regional groundwater monitoring programs based upon the model criteria developed under subdivision (c).

(2) In the absence of state implementation of a regional groundwater monitoring program, a well owner or operator may develop and implement an area-specific groundwater monitoring program, for the purpose of subparagraph (D) of paragraph (3) of subdivision (d) of Section 3160 of the Public Resources Code, based upon the model criteria developed under subdivision (c), subject to approval by the state or regional board, and that meets the requirements of this section.

(i) The model criteria for either a well-by-well basis for a well subject to well stimulation treatment, or for a regional groundwater monitoring program, shall be used to satisfy the permitting requirements for well stimulation treatments on oil and gas wells pursuant to Section 3160 of the Public Resources Code. The model criteria used on a well-by-well basis for a well subject to a well stimulation treatment shall be used where no regional groundwater monitoring plan approved by the state or regional board, if applicable, exists and has been implemented by either the state or regional board or the well owner or operator.

(j) The model criteria shall accommodate monitoring where surface access is limited. Monitoring is not required for oil and gas wells where the wells do not penetrate groundwater of beneficial use, as determined by a regional water quality control board, or solely penetrate exempt aquifers pursuant to Section 146.4 of Title 40 of the Code of Federal Regulations.

(k) (1) The model criteria and groundwater monitoring programs shall be reviewed and updated periodically, as needed.

(2) The use of the United States Environmental Protection Agency's definition of an Underground Source of Drinking Water as containing less than 10,000 milligrams per liter total dissolved solids in groundwater (40 C.F.R. 144.3) and whether exempt aquifers pursuant to Section 146.4 of Title 40 of the Code of Federal Regulations shall be subject to groundwater monitoring shall be reviewed by the state board through a public process on or before January 1, 2020.

(*l*) (1) All groundwater quality data collected pursuant to subparagraph (F) of paragraph (1) of subdivision (d) of Section 3160 of the Public Resources Code shall be submitted to the state board in an electronic format that is compatible with the state board's GeoTracker database, following the guidelines detailed in Chapter 30 (commencing with Section 3890) of Division 3 of Title 23 of the California Code of Regulations.

(2) A copy of the reported data under paragraph (1) shall be transferred by the state board to a public, nonprofit doctoral-degree-granting educational institution located in the San Joaquin Valley, administered pursuant to Section 9 of Article IX of the California Constitution, in order to form the basis of a comprehensive groundwater quality data repository to promote research, foster interinstitutional collaboration, and seek understanding of the numerous factors influencing the state's groundwater.

(m) The adoption of criteria required pursuant to this section is exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of criteria pursuant to this section shall instead be accomplished by means of a public process reasonably calculated to give those persons interested in their adoption an opportunity to be heard.

SEC. 184. Section 13272 of the Water Code is amended to read:

13272. (a) Except as provided by subdivision (b), any person who, without regard to intent or negligence, causes or permits any oil or petroleum product to be discharged in or on any waters of the state, or discharged or deposited where it is, or probably will be, discharged in or on any waters of the state, shall, as soon as (1) that person has knowledge of the discharge, (2) notification is

possible, and (3) notification can be provided without substantially impeding cleanup or other emergency measures, immediately notify the Office of Emergency Services of the discharge in accordance with the spill reporting provision of the California oil spill contingency plan adopted pursuant to Article 3.5 (commencing with Section 8574.1) of Chapter 7 of Division 1 of Title 2 of the Government Code.

(b) The notification required by this section shall not apply to a discharge in compliance with waste discharge requirements or other provisions of this division.

(c) Any person who fails to provide the notice required by this section is guilty of a misdemeanor and shall be punished by a fine of not less than five hundred dollars ($500) or more than five thousand dollars ($5,000) per day for each day of failure to notify, or imprisonment of not more than one year, or both. Except where a discharge to the waters of this state would have occurred but for cleanup or emergency response by a public agency, this subdivision shall not apply to any discharge to land that does not result in a discharge to the waters of this state. This subdivision shall not apply to any person who is fined by the federal government for a failure to report a discharge of oil.

(d) Notification received pursuant to this section or information obtained by use of that notification shall not be used against any person providing the notification in any criminal case, except in a prosecution for perjury or giving a false statement.

(e) Immediate notification to the appropriate regional board of the discharge, in accordance with reporting requirements set under Section 13267 or 13383, shall constitute compliance with the requirements of subdivision (a).

(f) The reportable quantity for oil or petroleum products shall be one barrel (42 gallons) or more, by direct discharge to the receiving waters, unless a more restrictive reporting standard for a particular body of water is adopted.

SEC. 185. Section 13350 of the Water Code is amended to read:

13350. (a) A person who (1) violates a cease and desist order or cleanup and abatement order hereafter issued, reissued, or amended by a regional board or the state board, or (2) in violation of a waste discharge requirement, waiver condition, certification, or other order or prohibition issued, reissued, or amended by a

regional board or the state board, discharges waste, or causes or permits waste to be deposited where it is discharged, into the waters of the state, or (3) causes or permits any oil or any residuary product of petroleum to be deposited in or on any of the waters of the state, except in accordance with waste discharge requirements or other actions or provisions of this division, shall be liable civilly, and remedies may be proposed, in accordance with subdivision (d) or (e).

(b) (1) A person who, without regard to intent or negligence, causes or permits a hazardous substance to be discharged in or on any of the waters of the state, except in accordance with waste discharge requirements or other provisions of this division, shall be strictly liable civilly in accordance with subdivision (d) or (e).

(2) For purposes of this subdivision, the term "discharge" includes only those discharges for which Section 13260 directs that a report of waste discharge shall be filed with the regional board.

(3) For purposes of this subdivision, the term "discharge" does not include an emission excluded from the applicability of Section 311 of the Clean Water Act (33 U.S.C. Sec. 1321) pursuant to Environmental Protection Agency regulations interpreting Section 311(a)(2) of the Clean Water Act (33 U.S.C. Sec. 1321(a)(2)).

(c) A person shall not be liable under subdivision (b) if the discharge is caused solely by any one or combination of the following:

(1) An act of war.

(2) An unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

(3) Negligence on the part of the state, the United States, or any department or agency thereof. However, this paragraph shall not be interpreted to provide the state, the United States, or any department or agency thereof a defense to liability for any discharge caused by its own negligence.

(4) An intentional act of a third party, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

(5) Any other circumstance or event that causes the discharge despite the exercise of every reasonable precaution to prevent or mitigate the discharge.

(d) The court may impose civil liability either on a daily basis or on a per gallon basis, but not on both.

(1) The civil liability on a daily basis shall not exceed fifteen thousand dollars ($15,000) for each day the violation occurs.

(2) The civil liability on a per gallon basis shall not exceed twenty dollars ($20) for each gallon of waste discharged.

(e) The state board or a regional board may impose civil liability administratively pursuant to Article 2.5 (commencing with Section 13323) of Chapter 5 either on a daily basis or on a per gallon basis, but not on both.

(1) The civil liability on a daily basis shall not exceed five thousand dollars ($5,000) for each day the violation occurs.

(A) When there is a discharge, and a cleanup and abatement order is issued, except as provided in subdivision (f), the civil liability shall not be less than five hundred dollars ($500) for each day in which the discharge occurs and for each day the cleanup and abatement order is violated.

(B) When there is no discharge, but an order issued by the regional board is violated, except as provided in subdivision (f), the civil liability shall not be less than one hundred dollars ($100) for each day in which the violation occurs.

(2) The civil liability on a per gallon basis shall not exceed ten dollars ($10) for each gallon of waste discharged.

(f) A regional board shall not administratively impose civil liability in accordance with paragraph (1) of subdivision (e) in an amount less than the minimum amount specified, unless the regional board makes express findings setting forth the reasons for its action based upon the specific factors required to be considered pursuant to Section 13327.

(g) The Attorney General, upon request of a regional board or the state board, shall petition the superior court to impose, assess, and recover the sums. Except in the case of a violation of a cease and desist order, a regional board or the state board shall make the request only after a hearing, with due notice of the hearing given to all affected persons. In determining the amount to be imposed, assessed, or recovered, the court shall be subject to Section 13351.

(h) Article 3 (commencing with Section 13330) and Article 6 (commencing with Section 13360) apply to proceedings to impose, assess, and recover an amount pursuant to this article.

(i) A person who incurs any liability established under this section shall be entitled to contribution for that liability from a third party, in an action in the superior court and upon proof that the discharge was caused in whole or in part by an act or omission of the third party, to the extent that the discharge is caused by the act or omission of the third party, in accordance with the principles of comparative fault.

(j) Remedies under this section are in addition to, and do not supersede or limit, any and all other remedies, civil or criminal, except that no liability shall be recoverable under subdivision (b) for any discharge for which liability is recovered under Section 13385.

(k) Notwithstanding any other law, all funds generated by the imposition of liabilities pursuant to this section shall be deposited into the Waste Discharge Permit Fund. These moneys shall be separately accounted for, and shall be available for expenditure, upon appropriation by the Legislature, for the following purposes:

(1) To the state board to assist regional boards, and other public agencies with authority to clean up waste or abate the effects of the waste, in cleaning up or abating the effects of the waste on waters of the state, or for the purposes authorized in Section 13443, or to assist in implementing Chapter 7.3 (commencing with Section 13560).

(2) Up to five hundred thousand dollars ($500,000) per fiscal year, to assist the Department of Fish and Wildlife to address the impacts of marijuana cultivation on the natural resources of the state.

(*l*) This section shall remain in effect only until July 1, 2017, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2017, deletes or extends that date.

SEC. 186. Section 13350 is added to the Water Code, to read:

13350. (a) A person who (1) violates a cease and desist order or cleanup and abatement order hereafter issued, reissued, or amended by a regional board or the state board, or (2) in violation of a waste discharge requirement, waiver condition, certification, or other order or prohibition issued, reissued, or amended by a regional board or the state board, discharges waste, or causes or

permits waste to be deposited where it is discharged, into the waters of the state, or (3) causes or permits any oil or any residuary product of petroleum to be deposited in or on any of the waters of the state, except in accordance with waste discharge requirements or other actions or provisions of this division, shall be liable civilly, and remedies may be proposed, in accordance with subdivision (d) or (e).

(b) (1) A person who, without regard to intent or negligence, causes or permits a hazardous substance to be discharged in or on any of the waters of the state, except in accordance with waste discharge requirements or other provisions of this division, shall be strictly liable civilly in accordance with subdivision (d) or (e).

(2) For purposes of this subdivision, the term "discharge" includes only those discharges for which Section 13260 directs that a report of waste discharge shall be filed with the regional board.

(3) For purposes of this subdivision, the term "discharge" does not include an emission excluded from the applicability of Section 311 of the Clean Water Act (33 U.S.C. Sec. 1321) pursuant to Environmental Protection Agency regulations interpreting Section 311(a)(2) of the Clean Water Act (33 U.S.C. Sec. 1321(a)(2)).

(c) A person shall not be liable under subdivision (b) if the discharge is caused solely by any one or combination of the following:

(1) An act of war.

(2) An unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

(3) Negligence on the part of the state, the United States, or any department or agency thereof. However, this paragraph shall not be interpreted to provide the state, the United States, or any department or agency thereof a defense to liability for any discharge caused by its own negligence.

(4) An intentional act of a third party, the effects of which could not have been prevented or avoided by the exercise of due care or foresight.

(5) Any other circumstance or event that causes the discharge despite the exercise of every reasonable precaution to prevent or mitigate the discharge.

(d) The court may impose civil liability either on a daily basis or on a per gallon basis, but not on both.

(1) The civil liability on a daily basis shall not exceed fifteen thousand dollars ($15,000) for each day the violation occurs.

(2) The civil liability on a per gallon basis shall not exceed twenty dollars ($20) for each gallon of waste discharged.

(e) The state board or a regional board may impose civil liability administratively pursuant to Article 2.5 (commencing with Section 13323) of Chapter 5 either on a daily basis or on a per gallon basis, but not on both.

(1) The civil liability on a daily basis shall not exceed five thousand dollars ($5,000) for each day the violation occurs.

(A) When there is a discharge, and a cleanup and abatement order is issued, except as provided in subdivision (f), the civil liability shall not be less than five hundred dollars ($500) for each day in which the discharge occurs and for each day the cleanup and abatement order is violated.

(B) When there is no discharge, but an order issued by the regional board is violated, except as provided in subdivision (f), the civil liability shall not be less than one hundred dollars ($100) for each day in which the violation occurs.

(2) The civil liability on a per gallon basis shall not exceed ten dollars ($10) for each gallon of waste discharged.

(f) A regional board shall not administratively impose civil liability in accordance with paragraph (1) of subdivision (e) in an amount less than the minimum amount specified, unless the regional board makes express findings setting forth the reasons for its action based upon the specific factors required to be considered pursuant to Section 13327.

(g) The Attorney General, upon request of a regional board or the state board, shall petition the superior court to impose, assess, and recover the sums. Except in the case of a violation of a cease and desist order, a regional board or the state board shall make the request only after a hearing, with due notice of the hearing given to all affected persons. In determining the amount to be imposed, assessed, or recovered, the court shall be subject to Section 13351.

(h) Article 3 (commencing with Section 13330) and Article 6 (commencing with Section 13360) apply to proceedings to impose, assess, and recover an amount pursuant to this article.

(i) A person who incurs any liability established under this section shall be entitled to contribution for that liability from a third party, in an action in the superior court and upon proof that the discharge was caused in whole or in part by an act or omission of the third party, to the extent that the discharge is caused by the act or omission of the third party, in accordance with the principles of comparative fault.

(j) Remedies under this section are in addition to, and do not supersede or limit, any and all other remedies, civil or criminal, except that no liability shall be recoverable under subdivision (b) for any discharge for which liability is recovered under Section 13385.

(k) Notwithstanding any other law, all funds generated by the imposition of liabilities pursuant to this section shall be deposited into the Waste Discharge Permit Fund. These moneys shall be separately accounted for, and shall be expended by the state board, upon appropriation by the Legislature, to assist regional boards, and other public agencies with authority to clean up waste or abate the effects of the waste, in cleaning up or abating the effects of the waste on waters of the state, or for the purposes authorized in Section 13443, or to assist in implementing Chapter 7.3 (commencing with Section 13560).

(*l*) This section shall become operative on July 1, 2017.

SEC. 187. Section 13478 of the Water Code is amended to read:

13478. (a) The board may undertake any of the following:

(1) Enter into agreements with the federal government for federal contributions to the fund.

(2) Accept federal contributions to the fund.

(3) Enter into an agreement with, and accept matching funds from, a municipality. A municipality that seeks to enter into an agreement with the board and provide matching funds pursuant to this subdivision shall provide to the board evidence of the availability of those funds in the form of a written resolution adopted by the governing body of the municipality before it requests a preliminary financial assistance commitment.

(4) Use moneys in the fund for the purposes permitted by the federal act.

(5) Provide for the deposit of matching funds and any other available and necessary moneys into the fund.

(6) Make requests on behalf of the state for deposit into the fund of available federal moneys under the federal act and determine on behalf of the state appropriate maintenance of progress toward compliance with the enforceable deadlines, goals, and requirements of the federal act.

(7) Determine on behalf of the state that publicly owned treatment works that receive financial assistance from the fund will meet the requirements of, and otherwise be treated as required by, the federal act.

(8) Provide for appropriate audit, accounting, and fiscal management services, plans, and reports relative to the fund.

(9) Take additional incidental action as appropriate for the adequate administration and operation of the fund.

(10) Charge municipalities that elect to provide matching funds a fee to cover the actual cost of obtaining the federal funds pursuant to Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7)) and processing the financial assistance application. The fee shall be waived by the board if sufficient funds to cover those costs are available from other sources.

(11) Use money returned to the fund under clause (ii) of subparagraph (D) of paragraph (1) of subdivision (b) of Section 13480, and any other source of matching funds, if not prohibited by statute, as matching funds for the federal administrative allowance under Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7)).

(12) Expend money repaid by financial assistance recipients for financial assistance service under clauses (i) and (ii) of subparagraph (D) of paragraph (1) of subdivision (b) of Section 13480 to pay administrative costs incurred by the board under this chapter.

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

SEC. 188. Section 13478 is added to the Water Code, to read:

13478. (a) The board may undertake any of the following:

(1) Enter into agreements with the federal government for federal contributions to the fund.

(2) Accept federal contributions to the fund.

(3) Enter into an agreement with, and accept matching funds from, a municipality. A municipality that seeks to enter into an agreement with the board and provide matching funds pursuant to this subdivision shall provide to the board evidence of the availability of those funds in the form of a written resolution adopted by the governing body of the municipality before it requests a preliminary financial assistance commitment.

(4) Use moneys in the fund for the purposes permitted by the federal act.

(5) Provide for the deposit of matching funds and any other available and necessary moneys into the fund.

(6) Make requests on behalf of the state for deposit into the fund of available federal moneys under the federal act and determine on behalf of the state appropriate maintenance of progress toward compliance with the enforceable deadlines, goals, and requirements of the federal act.

(7) Determine on behalf of the state that publicly owned treatment works that receive financial assistance from the fund will meet the requirements of, and otherwise be treated as required by, the federal act.

(8) Provide for appropriate audit, accounting, and fiscal management services, plans, and reports relative to the fund.

(9) Take additional incidental action as appropriate for the adequate administration and operation of the fund.

(10) Charge municipalities that elect to provide matching funds a fee to cover the actual cost of obtaining the federal funds pursuant to Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7)) and processing the financial assistance application. The fee shall be waived by the board if sufficient funds to cover those costs are available from other sources.

(11) Use money returned to the fund under clause (ii) of subparagraph (D) of paragraph (1) of subdivision (b) of Section 13480, and any other source of matching funds, if not prohibited by statute, as matching funds for the federal administrative allowance under Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7)).

(12) Expend money repaid by financial assistance recipients for financial assistance service under clauses (i) and (ii) of subparagraph (D) of paragraph (1) of subdivision (b) of Section

13480 to pay administrative costs incurred by the board under this chapter.

(13) Engage in the transfer of capitalization grant funds, as authorized by Section 35.3530(c) of Title 40 of the Code of Federal Regulations and reauthorized by Public Law 109-54, to the extent set forth in an Intended Use Plan, that shall be subject to approval by the board.

(14) Cross-collateralize revenue bonds with the Safe Drinking Water State Revolving Fund created pursuant to Section 116760.30 of the Health and Safety Code, as authorized by Section 35.3530(d) of Title 40 of the Code of Federal Regulations.

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

SEC. 189. Section 13485 of the Water Code is amended to read:

13485. (a) The board may adopt rules and regulations necessary or convenient to implement this chapter and to meet federal requirements pursuant to the federal act.

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

SEC. 190. Section 13485 is added to the Water Code, to read:

13485. (a) The board may adopt rules and regulations necessary or convenient to implement this chapter and to meet federal requirements pursuant to the federal act.

(b) The board may implement this chapter through a policy handbook that shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Government Code.

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

SEC. 191. Section 13528.5 is added to the Water Code, to read:

13528.5. (a) The state board may carry out the duties and authority granted to a regional board pursuant to this chapter.

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

SEC. 192. (a) The Director of Finance may make available for expenditure in the 2014–15 fiscal year from the Oil Spill Prevention and Administration Fund, established pursuant to Section 8670.38 of the Government Code, an augmentation of Item 0860-001-0320 of the Budget Act of 2014 in an amount equal to the reasonable costs incurred by the State Board of Equalization

associated with amendments made to Section 8670.40 of the Government Code in the 2013–14 Regular Session.

(b) Any augmentation shall be authorized no sooner than 30 days following the transmittal of the approval to the Chairperson of the Joint Legislative Budget Committee.

SEC. 193. Notwithstanding any other law, the unencumbered balance of the appropriation provided for in Item 4265-111-0001 of Chapter 2 of the Statutes of 2014, for the purposes specified in Provision 3 of that item, is hereby appropriated to the State Water Resources Control Board, as of June 30, 2014. This fund shall be available for encumbrance or expenditure until June 30, 2016, for purposes consistent with subdivisions (a) and (c) of Section 75021 of the Public Resources Code for grants pursuant to the Public Water System Drought Emergency Funding Guidelines adopted by the State Department of Public Health on March 28, 2014, for public water systems to address drought-related drinking water emergencies. The State Water Resources Control Board shall make every effort to use other funds available to address drinking water emergencies, including federal funds made available for the drought prior to using the funds specified in this section.

SEC. 194. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 195. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

Approved _____, 2014

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Governor