

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 907

Introduced by Assembly Member Chesbro

February 26, 2009

An act to amend Sections ~~48100~~, 48623, 48631, 48632, 48645, 48650, 48651, 48652, 48653, 48656, 48660, 48660.5, 48662, 48670, 48673, 48674, 48690, and 48691 of, to add Sections 48620.2 and 48651.5 to, and to repeal Sections 48633 and 48634 of, the Public Resources Code, relating to oil, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 907, as amended, Chesbro. California Oil Recycling Enhancement Act: rerefined oil.

(1) The California Oil Recycling Enhancement Act, administered by the California Integrated Waste Management Board, among other things, defines terms and establishes the used oil recycling program, consisting of a recycling incentive system, grants or loans to local governments and nonprofit entities for specified purposes related to used lubricating oil collection and recycling and stormwater pollution from used oil and oil byproducts, development and implementation of an information and education program to promote alternatives to the illegal disposal of used oil, and a reporting, monitoring, and enforcement program to ensure that laws relating to used oil are properly carried out. A violation of the act is a crime.

This bill would define the term “rerefined oil” and revise the definition of “used oil hauler” for purposes of the act, and would revise and recast

the used oil recycling program, so that, among other things, it would no longer provide for loans, and it would provide for the development and implementation of an information and education program to promote methods to reduce the amounts of used oil generated and to promote the use of rerefined oil in automotive and industrial lubricants. The bill would revise the purposes for which grants under the program may be made and would authorize grants additionally to be made to private entities.

(2) The act generally requires every oil manufacturer to pay to the board an amount equal to \$0.04 for every quart, or \$0.16 for every gallon, of lubricating oil sold or transferred in the state, or imported into the state for use in the state.

This bill would increase those amounts to \$0.06 per quart and \$0.24 per gallon, would authorize the board to adjust the fee annually, as specified, and would exempt from the payment of the fee oil sold as finished lubricant containing 100% rerefined base lubricant.

(3) The act requires the board to pay a recycling incentive to every industrial generator, curbside collection program, and certified used oil collection center, for used lubricating oil if certain conditions apply, and to an electric utility, as defined, for certain used lubricating oil. Existing law requires the board to set the recycling incentive amount at not less than \$0.04 per quart, and authorizes the board to set the amount at a higher amount if the board determines that a higher amount is necessary to promote recycling of used lubricating oil and sufficient funds are available in the California Used Oil Recycling Fund.

This bill would revise the conditions applicable to used lubricating oil that must be met before the board is required to pay the recycling incentive, and would delete the requirement that the board pay the recycling incentive to an electric utility for certain used lubricating oil.

The bill additionally would require the board to pay a rerefining incentive to certain recycling facilities that produce rerefined base lubricant meeting specified requirements. The bill would require the board, on or before January 1, 2012, to consider whether to implement additional incentives that prioritize the highest and most beneficial uses of used lubricating oil.

The bill would require the board to increase the recycling incentive to not less than \$0.10 per quart and to set the rerefining incentive at not less than \$0.02 per quart, and would authorize the board to increase those amounts if it determines that a higher amount is necessary to promote the collection and recycling of used lubricating oil or the

rerefining of used lubricating oil, as applicable, and sufficient funds are available in the California Used Oil Recycling Fund.

(4) The act requires the board to deposit the charges described in (2) above, civil penalties and fines paid pursuant to the act, and all other revenues received pursuant to the act, in the California Used Oil Recycling Fund, part of which is continuously appropriated to the board to pay recycling incentives, to provide a reserve for contingencies, to make specified payments for implementation of certain local used oil collection programs in a total amount equal to \$10,000,000 or one-half the amount remaining in the fund after specified expenditures are made, for certain grants and loans, and for reimbursement for certain disposal costs of contaminated used oil. The act authorizes money in the fund, upon appropriation by the Legislature, among other things, to be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account in the General Fund, to pay costs associated with implementing and operating the farm and ranch solid waste cleanup and abatement grant program.

This bill would increase the amount available for payments for implementation of local used oil collection programs to \$13,000,000, thereby making an appropriation. The bill would prohibit money in the California Used Oil Recycling Fund attributable to increasing or adjusting the charge on oil manufacturers described in (2) above from being transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account.

(5) The act prohibits a used oil collection center from being eligible for the payment of recycling incentives until the board has certified the center. Certification eligibility includes compliance with public notice and operational requirements. The act requires a center to reapply for certification every 2 years.

This bill instead would require a center to reapply for certification every 4 years and would revise the certification eligibility requirements.

(6) Under the act, if the board finds that a shipment of used oil from a certified used oil collection center or a curbside collection program is contaminated by hazardous material and other specified requirements are met, the board, upon application of the center or program, is required to reimburse the center or program for the additional disposal cost of the used oil, subject to eligibility requirements and payment limitations.

This bill would include uncertified publicly funded used oil collection centers in small rural counties in those entities eligible to receive that

reimbursement, and would modify the eligibility requirements and payment limitations.

(7) The act imposes certification requirements for used oil recycling facilities.

This bill also would impose certification requirements on rerefiners of used oil. The bill would require certain out-of-state recycling facilities to make specified certifications of compliance with certain federal and state laws, thereby imposing a state-mandated local program, by creating a new crime.

(8) The act imposes reporting requirements on industrial generators of used lubricating oil, used oil collection centers, and curbside collection programs, to be eligible for payment of a recycling incentive.

This bill would revise those reporting requirements.

(9) This bill would make other related changes to the act.

(10) Because a violation of the act is a crime, the bill would impose a state-mandated local program by, among other things, bringing rerefiners of used lubricating oil within the ambit of the act.

(11) 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.

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

State-mandated local program: ~~no~~ yes.

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

1 SECTION 1. ~~Section 48100 of the Public Resources Code is~~
2 ~~amended to read:~~
3 ~~48100. (a) The Legislature hereby finds and declares that~~
4 ~~illegal disposal of solid waste on property owned by innocent~~
5 ~~parties is a longstanding problem needing attention and that grants~~
6 ~~provided under this chapter will support the cleanup of farm and~~
7 ~~ranch property.~~
8 ~~(b) The board shall establish a farm and ranch solid waste~~
9 ~~cleanup and abatement grant program for the purposes of cleaning~~
10 ~~up and abating the effects of illegally disposed solid waste pursuant~~
11 ~~to this chapter.~~
12 ~~(c) (1) The Farm and Ranch Solid Waste Cleanup and~~
13 ~~Abatement Account is hereby created in the General Fund and~~

1 may be expended by the board, upon appropriation by the
2 Legislature in the annual Budget Act, for the purposes of this
3 chapter.

4 (2) The following funds shall be deposited into the account:

5 (A) Money appropriated by the Legislature from the Integrated
6 Waste Management Fund or the California Used Oil Recycling
7 Fund to the board for the grant program, or from the California
8 Tire Recycling Management Fund to the board for the purposes
9 set forth in paragraph (10) of subdivision (b) of Section 42889.

10 (B) Notwithstanding Section 16475 of the Government Code,
11 any interest earned on the money in the account.

12 (3) The board may expend the money in the account for both
13 of the following purposes:

14 (A) To pay the costs of implementing this chapter, which costs
15 shall not exceed 7 percent of the funds available for the grant
16 program.

17 (B) To make payments for grants authorized by this chapter.

18 (4) Upon authorization by the Legislature in the annual Budget
19 Act, the sum of all funds transferred into the account from other
20 funds or accounts shall not exceed one million dollars (\$1,000,000)
21 annually.

22 (5) Except as provided in paragraph (2) of subdivision (c) of
23 Section 4865 and notwithstanding any other provision of law, the
24 grant program shall be funded from the following funds:

25 (A) The Integrated Waste Management Fund.

26 (B) The California Tire Recycling Management Fund, for the
27 purposes set forth in paragraph (10) of subdivision (b) of Section
28 42889.

29 (C) The California Used Oil Recycling Fund.

30 (d) For purposes of this chapter, the following definitions shall
31 apply:

32 (1) "Native American tribe" has the same meaning as tribe, as
33 defined in subdivision (b) of Section 44201.

34 (2) "Public entity" means a city, county, or resource
35 conservation district.

36 SEC. 2.

37 SECTION 1. Section 48620.2 is added to the Public Resources
38 Code, to read:

1 48620.2. “Rerefined oil” means a lubricant base stock or oil
2 base that has been derived from used oil and meets all the following
3 criteria:

4 (a) Processed using a series of mechanical or chemical methods,
5 or both, including, but not limited to, vacuum distillation, followed
6 by solvent refining or hydrotreating.

7 (b) Capable of meeting the Physical and Compositional
8 Properties, in addition to the Contaminants and Toxicological
9 Properties, as defined under the American Society for Testing and
10 Materials (ASTM) D6074-99 standard.

11 (c) Processed into a material that has a quality level suitable for
12 use in a finished lubricant.

13 ~~SEC. 3.~~

14 SEC. 2. Section 48623 of the Public Resources Code is
15 amended to read:

16 48623. “Used oil hauler” means a hazardous waste hauler
17 registered pursuant to Chapter 6.5 (commencing with Section
18 25100) of Division 20 of the Health and Safety Code who
19 transports used oil to a used oil recycling facility certified pursuant
20 to Article 7 (commencing with Section 48660), to a used oil storage
21 facility, to a used oil transfer facility, or to an out-of-state recycling
22 facility registered with the board to be operating in substantial
23 compliance with Part 279 (commencing with Section 279.1) of
24 Title 40 of the Code of Federal Regulations.

25 ~~SEC. 4.~~

26 SEC. 3. Section 48631 of the Public Resources Code is
27 amended to read:

28 48631. The used oil recycling program shall include, but is not
29 limited to, all of the following:

30 (a) A recycling incentive system as described in Article 6
31 (commencing with Section 48650).

32 (b) Public and private ~~partnerships~~, *including, but not limited*
33 *to, grants and contracts*, between the board and local governments,
34 nonprofit entities, and private entities for the purposes specified
35 in Section 48632.

36 (c) Development and implementation of an information and
37 education program to promote safe and proper used oil collection
38 and treatment methods, methods to reduce used oil generation,
39 and advances in new and existing technologies, including, but not

1 limited to, use of rerefined oil in automotive and industrial
2 lubricants.

3 (d) A reporting, monitoring, and enforcement program to ensure
4 that all statutes and regulations relating to used oil are properly
5 carried out.

6 ~~SEC. 5.~~

7 *SEC. 4.* Section 48632 of the Public Resources Code is
8 amended to read:

9 48632. The board may, pursuant to subdivision (b) of Section
10 48631, issue grants to or contract with local governments, nonprofit
11 entities, and private entities, for any of the following purposes:

12 (a) Providing and maintaining collection and recycling
13 opportunities for used lubricating oil and filters that are in addition
14 to those included in the local used oil collection programs adopted
15 pursuant to Article 10 (commencing with Section 48690).

16 (b) Research, testing, and demonstration projects for in-service
17 uses, collection technologies, and end-of-life used oil management.

18 (c) Developing uses and markets for low environmental impact
19 products resulting from the recycling of used oil, including, but
20 not limited to, promoting the manufacture of rerefined lubricating
21 oil.

22 (d) Product advancements and developments in lubricating oil
23 resulting from, but not limited to, new requirements or technologies
24 in fuel efficiency and performance, synthetic or biobased lubricants,
25 alternative fuels, and methods to extend lubricating oil life.

26 (e) Education and mitigation projects relating to stormwater
27 pollution and its impacts on receiving waters, soils, and oceans.

28 (f) A local government shall not receive a grant or contract
29 pursuant to this section for any purpose identified in subdivision
30 (e) unless the local government certifies that it has a stormwater
31 management program that is approved by the appropriate California
32 regional water quality control board and that the project approved
33 for funding under subdivision (e) is consistent with that approved
34 stormwater management program.

35 (g) An information and education program pursuant to
36 subdivision (c) of Section 48631.

37 ~~SEC. 6.~~

38 *SEC. 5.* Section 48633 of the Public Resources Code is
39 repealed.

1 ~~SEC. 7.~~

2 SEC. 6. Section 48634 of the Public Resources Code is
3 repealed.

4 ~~SEC. 8.~~

5 SEC. 7. Section 48645 of the Public Resources Code is
6 amended to read:

7 48645. Except for payments made to local governments
8 pursuant to paragraph (3) of subdivision (a) of Section 48653, final
9 approval of applicant and project eligibility standards, scoring and
10 evaluation processes, and awarding of grants under this chapter
11 shall be made in a public meeting of, and pursuant to a vote of,
12 the board.

13 ~~SEC. 9.~~

14 SEC. 8. Section 48650 of the Public Resources Code is
15 amended to read:

16 48650. (a) Every oil manufacturer shall pay to the board, on
17 or before the last day of the month following each quarter, an
18 amount equal to six cents (\$0.06) for every quart, or twenty-four
19 cents (\$0.24) for every gallon, of lubricating oil sold or transferred
20 in the state, or imported into the state for use in the state in that
21 quarter. For lubricating oil sold by weight, a weight to volume
22 conversion factor of 7.5 pounds per gallon shall be used to
23 determine the fee. The board may adjust the fee not more than
24 once annually to reflect increases or decreases in the cost-of-living
25 index during the prior fiscal year as measured by the California
26 Consumer Price Index issued by the Department of Industrial
27 Relations or a successor agency. Except as provided in subdivision
28 (b), no payment is required for oil that meets any of the following:

29 (1) Oil for which a payment has already been made to the board
30 pursuant to this section.

31 (2) Oil exported or sold for export from the state.

32 (3) Oil sold for use in vessels operated in interstate or foreign
33 commerce.

34 (4) Oil imported into the state in the engine crankcase,
35 transmission, gear box, or differential of an automobile, bus, truck,
36 vessel, plane, train, or heavy equipment or machinery.

37 (5) Bulk oil imported into, transferred in, or sold in the state to
38 a motor carrier, as defined in Section 408 of the Vehicle Code,
39 and used in a vehicle designated in subdivisions (a) and (b) of
40 Section 34500 of the Vehicle Code.

1 (6) The oil otherwise subject to payment pursuant to this
2 subdivision has a volume of five gallons or less.

3 (7) Oil sold as a finished lubricant containing 100 percent
4 rerefined base lubricant.

5 (b) If oil exempted from payment pursuant to subdivision (a)
6 is subsequently sold or transferred for use, or is used, in this state,
7 and the use does not qualify for exemption pursuant to subdivision
8 (a), the entity that sells, transfers, or uses the oil for a purpose that
9 is not exempt from payment, shall make the payment specified in
10 subdivision (a).

11 ~~(c) This section shall become operative on January 1, 2010.~~

12 ~~SEC. 10.~~

13 *SEC. 9.* Section 48651 of the Public Resources Code is
14 amended to read:

15 48651. (a) The board shall pay a recycling incentive pursuant
16 to subdivision (a) of Section 48652 to every industrial generator,
17 curbside collection program, and certified used oil collection center,
18 for used lubricating oil collected from the public or generated by
19 the industrial generator, if either of the following conditions apply:

20 (1) The used lubricating oil is transported by a used oil hauler
21 to a used oil storage facility or to a used oil transfer facility.

22 (2) The used lubricating oil is transported by a used oil hauler
23 directly to an in-state used oil recycling facility that is certified ~~in~~
24 ~~accordance with~~ pursuant to subdivision (a) of Section 48662, or
25 to an out-of-state used oil recycling facility registered ~~with the~~
26 ~~board to be operating in substantial compliance with Part 279~~
27 ~~(commencing with Section 279.1) of Title 40 of the Code of~~
28 ~~Federal Regulations pursuant to subdivision (b) of Section 48662~~
29 ~~or certified pursuant to subdivision (c) of Section 48662.~~

30 (b) A used oil storage facility or a used oil transfer facility that
31 accepts used oil pursuant to paragraph (1) of subdivision (a) shall
32 cause that oil to be transported by a used oil hauler to a used oil
33 recycling facility certified pursuant to subdivision (a) of Section
34 48662 or to an out-of-state used oil recycling facility registered
35 ~~with the board to be operating in substantial compliance with Part~~
36 ~~279 (commencing with Section 279.1) of Title 40 of the Code of~~
37 ~~Federal Regulations; pursuant to subdivision (b) of Section 48662~~
38 ~~or certified pursuant to subdivision (c) of Section 48662.~~

1 ~~SEC. 11.~~

2 *SEC. 10.* Section 48651.5 is added to the Public Resources
3 Code, to read:

4 48651.5. (a) The board, with regard to promoting the recycling
5 of used lubricating oil into rerefined oil, shall pay a rerefining
6 incentive pursuant to subdivision (b) of Section 48652 if all of the
7 following conditions are met:

8 (1) The facility is an in-state or out-of-state recycling facility
9 that is certified in accordance with subdivision (c) of Section 48662
10 and produces rerefined base lubricant meeting the specifications
11 of rerefined oil as defined in Section 48620.2.

12 (2) The used oil was generated and collected within the state
13 and prior to treatment or processing has been tested to meet the
14 definition of used oil as specified in paragraph (1) of subdivision
15 (a) of Section 25250.1 of the Health and Safety Code.

16 (3) The facility submits to the board a completed used oil
17 rerefining incentive payment claim in the form and manner that
18 the board may prescribe.

19 (b) To further promote the safe management of used oil, the
20 board, using existing financial resources, shall identify and evaluate
21 the most environmentally beneficial uses of used lubricating oil.
22 On or before January 1, 2012, the board shall consider whether to
23 implement additional incentives pursuant to this section that
24 prioritize the highest and most beneficial uses of used lubricating
25 oil.

26 ~~SEC. 12.~~

27 *SEC. 11.* Section 48652 of the Public Resources Code is
28 amended to read:

29 48652. (a) The board shall set the recycling incentive at not
30 less than ten cents (\$0.10) per quart. The board may set the amount
31 at an amount higher than ten cents (\$0.10) if the board determines
32 that a higher amount is necessary to promote the collection and
33 recycling of used lubricating oil and sufficient funds are available
34 in the fund.

35 (b) The board shall set the rerefining incentive at not less than
36 two cents (\$0.02) per quart. The board may set the amount at an
37 amount higher than two cents (\$0.02) per quart if the board
38 determines that a higher amount is necessary to promote rerefining
39 of used lubricating oil and sufficient funds are available in the
40 fund.

(c) The board shall not change the amount of an incentive paid pursuant to this section until at least one year has passed since the amount was last set. The amount of an incentive paid by the board shall remain at the previous amount for one month after setting the incentive at a different amount. The board shall not raise the amount of an incentive paid or implement other incentive options pursuant to subdivision (b) of Section 48651.5 unless it finds that the raise will not adversely affect funding required pursuant to Sections 48631, 48653, and 48660.5.

~~SEC. 13.~~

SEC. 12. 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) 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. Notwithstanding subdivision (b) of Section 48656, the total annual amount shall equal thirteen million dollars (\$13,000,000), except that the board may issue the payments as follows, if sufficient funds are not available in the fund:

(A) (i) One-half of the amount that remains in the fund after the expenditures are made pursuant to paragraphs (1) and (2) and subdivision (b).

(ii) The board may utilize additional amounts from the fund up to, but not exceeding, thirteen million dollars (\$13,000,000).

(B) Pursuant to paragraph (2) of subdivision (d) of Section 48691, it is the intent of this paragraph that at least three million

1 dollars (\$3,000,000) be made available specifically for used oil
2 filter collection and recycling programs.

3 (C) Payments shall be determined by multiplying the total annual
4 amount by the fraction equal to the population of cities and counties
5 that are eligible for payments pursuant to Section 48690, divided
6 by the population of the state. The board shall use the latest
7 population estimates of the state generated by the Population
8 Research Unit of the Department of Finance in making the
9 calculations required by this paragraph.

10 (4) To implement Section 48660.5, in an amount not to exceed
11 two hundred thousand dollars (\$200,000) annually.

12 (5) For expenditures pursuant to Section 48656.

13 (b) The money in the fund may be expended by the board for
14 the administration of this chapter and by the department for
15 inspections and reports pursuant to Section 48661, only upon
16 appropriation by the Legislature in the annual Budget Act.

17 (c) (1) Except as provided in paragraph (2), the money in the
18 fund may be transferred to the Farm and Ranch Solid Waste
19 Cleanup and Abatement Account in the General Fund, upon
20 appropriation by the Legislature in the annual Budget Act, to pay
21 the costs associated with implementing and operating the Farm
22 and Ranch Solid Waste Cleanup and Abatement Grant Program
23 established pursuant to Chapter 2.5 (commencing with Section
24 48100).

25 (2) The money in the fund attributable to a charge increase or
26 adjustment made or authorized in an amendment to subdivision
27 (a) of Section 48650 by the ~~act~~ *measure* adding this paragraph
28 shall not be transferred to the Farm and Ranch Solid Waste Cleanup
29 and Abatement Account.

30 (d) Appropriations to the board to pay the costs necessary to
31 administer this chapter, ~~including implementation of the reporting,~~
32 ~~monitoring, and enforcement program pursuant to subdivision (d)~~
33 ~~of Section 48631,~~ shall not exceed three million dollars
34 (\$3,000,000) annually.

35 (e) The Legislature hereby finds and declares its intent that ~~the~~
36 ~~sum of~~ three hundred fifty thousand dollars (\$350,000) should be
37 annually appropriated from the California Used Oil Recycling
38 Fund in the annual Budget Act to the board, commencing with
39 fiscal year 2010–11, for the purposes of Section 48655 and to

1 conduct those investigations and enforcement actions necessary
2 to implement subdivision (b) of Section 48651.

3 ~~SEC. 14.~~

4 *SEC. 13.* Section 48656 of the Public Resources Code is
5 amended to read:

6 48656. After all of the expenditures pursuant to Section 48653
7 have been made, notwithstanding paragraph (5) of subdivision (a)
8 of Section 48653, the balance remaining in the fund shall be
9 available to the board for the following purposes:

10 (a) The implementation of subdivisions (b) and (c) of Section
11 48631 and Section 48651.5, subject to both of the following
12 requirements:

13 (1) The allocation of funds to implement subdivisions (b) and
14 (c) of Section 48631 shall be at the discretion of the board to be
15 determined annually in a public meeting and pursuant to a vote of
16 the board.

17 (2) The board shall pay rerefining incentives pursuant to Section
18 48651.5 provided sufficient funds are available in the fund.

19 (b) Annual revenues left unspent in excess of one million dollars
20 (\$1,000,000) shall be allocated pursuant to paragraph (3) of
21 subdivision (a) of Section 48653 for local collection programs
22 adopted pursuant to Article 10 (commencing with Section 48690).

23 ~~SEC. 15.~~

24 *SEC. 14.* Section 48660 of the Public Resources Code is
25 amended to read:

26 48660. (a) No used oil collection center shall be eligible for
27 the payment of recycling incentives until the board has certified
28 that the center is in compliance with the requirements in
29 subdivision (b). Before certification, the board may require the
30 center to submit any information that the board determines is
31 necessary to find that the center is in compliance with those
32 requirements. A center shall reapply for certification every four
33 years. The board may cancel the certification of a center if the
34 board finds that the center is not, or has not been, in compliance
35 with subdivision (b). The board may withhold the payment of
36 recycling incentives for used lubricating oil collected by a center
37 if the board finds that the center was not in compliance with
38 subdivision (b) during the time in which the used lubricating oil
39 was collected.

(b) To be eligible for certification by the board and for the payment of recycling incentives, the used oil collection center shall do all of the following:

(1) Accept used lubricating oil from the public at no charge during the hours that the entity operating as the center is open for business.

(2) Pay to a person, at his or her request, an amount equal to the recycling incentive that the center will receive for used lubricating oil brought to the center in containers by the person. Nothing in this chapter prohibits a person from donating used lubricating oil to a center. The recycling incentive may be in the form of a credit that may be applied toward the purchase of goods or services offered by the center, as determined by the board. The credit shall be in the form of a voucher or coupon with a value of at least twice the incentive amount to be paid pursuant to Section 48652 and have no other limits for use, unless prescribed by the board.

(3) Provide information to the board for informing the public of the center's acceptance of used lubricating oil.

(4) Provide notice to the public of the center's acceptance of used lubricating oil from the public through periodic advertising in local media and onsite signs that meet the following requirements:

(A) Onsite signs shall be of a design and specification prescribed by the board and shall state that the center is certified by the state and collects used oil from the public at no charge.

(B) A certified center shall post an exterior sign of a design and specification prescribed by the board in a location that is easily visible from a public street. In addition, the certified center shall post an informational sign of a design and specification prescribed by the board so that it is easily readable from the location where the used oil is received from the public.

(C) If local zoning ordinances prevent signs of a size consistent with this paragraph, the exterior symbolic sign shall be of the maximum allowable size.

(c) Notwithstanding subdivision (b), a used oil collection center may refuse to accept used lubricating oil that has been contaminated in a manner other than that which would occur through normal use.

(d) Notwithstanding subdivision (b), a used oil collection center shall not knowingly accept used lubricating oil for which a payment has not been made pursuant to Section 48650.

~~SEC. 16.~~

SEC. 15. Section 48660.5 of the Public Resources Code is amended to read:

48660.5. (a) If the board finds that a shipment of used oil from a certified used oil collection center, curbside collection program, or an uncertified publicly funded used oil collection center in a small rural county is contaminated by hazardous materials in excess of that which generally occurs in normal use, which renders the used oil infeasible for recycling, and requires that the used oil be destroyed at a substantially higher cost than the cost generally to recycle used oil, the board shall, upon application by the used oil collection center or curbside collection program, reimburse the center or program for the additional disposal cost, subject to the eligibility requirements of subdivision (b), except as provided in subdivision (c).

(b) A certified used oil collection center, curbside collection program, or an uncertified publicly funded used oil collection center in a small rural county is eligible for reimbursement only if it demonstrates to the satisfaction of the board all of the following, except that paragraph (1) does not apply to a publicly funded used oil collection center in a small rural county:

(1) The center or program has established procedures to ensure that the used oil it generates and accepts from the public will not be mixed with other hazardous wastes, especially halogen-contaminated and polychlorinated biphenyl-contaminated wastes. These procedures shall include, but not be limited to, instructing the public and employees that used oil shall not be mixed with other hazardous waste. The board shall not require a center or program to test used oil received from the public as part of these procedures.

(2) The shipment contains not more than five gallons or pounds of contaminants combined, based on the contaminant concentrations and the total volume or weight of the shipment.

(c) In a calendar year, a used oil collection center, curbside collection program, or uncertified publicly funded used oil collection center in a small rural county shall be reimbursed for not more than one shipment and for not more than five thousand

1 dollars (\$5,000) in disposal costs, for halogen-contaminated waste
2 or not more than the actual net additional costs of disposing of
3 polychlorinated biphenyl-contaminated wastes, subject to the
4 availability of funds pursuant to Section 48656.

5 ~~SEC. 17.~~

6 *SEC. 16.* Section 48662 of the Public Resources Code is
7 amended to read:

8 48662. (a) The board shall certify or recertify any used oil
9 recycling facility located in this state for which the board has
10 received a report from the department pursuant to Section 48661,
11 unless the board determines that the facility is engaged in a
12 repeating or recurring pattern of noncompliance that poses a
13 significant threat to public health and safety or the environment.

14 (b) Except as provided in paragraph (2) of subdivision (c), the
15 board shall require an out-of-state recycling facility, that receives
16 used oil from a California generator to which a recycling incentive
17 may be paid, to register with the board, declaring, under penalty
18 of perjury, that the facility is operating in substantial compliance
19 with Part 279 (commencing with Section 279.1) of Title 40 of the
20 Code of Federal Regulations.

21 (c) The board shall certify or recertify a rerefiner of used oil for
22 which the board has received a report from the department that
23 the facility meets either of the following requirements:

24 (1) The used oil recycling facility located in this state is certified
25 pursuant to subdivision (a) and produces rerefined base lubricant
26 meeting the specifications as defined in Section 48620.2.

27 (2) The used oil recycling facility is an out-of-state facility that
28 has demonstrated to the satisfaction of the department all of the
29 following:

30 (A) The facility substantially meets the requirements in Part
31 279 (commencing with Section 279.1) of Title 40 of the Code of
32 Federal Regulations.

33 (B) The facility produces rerefined base lubricant meeting the
34 specifications as defined in Section 48620.2.

35 (C) The facility meets California standards for used oil handling,
36 waste classification, and disposal specified in Section ____ of the
37 Health and Safety Code.

38 (d) An out-of-state facility that seeks certification shall annually
39 certify in writing to the board, under penalty of perjury, that the

1 facility substantially meets the requirements in paragraph (2) of
2 subdivision (c).

3 (e) Paragraph (2) of subdivision (c) does not require the
4 department to inspect or prohibit the department from inspecting
5 an out-of-state facility to determine whether the department is
6 satisfied that the facility substantially meets the requirements for
7 certification.

8 (f) As a condition of demonstrating compliance pursuant to
9 paragraph (2) of subdivision (c), a facility shall enter into an
10 agreement with the department pursuant to Section 25201.9 of the
11 Health and Safety Code to pay the department's full expenses of
12 conducting the review and any inspection costs the department
13 may incur in determining whether the facility meets the
14 requirements for certification.

15 (g) If the board denies certification to a facility subject to
16 subdivision (a) or (c), the board may subsequently certify the
17 facility if it determines that the facility meets the standards for
18 certification.

19 ~~SEC. 18.~~

20 *SEC. 17.* Section 48670 of the Public Resources Code is
21 amended to read:

22 48670. (a) To be eligible for payment of a recycling incentive,
23 an industrial generator of used lubricating oil, a used oil collection
24 center, or a curbside collection program shall report to the board,
25 for each quarter, based on the following reporting limitations and
26 requirements:

27 (1) The amount of lubricating oil purchased and the amount of
28 used lubricating oil that is transported to a certified used oil
29 recycling facility, to a used oil storage facility or to a used oil
30 transfer facility, or that is transported to an out-of-state recycling
31 facility registered with the board to be operating in substantial
32 compliance with Part 279 (commencing with Section 279.1) of
33 Title 40 of the Code of Federal Regulations.

34 (2) The amount of used lubricating oil collected from the public,
35 for use in determining the recycling incentive payment, that is
36 transported to a certified used oil recycling facility, to a used oil
37 storage facility, or to a used oil transfer facility, or that is
38 transported to an out-of-state recycling facility registered with the
39 board to be operating in substantial compliance with Part 279
40 (commencing with Section 279.1) of Title 40 of the Code of

1 Federal Regulations. However, a certified collection center with
2 service bays located in a small rural county shall be eligible for a
3 recycling incentive based on 60 percent of the total oil recycled
4 by collecting used oil from the public and servicing motor vehicles.
5 If the center documents, in the form prescribed by the board, that
6 the portion that resulted from public collection exceeds 60 percent
7 of the total oil recycled, the center shall be eligible for the incentive
8 payment based on the actual amount of used oil accepted from the
9 public and recycled.

10 (b) The reports shall be submitted on or before the 45th day
11 following each quarter, in the form and manner that the board may
12 prescribe, and shall include copies of manifests or modified
13 manifest receipts from used oil haulers.

14 (c) The board may delegate to the executive officer of the board
15 the authority to accept reports submitted after the 45th day and to
16 reduce, eliminate, or approve the amount of incentive fee to be
17 paid due to the late submission of the report. The board may
18 provide, by regulation, for a longer reporting period for industrial
19 generators that generate less than 1,000 gallons of used oil
20 annually.

21 ~~SEC. 19.~~

22 *SEC. 18.* Section 48673 of the Public Resources Code is
23 amended to read:

24 48673. (a) ~~Beginning July 1, 1992, a~~ A used oil recycling
25 facility issued a permit by the department to produce recycled oil,
26 as defined in Section 25250.1 of the Health and Safety Code, and
27 an out-of-state recycling facility that is either registered with the
28 board pursuant to subdivision (b) of Section 48662 or certified by
29 the board pursuant to subdivision (c) of Section 48662, shall report
30 to the board for each quarter the amount of California used oil
31 received and the resultant amount of recycled oil produced.

32 (b) A facility subject to this section shall provide estimates,
33 where feasible, of the amount that is used lubricating oil and the
34 amount that is used industrial oil.

35 (c) The reports required by this section shall be submitted on
36 or before the last day of the month following each quarter, in the
37 form and manner that the board may prescribe.

38 ~~SEC. 20.~~

39 *SEC. 19.* Section 48674 of the Public Resources Code is
40 amended to read:

1 48674. After receiving payments pursuant to paragraph (3) of
2 subdivision (a) of Section 48653, each local government shall
3 submit a report to the board, in the manner specified by the board,
4 that includes any amendments to the local used oil collection
5 program adopted pursuant to Section 48690, a description of all
6 measures taken to implement the program, and a description of
7 how payments were expended.

8 ~~SEC. 21.~~

9 *SEC. 20.* Section 48690 of the Public Resources Code is
10 amended to read:

11 48690. A local government is eligible for a payment pursuant
12 to paragraph (3) of subdivision (a) of Section 48653, if it develops
13 and submits a local used oil collection program to the board
14 pursuant to Section 48691 and files a report pursuant to Section
15 48674. The board shall make ~~an advance~~ a payment to every
16 local government that submits a program and files a report unless
17 the board finds that the program or its implementation does not
18 comply with criteria contained in this article. The board may make
19 a payment to another entity that will implement the program of a
20 local government in lieu of making a payment to that local
21 government with the concurrence of that local government. A
22 *payment issued by the board pursuant to this section may take the*
23 *form of an advance payment.* If a local government does not
24 implement a used oil collection program or chooses not to accept
25 the payment pursuant to paragraph (3) of subdivision (a) of Section
26 48653, the board may allocate that local government's payment
27 to another local government that commits to implementing a used
28 oil collection program pursuant to Section 48691 and serving the
29 residents of the nonparticipating local government provided that
30 any program implemented within the boundaries of the
31 nonparticipating jurisdiction is approved by the nonparticipating
32 jurisdiction.

33 ~~SEC. 22.~~

34 *SEC. 21.* Section 48691 of the Public Resources Code is
35 amended to read:

36 48691. (a) A local used oil collection program shall provide
37 for used lubricating oil collection by either of the following or a
38 combination of the two:

39 (1) Ensuring that at least one certified used oil collection center
40 is available for every 100,000 residents not served by curbside

1 used oil collection, that accepts oil from the public at no charge,
2 at least 20 hours each week, on four days each week, of which
3 three hours each week are outside the weekday hours of 8 a.m.
4 through 5:30 p.m.

5 (2) Providing used oil curbside collection at least once a month.

6 (b) A local used oil collection program shall include a public
7 education program that informs the public of locally available used
8 oil recycling opportunities.

9 (c) A local government may implement its used oil collection
10 program in conjunction with other similar programs in order to
11 improve used oil recycling efficiency.

12 (d) A local government that has implemented the used oil
13 collection and education elements of subdivisions (a) and (b) may
14 also include, in the local used oil collection program one or both
15 of the following:

16 (1) Provisions for the mitigation and the collection of oil and
17 oil byproducts, including other solid waste that may be mixed with
18 oil or oil byproducts from stormwater runoff, including devices to
19 capture that stormwater runoff, such as the use of storm drain inlet
20 filter devices. A local government shall not receive a payment
21 pursuant to Section 48690 for the purposes identified pursuant to
22 this paragraph unless the local government certifies that it has a
23 stormwater management program that is approved by the
24 appropriate California regional water quality control board and
25 that the provisions in the local used oil collection program approved
26 for funding under this paragraph are consistent with that approved
27 stormwater management program.

28 (2) A used oil filter collection and recycling program.

29 *SEC. 22. No reimbursement is required by this act pursuant*
30 *to Section 6 of Article XIII B of the California Constitution because*
31 *the only costs that may be incurred by a local agency or school*
32 *district will be incurred because this act creates a new crime or*
33 *infraction, eliminates a crime or infraction, or changes the penalty*
34 *for a crime or infraction, within the meaning of Section 17556 of*
35 *the Government Code, or changes the definition of a crime within*
36 *the meaning of Section 6 of Article XIII B of the California*
37 *Constitution.*