

**ASSEMBLY BILL**

**No. 388**

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**Introduced by Assembly Member Strom-Martin**

February 20, 2001

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An act to amend Section 8670.40 of, and to add Section 8670.41 to, the Government Code, relating to oil spills, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 388, as introduced, Strom-Martin. Oil spill response.

The Oil Spill Prevention and Administration Fund is created by existing law and is available for appropriation by the Legislature for specified purposes, including 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.

This bill would continuously appropriate \$125,000 annually for expenditure without regard to fiscal years to the Office of Oil Spill Prevention and Response to develop and conduct training of specified staff and other personnel to respond to toxic spills requiring the rescue of wildlife, and for grants to a nonprofit entity to use for the removal, necropsy, study, and proper disposal of marine mammal carcasses whose death is caused by a toxic spill.

The bill would also include those uses in the authorized uses of the fund.

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

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

1 SECTION 1. Section 8670.40 of the Government Code is  
2 amended to read:

3 8670.40. (a) The State Board of Equalization shall collect a  
4 fee in an amount determined by the administrator to be sufficient  
5 to carry out the purposes set forth in subdivision (e), and a  
6 reasonable reserve for contingencies. The amount of the annual  
7 assessment shall not exceed four cents (\$0.04) per barrel of crude  
8 oil or petroleum products.

9 (b) (1) The oil spill prevention and administration fee shall be  
10 imposed upon every person owning crude oil at the time that the  
11 crude oil is received at a marine terminal from within or outside  
12 the state, and upon every person owning petroleum products at the  
13 time that those petroleum products are received at a marine  
14 terminal from outside this state. The fee shall be collected by the  
15 marine terminal operator from the owner of the crude oil or  
16 petroleum products based on each barrel of crude oil or petroleum  
17 products so received by means of a vessel operating in, through,  
18 or across the marine waters of the state. In addition, every operator  
19 of a pipeline shall pay the oil spill prevention and administration  
20 fee for each barrel of crude oil originating from a production  
21 facility in marine waters and transported in the state by means of  
22 a pipeline operating across, under, or through the marine waters of  
23 the state. The fees shall be remitted to the board by the terminal or  
24 pipeline operator on the 25th day of the month based upon the  
25 number of barrels of crude oil or petroleum products received at  
26 a marine terminal or transported by pipeline during the preceding  
27 month. No fee shall be imposed pursuant to this section with  
28 respect to any crude oil or petroleum products if the person who  
29 would be liable for that fee, or responsible for its collection,  
30 establishes that the fee has been collected by a terminal operator  
31 registered under this chapter or paid to the board with respect to  
32 the crude oil or petroleum product.

33 (2) Every owner of crude oil or petroleum products is liable for  
34 the fee until it has been paid to the board, except that payment to  
35 a marine terminal operator registered under this chapter is  
36 sufficient to relieve the owner from further liability for the fee.

37 (3) On or before January 15, the administrator shall annually  
38 prepare a plan that projects revenues and expenses over three fiscal



1 years, including the current year. Based on the plan, the  
2 administrator shall set the fee so that projected revenues, including  
3 any interest, are equivalent to expenses as reflected in the current  
4 Budget Act and in the proposed budget submitted by the Governor.  
5 In setting the fee, the administrator may allow for a surplus if the  
6 administrator finds that revenues will be exhausted during the  
7 period covered by the plan or that the surplus is necessary to cover  
8 possible contingencies.

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

11 (d) The board shall collect the fee and adopt regulations for  
12 implementing the fee collection program.

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

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

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

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

22 (4) To reimburse the member agencies of the State Interagency  
23 Oil Spill Committee for costs arising from implementation of this  
24 chapter, Article 3.5 (commencing with Section 8574.1) of Chapter  
25 7, and Division 7.8 (commencing with Section 8750) of the Public  
26 Resources Code.

27 (5) To implement, install, and maintain emergency programs,  
28 equipment, and facilities to respond to, contain, and clean up oil  
29 spills and to ensure that those operations will be carried out as  
30 intended, *including the actions described in Section 8670.41.*

31 (6) To respond to an imminent threat of a spill in accordance  
32 with the provisions of Section 8670.62 pertaining to threatened  
33 discharges. The cumulative amount of any expenditure for this  
34 purpose shall not exceed the amount of one hundred thousand  
35 dollars (\$100,000) in any fiscal year unless the administrator  
36 receives the approval of the Director of Finance and notification  
37 is given to the Joint Legislative Budget Committee. Commencing  
38 with the 1993–94 fiscal year, and each fiscal year thereafter, it is  
39 the intent of the Legislature that the annual Budget Act contain an  
40 appropriation of one hundred thousand dollars (\$100,000) from



1 the fund for the purpose of allowing the administrator to respond  
2 to threatened oil spills.

3 (7) To reimburse the board for costs incurred to implement this  
4 chapter and to carry out the provisions of Part 24 (commencing  
5 with Section 46001) of Division 2 of the Revenue and Taxation  
6 Code.

7 (f) The moneys deposited in the fund shall not be used for  
8 responding to an oil spill.

9 SEC. 2. Section 8670.41 is added to the Government Code, to  
10 read:

11 8670.41. Notwithstanding subdivision (a) of Section  
12 8670.38 and Section 13340 of the Government Code, the sum of  
13 one hundred twenty-five thousand dollars (\$125,000) is hereby  
14 continuously appropriated annually for expenditure without  
15 regard to fiscal years from the fund to the Office of Oil Spill  
16 Prevention and Response (1) to develop and conduct training of  
17 the office staff and appropriate nonprofit entity personnel to  
18 respond to toxic spills requiring the rescue of wildlife, and (2) for  
19 grants to the nonprofit Marine Mammal Center to use for the  
20 removal, necropsy, study, and proper disposal of marine mammal  
21 carcasses whose death is caused by a toxic spill.

