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AB 1747

CHAPTER 240
FILED WITH SECRETARY OF STATE AUGUST 13, 2003
APPROVED BY GOVERNOR AUGUST 13, 2003
PASSED THE ASSEMBLY JULY 29, 2003
PASSED THE SENATE JULY 27, 2003

INTRODUCED BY Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)

MARCH 11, 2003

An act to amend Section 11361 of the Government Code, to amend Section 713 of the Fish and Game Code, to Sections 2699.5, 2705, 2705.5, 2706, 2709.1, 3109, 3110, 3111, 3236.5, 3343, 3358, 3719, 3724.6, 3754.5, 3770, 3776, 5006.1, 5627, 6217, and 34000 of, and to add Sections 2200.5 and 5015.6 to, the Public Resources Code, to add Sections 79505.5, 79505.6, 79506.7, 79522, 79532, 79534, 79540.1, 79547, 79547.2, 79555, 79560.5, 79561.5, 79562.5, 79564.1, and 79590 to, and to add Chapter 10.5 (commencing with Section 79575) to Division 26.5 of, the Water Code, relating to public resources, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1747, Committee on Budget. Public resources.

(1) Under existing law, the changes in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services is used as the index to determine an annual rate of increase or decrease in the fees for hunting and fishing licenses, stamps, permits, and tags. This bill would include other entitlements in that index.

(2) Under existing law, money in the Seismic Hazards Identification Fund, a special fund in the State Treasury, is continuously appropriated to the Division of Mines and Geology for mapping of seismic hazards in the state.

This bill would rename that fund the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund. The bill would require that moneys in the fund, upon appropriation by the Legislature, be expended for seismic hazards mapping and for the strong-motion instrumentation program.

Under existing law, money in the Strong-Motion Instrumentation Special Fund in the State Treasury is continuously appropriated to the Division of Mines and Geology for the strong-motion instrumentation program.

This bill would eliminate the Strong-Motion Instrumentation Special Fund in the State Treasury and transfer money in that fund to the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund.

The bill would make these provisions operative on July 1, 2004.

(3) Existing law requires cities and counties to collect a specified fee from each applicant for a building permit. The funds collected, less a certain portion of the funds that may be retained by cities and counties for specified purposes related to seismic events, are deposited in the Seismic Hazards Identification Fund or the Strong-Motion Instrumentation Special Fund according to a specified formula.

This bill instead would require that those funds, less those funds retained by a city or county, as specified, be deposited in the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund for seismic hazards mapping and for the strong-motion instrumentation program.

The bill would make these provisions operative on July 1, 2004.

(4) Existing law requires that all money paid to the Treasurer pursuant to the provisions regulating the conservation of oil and gas be deposited in the General Fund.

This bill would establish the Oil, Gas, and Geothermal Administrative Fund in the State Treasury and would require that certain revenues collected under those provisions be deposited in the fund.

(5) Existing law requires the Department of Parks and Recreation to hold a public hearing within the county in which a proposed state park project is located, prior to submitting a proposal for an appropriation to acquire real property for the project through a purchase agreement, if the real property is more than \$5,000,000 in value. Existing law requires the department to provide written notice of its intent to acquire the real property to the city or county, or both, having jurisdiction over the property, as early as possible in the acquisition process, but not less than 90 days from the date of acquisition. If the acquisition is between \$500,000 and \$5,000,000, existing law authorizes a member of the city council or board of supervisors to request that the department hold a public hearing regarding the acquisition of the property. Existing law imposes similar requirements for property that is not proposed to be acquired through a purchase agreement.

This bill would require the department to additionally provide written notice of its intent to acquire the real property through a purchase agreement to the chair and vice chair of the joint legislative budget committee, the chairs of the budget subcommittees having jurisdiction over resources, the chairs of the appropriate legislative policy committees, and to the legislators within whose districts the property proposed for acquisition is located, as early as possible in the acquisition process, but not less than 90 days from the date of acquisition. Within 30 days of receiving written notice of the proposed acquisition, the bill would authorize a Member of the Legislature who has been notified, to request that the department hold a public hearing regarding the acquisition of the property.

(6) The existing Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Act (urban open-space act) provides for grants to cities, counties, and districts, as defined, for purposes related to parks and recreation. The urban open-space act generally requires cities, counties, and districts receiving grants to provide matching money, as specified.

The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 authorizes bond funds from that act to be appropriated to the Department of Parks and Recreation for grants in accordance with the urban open-space act.

This bill would provide that notwithstanding the urban open-space act's requirement of matching money, funds from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 that are or have been appropriated on or before June 30, 2004, for the purposes of the urban open-space act do not require local matching money.

(7) Existing law requires the State Lands Commission to deposit in the General Fund all revenue, money, and remittances received by the commission, except as to revenue

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from school lands and other specified sources. Existing law requires that money to be used for specified purposes, including refunds, commission expenses, and payments to cities and counties. Under existing law, those provisions become operative on July 1, 2003.

This bill would, instead, make those provisions operative on July 1, 2006.

(8) Existing law, the Surface Mining and Reclamation Act of 1975, governs surface mining operations and reclamation of mined lands, and provides, among other things, for the submission of reclamation plans to, and issuance of permits by, lead agencies to persons engaging in surface mining operations. Existing law authorizes the lead agency to impose a fee upon each mining operation to cover the reasonable costs incurred in implementing certain reporting requirements of that act.

This bill would define the term "lead agency" for purposes of those reporting requirements.

(9) Existing law authorizes the money deposited in the Bosco-Keene Renewable Resources Investment Fund to be encumbered, pursuant to appropriation by the Legislature, for specified purposes relating to natural resources.

This bill would additionally allow those funds to be encumbered to regulate and oversee surface mining activities.

(10) The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 was an initiative measure approved by the voters at the November 5, 2002, statewide general election as Proposition 50. Proposition 50, among other things, provides bond funds for acquisition of land related to protection of water supplies, coastal watersheds, and beaches.

The bill, with a certain exception, would require state agencies disbursing grants or loans pursuant to Proposition 50 to develop project solicitation and evaluation guidelines for the purposes of implementing Proposition 50. The bill would require each state agency, prior to finalizing the guidelines, to conduct 2 public meetings to consider public comments.

The bill would generally authorize state agencies to include in those guidelines a requirement for matching funds, as defined, except that the bill would require certain state agencies to impose matching fund requirements in accordance with certain provisions of Proposition 50, but would otherwise prohibit the imposition of matching fund requirements for the purposes of awarding a grant to assist a disadvantaged community, as defined. The bill would require state agencies that are authorized to award loans or grants financed by Proposition 50 to provide technical assistance with regard to the preparation of the applications for those loans or grants.

The bill would require the State Department of Health Services to award certain grant money available to southern California water agencies on a competitive basis for eligible projects to reduce Colorado River water use, including projects undertaken by one or more southern California water agencies and other entities.

The bill would require funds made available by Proposition 50 for the purposes of a public drinking water system security program to be appropriated to the State Department of Health Services.

The bill would require each state agency expending funds pursuant to Proposition 50 for projects, grants, or loans to report annually to the Legislature on the recipient and amount of each project, grant, or loan awarded during the previous fiscal year and the total amount awarded, categorized by project, grant, or loan, the geographic distribution

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of projects, grants or loans awarded, and the intended public and environmental benefit that the awards provide.

Proposition 50 also provides bond funds for competitive grants for projects to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. Under the act, those projects may include groundwater recharge and management projects.

This bill would require the Department of Water Resources to allocate, of the funds appropriated to the department for those purposes, the sum of not less than \$20,000,000 to competitive grants for groundwater management and recharge projects. The bill would require that not more than 50% of the grants be for projects in northern California. The bill would require the department, for projects in southern California, to give preference to projects outside the service area of the Metropolitan Water District of Southern California that are infill projects within one mile of established residential and commercial development.

The bill would establish various other requirements relating to the implementation of Proposition 50.

(11) Existing law requires state agencies to adopt regulations in accordance with prescribed procedures and requirements and requires the Office of Administrative Law to review adopted regulations and to make certain determinations.

This bill would exempt the adoption or revision of regulations, guidelines, or criteria that implement Proposition 50 and the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) from those provisions, but would require the adoption or revision of regulations, guidelines, or criteria to be accomplished by means of a public process.

(12) This bill would designate Sugar Pine Point State Park as Ed Z'berg Sugar Pine Point State Park.

(13) This bill would declare that it is to take effect immediately as an urgency statute.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares the following:

In order to protect the intent of the voters in approving the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Division 26.5 (commencing with Section 79500) of the Water Code), it is necessary and desirable that, to the maximum extent possible, the following principles apply to the implementation of that act:

(a) Guidelines developed for grant and loan programs pursuant to that act shall encourage integrated, multiple-benefit projects.

(b) Preference shall be given to funding safe drinking water and water quality projects that serve disadvantaged communities.

(c) Programs shall support projects that improve local and regional water supply reliability.

(d) For projects that affect water quality, preference shall be given to those projects that contribute expeditiously and measurably to the long-term attainment and maintenance of water quality standards.

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(e) For projects that affect water quality, preference shall be given to funding projects that will eliminate or significantly reduce pollution into impaired waters and sensitive habitat areas, including areas of special biological significance.

(f) Projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including, but not limited to, the surface water ambient monitoring program carried out by the State Water Resources Control Board.

(g) Groundwater projects and projects that affect groundwater shall include groundwater monitoring requirements consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with Section 10780) of Division 6 of the Water Code).

SEC. 2. Section 11361 of the Government Code is amended to read:

11361. This chapter does not apply to the adoption or revision of regulations, guidelines, or criteria to implement the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (the Villaraigosa-Keeley Act) (Chapter 1.692 (commencing with Section 5096.300) of Division 5 of the Public Resources Code), the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Chapter 1.696 (commencing with Section 5096.600) of Division 5 of the Public Resources Code), or the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Division 26.5 (commencing with Section 79500) of the Water Code). The adoption or revision of regulations, guidelines, or criteria, if necessary to implement those respective acts, shall instead be accomplished by means of a public process reasonably calculated to give those persons interested in their adoption or revision an opportunity to be heard.

SEC. 3. Section 713 of the Fish and Game Code is amended to read:

713. (a) The changes in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, as published by the United States Department of Commerce, shall be used as the index to determine an annual rate of increase or decrease in the fees for licenses, stamps, permits, tags, or other entitlements issued by the department.

(b) The department shall determine the change in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, as published by the United States Department of Commerce, for the quarter ending March 31 of the current year compared to the quarter ending March 31 of the previous year. The relative amount of the change shall be multiplied by the current fee for each license, stamp, permit, tag, or other entitlement issued by the department.

The product shall be rounded to the nearest twenty-five cents (\$0.25), and the resulting amount shall be added to the fee for the current year. The resulting amount shall be the fee for the license year beginning on or after January 1 of the next succeeding calendar year for the license, stamp, permit, tag, or other entitlement that is adjusted under this section.

(c) Notwithstanding any other provision of law, the department may recalculate the current fees charged for each license, stamp, permit, tag, or other entitlement issued by the department, to determine that all appropriate indexing has been included in the current fees. This section shall apply to all licenses, stamps, permits, tags, or other

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entitlements, that have not been increased each year since the base year of the 1985-86 fiscal year.

(d) The calculations provided for in this section shall be reported to the Legislature with the Governor's Budget Bill.

(e) The Legislature finds that all revenues generated by fees for licenses, stamps, permits, tags, and other entitlements, computed under this section and used for the purposes for which they were imposed, are not subject to Article XIII B of the California Constitution.

(f) The department shall, at least every five years, analyze all fees for licenses, stamps, permits, tags, and other entitlements issued by it to ensure the appropriate fee amount is charged. Where appropriate, the department shall recommend to the Legislature or the commission that fees established by the commission or the Legislature be adjusted to ensure that those fees are appropriate.

SEC. 4. Section 2200.5 is added to the Public Resources Code, to read:

2200.5. For the purposes of this chapter, "lead agency" means the city, county, San Francisco Bay Conservation and Development Commission, or the board that has the principal responsibility for approving a surface mining operation or reclamation plan pursuant to Chapter 9 (commencing with Section 2710).

SEC. 5. Section 2699.5 of the Public Resources Code is amended to read:

2699.5. (a) There is hereby created the Seismic Hazards Identification Fund, as a special fund in the State Treasury.

(b) Upon appropriation by the Legislature, the moneys in the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund shall be allocated to the division for purposes of this chapter and Chapter 8 (commencing with Section 2700).

(c) On and after July 1, 2004, the Seismic Hazards Identification Fund shall be known as the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund.

SEC. 6. Section 2705 of the Public Resources Code is amended to read:

2705. (a) Counties and cities 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 1985 Uniform Building Code and adopted in Part 2 (commencing with Section 2-101) 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 ten dollars (\$10) per one hundred thousand dollars (\$100,000), with appropriate fractions thereof.

(2) All other buildings shall be assessed at the rate of twenty-one dollars (\$21) 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 county or city may elect to include a rate of ten dollars (\$10) per one hundred thousand dollars (\$100,000), with appropriate fractions thereof, in its basic building permit fee for any Group R occupancy

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defined in paragraph (1) of subdivision (a), and a rate of twenty-one dollars (\$21) per one hundred thousand dollars (\$100,000), with appropriate fractions thereof, for all other building types. A county or city 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 or 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 or 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 subdivision (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.

SEC. 7. Section 2705.5 of the Public Resources Code is amended to read:

2705.5. The Division of Mines and Geology shall advise counties and cities as to that portion of the total fees allocated to the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund, so that this information may be provided to building permit applicants.

SEC. 8. Section 2706 of the Public Resources Code is amended to read:

2706. Funds collected pursuant to subdivision (a) and (b) of Section 2705, less the amount retained pursuant to subdivision (c) of Section 2705, shall be deposited in the State Treasury in the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund, as created by Section 2699.5, to be used exclusively for the purposes of this chapter and Chapter 7.8 (commencing with Section 2690).

SEC. 9. Section 2709.1 of the Public Resources Code is amended to read:

2709.1. (a) No strong-motion instrumentation shall be installed pursuant to this chapter in the structural types identified in subdivision (b) unless funds proportionate to the construction value as called for under Section 2705 are received from organizations or entities representing these structural types, or the instrumentation is specifically called for by the Seismic Safety Commission in urgency situations.

(b) The structural types subject to this section include all of the following:

- (1) Hospitals.
- (2) Dams.
- (3) Bridges.
- (4) Schools.
- (5) Powerplants.

(c) The Strong-Motion Instrumentation and Seismic Hazards Mapping Fund may accept funds from sources other than the permit fees identified in this chapter. The

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priority of installations performed under this chapter shall be determined by the Seismic Safety Commission.

SEC. 10. Section 3109 of the Public Resources Code is amended to read:

3109. The supervisor may publish any publications, reports, maps, or other printed matter relating to oil and gas, for which there may be public demand. If these publications, reports, maps, or other printed matter are sold, they shall be sold at cost, and the proceeds shall be deposited to the credit of the Oil, Gas, and Geothermal Administrative Fund.

SEC. 11. Section 3110 of the Public Resources Code is amended to read:

3110. All money paid to the Treasurer pursuant to Article 7 (commencing with Section 3400) shall be deposited to the credit of the Oil, Gas, and Geothermal Administrative Fund, which is hereby established in the State Treasury, for expenditure as provided in Section 3401.

SEC. 12. Section 3111 of the Public Resources Code is amended to read:

3111. (a) All money received in repayment of repair work done as provided in this chapter shall be returned and credited to the Oil, Gas, and Geothermal Administrative Fund for expenditure as provided in Section 3401.

(b) All miscellaneous revenues from oil and gas wells and from real and personal property acquired by the supervisor in the course of carrying out this chapter shall be credited to the Oil, Gas, and Geothermal Administrative Fund for expenditure as provided in Section 3401.

SEC. 13. Section 3236.5 of the Public Resources Code is amended to read:

3236.5. (a) Any person who violates this chapter or any regulation implementing this chapter is subject to a civil penalty not to exceed five thousand dollars (\$5,000) for each violation. Acts of God, and acts of vandalism beyond the reasonable control of the operator, shall not be considered a violation. The civil penalty shall be imposed by an order of the supervisor upon a determination that a violation has been committed by the person charged, following notice to the person and an opportunity to be heard. The notice shall be served by personal service or certified mail, and shall inform the alleged violator of the date, time, and place of the hearing, the activity that is alleged to be a violation, the statute or regulation violated, and the hearing and judicial review procedures. The notice shall be provided at least 30 days before the hearing. The hearing shall be held before the supervisor or the supervisor's designee in Sacramento or in the district in which the violation occurred. The hearing is not required to be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The imposition of a civil penalty under this section shall be in addition to any other penalty provided by law for the violation. When establishing the amount of the civil penalty pursuant to this section, the supervisor shall consider, in addition to other relevant circumstances, (1) the extent of harm caused by the violation, (2) the persistence of the violation, (3) the pervasiveness of the violation, and (4) the number of prior violations by the same violator.

(b) Notwithstanding this chapter, an order of the supervisor imposing a civil penalty shall not be reviewable pursuant to Article 6 (commencing with Section 3350). A person upon whom a civil penalty is imposed by a final order of the supervisor may obtain

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judicial review of that final order by seeking a writ of mandate pursuant to Section 1094.5 of the Code of Civil Procedure within 30 days of the date of that final order. When the order of the supervisor has become final, and the penalty has not been paid, the supervisor may apply to the appropriate superior court for an order directing payment of the civil penalty. The supervisor may also seek from the court an order directing that production from the well operations that are the subject of the civil penalty order is discontinued until the violation has been remedied to the satisfaction of the supervisor, and the civil penalty has been paid.

(c) Any amount collected under this section shall be deposited in the Oil, Gas, and Geothermal Administrative Fund.

SEC. 14. Section 3343 of the Public Resources Code is amended to read:

3343. (a) Any person who willfully violates any provision of this article or any rule, regulation or order of the supervisor, shall be subject to a penalty of one thousand dollars (\$1,000) for each act of violation and for each day that the violation continues.

(b) The penalty provided in this section shall be recoverable by suit filed by the Attorney General in the name and on behalf of the supervisor in the superior court of the State of California for the county in which the defendant resides, or in which any defendant resides, if there is more than one defendant, or in the superior court of any county in which the violation occurred. The payment of the penalty shall not operate to relieve a person on whom the penalty is imposed from liability to any other person for damages arising out of the violation. The penalty, when recovered, shall be paid to the State Treasurer and shall be deposited to the credit of the Oil, Gas, and Geothermal Administrative Fund.

(c) Any person knowingly aiding or abetting any other person in the violation of any provision of this article, or any rule, regulation or order of the supervisor shall be subject to the same penalty as that prescribed by this section for the violation by the other person.

SEC. 15. Section 3358 of the Public Resources Code is amended to read:

3358. Witnesses shall be entitled to receive the fees and mileage fixed by law in civil causes, payable from the Oil, Gas, and Geothermal Administrative Fund.

SEC. 16. Section 3719 of the Public Resources Code is amended to read:

3719. The supervisor shall publish any publications, reports, maps, statistical data or other printed matter relating to geothermal resources, for which there may be public demand. If these publications, reports, maps, statistical data or other printed matter are sold, they shall be sold at cost, and the proceeds shall be deposited in the Oil, Gas, and Geothermal Administrative Fund.

SEC. 17. Section 3724.6 of the Public Resources Code is amended to read:

3724.6. The permit application fees established in Sections 3724 and 3724.1 shall be made payable by the operator to the Department of Conservation, and the annual well fee established in accordance with Section 3724.5 shall be made payable to the Treasurer. The proceeds from the permit applications and the annual well fees shall be deposited in the Oil, Gas, and Geothermal Administrative Fund, and shall be available for appropriation exclusively for the supervision of geothermal resource wells.

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SEC. 18. Section 3754.5 of the Public Resources Code is amended to read:

3754.5. (a) Any person who violates this chapter or any regulation implementing this chapter is subject to a civil penalty not to exceed five thousand dollars (\$5,000) for each violation. Acts of God, and acts of vandalism beyond the reasonable control of the operator, shall not be considered a violation. The civil penalty shall be imposed by an order of the supervisor upon a determination that a violation has been committed by the person charged, following notice to the person and an opportunity to be heard. The imposition of a civil penalty under this section shall be in addition to any other penalty provided by law for the violation. When establishing the amount of civil liability pursuant to this section, the supervisor shall consider, in addition to other relevant circumstances, (1) the extent of harm caused by the violation, (2) the persistence of the violation, and (3) the number of prior violations by the same violator.

(b) An order of the supervisor imposing a civil penalty shall be reviewable pursuant to Sections 3762 to 3771, inclusive. When the order of the supervisor has become final or has been upheld following exhaustion of the applicable review procedures, the supervisor may apply to the appropriate superior court for an order directing payment of the civil penalty.

(c) Any amount collected under this section shall be deposited in the Oil, Gas, and Geothermal Administrative Fund.

SEC. 19. Section 3770 of the Public Resources Code is amended to read:

3770. Witnesses shall be entitled to receive the fees and mileage fixed by law in civil causes, payable from the Oil, Gas, and Geothermal Administrative Fund.

SEC. 20. Section 3776 of the Public Resources Code is amended to read:

3776. Payment of the penalties and charges, or the amount of the judgment recovered in the action, shall be made to the State Treasurer, and shall be returned and credited to the Oil, Gas, and Geothermal Administrative Fund.

SEC. 21. Section 5006.1 of the Public Resources Code is amended to read:

5006.1. (a) (1) Prior to submitting a proposal pursuant to subdivision (f) of Section 5006, for an appropriation for the acquisition of real property in excess of five million dollars (\$5,000,000) in value for any state park system project, the department shall hold a public hearing within the county in which the proposed project is located at which interested members of the public may comment on the proposed project. Notice of the hearing shall be published at least twice in a newspaper of general circulation within that county.

(2) (A) The department shall provide written notice of its intent to acquire the real property to the city or county, or both, having jurisdiction over the property, to the members of the Legislature who are the chair and vice chair of the joint legislative budget committee, the chair of the budget subcommittee in each house having jurisdiction over resources, the chair in each house of the appropriate legislative policy committee, and the legislators within whose district the property proposed for acquisition is located, as early as possible in the acquisition process, but not less than 90 days from the date of acquisition. Within 30 days of receiving written notice of the proposed acquisition, a member of the city council or board of supervisors of the respective city or county, or a Member of the Legislature who has been notified pursuant to this subparagraph, may request that the department hold a public hearing regarding the

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acquisition of the property, if the acquisition is between five hundred thousand dollars (\$500,000) and five million dollars (\$5,000,000).

(B) The written notice of intent shall describe any potential impact that the acquisition may have on the department's efforts to provide park and recreational opportunities.

(b) With respect to real property in excess of five million dollars (\$5,000,000) that is not proposed to be acquired pursuant to subdivision (f) of Section 5006, the department shall hold a public hearing within the county in which the real property is located, at which interested members of the public may comment on the proposed acquisition. Notice of the hearing shall be published at least twice in a newspaper of general circulation within the county. The department shall provide written notice of its intent to acquire the real property to the city or county, or both, having jurisdiction over the property, as early as possible in the acquisition process.

(c) This section does not apply to any real property to be acquired by grant, gift, devise, or bequest.

SEC. 22. Section 5015.6 is added to the Public Resources Code, to read:

5015.6. In recognition of the late Ed Z'berg's many contributions to the growth and improvement of the state park system, Sugar Pine Point State Park is hereby designated and shall be known as the Ed Z'berg Sugar Pine Point State Park.

SEC. 23. Section 5627 of the Public Resources Code is amended to read:

5627. (a) Grant moneys received pursuant to this chapter shall be expended for high priority projects that satisfy the most urgent park and recreation needs, with emphasis on unmet needs in the most heavily populated and most economically disadvantaged areas within each jurisdiction.

(b) Grants received pursuant to this chapter shall be expended only for acquisition, development, or both, except that not more than 30 percent of the amount received by a city, county, or district in an annual period may be utilized for special major maintenance projects, provided the projects are related to land acquired or developed, or both, in whole or in part, with state moneys under this chapter, or for innovative recreation programs, or for both.

(c) Grants to cities, counties, and districts pursuant to this chapter shall be on the basis of 70 percent state money and 30 percent local matching money, not less than one-third of which shall be from private or nonstate sources of funds, for the project. Grants for acquisition shall be matched only by money or property donated to be part of the acquisition project. Grants for development may be matched by monetary contributions or, if nonmonetary contributions, as provided in regulations and standards which shall be established by the director after a public hearing. The component of local matching money consisting of funds from private or nonstate sources may, at the option of the grant recipient, be calculated as a percentage of the total amount granted in that fiscal year to a grant recipient, rather than on a project-by-project basis.

(d) The component of local matching money from private or nonstate sources required by subdivision (c) may be in the form of and include, but is not limited to, the following: cash donations, gifts of real property, equipment, and consumable supplies, volunteer services, free or reduced-cost use of lands, facilities, or equipment, and bequests and earnings from wills, estates, and trusts.

Funds from nonstate sources that qualify for the purposes of subdivision (c) are funds from the federal government and local public agencies other than the grant recipient.

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Real property, cash, or other assets required to be transferred to a public agency pursuant to Section 66477 of the Government Code or any other provision of law may not qualify as funds from a private or nonstate source; however, they shall qualify as the monetary or nonmonetary contribution required to be furnished by the grant recipient pursuant to subdivision (c).

(e) The grant recipient shall certify to the department that there is available, or will become available prior to the encumbrance of any state funds for any work on the project for which application for a grant has been made, matching money from private or nonstate sources. Certification of the source and amount of nonstate funds shall be set forth in the application for a grant submitted to the department. However, in recognition of the fact that raising private funds frequently requires an initial evidence of matching public funds, the certification of the source and amount of the private funds shall be made by the applicant at least 30 days prior to actual release of state funds.

(f) Local matching money may not be required with respect to an applicant that has urgent unmet needs for recreational lands or facilities, and lacks the financial resources to acquire or develop recreational lands or facilities, as determined pursuant to a formula set forth in regulations adopted by the director after a public hearing. In addition, with respect to applications for grants submitted for areas where private financial resources are of limited availability or submitted for projects or programs that are not of a type likely to attract private funds, the director shall, if the project conforms to regulations adopted by the department, waive the requirement that at least one-third of local matching money be from private sources. The regulations shall establish criteria and procedures for the waiver. These criteria may provide for consideration of the average per capita income, unemployment rate, crime rate, and recent history of plant or business closures in the area of the applicant's jurisdiction where the grant will be expended.

(g) Notwithstanding subdivisions (c), (d), (e), and (f), funds from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Chapter 1.696 (commencing with Section 5096.600)) that are or have been appropriated on or before June 30, 2004, for the purposes of this chapter do not require local matching money.

SEC. 24. Section 6217 of the Public Resources Code, as amended by Section 18 of Chapter 876 of the Statutes of 1998, is amended to read:

6217. (a) With the exception of revenue derived from state school lands and from sources described in Sections 6217.6, 6301.5, 6301.6, 6855, and Sections 8551 to 8558, inclusive, and Section 6404 (insofar as the proceeds are from property that has been distributed or escheated to the state in connection with unclaimed estates of deceased persons), the commission shall deposit all revenue, money, and remittances received by the commission under this division, and under Chapter 138 of the Statutes of 1964, First Extraordinary Session, in the General Fund. Out of those funds deposited in the General Fund, sufficient moneys shall be made available each fiscal year for the following purposes:

(1) Payment of refunds, authorized by the commission, out of appropriations made for that purpose.

(2) Payment of expenditures of the commission as provided in the annual Budget Act.

(3) Payments to cities and counties of the amounts specified in Section 6817 for the purposes specified in that section, out of appropriations made for that purpose.

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(4) Payments to cities and counties of the amounts agreed to pursuant to Section 6875, out of appropriations made for that purpose.

(b) This section shall become operative on July 1, 2006.

SEC. 25. Section 34000 of the Public Resources Code is amended to read:

34000. Money deposited in the Bosco-Keene Renewable Resources Investment Fund created by former Section 7150.6 of the Fish and Game Code may be encumbered, pursuant to appropriation by the Legislature, only for the following purposes:

(a) Salmon and steelhead hatchery expansion and fish habitat improvement.

(b) Forest resource improvement projects pursuant to the California Forest Improvement Act of 1978.

(c) Urban forestry projects pursuant to the California Urban Forestry Act of 1978.

(d) Agricultural soil drainage programs which will retard desertification and protect agricultural productivity.

(e) Support of technical assistance programs which will prevent soil erosion.

(f) Agricultural, industrial, and urban water conservation programs.

(g) Wildland fire prevention programs pursuant to the Wildland Fire Protection and Resources Management Act of 1978, Article 1 (commencing with Section 4461) and Article 2 (commencing with Section 4475) of Chapter 7 of Part 2 of Division 4.

(h) Coastal resource enhancement projects pursuant to Chapter 6 (commencing with Section 31251) of Division 21.

(i) Regulation and oversight of surface mining activities pursuant to the Surface Mining and Reclamation Act of 1975 (Chapter 9 (commencing with Section 2710) of Division 2).

SEC. 26. Section 79505.5 is added to the Water Code, to read:

79505.5. As used in this division, the following terms shall have the following meanings:

(a) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(b) "Matching funds" means funds made available by nonstate sources, which may include, but are not limited to, donated services from nonstate sources.

SEC. 27. Section 79505.6 is added to the Water Code, to read:

79505.6. (a) (1) By March 15, 2004, each state agency disbursing grants or loans pursuant to this division shall develop project solicitation and evaluation guidelines. The guidelines may include a limitation on the size of grants or loans to be awarded.

(2) Prior to disbursing grants, each state agency shall conduct two public meetings to consider public comments prior to finalizing the guidelines. Each state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California and one meeting shall be conducted at a location in southern California. Upon adoption, each state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature. To the extent feasible, each state agency shall provide outreach to disadvantaged communities to promote access and participation in those meetings.

(3) (A) Subject to subparagraph (B), the guidelines may include a requirement for matching funds.

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(B) A state agency may not require matching funds for the purposes of awarding a grant financed by this division to assist a disadvantaged community, except as follows:

(i) For the purposes of awarding a grant pursuant to subdivision (a) of Section 79545, the department shall impose matching fund requirements in accordance with subdivision (a) of Section 79545.

(ii) For the purposes of awarding a grant subject to Section 79564, the board shall impose matching fund requirements in accordance with subdivision (b) of Section 79564.

(b) Notwithstanding subdivision (a), a state agency, in lieu of adopting guidelines pursuant to subdivision (a), may use guidelines existing on January 1, 2004, to the extent those guidelines conform to the applicable requirements of this division.

SEC. 28. Section 79506.7 is added to the Water Code, to read:

79506.7. State agencies that are authorized to award loans or grants financed by this division shall provide technical assistance with regard to the preparation of the applications for those loans or grants in a manner that, among other things, addresses the needs of economically disadvantaged communities.

SEC. 29. Section 79522 is added to the Water Code, to read:

79522. (a) Funds made available pursuant to Section 79520 shall be appropriated to the State Department of Health Services to carry out this chapter consistent with the requirements and for the purposes specified in Section 79520.

(b) In the development of priorities for expenditure of the funds appropriated for the purposes of this section, the State Department of Health Services shall consult with the Office of Emergency Services, the state Office of Homeland Security and local water agencies to develop criteria for the department's programs.

(c) Funds allocated pursuant to this section shall not be available for grants that reimburse project costs incurred prior to the adoption of criteria for the grants provided in this section.

(d) No grant funds may be awarded to supplant funding for the routine responsibilities or obligations of any state, local, or regional drinking water system.

SEC. 30. Section 79532 is added to the Water Code, to read:

79532. (a) Funds made available pursuant to subdivision (b) of Section 79530 shall be administered in accordance with this section.

(b) (1) Grant funds appropriated for the purposes of subdivision (b) of Section 79530 shall be awarded on a competitive basis.

(2) The department shall consolidate the application process required to implement the grant program described in this section.

(c) For the purposes of this chapter, "Southern California water agencies" means water agencies whose service area is entirely or partly in one or more of the following counties: San Diego, Imperial, Riverside, Orange, Los Angeles, San Bernardino, Santa Barbara, or Ventura.

(d) Grants may be awarded to Southern California water agencies for eligible projects undertaken by one or more Southern California water agencies and other entities.

(e) A project funded by a grant made pursuant to subdivision (b) of Section 79530 shall meet both of the following requirements:

(1) The project will assist the grantee to meet safe drinking water standards.

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(2) The project will assist in meeting the state's commitment to reduce Colorado River water use to 4.4 million acre-feet per year.

(f) In the development of criteria for the grants awarded pursuant to this section, the State Department of Health Services shall consult with the Office of Environmental Health Hazard Assessment for the purposes of developing a program that gives priority to projects that reduce public and environmental exposure to contaminants that pose the most significant health risks, and that will bring water systems into compliance with safe drinking water standards. These include, but are not limited to, projects that address public exposure to contaminants for which safe drinking water standards have been established, including arsenic, disinfection byproducts and uranium. Projects to address emerging contaminants, including perchlorate, chromium 6, and endocrine disrupters shall also be given priority.

SEC. 31. Section 79534 is added to the Water Code, to read:

79534. (a) Funds made available pursuant to paragraph (1), (2), (3), (4), or (5) of subdivision (a) of Section 79530, and not for the purposes of subdivision (b) of that section, shall be administered in accordance with this section.

(b) (1) Grants shall be awarded in accordance with subdivision (a) of Section 79530 on a statewide competitive basis.

(2) A project that is eligible for funding for the purposes of subdivision (b) of Section 79530 is not eligible for a grant subject to this section.

(c) For the purposes of this chapter, "small community" means a municipality with a population of 3,300 persons or fewer, or 1,000 connections or fewer.

(d) The State Department of Health Services shall consolidate the application process required to implement the grant program described in this section.

(e) In the development of criteria for the grants awarded under this section, the State Department of Health Services shall consult with the Office of Environmental Health Hazard Assessment for the purpose of developing a program that gives priority to projects that pose the most significant health risks, and that will bring water systems into compliance with safe drinking water standards. These include, but are not limited to, projects that address public exposure to contaminants for which safe drinking water standards have been established, including arsenic, disinfection byproducts and uranium. Projects to address emerging contaminants, including perchlorate, chromium 6, and endocrine disrupters shall also be given priority.

(f) Grants awarded pursuant to this section may not exceed ten million dollars (\$10,000,000) for any one project.

SEC. 32. Section 79540.1 is added to the Water Code, to read:

79540.1. (a) Grants shall be awarded in accordance with Section 79540 on a statewide competitive basis.

(b) To the extent funds appropriated pursuant to Section 79540 are expended for the purposes of programs established under Division 20.4 (commencing with Section 30901) of the Public Resources Code, those funds shall comply with the requirements of that division.

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SEC. 33. Section 79547 is added to the Water Code, to read:

79547. (a) Funds made available pursuant to Section 79545 shall be administered in accordance with this section.

(b) Grants shall be awarded in accordance with Section 79545 on a statewide competitive basis.

SEC. 34. Section 79547.2 is added to the Water Code, to read:

79547.2. (a) For the purposes of implementing subdivision (a) of Section 79545, eligible projects shall be selected based on demonstrated need for new or alternative water supplies, project readiness, and the degree to which the project avoids or mitigates adverse environmental impacts. Preference shall be given to eligible projects that incorporate ecosystem restoration and water quality benefits.

(b) A grant made pursuant to subdivision (a) of Section 79545 may not exceed five million dollars (\$5,000,000).

(c) For the purposes of this section, "desalination project" includes construction, planning, engineering, design, environmental assessments, or related work necessary for the construction of a desalination facility, or the construction of a pilot or demonstration facility.

SEC. 35. Section 79555 is added to the Water Code, to read:

79555. (a) For the 2004-05 fiscal year, and each fiscal year thereafter, not less than 50 percent of the funds made available pursuant to subdivision (d) of Section 79550 for acquisition of water for the CALFED environmental water account shall be expended for long-term water purchase contracts, permanent water rights, and associated costs.

(b) The California Bay-Delta Authority shall report annually to the Legislature on the state's efforts in acquiring long-term purchase contracts and permanent water rights in accordance with this section.

SEC. 36. Section 79560.5 is added to the Water Code, to read:

79560.5. For the purposes of carrying out this chapter, the department and the board shall jointly develop project solicitation and evaluation guidelines. Before developing the solicitation and evaluation guidelines, the department and the board shall jointly conduct a public meeting to receive public comments on the scope, procedures, and content of the guidelines. Considering the public comments, the department and the board shall jointly develop solicitation and evaluation guidelines that are consistent with law and state programs and policies. The department and the board shall post the solicitation and evaluation guidelines on their respective Internet Web sites.

SEC. 37. Section 79561.5 is added to the Water Code, to read:

79561.5. (a) Notwithstanding any other provision of law, of the funds appropriated to the department for the purposes of Section 79560 and 79560.1, the department shall allocate the sum of not less than twenty million dollars (\$20,000,000) to competitive grants for groundwater management and recharge projects. The department shall not allocate funds pursuant to this section unless it determines that the allocation is consistent with this division, as approved by the voters at the November 5, 2002, statewide general election.

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(b) It is the intent of the Legislature that these funds be used to enhance water supply in rapidly growing areas of this state with limited access to imported water supplies.

(c) Not more than 50 percent of the grants pursuant to this section shall be for projects in northern California. For projects in southern California, the department shall give preference to projects outside the service area of the Metropolitan Water District of Southern California that are infill projects within one mile of established residential and commercial development.

(d) As used in this section, the term "rapidly growing areas" means counties located in southern California where the county population increased by 2.4 percent or more between January 1, 2002, and January 1, 2003.

SEC. 38. Section 79562.5 is added to the Water Code, to read:

79562.5. (a) For the purposes of carrying out Section 79560, the department shall award grants to eligible projects consistent with an adopted integrated regional water management plan.

(b) For purposes of subdivision (a), the department shall establish standards for integrated regional water management plans. At a minimum, these plans shall address the major water related objectives and conflicts of the watersheds in the region covered by the plan, including water supply, groundwater management, ecosystem restoration, and water quality elements, and may include other elements consistent with this chapter.

(c) The department may waive the requirement for consistency with an adopted integrated regional water management plan until January 1, 2007, if the applicant is engaged in the development of an integrated regional water management plan and indicates, within its grant application, how the project fits into achieving the integrated regional water management plan objectives.

(d) The department may waive the matching fund requirement for disadvantaged communities.

(e) For groundwater management and recharge projects and for projects with potential groundwater impacts, the board and the department shall give preference to eligible projects in areas subject to a groundwater management plan that meets the requirements of Section 10753.7, or that includes the development of a groundwater management plan as a project component.

(f) The maximum award for any single grant pursuant to this section may not exceed fifty million dollars (\$50,000,000).

(g) The department shall require that eligible projects include a nonstate contribution.

(h) For the purposes of implementing Section 79563, and to the extent funds are expended for the purposes of Section 30947 of the Public Resources Code, those funds shall comply with the requirements of that section.

SEC. 39. Section 79564.1 is added to the Water Code, to read:

79564.1. (a) Of the funds made available by Section 79560, not less than 40 percent shall be available for eligible projects in northern California and not less than 40 percent be available for eligible projects in southern California, subject to a determination by the administering agency that each project meets all of the requirements of this chapter.

(b) For the purposes of this section, "southern California" means the Counties of San Diego, Imperial, Riverside, Orange, Los Angeles, Santa Barbara, San Bernardino, and Ventura.

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(c) For the purposes of this section, "northern California" means all California counties except those identified in subdivision (b).

SEC. 40. Chapter 10.5 (commencing with Section 79575) is added to Division 26.5 of the Water Code, to read:

CHAPTER 10.5. REPORTING

79575. Not later than January 1, 2005, and on or before January 1 of each year thereafter, each state agency expending funds pursuant to this division for projects, grants, or loans shall report to the Legislature on the recipient and amount of each project, grant, or loan awarded under this division during the previous fiscal year. The information shall include the total amount awarded, categorized by project, grant, or loan, the geographic distribution of projects, grants, or loans awarded under this division, and the intended public and environmental benefit that the awards provide. The information shall also include data on the balances of funds available under this division for expenditures and grants in that fiscal year and future fiscal years.

SEC. 41. Section 79590 is added to the Water Code, to read:

79590. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionally by each program funded under this division. Actual costs incurred in connection with administering programs authorized under the categories specified in this division shall be paid by the funds authorized for those purposes by this division.

SEC. 42. All funds in the Strong-Motion Instrumentation Special Fund shall be transferred to the Strong-Motion Instrumentation and Seismic Hazards Mapping Fund. Those funds are subject to all encumbrances on the funds made prior to July 1, 2004, and to all legal restrictions on their use other than by state statute.

SEC. 43. It is the intent of the Legislature that Sections 2699.5, 2705, 2705.5, 2706, and 2709.1, of the Public Resources Code, as those sections read immediately prior to the effective date of this act, shall continue to be effective and operative until July 1, 2004, at which time those sections as amended by this act shall become operative.

SEC. 44. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the Budget Act of 2003, it is necessary that this act take effect immediately.