CALIFORNIA CODE OF REGULATIONS
TITLE 14, DIVISION 1
SUBDIVISION 4. OFFICE OF SPILL PREVENTION AND RESPONSE
CHAPTER 6. FUND ADMINISTRATION
SUBCHAPTER 2. OIL SPILL PREVENTION AND ADMINISTRATION FUND FEE
SECTIONS 870.15 - 870.21
Amended March 26, 2014

870.15 DEFINITIONS

In addition to the definitions in Chapter 1, Section 790 of this Subdivision, the following definitions shall govern the construction of this subchapter. Where similar terms are defined, the following will supersede the definition in Chapter 1:

(a) "Board" means the State Board of Equalization.

(b) "Fee" means the fees imposed pursuant to Article 6 (commencing with Section 8670.38) of Chapter 7.4, Division 1, Title 2 of the Government Code and deposited in the Oil Spill Prevention and Administration Fund in the State Treasury.

(c) "Marine Waters", for this subchapter, means those waters subject to tidal influence, including the waterways used for waterborne commercial vessel traffic to the Port of Stockton and the Port of Sacramento. Other waterways upstream of a line running north and south through the point where Contra Costa, Sacramento and Solano Counties meet, are not "marine waters".

(d) "Petroleum products" means any petroleum-based liquid hydrocarbon at atmospheric temperature and pressure that is the product of the fractionation, distillation, or other refining or processing of crude oil and that is used as, useable as, or may be refined as, a fuel or fuel blendstock, including, but not limited to, gasoline, diesel fuel, aviation fuel, bunker fuel, and alcohol fuels containing petroleum products.

Authority: Sections 8670.39, 8670.40, and 8670.41, Government Code.
Reference: Sections 8670.40 and 8670.41.

870.17 PAYMENT OF FEES

(a) Oil transported by tank vessel or pipeline

The Administrator shall impose a fee on the oil transported by tank vessel or pipeline. The fee shall not exceed six and one-half cents ($0.065) per barrel of crude oil or petroleum products. Beginning January 1, 2015, the annual assessment shall not exceed five cents ($0.05) per barrel of crude oil or petroleum products.

(1) Oil/petroleum products transported by tank vessel:

The fee shall be imposed upon every person owning crude oil at the time that the crude oil is received at a marine terminal from within or outside the state, and upon every person owning petroleum products at the time that those petroleum products are received at a marine terminal from outside the state. The fee shall be collected by the marine terminal operator from the owner of the crude oil or petroleum products based on each barrel of crude oil or petroleum products so received by means of a vessel operating in, through, or across the marine waters of the state. In addition, every operator of a pipeline shall pay the fee for each barrel of crude oil originating from a production facility in marine waters and transported into the state by means of a pipeline operating across, under or through the marine waters of the state.

(2) Oil transported by pipeline:
In addition, every operator of a pipeline shall pay the fee for each barrel of crude oil originating from a production facility in marine waters and transported in the state by means of a pipeline operating across, under or through the marine waters of the state.

(b) Nontank vessel fee
The Administrator shall impose a fee per nontank vessel, to be collected with each new or renewal application to obtain a certificate of financial responsibility. The fee shall be levied as follows:

(1) Operator(s) or owner(s) of nontank vessels with a carrying capacity of over 6,500 barrels, or over 7,500 barrels for nontank vessels owned and operated by California or a federal agency, shall submit a nonrefundable USD $3,250 fee per vessel, or;

(2) Operator(s) or owner(s) of nontank vessels that have a carrying capacity greater than 500 barrels of oil and less than or equal to 6,500 barrels of oil, or a carrying capacity greater than 500 barrels of oil and less than or equal to 7,500 barrels of oil for nontank vessels owned and operated by California or a federal agency, shall submit a nonrefundable USD $1,950 fee per vessel, or;

(3) Operator(s) or owner(s) of nontank vessels that have a carrying capacity of 500 barrels of oil or less shall submit a nonrefundable USD $650 fee per vessel.

(4) Do not deduct any processing fees from the per vessel fee.

Authority: Sections 8670.39, 8670.40, and 8670.41, Government Code
Reference: Sections 8670.40 and 8670.41, Government Code

870.19 DETERMINATION OF FEE ON OIL TRANSPORTED BY TANK VESSEL OR PIPELINE

(a) For the years 2012 through 2014, the fee imposed on the oil transported by tank vessel or pipeline shall not exceed six and one-half cents ($0.065) per barrel of crude oil or petroleum products as assessed on January 20 of each year.

Beginning January 1, 2015, the annual assessment shall not exceed five cents ($0.05) per barrel of crude oil or petroleum products.

(b) On or before January 20, the Administrator shall annually prepare a plan that projects revenues and expenses over three fiscal years, including the current year. Based on that plan, the Administrator shall set the fee so that the projected revenues, including any interest, are equivalent to expenses over the period covered by the plan. In setting the fee, the Administrator may allow for a surplus if the Administrator finds that revenues will be exhausted during the period covered by the plan or that a surplus is necessary to cover possible contingencies.

(1) Based upon the January 20 assessment, the Administrator may authorize the collection of a fee lower than six and one-half cents ($0.065) if the lower fee will result in the collection of sufficient monies during that state fiscal year to fund the purposes set forth in Section 870.21.

(2) The Administrator may suspend collection of the lower fee at any time. If the lower fee is suspended, the fee level shall return to the previously established rate of up to six and one-half cents ($0.065) per barrel of crude oil or petroleum product and shall remain at the increased level for the balance of the fiscal year.

(c) Whenever the Administrator determines that the fee level shall be changed, the Administrator shall notify the Board in writing within 5 days of making the determination. The Board shall then notify feepayors of the new fee level within 30 days of receiving the determination from the Administrator. The new fee level shall then become effective 30 days after the feepayors have been notified by the Board.

(d) The data used to determine the fee level shall be provided by the Administrator to interested parties upon request.

Authority: Section 8670.39(b), and 8670.40, Government Code.
Reference: Section 8670.40(a), Government Code.

870.21 FEE USAGES

The fee on oil transported by tank vessel or pipeline shall be collected by the Board. All fees levied under this chapter shall be deposited in the Oil Spill Prevention and Administration Fund in the State Treasury. Money in this fund shall be used only for the following purposes:

(a) to implement oil spill prevention programs and to conduct research into prevention and control technology;

(b) to carry out studies which may lead to improved oil spill prevention and response;

(c) to finance environmental and economic studies relating to the effects of oil spills;

(d) 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;

(e) to respond to an imminent threat of a spill in accordance with the provisions of Government Code Section 8670.62 pertaining to threatened discharges. The cumulative amount of any expenditure for this purpose shall not exceed one hundred thousand dollars ($100,000) in any fiscal year unless the Administrator receives the approval of the Director of Finance and notification is given to the Joint legislative Budget Committee.

(f) to reimburse the Board for costs incurred in the collection of fees pursuant to Chapter 7.4 (commencing with Section 8670.1) of Division 1, Title 2 of the Government Code and Part 24 (commencing with Section 46001) of Division 2 of the Revenue and Taxation Code;

(g) to reimburse the costs incurred by the California State Lands Commission in implementing the Oil Transfer and Transportation Emission and Risk Reduction Act of 2002 (Division 9 (commencing Section 8780) of the Public Resources Code);

(h) to reimburse the Oil Spill Technical Advisory Committee for costs associated with Article 8 (commencing with Section 8670.54) of Chapter 7.4, Division 1, Title 2 of the Government Code;

(i) to provide a reasonable reserve for contingencies.

Authority: Sections 8670.39(b) and 8670.40, Government Code
Reference: Sections 8670.4, 8670.40 and 8670.56, Government Code