

**EXCERPT FROM CHAPTERED SB 445 (APPROVED 9/25/2014)**  
**REGARDING SITE CLEANUP SUBACCOUNT**

SEC. 9. Section 25299.50.6 is added to the Health and Safety Code, to read:

25299.50.6. (a) The Site Cleanup Subaccount is hereby established in the State Treasury. Moneys shall be deposited in the subaccount pursuant to subdivision (m) of Section 25299.51.

(b) The board may expend the funds in the Site Cleanup Subaccount, upon appropriation by the Legislature, for the following purposes:

(1) To pay for reasonable and necessary expenditures that the board, a regional board, or a local agency incurs to identify the source of surface or groundwater contamination.

(2) To pay for reasonable and necessary expenditures that the board, a regional board, or a local agency incurs to remediate the harm or threat of harm to human health, safety, and the environment caused by existing or threatened surface or groundwater contamination. The board shall consider the following factors when approving expenditures for specific locations:

(A) The degree to which human health, safety, and the environment are threatened by contamination at the location.

(B) Whether the location is located in a small or financially disadvantaged community.

(C) The cost and potential environmental benefit of the investigation or cleanup.

(D) Whether there are other potential sources of funding for the investigation or cleanup.

(E) Any other information the board identifies as necessary for consideration.

(3) To issue grants pursuant to this section for the reasonable and necessary costs of actions to remediate the harm or threat of harm to human health, safety, and the environment caused by existing or threatened surface or groundwater contamination at a location that meets both of the following conditions:

(A) The board, a regional board, or local agency requires the responsible parties to undertake or contract for investigation or cleanup, pursuant to an oral or written order, directive, notification, or approval issued pursuant to Section 25296.10, or pursuant to a cleanup and abatement order issued under Section 13304 of the Water Code. The board may waive this requirement if the board finds that it is infeasible for an order to be issued before initiation of remediation.

(B) The responsible parties lack sufficient financial resources to pay for the required response actions.

(4) For payments to the Attorney General by the board pursuant to subdivision (g).

(c) At least annually, the board shall review grant applications and adopt a list of applicants to be awarded grants pursuant to paragraph (3) of subdivision (b). In addition to the conditions specified in paragraph (3) of subdivision (b), the board shall consider all of the following factors when awarding grants:

- (1) The degree to which human health, safety, and the environment are threatened by surface water or groundwater contamination at the location.
  - (2) Whether the location is located in a small or financially disadvantaged community.
  - (3) The cost and potential environmental benefit of the investigation or cleanup.
  - (4) Whether there are other potential sources of funding for the investigation or cleanup.
  - (5) Any other information the board identifies as necessary for consideration.
- (d) (1) The board shall specify the information that shall be included in a grant application, consistent with this section, including, but not limited to, a provision requiring the applicant to make a sworn verification of the information in the application to the best of the applicant's knowledge.
- (2) The board may adopt procedures to implement this section.
  - (3) The board shall post any procedures or information requirements adopted pursuant to this section on its Internet Web site.
- (e) (1) The recipient of grant moneys shall expend those funds only for the reasonable costs necessary to protect human health, safety, and the environment, incurred on or after the effective date of the act adding this section.
- (2) The board shall not issue a grant for any costs for which the applicant has been, or will be, paid by another source.
  - (3) The board may terminate a grant and may bar the applicant from receiving any future grants from the Site Cleanup Subaccount if the board finds that the applicant has made a misrepresentation or false claim.
- (f) (1) Any funds in the Site Cleanup Subaccount that are not expended in a fiscal year shall remain in the subaccount until they are encumbered.
- (2) Notwithstanding Section 16304.1 of the Government Code, the board shall encumber the funds appropriated pursuant to this section within three years of the appropriation and the board may make a disbursement in liquidation of an encumbrance before or during the three years following the last day the appropriation is available for encumbrance.
  - (3) Notwithstanding Section 16475 of the Government Code, any interest earned upon the money in the Site Cleanup Subaccount shall be deposited in the Site Cleanup Subaccount.
- (g) The Attorney General may recover the actual, reasonable costs of investigation or cleanup undertaken pursuant to this section in a civil action, upon request from the board, from any responsible party. All money recovered by the Attorney General pursuant to this section shall be deposited in the Site Cleanup Subaccount.