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**HEALTH AND SAFETY CODE - HSC**

**DIVISION 26. AIR RESOURCES [39000 - 44475.3]** ( *Division 26 repealed and added by Stats. 1975, Ch. 957.*  )

**PART 2. STATE AIR RESOURCES BOARD [39500 - 39944]** ( *Part 2 added by Stats. 1975, Ch. 957.*  )

**CHAPTER 4.5. Rice Straw Demonstration Project [39750 - 39753]** ( *Chapter 4.5 added by Stats. 1997, Ch. 745, Sec. 1.*  )

**39750.** The Legislature hereby finds and declares that the Connelly-Areias-Chandler Rice Straw Burning Reduction Act was enacted in 1991 to phase down rice straw burning and improve the air quality for the citizens of the state. This creates an additional significant cost to rice growers, with potential adverse impacts on the farming communities, including lost farm production; lost state, local, and federal tax revenues; lost jobs; and reduction of wildlife habitat in the rice fields. The commercial technologies that could utilize straw, making it a commodity rather than a waste disposal problem, have not developed in the rice growing areas because of the lack of marketplace risk capital to take technologies from the laboratory stage to demonstration projects. To retain the public benefits from having a viable rice growing industry in California and to improve air quality, there is a need to provide cost-sharing grants for the development of demonstration projects for new rice straw technologies in the marketplace.

(*Added by Stats. 1997, Ch. 745, Sec. 1. Effective January 1, 1998.*)

**39751.** The Rice Straw Demonstration Project Grant Fund is hereby created in the State Treasury. The fund shall be administered by the state board for the purpose of developing demonstration projects for new rice straw technologies in the rice straw growing regions of California.

(*Amended by Stats. 2000, Ch. 1019, Sec. 1. Effective January 1, 2001.*)

**39752.** The state board shall provide cost-sharing grants for the development of demonstration projects for new rice straw technologies according to criteria developed by the state board, in consultation with the University of California and the Department of Food and Agriculture, and adopted at a noticed public hearing held by the state board. The criteria shall include, but shall not be limited to, all of the following:

- (a) Proposed projects shall use a technology that could use significant volumes of rice straw annually if it is commercialized, based upon various factors, including potential markets and viability of the technology in meeting market demands.
- (b) The state board shall provide a grant of not more than 50 percent of the cost for each demonstration project.
- (c) Public and private support shall be demonstrated for proposed projects, including local community support from the rice growing community where the project would be located.
- (d) The grants shall be authorized and allocated during the 2000–01, 2001–02, and 2002–03 fiscal years. Grants may be expended, under the grant agreement, during a period not to exceed three years from the date that the grant is awarded.
- (e) Preference shall be given to projects located within the rice growing regions of the Sacramento Valley and which may be replicated throughout the region.
- (f) Projects should demonstrate all of the following:
  - (1) Technical and economic feasibility.
  - (2) The capability to become profitable within five years.
  - (3) Cost-effectiveness.
  - (4) The extent to which the program mitigates or avoids adverse environmental impacts.

(g) This section shall not become operative until moneys are appropriated for deposit in the Rice Straw Demonstration Project Grant Fund, created pursuant to Section 39751, by the Legislature, or until moneys are transferred to that fund by any other entity.

*(Amended by Stats. 2004, Ch. 225, Sec. 51. Effective August 16, 2004. Operation of provisions is contingent upon funding, as prescribed in subd. (g).)*

**39753.** It is the intent of the Legislature that funding for purposes of this chapter be provided in the annual Budget Act. The state board may use not more than 10 percent of the rice straw technology demonstration cost-sharing funds for administrative and project review costs in carrying out the grant program.

*(Added by Stats. 1997, Ch. 745, Sec. 1. Effective January 1, 1998.)*