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Code: Section:

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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 AIR RESOURCES [39000 - 44475.3] (*Division 26 repealed and added by Stats. 1975, Ch. 957.*)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 4.7. Agricultural Biomass Utilization Account [39760 - 39763] (*Chapter 4.7 added by Stats. 2000, Ch. 1017, Sec. 1.*)

39760. The Legislature hereby finds and declares that the rice industry has led many other commodity groups in developing alternatives to open-field burning. In order to aid in the continuation of this role of leadership within the agricultural industry and to enable the transition to a free-market utilization of biomass, funds are needed to provide grants to persons that utilize agricultural biomass and rice straw.

(*Added by Stats. 2000, Ch. 1017, Sec. 1. Effective January 1, 2001.*)

39761. For the purposes of this chapter, the following terms mean:

- (a) "Department" means the Department of Food and Agriculture.
- (b) "Secretary" means the Secretary of Food and Agriculture.

(*Added by Stats. 2000, Ch. 1017, Sec. 1. Effective January 1, 2001.*)

39762. (a) (1) The Agricultural Biomass Utilization Account is hereby created in the Department of Food and Agriculture Fund.

(2) The sum of two million dollars (\$2,000,000) is hereby appropriated from the General Fund to the Agricultural Biomass Utilization Account for expenditure for the purposes identified in subdivision (b).

(b) The account shall be administered by the department, in consultation with the State Air Resources Board and the California Integrated Waste Management Board, for the purpose of providing grants to persons that utilize agricultural biomass as a means of avoiding landfill use, preventing air pollution, and enhancing environmental quality.

(c) Moneys in the account shall include moneys transferred from the General Fund pursuant to subdivision (a) and any moneys solicited by the secretary from other sources.

(d) The secretary shall actively solicit funds from other federal, state, and private sources with the goal of initially supplementing and eventually supplanting the appropriation from the General Fund made pursuant to subdivision (a).

(e) The department may implement similar grant programs for other commodity groups that are used for the purposes set forth in paragraphs (1) to (6), inclusive, of subdivision (e) of Section 39763.

(f) The department shall not utilize more than 7 percent of the funds described in subdivision (a) for the administration of the account.

(*Added by Stats. 2000, Ch. 1017, Sec. 1. Appropriation in subdivision (a) reduced by Governor's item-veto message. Effective January 1, 2001.*)

Note: Subd. (a) of this text reflects the Governor's reduction from \$10,000,000 to \$2,000,000.

39763. (a) The funds appropriated by paragraph (2) of subdivision (a) of Section 39762, less administrative costs, shall be dedicated for grants to persons that utilize rice straw.

(b) Grants shall be provided pursuant to this chapter in a manner to be determined by the department, and shall include, but shall not be limited to, grants on a per-ton basis and a per-project basis.

(c) On or before July 1 of each year, the secretary shall set the per-ton grant level in an amount of not less than twenty dollars (\$20) per ton of rice straw so utilized.

(d) Grants shall not be provided pursuant to this section for the purchase of any rice straw for which a tax credit has been claimed pursuant to Section 17052.10 of the Revenue and Taxation Code.

(e) A per-ton grant may be provided pursuant to this chapter only if the applicant is the "end-user" of agricultural biomass. For purposes of this subdivision, "end user" means a person who uses agricultural biomass for any of the following purposes:

(1) Processing.

(2) Generating energy.

(3) Manufacturing.

(4) Exporting.

(5) Preventing erosion.

(6) Any other environmentally sound purpose, excluding open-field burning, as determined to be appropriate by the department.

(f) Criteria to be considered by the department in determining whether to award a grant pursuant to this chapter shall include, but shall not be limited to, the following:

(1) Quantity of biomass to be utilized.

(2) Whether the proposed use offers other environmental or public policy benefits, including but not limited to, landfill avoidance, pollution prevention, electrical generation, and sustainability.

(3) The degree to which the proposed grant would assist in moving the commodity group toward an eventual free market utilization of biomass without the assistance of government.

(g) The secretary shall select grant recipients in consultation with the State Air Resources Board, the Integrated Waste Management Board, and the advisory committee created pursuant to subdivision (l) of Section 41865 from a list of potential grantees recommended by the Department of Food and Agriculture.

(Added by Stats. 2000, Ch. 1017, Sec. 1. Effective January 1, 2001.)