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HEALTH AND SAFETY CODE - HSC

DIVISION 27. CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY ACT [44500 - 44563] (*Division 27 repealed (comm. with Section 39600) and added by Stats. 1975, Ch. 957.)*

CHAPTER 1. California Pollution Control Financing Authority [44500 - 44559.14] (*Chapter 1 added by Stats. 1975, Ch. 957.)*

ARTICLE 1. General Provisions and Definitions [44500 - 44512] (*Article 1 added by Stats. 1975, Ch. 957.)*

44500. This division may be cited as the California Pollution Control Financing Authority Act.

(*Added by Stats. 1975, Ch. 957.*)

44501. The Legislature finds and declares all of the following:

(a) It is necessary and essential that the state, in cooperation with the federal government, use all practical means and measures to control, remediate, and eliminate pollution hazards to the environment, provide clean water, and enable alternative and renewable sources of energy. Industry within this state utilizes processes and facilities that have significant environmental impact. These processes and facilities need to be modified and supplemented to meet the quality standards established, and to be established, for the control and remediation of environmental pollution. Industry needs and requires new methods to finance the capital outlays required for the devices, equipment, and facilities utilized in pollution control if they are to rapidly comply with the quality standards established by the state and federal governments, and if they are to rapidly remediate contaminated properties so that those properties can be reused for economically beneficial purposes.

(b) The disposal of waste products by methods such as incineration and landfill pollute the environment by degrading air and water quality. In order to reduce the environmental pollution that currently occurs in connection with the disposal of waste products, there is a need to develop new and alternative processes and facilities that provide for the disposal of those waste products in ways that prevent or reduce environmental degradation. Those new and alternative processes and facilities include those that recover resources and energy from waste products. In order to prevent further environmental degradation resulting from contamination caused by the release of waste products and hazardous materials, there is a need to encourage the remediation of that contamination of properties with the potential for economically beneficial reuse.

(c) The alternate method of financing provided in this division is in the public interest and serves a public purpose and will promote the health, welfare, and safety of the citizens of the state.

(d) California is expected to undergo tremendous population growth by the addition of millions of new jobs, new residents, and new households. This constitutes more rapid growth than California experienced during the 1950s, 1960s, and 1970s, combined. As a result of this unprecedented growth, the long-term environmental quality of the state depends, in part, on altering current growth patterns by adopting policies and programs that promote new forms of sustainable development and that will help reduce pollution and the degradation of the environment. A key element of sustainable development is infill development and the revitalization of existing communities. Sustainable development will result in the remediation of brownfields, reduce traffic and auto pollution, and help preserve open spaces. Many communities in California do not have the resources or expertise to identify and compete for state, federal, or private assistance in order to develop and implement environmentally sensitive growth policies and programs for economically struggling neighborhoods. Assisting economically distressed counties and cities to develop and implement sustainable and environmentally sensitive growth policies and programs that increase the utilization of unproductive properties within existing communities will help reduce environmental hazards created by brownfields and traffic congestion, while aiding in the revitalization of economically struggling neighborhoods and the preservation of open space at the urban edges. The grant and loan program provided in this division is in the public interest, serves a public purpose, and will promote the health, welfare, and safety of the citizens of the state.

(e) Real property contaminated with hazardous substances is a continuing blight on communities. Estimates suggest there are between 67,000 and 119,000 contaminated sites, commonly referred to as "brownfields," throughout the state. Located in existing communities, many of these sites are abandoned, idle, or underutilized due to a combination of factors, including legal liability

concerns, regulatory issues, and the costs of pollution cleanup. Additionally, many of the undeveloped brownfields in the state are located within communities with depressed land values and pressing economic need, communities often characterized by a lack of capital investment. The remediation and development of brownfields is an important component of revitalizing existing communities and supporting sustainable growth patterns. While remediation and development activities should focus on brownfield sites that, although contaminated, have the potential for economically beneficial reuse, there currently exist few, if any, sources for financing the assessment, planning, and reporting activities that are the necessary first steps toward determining whether a site has the potential for economically beneficial reuse.

(f) The California Pollution Control Financing Authority should work in conjunction with public and private sector entities, including, but not limited to, cities, counties, school districts, redevelopment agencies, and financial institutions, to assist in financing, through loans, the cost of performing or obtaining site assessments, remedial action plans technical assistance, and reports, and where it is determined that a site has the potential for economically beneficial reuse, the cleanup, remediation, or development of brownfield sites. The loan program provided by this division is in the public interest, serves a public purpose, and will promote the health, welfare, and safety of the citizens of the state.

(Amended by Stats. 2009, Ch. 643, Sec. 1. (SB 832) Effective November 2, 2009.)

44502. It is the purpose of this division to carry out and make effective the findings of the Legislature and to that end to do all of the following, to the mutual benefit of the people of the state and to protect their health and welfare:

(a) To provide industry within the state, irrespective of company size, with an alternative method of financing in providing, acquiring, enlarging, or installing facilities for establishing pollution control, providing supplies of clean water, and producing energy from alternative or renewable sources, that are needed to accomplish the purposes of this division.

(b) To assist economically distressed counties and cities to develop and implement growth policies and programs that reduce pollution hazards and the degradation of the environment or promote infill development.

(c) To assist with the financing of the costs of assessment, remedial planning and reporting, technical assistance, and the cleanup, remediation, or development of brownfield sites, or other similar or related costs.

(Amended by Stats. 2009, Ch. 643, Sec. 2. (SB 832) Effective November 2, 2009.)

44503. Unless the context otherwise requires, the definitions in this article govern the construction of this chapter.

(Added by Stats. 1975, Ch. 957.)

44504. "Authority" means the California Pollution Control Financing Authority established pursuant to Section 44515 and any board, commission, department, or officer succeeding to the functions thereof or to whom the powers conferred upon the authority by this division shall be given by law.

(Amended by Stats. 1979, Ch. 839.)

44504.1. "Brownfield site" means a real estate parcel or improvements located on the parcel, or both that parcel and the improvements, which is abandoned, idled, or underused, due to real or perceived environmental contamination, including, but not limited to, soil or groundwater contamination, the presence of underground storage tanks, or the presence of asbestos or lead paint on the parcel or in the improvements located on the parcel, which after assessment and planning, is determined to have a reasonable potential for economically beneficial reuse.

(Added by Stats. 2000, Ch. 915, Sec. 3. Effective January 1, 2001.)

44505. "Cost" as applied to a project or portion thereof financed under the provisions of this division embraced all or any part of the cost of construction and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of such construction as determined by the authority, provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, estimates, administrative expenses and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction or acquisition or financing of any project.

(Added by Stats. 1975, Ch. 957.)

44506. "Participating party" means any person, company, corporation, public agency, partnership, firm, or other entity or group of entities engaged in operations within this state that requires financing pursuant to the terms of this division to aid and assist in the control, remediation, or elimination of pollution of the environment of the state.

(Amended by Stats. 2009, Ch. 643, Sec. 3. (SB 832) Effective November 2, 2009.)

44507. "Pollution" means an alteration of the quality of the environment of the state and shall be determined by the various standards prescribed from time to time by this state, the federal government, or any agency, department, or political subdivision of this state or the federal government, and may include, but is not limited to, all of the following:

- (a) Earth, air, or water pollution.
- (b) Pollution caused by solid or hazardous waste materials including the disposal or processing of these materials.
- (c) Thermal pollution.
- (d) Radiation contamination.
- (e) The release of hazardous materials.
- (f) Noise pollution.
- (g) Contamination of soil or groundwater resulting from the release of hazardous materials, as defined in Section 25260.
- (h) The presence of asbestos or lead paint, at sites with a reasonable potential for economically beneficial reuse.
- (i) Any natural or manmade substance that must be removed to provide safe drinking water.

(Amended by Stats. 2009, Ch. 643, Sec. 4. (SB 832) Effective November 2, 2009.)

44508. "Project" and "pollution control facility," respectively, mean any land, building, structure, improvement thereto, work, real or personal property, vehicle, or equipment providing or designed to provide for the control, reduction, abatement, elimination, remediation, or prevention of pollution, improvement of air, water, or soil quality, ensure the safe handling, recycling, or disposal of materials that might otherwise be improperly disposed of, or provide for environmental restoration, cleanup, or enhancement. Eligible projects include, but are not limited to, any type of project described in this section that is authorized pursuant to federal law for tax-exempt or tax credit financing. Eligible projects may also include any facility described in Section 142(a)(4), (5), (6), (8), (9), (10), (12), (14), or (17) of Title 26 of the United States Code.

(Amended by Stats. 2024, Ch. 114, Sec. 1. (AB 2731) Effective January 1, 2025.)

44509. "Public agency" means any state agency, board, or commission, any county, city and county, city, regional agency, public district, or other political subdivision.

(Added by Stats. 1975, Ch. 957.)

44510. "Revenues" means all rents, receipts, purchase payments and all other income or receipts derived by the authority from the sale, lease, or other disposition of pollution control facilities, loan repayments under any loans made in connection with financing pollution control facilities, and any income or revenue derived from the investment of any money in any fund or account of the authority.

(Amended by Stats. 2009, Ch. 643, Sec. 6. (SB 832) Effective November 2, 2009.)

44511. "Renewable energy resource device" means any device, or any combination of devices, which produces heat, process heat, space heating, water heating, steam, space cooling, refrigeration, mechanical energy, electricity, or energy in any form convertible to such uses, which do not expend or use fossil or nuclear fuels except when used for pumps, fans, or other minor controls.

(Added by Stats. 1980, Ch. 794.)

44512. "Energy conservation program" means any program which utilizes techniques or devices including, but not limited to, cogeneration, waste heat recovery systems, efficient lighting systems, and energy efficiency improvements to industrial processes, which are primarily intended to reduce energy consumption.

(Added by Stats. 1980, Ch. 794.)