
UNFINISHED BUSINESS

Bill No: SB 125
Author: Committee on Budget and Fiscal Review
Amended: 6/26/22
Vote: 27

SENATE FLOOR: Not relevant

ASSEMBLY FLOOR: Not available

SUBJECT: Public resources: geothermal resources: lithium

SOURCE: Author

DIGEST: This bill makes necessary statutory changes enact the lithium-related provisions of the 2022 Budget Act.

Assembly Amendments delete the Senate version of the bill and instead add the current language.

ANALYSIS: This bill makes the following statutory changes.

- 1) Creates the Lithium Subaccount within the Salton Sea Restoration Fund, and continuously appropriates moneys in the subaccount to the Natural Resources Agency for restoration projects and grants for projects at or around the Salton Sea and those communities impacted by the Salton Sea's restoration and development.
- 2) Clarifies that "mining operation" includes the extraction of minerals from geothermal brine, or any other brine, including, but not limited to, a mining operation co-located or co-operated with geothermal resource facilities.
- 3) Requires any person, beginning January 1, 2023, who extracts lithium from geothermal fluid, spodumene ore, rock, minerals, clay, or any other naturally occurring substance in this state to pay a lithium extraction excise tax upon each

metric ton of extracted lithium carbonate equivalent, as specified. Specifies that the tax is in lieu of all county, municipal, or district taxes on lithium extraction or lithium storage, except as provided.

- 4) Requires the State Controller to distribute 80 percent of the moneys in the Lithium Extraction Excise Fund to counties in proportion to the amounts of the taxes, interest, penalties, and other amounts collected for lithium extraction within each county and to deposit 20 percent of the moneys in the fund into the Lithium Subaccount described above.
- 5) Requires the California Department of Tax and Fee Administration, on or before December 31, 2023, to prepare a study of replacing a volume-based tax on the extraction of lithium with an equivalent tax based on gross receipts.
- 6) Appropriates \$5,000,000 from the General Fund for allocation to the County of Imperial for specified purposes related to geothermal energy development and lithium extraction.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: Yes

According to the Senate Budget and Fiscal Review Committee, \$5 million General Fund, as specified.

SUPPORT: (Verified 6/26/22)

None received

OPPOSITION: (Verified 6/26/22)

None received

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6/29/22 20:00:00

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