**Legal Title**  
Safe Drinking Water and Toxic Enforcement Fund

**Legal Citation/Authority**  
Chapter 228, Statutes of 2003 (AB 1756)  
Health and Safety Code sections 25249.5 – 25249.13 (General Provisions)  
25249.12 (b) (Creation of Fund)

<table>
<thead>
<tr>
<th>Fund Classification</th>
<th>Legal Basis</th>
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<tr>
<td>GAAP Basis</td>
<td>Governmental/Other Governmental Cost Fund</td>
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**Purpose**  
The Safe Drinking Water and Toxic Enforcement Act of 1986 (Act) (Proposition 65) prohibits any person, in the course of doing business, from knowingly and intentionally exposing any individual to a chemical known to the state to cause cancer or reproductive toxicity without giving a specified warning, or from discharging or releasing such a chemical into any source of drinking water, except as specified. The Act imposes civil penalties upon any person who violates or threatens to violate Section 25249.5 or 25249.6.

To facilitate the implementation and administration of the Act, the Safe Drinking Water and Toxic Enforcement Fund was created to deposit the following:

- 75% of all civil and criminal penalties collected pursuant to Sections 25249.5 through 25249.7 (25% of all civil and criminal penalties collected pursuant to these sections will be paid to the office of the city attorney, city prosecutor, district attorney, or Attorney General, whichever office brought the action, or in the case of an action brought by a person, to that person).
- Any interest earned upon the money deposited into the Safe Drinking Water and Toxic Enforcement Fund.

**Administering Agency/Organization Code**  
Office of Environmental Health Hazard Assessment/Org 3980

**Major Revenue Source**  
Penalties pursuant to Health and Safety Code section 25249.7.

**Disposition of Fund (upon abolishment)**  
Pursuant to Government Code section 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.

**Appropriation Authority**  
Upon appropriation by the Legislature.

**State Appropriations Limit**  
**Always Excluded** – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from penalties.
<table>
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<th>Comments/Historical Information</th>
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<tr>
<td>Administratively Created Pursuant to Government Code 13306</td>
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<tr>
<td>Chapter 228, Statutes of 2003 (AB 1756) added the Safe Drinking Water and Toxic Enforcement Fund to Section 25249.12 (b) of the Health and Safety Code.</td>
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