

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET
SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000**

APPROVED MINUTES

Summary of Board of Directors
Legislative Committee Meeting
9:30 a.m., Wednesday, January 14, 2004

1. **Call to Order - Roll Call:** Chairperson Brad Wagenknecht called the meeting to order at 9:36 a.m.

Present: Brad Wagenknecht, Chairperson, Maria Ayerdi (9:43 a.m.), Chris Daly, Mark Ross, John Silva.

Absent: Mark DeSaulnier, Liz Kniss, Dena Mossar, Pamela Torliatt.
2. **Public Comment Period:** There were none.
3. **Approval of Minutes of November 17, 2003 and June 9, 2003:** Approval of the minutes was deferred until a quorum was present.
4. **Discussion of Governor's Proposed Budget:** *Staff presented a summary of the Governor's Proposed Budget.*

Tom Addison, Advanced Projects Advisor, presented a summary of the Governor's Proposed Budget, and emphasized that the impact of California's Fiscal Year 2004/05 budget on the Air District is unclear. Mr. Addison stated this is both because the impact of the Governor's proposal on this Air District is ambiguous, and because the Governor's proposal is not the final, adopted budget. Mr. Addison reviewed some of the major points in the budget timeline as follows:

- The \$15 billion bond measure will be on the March 2nd ballot, and its fate will dramatically affect the final budget.
- On about May 14th, the Governor will release a revised version of his budget proposal.
- From May to June, the Senate and Assembly will finalize their budgets, which are consolidated in the Conference Committee.
- June 15th is the deadline for the Legislature to enact the Budget bill.
- Recent budgets have actually been enacted in July, August, and September.
- Mr. Addison briefly reviewed the state's revenues and expenses for the 2004/05 fiscal year.

Mr. Addison noted that the Governor's proposal keeps subvention at the same level as the previous two years. The Air District's share would be \$1.8 million, which is down from the \$2.6 million in fiscal year 2001/02. The Governor does not propose an increase in fees that stationary sources pay to the Air Resources Board (ARB). Most significantly, the Governor's proposal would shift \$1.3 billion of property taxes from local governments to the State. Mr. Addison stated that the Governor's proposal does not specify that the Air District is included in this shift, and if the District is, how much property tax would be taken. Property tax revenues of \$15.5 million are 37% of the Air District's current operating budget. Mr. Addison also noted that there is little support in the Legislature for any additional Educational Reimbursement Augmentation Fund (ERAF) shifts.

Committee Action: None. This report provided for information only.

3. **Approval of Minutes of November 17, 2003 and June 9, 2003:** With the arrival of Deputy Director Ayerdi, the Committee had a quorum and Director Ross moved approval of the minutes; seconded by Director Ayerdi; carried unanimously by acclamation.
5. **Discussion of Smog Check Legislative Proposal:** *Staff presented a proposed legislative improvement to the Smog Check program for the Committee's consideration.*

Mr. Addison reviewed the background of the Smog Check program and presented a proposal that the Air District co-sponsor a bill to end the rolling 30-year exemption for Smog Check. Mr. Addison stated that this measure would simply require that all vehicles currently in the Smog Check program remain in the Smog Check program in the future. The Planning and Conservation League and the California Council for Economic and Environmental Balance would like to join the Air District in sponsoring such a bill.

Mr. Addison noted that there would be some opposition to this type of bill. He also noted that the emission reductions would be close to two tons a day of reactive organic compounds (ROG) and nitrogen oxides (NOx). There was discussion on classic cars and collectors and how they might be impacted.

Committee Action: Director Silva moved the Committee recommend the Board endorse the District co-sponsoring the legislative improvement to the Smog Check program; seconded by Director Daly; carried unanimously by acclamation.

6. **Committee Members' Comments:** Director Ross inquired if there has been any attempt from the new administration to do some rollbacks on the environmental legislation that was passed in the last few years. Mr. Addison indicated this administration has said they are not supportive of environmental rollbacks.

Director Silva commented that the key to getting the cars off the road is through local law enforcement. Mr. Addison stated that many people in California are driving non-registered vehicles due to many factors such as the cost, smog check, high insurance rates, higher registration costs to name a few. It is also estimated that 2% of the cars being driven in the state

are not registered and thus out of the smog check system. If there was a change in how the vehicle registration is distributed (to local jurisdictions and not to the State), that could result in a higher registration rate, which would ultimately reduce emissions.

7. **Time and Place of Next Meeting:** At the Call of the Chair.
8. **Adjournment:** The meeting adjourned at 10:16 a.m.

Mary Romaidis

Mary Romaidis
Clerk of the Boards

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