



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

**BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING**

COMMITTEE MEMBERS

**TOM BATES - CHAIRPERSON
JOHN AVALOS
SCOTT HAGGERTY
KAREN MITCHOFF**

**BRAD WAGENKNECHT - VICE CHAIRPERSON
JOHN GIOIA
DAVID HUDSON**

**MONDAY
MARCH 30, 2015
9:30 A.M.**

**BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

1. CALL TO ORDER – ROLL CALL

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

2. PUBLIC COMMENT PERIOD

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. APPROVAL OF THE MINUTES OF FEBRUARY 26, 2015 **Clerk of the Boards/5073**

The Committee will consider approving the attached draft minutes of the Legislative Committee meeting of February 26, 2015.

4. CONSIDERATION OF NEW BILLS AND LEGISLATIVE UPDATE **T. Addison/5109**
taddison@baaqmd.gov

The Committee will discuss and review new bills, and take positions where appropriate.

5. COMMITTEE MEMBERS' COMMENTS/OTHER BUSINESS

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may; ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

6. **TIME AND PLACE OF NEXT MEETING – AT THE CALL OF THE CHAIR**

7. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
939 ELLIS STREET, SAN FRANCISCO, CA 94109
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Legislative Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk’s Office should be given in a timely manner, so that arrangements can be made accordingly.

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

MARCH 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> - CANCELLED	Thursday	26	9:30 a.m.	Board Room
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Monday	30	9:30 a.m.	Board Room

APRIL 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	10:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	22	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	Board Room

MAY 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	10:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of Every Other Month)</i>	Thursday	21	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	Board Room

HL – 3/23/15 (3:15 p.m.)

P/Library/Forms/Calendars/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Tom Bates and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: March 16, 2015

Re: Approval of the Minutes of February 26, 2015

RECOMMENDED ACTION

Approve the attached draft minutes of the Legislative Committee Meeting of February 26, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Legislative Committee Meeting of February 26, 2015.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Legislative Committee Meeting of February 26, 2015

AGENDA 3 – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of February 26, 2015

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Thursday, February 26, 2015

1. CALL TO ORDER – ROLL CALL

Chairperson Pro Tem Scott Haggerty called the meeting to order at 10:33 a.m.

Present: Directors John Avalos, Scott Haggerty, David Hudson and Karen Mitchoff.

Absent: Committee Chairperson Tom Bates; Vice-Chairperson Brad Wagenknecht; and Director John Gioia.

Also Present: None.

2. PUBLIC COMMENT PERIOD: No requests received.

3. APPROVAL OF MINUTES OF APRIL 3, 2014

Legislative Committee (Committee) Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Avalos, to approve the Minutes of April 3, 2014; and the motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson and Mitchoff.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Gioia and Wagenknecht.

4. REVIEW OF THE 2014 LEGISLATIVE YEAR

Thomas Addison, Senior Policy Advisor, delivered the staff report *Review of the 2014 Legislative Year*, including distribution of cap-and-trade revenues and Senate Bill (SB) 1415 Hill.

Public Comments:

Jed Holtzman, 350 Bay Area / Californians for Energy Choice, addressed the Committee regarding the Board of Directors (Board) position on Assembly Bill (AB) 2145 Bradley during the last legislative session; and to suggest more frequent meetings of the Committee.

Committee Comments:

The Committee and staff discussed how staff handles bills that change significantly during the legislative session; the frequency of Committee meetings; a proposal to appoint Director Haggerty as Chairperson of the Committee; the viability of meeting monthly during the State legislative session; and a proposal for the Committee to assign legislative issues to relevant Air District Board committees based on subject matter.

Committee Action: None; receive and file.

5. POTENTIAL LEGISLATIVE AGENDA FOR 2015

Mr. Addison delivered the staff report *Potential Legislative Agenda for 2015*, including a proposal that the Air District work with colleagues in the business and environmental community on legislation designed to cut emissions by increasing the rates of vehicle registration, and thereby smog checks, and reducing registration fraud.

Committee Comments:

The Committee and staff discussed possible opposition from privacy advocates and the viability of the enforcement component.

Committee Action:

Director Hudson made a motion, seconded by Director Mitchoff, to approve the proposed legislative agenda to work with colleagues in the business and environmental community on legislation designed to cut emissions by increasing the rates of vehicle registration, and thereby smog checks, and reducing registration fraud.

Public Comments:

Mr. Holtzman addressed the Committee to encourage more frequent Committee meetings from April through June; regarding updates on efforts relative to renewable energy, and related jobs, as well as community choice aggregation (CCA); and to request Air District support of bills furthering CCA.

Sean Matthews, 350 Bay Area, addressed the Committee to request Air District support of bills furthering CCA and opposition of bills that weaken the same.

Director Haggerty asked staff to monitor bills relative to CCA and report to the Committee or Board with updates.

Committee Action (continued):

The motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson and Mitchoff.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Gioia and Wagenknecht.

6. CONSIDERATION OF NEW BILLS

Mr. Addison delivered the staff report *Consideration of New Bills*, including those deemed by staff to be the most significant to the Air District for Committee consideration.

Committee Comments:

The Committee and staff discussed those bills deemed by staff to be the most significant to the Air District.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Avalos, to recommend the Board adopt the following positions:

AB 156 Perea: Oppose
AB 197 E. Garcia: Support
AB 239 Gallagher: Oppose
AB 335 Patterson: Oppose
SB 32 Pavley: Support
SB 350 De Leon and Leno: Support

The motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson and Mitchoff.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Gioia and Wagenknecht.

7. COMMITTEE MEMBERS' COMMENTS / OTHER BUSINESS: None.

8. TIME AND PLACE OF NEXT MEETING: At the call of the Chairperson.

9. **ADJOURNMENT:** The meeting adjourned at 11:03 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Memorandum

To: Chairperson Tom Bates and Members
 of the Legislative Committee

From: Jack P. Broadbent
 Executive Officer/APCO

Date: March 23, 2015

Re: Consideration of New Bills and Legislative Update

RECOMMENDED ACTION

The Committee will discuss and review new bills, and consider recommending positions on them to the Board of Directors.

BACKGROUND

The Legislature responded to their February 27, 2015, bill introduction deadline with a host of bills about climate change and air quality. Generally, most of these measures will have an initial hearing in their relevant policy committee in the month of April. Staff has selected some of these measures for consideration by the Committee, and recommended positions as discussed below. A copy of the text of these bills is attached. Additionally, a much larger list of measures of air quality relevance is also attached. Finally, a copy of SB 773, authored by Senator Ben Allen is attached. This is the bill on vehicle registration fraud that the Air District is sponsoring this year.

BILL AND AUTHOR	SUBJECT	STAFF RECOMMENDATION
AB 23 Patterson	Exempts transportation fuel suppliers from AB 32 requirements until 2021	Oppose
AB 280 Brown	Increases the cap for small claims court for public agencies to \$10K, which is the cap for private parties	Support
AB 720 Cooley	Eliminates the holding limit on allowances, and has ARB cap the price of allowances they are offering	Oppose
AB 742 Gallagher	Prohibits ARB from enforcing heavy-duty diesel regulations until completing safety study on PM filters	Oppose

AB 777 Harper	Repeals AB 32 (California Global Warming Solutions Act of 2006)	Oppose
AB 945 Ting	Partial sales tax exemption for sale of clean vehicles	Support
AB 1059 E. Garcia	Requires updating CalEnviroscreen to reflect environmental data on communities in the California-Mexico border region	Support if amended
AB 1176 Perea	Directs half of AB 118 funding to CalEnviroscreen-identified areas, and establishes Advanced Low Carbon Diesel Fuels Access program	Oppose
SB 1 Gaines	Exempts transportation fuel suppliers from AB 32 requirements until 2025	Oppose
SB 5 Vidak	Exempts transportation fuel suppliers from AB 32 requirements until 2021	Oppose
SB 513 Beall	Updates Carl Moyer program, including increasing eligible project types and cost effectiveness	Support

ANALYSES

AB 23 is authored by Assembly Member Jim Patterson (R-Fresno), and is being called Affordable Gas for California’s Families Act. It would exempt suppliers of transportation fuels from ARB’s cap-and-trade system established under AB 32. The author believes that including gasoline, diesel fuel, and natural gas in the cap-and-trade program will increase fuel prices considerably more than ARB has estimated, and that this will constitute a hardship to working families. Specifically, the author believes “*it is irresponsible public policy for an unelected state board to impose a hidden gas tax upon the electorate.*” This issue came before the Legislature, and was defeated, last year (AB 69 – Perea). The bill is an urgency statute requiring a super-majority vote.

Staff recommends an ‘**Oppose**’ position. Changing the fundamental rules of a market-based climate program after participants have made financial decisions (buying and purchasing allowances) is inherently unfair to those entities that have complied and acted in good faith. The Air District supported AB 32 in 2006, and has consistently opposed later efforts to gut the program. Furthermore, AB 23 completely undermines the future reliability of the program, and ensures that the program would not achieve the emissions reductions mandated by law.

AB 280 is authored by Assembly Member Cheryl Brown (D-San Bernardino), and aligns the small claims court cap amount for public agencies to that for private parties. Small claims court is designed to provide a low-cost way to settle legal disputes, since neither party can be represented by attorneys. Today, the maximum amount that can be sued for by public agencies (\$5,000) is only half that for private parties (\$10,000).

The Air District routinely uses small claims court to get judgements against violators who ignore their Notices of Violation and refuse to settle or even acknowledge notice of their violations. Using small claims court cuts enforcement costs for the District, and also gives violators an affordable means of due process. However, where penalties in the range of \$5,000 to \$10,000 would be appropriate, the District's attorneys' fees can equal or exceed the amount of the judgement. By simply allowing public agencies such as the District the same small claims court ceiling allowed to private parties, our enforcement costs will go down. This saves public funds, but it also provides relief to an overburdened court system. Staff recommends a **'Support'** position.

AB 720, authored by Assembly Member Ken Cooley (D-Rancho Cordova), makes changes to the requirements of the cap-and-trade program established by ARB under AB 32 of 2006. This market-based program to cut greenhouse gas emissions from large emitters, sets a cap on total emissions that declines over time and requires emitters to acquire allowances to cover their emissions. It is designed to achieve the needed emissions reductions at the lowest total cost. In designing the program, ARB placed a holding limit on the number of allowances that a given entity can hold. The author believes that this limit jeopardizes liquidity in the market, thus increasing compliance costs. He also believes it is inappropriate to allow ARB to offer allowances it holds at the price the market will bear, rather than a price capped in advance.

Staff recommends an **'Oppose'** position on the measure, as both of the proposed changes are damaging to AB 32's goals. The second change would mean the needed emissions reductions might never be reached, and the first would allow increased opportunity for market manipulation by some of the largest emitters such as utilities or refineries. California decided to not put a price on carbon (a 'carbon tax'), but rather chose a cap-and-trade system. A price on carbon gives emitters fiscal certainty, but does not give environmental security or certainty. In other words, if the price of allowances is capped, we have no certainty that the emissions reductions goals set in statute will be achieved. Additionally, the cap-and-trade requirements the bill would change were exhaustively debated and discussed in an open and transparent public process, with a wide variety of interests weighing in. To amend the process legislatively at this point is both bad policy and a bad precedent. Lastly, the Governor always has the authority under AB 32 to step in and make changes such as these to the cap-and-trade program, if he feels they are warranted.

AB 742 is authored by Assembly Member James Gallagher (R-Chico), and would prohibit ARB from enforcing regulations such as the On-Road Truck and Bus Regulation until a safety study on particulate filter retrofit devices is completed. It is similar to SB 1230 of 2012, which the District opposed and was defeated.

In 2008, ARB adopted the On Road Regulation to cut toxic emissions from heavy-duty diesel engines. It was adopted in a public process with an exhaustive review of safety issues. Today, over 100,000 filters have been installed on a wide variety of trucks, buses, and other equipment. Provided that operators of the vehicles follow the manufacturers' instructions regarding maintenance, the retrofit devices have proven themselves to be both tremendously safe and effective. Because of the importance to public health of the ARB regulation, and the proven nature of the emissions control technology, Air District staff recommends an **'Oppose'** position.

AB 777 is authored by Assembly Member Matthew Harper (R-Huntington Beach), and would eliminate California's primary bill mandating reductions in greenhouse gas emissions (AB 32 of 2006). The Air District supported this bill, and has opposed multiple bills in the years since its enactment to eliminate it. Air District staff recommends an **'Oppose'** position.

AB 945 would cut the sales tax on the sale of clean vehicles. It is authored by Assembly Member Phil Ting (D-San Francisco), and is similar to AB 1077 of 2013, which the District supported. Clean vehicles today cost more than corresponding conventional, higher polluting vehicles, even after limited federal and state incentives are considered. Thus their penetration into the market is slower than needed to achieve their promise and our public health goals. This bill helps make clean technology more affordable for consumers, thereby driving the market for cleaner vehicles and reducing emissions. Given recent declines in the price of conventional fuels, and the state's improved financial situation compared to 2013, this issue is particularly timely. Air District staff recommends a **'Support'** position.

AB 1059 is authored by Assembly Member Eduardo Garcia (D-Coachella), whose district includes California's southern border with Mexico in Imperial County. The bill would require CalEPA to update CalEnviroscreen to reflect environmental data on communities near the Mexican border.

Air District staff notes that large sections of the Assembly Member's district are identified as disadvantaged communities under CalEnviroscreen, unlike the Bay Area. Additionally, CalEPA made adjustments for border communities to two CalEnviroscreen indicators (for diesel particulate matter and traffic density) just before finalizing the tool. The multiple changes to the tool requested by the Air District (and sister agencies and Bay Area legislators) were not made by CalEPA. Thus, Air District staff recommends a **'Support if amended'** position on this bill. The amendments sought are those requested in the last letter to CalEPA from the Joint Policy Committee.

AB 1176 is authored by Assembly Member Henry Perea (D-Fresno), and would extend the uses of CalEPA's CalEnviroscreen tool. CalEnviroscreen is currently used to identify 'disadvantaged communities' slated to receive at least 25% of cap-and-trade funds under existing law (SB 535 of 2012). While the Air District supported SB 535, we oppose CalEnviroscreen, which has substantial methodological flaws. These flaws mean that some of the most disadvantaged communities in the state, many of them in the Bay Area, are not identified as disadvantaged under the tool. This bill would exacerbate those inequities even further.

AB 118 of 2007 is a primary funding program for clean transportation, specifically the Air Quality Improvement Program and the Alternative and Renewable Fuel and Vehicle Technology Program. Funds come from registration and smog abatement fees collected primarily on motorists. This bill would direct at least 50% of these AB 118 funds to CalEnviroScreen communities. In turn, truly disadvantaged communities not identified under CalEnviroScreen would receive less funding. Air District staff recommends an **‘Oppose’** position.

SB 1 is authored by Senator Ted Gaines (R-Roseville), and is very similar to AB 23 discussed above. It would also exempt from AB 32 cap-and-trade obligations suppliers of transportation fuels. While there are very minor differences in the intent language of the two bills, the substantive difference is that SB 1 would offer an additional four-year exemption in comparison to AB 23. Air District staff recommends an **‘Oppose’** position for the reasons expressed under the discussion of AB 23 above.

SB 5, authored by Senator Andy Vidak (R-Hanford) is essentially identical to AB 23, and very similar to SB 1. It exempts from AB 32 cap-and-trade requirements those supplying transportation fuels. Like AB 23, the exemption would go until 2021. Air District staff recommends an **‘Oppose’** position.

SB 513, authored by Jim Beall (D-San Jose), makes important changes to the Carl Moyer Program and AB 923 programs, which both provide grant funding to cut diesel emissions. It is sponsored by the state association of air districts (CAPCOA), and has been worked on extensively by Air District staff. The Moyer program started in 1998, and was recently extended through 2024. Given the many changes since 1998, the grant programs need to be modernized to reflect our understanding of air issues and funding opportunities into the future. As part of the extension of the Moyer and AB 923 programs via AB 8 of 2013, ARB and air districts were required in a public process to evaluate the two programs. This bill would implement the statutory changes recommended through that evaluation process.

These include:

- Expanding project categories for both programs and allowing the Carl Moyer Program to adapt quickly and support future clean technologies;
- Establishing a process to adjust the cost-effectiveness limit in order to recognize increasing costs of technology and projects that provide co-benefits, such as: greenhouse gas and short-lived climate pollutants reductions, technology advancement, and air quality improvements in the most polluted communities;
- Encouraging leveraging with other funding sources to accomplish multiple goals; and
- Streamlining and updating program administration

Air District staff recommends a **‘Support’** position.

Lastly, the Air District previously adopted support positions on SB 32 (Pavley) and SB 350 (De Leon) that would respectively extend AB 32 and the Renewable Portfolio Standard beyond 2020. Now a number of bills have been introduced in the Assembly that would do the same thing

(including AB 197-E.Garcia, AB 645-Williams, and several others that will soon be amended such as AB 1288-Atkins and AB 1324-Williams). Not all of these measures will advance through the legislative process, as ultimately the legislature will consolidate them. Air District staff recommends a **‘Support’** position on other bills equivalent to SB 32 and SB 350 that also begin moving forward in the legislative process.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison

Attachments: BAAQMD Bill Discussion List
Assembly Bill No. 23
Assembly Bill No. 280
Assembly Bill No. 720
Assembly Bill No. 742
Assembly Bill No. 777
Assembly Bill No. 945
Assembly Bill No. 1059
Assembly Bill No. 1176
Senate Bill No. 1
Senate Bill No. 5
Senate Bill No. 513
Senate Bill No. 773

BAAQMD BILL DISCUSSION LIST

March 2015

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff recommendations)
AB 21	Perea	ARB to determine statewide GHG reductions target for 2030		
AB 23	Patterson	Exempts from AB 32 requirements certain entities until 2021		<i>Oppose</i>
AB 33	Quirk	ARB to recommend 2030, 2040, and 2050 targets for GHG reductions		
AB 156	Perea	Requires that communities identified as disadvantaged under CalEnviroScreen receive additional funds to help them prepare applications for cap-and-trade funds		Oppose
AB 175	Mathis	Low-emission vehicle spot bill		
AB 197	E. Garcia	Requires 50% renewable energy by 2030		Support
AB 239	Gallagher	Eliminates ARB's ability to adopt regulations to implement AB 32		Oppose
AB 280	Brown	Increases small claims court cap for government agencies to the same \$10,000 cap for private parties		<i>Support</i>
AB 335	Patterson	Requires air districts and ARB to implement a minor violations program, and avoid penalties for minor violations		Oppose
AB 450	McCarty	Allows cap-and-trade funding for Property Assessed Clean Energy (PACE) Reserve program		
AB 577	Bonilla	Limits biogas development to landfill diversion, ultralow carbon transportation fuel, and electrical generation		
AB 590	Dahle	Funds Biomass State Cost Share Account with cap-and-trade funds		

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff recommendations)
AB 642	Dahle	ARB spot bill		
AB 645	Williams	Extends Renewable Portfolio Standard to 50% renewable power by 2030		
AB 678	O'Donnell	ARB to develop Energy Efficient Ports Program		
AB 692	Quirk	Would require state agencies to buy increasing percentages of very low carbon transportation fuels		
AB 720	Cooley	Would have ARB cap the price of allowances under cap-and-trade		<i>Oppose</i>
AB 742	Gallagher	Prohibits ARB from enforcing heavy-duty diesel regulations until completing a study of the safety of PM retrofit filters		<i>Oppose</i>
AB 761	Levine	Establishes \$50M grant program for carbon sequestration farmland projects		
AB 777	Harper	Repeals AB 32 (California Global Warming Solutions Act of 2006)		<i>Oppose</i>
AB 802	Williams	Spot bill on CEC existing building energy efficiency program		
AB 857	Perea	Spot bill on Clean Truck, Bus, and Off-Road Vehicle Technology Program		
AB 876	McCarty	Requires CalRecycle, in coordination with ARB, to promote compostable organics for agricultural amendments and low carbon transportation fuels		
AB 904	Perea	Extends Air Quality Improvement Program new vehicle incentives to used		
AB 945	Ting	Partial sales tax exemption for sale of clean vehicles		<i>Support</i>
AB 946	Ting	Legislative intent to improve existing electric vehicle infrastructure		

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff recommendations)
AB 1008	Quirk	States that sellers of hydrogen for use as a transportation fuel are not automatically deemed to be public utilities		
AB 1030	Ridley-Thomas	Requires state agencies awarding cap-and-trade funds to prioritize projects with project labor agreements, community workforce agreements, etc		
AB 1045	Irwin	Requires CalRecycle to streamline permitting and regulation of composting		
AB 1059	E. Garcia	Requires updating of CalEnviroscreen to reflect environmental data on communities in the California-Mexico border region		<i>Support if amended</i>
AB 1062	Bonta	Expands CalEPA's Environmental Justice Small Grant Program to physical projects		
AB 1068	T. Allen	Allows each legislator to designate one project annually as a Priority Project for CEQA purposes, thereby reducing CEQA challenges to such projects		
AB 1071	Atkins	Requires CalEPA agencies to adopt policies on Supplemental Environmental Projects to benefit CalEnviroscreen- communities		
AB 1087	Grove	Affects the High Speed Rail project components that can be funded through the 25% of cap-and-trade funds set aside for them		
AB 1094	Williams	Requires CEC to study and then cut electricity used by plug-in equipment		
AB 1098	Bloom	Spot bill on congestion management programs		
AB 1176	Perea	Directs at least 50% of AB 118 funds to EJ areas identified by CalEnviroscreen; establishes Advanced Low Carbon Diesel Fuels Access program, and dire		<i>Oppose</i>

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff Recommendations)
AB 1236	Chiu	Requires local jurisdictions to expedite and streamline EV charging permitting		
AB 1288	Atkins	Allows cap-and-trade under AB 32 to continue beyond 2020		
AB 1324	Williams	States legislative intent to extend AB 32 beyond 2020		
AB 1330	Bloom	Energy Efficiency Resource Standard Act; CEC to mandate efficiency requirements for utilities, with at least 25% of savings in EJ areas		
AB 1332	Quirk	ARB required to create an offset protocol for renewable energy projects able to ramp up or down during times of peak demand		
AB 1336	Salas	Greenhouse gas voluntary reduction quantification spot bill		
AB 1345	Dahle	Puts \$100M of cap-and-trade funds into fighting wildfires		
AB 1367	Williams	Spot bill on greenhouse gas reporting		
AB 1398	Wilke	Sustainable Environmental Protection Act		
AB 1482	Gordon	Strategic Growth Council to oversee state agency climate change adaptation, and coordinate with federal and local agencies on the same issue		
AB 1496	Thurmond	ARB, in consultation with districts, to adopt methane reduction program		
AB 1501	Rendon	Requires air districts to establish a methane emission standard for well-stimulation treatment, via permitting, and monitor the well		
SB 1	Gaines	Delays to 2025 application of AB 32 requirements for certain sources subject to market-based compliance		<i>Oppose</i>

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff Recommendations)
SB 5	Vidak	Delays to 2020 application of AB 32 requirements for certain sources subject to market-based compliance		<i>Oppose</i>
SB 9	Beall	Makes changes to cap-and-trade funded Transit and Intercity Rail Capital Program favoring large capital projects costing over \$100M		
SB 32	Pavley	Establishes a GHG reductions target for 2050 of 80% below 1990 levels		Support
SB 39	Pavley	Increases by an unspecified amount the plug-in hybrids allowed HOV access		
SB 40	Gaines	Limits clean vehicle rebates to vehicles with an MSRP of under \$40K		
SB 122	Jackson	Requires CEQA lead agency to prepare record of proceedings concurrently with other environmental documents for projects		
SB 167	Gaines	AB 32 spot bill		
SB 185	De Leon	Public Divestiture of Thermal Coal Companies Act		
SB 189	Hueso	Establishes the Clean Energy and Low Carbon Economic and Jobs Growth Blue Ribbon Committee to advise state agencies		
SB 206	Gaines	Prohibits ARB from using on-board diagnostics data from vehicles		
SB 207	Wieckowski	Requires cap-and-trade 3-year investment plan adopted by Dept. of Finance to identify conflicting or overlapping strategies		
SB 231	Gaines	Allows certain water-borne transit to receive cap-and-trade funds		
SB 246	Wieckowski	Climate Action Team to head climate adaptation and resiliency programs		

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff Recommendations)
SB 350	De Leon and Leno	Clean Energy and Pollution Reduction Act of 2015; increases renewable energy to 50% by 2030		Support
SB 360	Cannella	PUC may allow utilities to invest in ratepayer-funded biomethane collection		
SB 367	Wolk	Enhances Environmental Farming Program to include new focus on GHGs		
SB 398	Leyva	Establishes Green Assistance Program, using cap-and-trade funds to assist small businesses and small cities in complying with air quality regulations, and to compete for cap-and-trade grants		
SB 400	Lara	AB 32 spot bill		
SB 491	Beall et al.	Transportation Omnibus; deletes AB 434 requirement that CMA's have annual public meeting adopting expenditure criteria, unless they change		
SB 506	Fuller	ARB required to consider benefits of renewable electric generation		
SB 513	Beall	Updates Carl Moyer program, including increasing eligible project types and cost-effectiveness, allows cofunding, and adds GHGs as co-benefit		<i>Support</i>
SB 544	Lara	AB 32 scoping plan spot bill		
SB 673	Lara	Spot bill on air district regulations		
SB 677	Mendoza	Spot bill on penalties for Smog Check violations		
SB 687	Allen	Requires ARB to adopt a carbon-based renewable natural gas standard		
SB 698	Cannella	Uses cap-and-trade funds for school zone safety transportation projects		

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff Recommendations)
SB 760	Mendoza	Disadvantaged Community Enhancement Act; uses cap-and-trade funds for enhancement of communities identified by CalEnviroscreen		
SB 773	Allen	Study of unregistered vehicles and registration fraud		Sponsor
SB 786	Allen	Requires progress report on implementation of advanced technology parking incentives by DGS and CalTrans		

ASSEMBLY BILL

No. 23

Introduced by Assembly Member Patterson
(Principal coauthor: Assembly Member Olsen)
(Coauthors: Assembly Members Achadjian, Travis Allen, Bigelow,
Brough, Chang, Chávez, Beth Gaines, Gallagher, Grove, Harper,
Jones, Kim, Linder, Maienschein, Mathis, Mayes, Melendez,
Obernolte, Steinorth, Wagner, Waldron, and Wilk)
(Coauthors: Senators Berryhill, Huff, and Vidak)

December 1, 2014

An act to add Section 38576 to the Health and Safety Code, relating to greenhouse gases, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 23, as introduced, Patterson. California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing state board regulations require specified entities to comply with a market-based compliance mechanism beginning January 1, 2013, and require additional specified entities to

comply with that market-based compliance mechanism beginning January 1, 2015.

This bill would instead exempt those categories of persons or entities that did not have a compliance obligation, as defined, under a market-based compliance mechanism beginning January 1, 2013, from being subject to that market-based compliance mechanism through December 31, 2020.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The landmark California Global Warming Solutions Act of
4 2006 (Division 25.5 (commencing with Section 38500) of the
5 Health and Safety Code) set the goal of reducing greenhouse gas
6 emissions to 1990 levels by 2020. The act required the State Air
7 Resources Board to develop a scoping plan, including direct
8 regulations, performance-based standards, and market-based
9 mechanisms to achieve this level of greenhouse gas emissions
10 reductions.

11 (b) The State Air Resources Board has implemented a
12 market-based compliance mechanism under the California Global
13 Warming Solutions Act of 2006 (Division 25.5 (commencing with
14 Section 38500) of the Health and Safety Code).

15 (c) Beginning January 1, 2015, the State Air Resources Board's
16 market-based compliance mechanism expanded from covering
17 large industrial facilities to include carbon-based transportation
18 fuels used by the state's motorists as well as natural gas.

19 (d) Including transportation fuels in a market-based compliance
20 mechanism requires suppliers of transportation fuels to purchase
21 carbon allowances for gasoline and diesel sold and used in the
22 state, therefore, adding a carbon price to the cost of transportation
23 fuels.

24 (e) The State Air Resources Board's regulatory analysis for the
25 market-based compliance mechanism anticipates carbon allowance

1 costs ranging from \$15 to \$75, inclusive, per ton between 2015
2 and 2020.

3 (f) Many areas of the state continue to struggle from
4 disproportionately high unemployment rates and the state's
5 hard-working low-income and middle-income families will likely
6 suffer most from this additional cost burden.

7 SEC. 2. Section 38576 is added to the Health and Safety Code,
8 to read:

9 38576. (a) For purposes of this section, "compliance
10 obligation" means the quantity of greenhouse gas emissions for
11 which a person or entity is required to submit greenhouse gas
12 emissions allowances or offsets to the state board pursuant to a
13 market-based compliance mechanism.

14 (b) If the state board adopts a market-based compliance
15 mechanism pursuant to this part, only those categories of persons
16 or entities that had a compliance obligation beginning January 1,
17 2013, shall have a compliance obligation through December 31,
18 2020, consistent with subdivision (c) of Section 38562.

19 (c) This section applies retroactively from January 1, 2015.

20 SEC. 3. This act is an urgency statute necessary for the
21 immediate preservation of the public peace, health, or safety within
22 the meaning of Article IV of the Constitution and shall go into
23 immediate effect. The facts constituting the necessity are:

24 To minimize the negative economic effects resulting from
25 changes to compliance obligations under the market-based
26 compliance mechanism adopted by the State Air Resources Board
27 pursuant to the California Global Warming Solutions Act of 2006
28 that took effect January 1, 2015, it is necessary for this act to take
29 effect immediately.

ASSEMBLY BILL

No. 280

Introduced by Assembly Member Brown

February 11, 2015

An act to amend Sections 116.130, 116.220, and 116.231 of the Code of Civil Procedure, relating to small claims court.

LEGISLATIVE COUNSEL'S DIGEST

AB 280, as introduced, Brown. Small claims court: jurisdiction.

Existing law establishes a small claims division, known as a small claims court, in each superior court. Existing law provides that the small claims court has jurisdiction over actions seeking certain forms of relief, including money damages in specified amounts. Existing law prohibits a city, county, city and county, school district, county office of education, community college district, local district, or any other local public entity from filing a claim in the small claims division if the amount of the demand exceeds \$5,000. Existing law also provides that a small claims action filed by a city, county, city and county, school district, county office of education, community college district, local district, or any other local public entity must be transferred out of the small claims division if the opposing party is represented by legal counsel and properly informs the entity of this fact.

This bill would give the small claims court jurisdiction over an action filed by a city, county, city and county, school district, county office of education, community college district, local district, or any other local public entity if the amount of the demand does not exceed \$10,000. This bill would also eliminate the provision relating to the transfer of small claims actions where the opposing party is represented by counsel.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 116.130 of the Code of Civil Procedure
2 is amended to read:
3 116.130. In this chapter, unless the context indicates otherwise:
4 (a) "Plaintiff" means the party who has filed a small claims
5 action. The term includes a defendant who has filed a claim against
6 a plaintiff.
7 (b) "Defendant" means the party against whom the plaintiff has
8 filed a small claims action. The term includes a plaintiff against
9 whom a defendant has filed a claim.
10 (c) "Judgment creditor" means the party, whether plaintiff or
11 defendant, in whose favor a money judgment has been rendered.
12 (d) "Judgment debtor" means the party, whether plaintiff or
13 defendant, against whom a money judgment has been rendered.
14 (e) "Person" means an individual, corporation, partnership,
15 limited liability partnership, limited liability company, firm,
16 association, *city, county, city and county, school district, county*
17 *office of education, community college district, local district, or*
18 *any other entity.*
19 (f) "Individual" means a natural person.
20 (g) "Party" means a plaintiff or defendant.
21 (h) "Motion" means a party's written request to the court for
22 an order or other action. The term includes an informal written
23 request to the court, such as a letter.
24 (i) "Declaration" means a written statement signed by an
25 individual which includes the date and place of signing, and a
26 statement under penalty of perjury under the laws of this state that
27 its contents are true and correct.
28 (j) "Good cause" means circumstances sufficient to justify the
29 requested order or other action, as determined by the judge.
30 (k) "Mail" means first-class mail with postage fully prepaid,
31 unless stated otherwise.
32 SEC. 2. Section 116.220 of the Code of Civil Procedure is
33 amended to read:
34 116.220. (a) The small claims court has jurisdiction in the
35 following actions:

1 (1) Except as provided in subdivisions (c), (e), and (f), for
2 recovery of money, if the amount of the demand does not exceed
3 five thousand dollars (\$5,000).

4 (2) Except as provided in subdivisions (c), (e), ~~and (f)~~, *and (h)*,
5 to enforce payment of delinquent unsecured personal property
6 taxes in an amount not to exceed five thousand dollars (\$5,000),
7 if the legality of the tax is not contested by the defendant.

8 (3) To issue the writ of possession authorized by Sections 1861.5
9 and 1861.10 of the Civil Code if the amount of the demand does
10 not exceed five thousand dollars (\$5,000).

11 (4) To confirm, correct, or vacate a fee arbitration award not
12 exceeding five thousand dollars (\$5,000) between an attorney and
13 client that is binding or has become binding, or to conduct a hearing
14 de novo between an attorney and client after nonbinding arbitration
15 of a fee dispute involving no more than five thousand dollars
16 (\$5,000) in controversy, pursuant to Article 13 (commencing with
17 Section 6200) of Chapter 4 of Division 3 of the Business and
18 Professions Code.

19 (5) For an injunction or other equitable relief only when a statute
20 expressly authorizes a small claims court to award that relief.

21 (b) In any action seeking relief authorized by paragraphs (1) to
22 (4), inclusive, of subdivision (a), the court may grant equitable
23 relief in the form of rescission, restitution, reformation, and specific
24 performance, in lieu of, or in addition to, money damages. The
25 court may issue a conditional judgment. The court shall retain
26 jurisdiction until full payment and performance of any judgment
27 or order.

28 (c) Notwithstanding subdivision (a), the small claims court has
29 jurisdiction over a defendant guarantor as follows:

30 (1) For any action brought by a natural person against the
31 Registrar of the Contractors' State License Board as the defendant
32 guarantor, the small claims jurisdictional limit stated in Section
33 116.221 shall apply.

34 (2) For any action against a defendant guarantor that does not
35 charge a fee for its guarantor or surety services, if the amount of
36 the demand does not exceed two thousand five hundred dollars
37 (\$2,500).

38 (3) For any action brought by a natural person against a
39 defendant guarantor that charges a fee for its guarantor or surety

1 services, if the amount of the demand does not exceed six thousand
 2 five hundred dollars (\$6,500).

3 (4) For any action brought by an entity other than a natural
 4 person against a defendant guarantor that charges a fee for its
 5 guarantor or surety services or against the Registrar of the
 6 Contractors’ State License Board as the defendant guarantor, if
 7 the amount of the demand does not exceed four thousand dollars
 8 (\$4,000).

9 (d) In any case in which the lack of jurisdiction is due solely to
 10 an excess in the amount of the demand, the excess may be waived,
 11 but any waiver is not operative until judgment.

12 (e) Notwithstanding subdivision (a), in any action filed by a
 13 plaintiff incarcerated in a Department of Corrections and
 14 Rehabilitation facility, the small claims court has jurisdiction over
 15 a defendant only if the plaintiff has alleged in the complaint that
 16 he or she has exhausted his or her administrative remedies against
 17 that department, including compliance with Sections 905.2 and
 18 905.4 of the Government Code. The final administrative
 19 adjudication or determination of the plaintiff’s administrative claim
 20 by the department may be attached to the complaint at the time of
 21 filing in lieu of that allegation.

22 (f) In any action governed by subdivision (e), if the plaintiff
 23 fails to provide proof of compliance with the requirements of
 24 subdivision (e) at the time of trial, the judicial officer shall, at his
 25 or her discretion, either dismiss the action or continue the action
 26 to give the plaintiff an opportunity to provide that proof.

27 (g) For purposes of this section, “department” includes an
 28 employee of a department against whom a claim has been filed
 29 under this chapter arising out of his or her duties as an employee
 30 of that department.

31 *(h) Notwithstanding subdivision (a), the small claims court has*
 32 *jurisdiction over an action brought by a city, county, city and*
 33 *county, school district, county office of education, community*
 34 *college district, local district, or any other local public entity if*
 35 *the amount of the demand does not exceed ten thousand dollars*
 36 *(\$10,000).*

37 SEC. 3. Section 116.231 of the Code of Civil Procedure is
 38 amended to read:

39 116.231. (a) Except as provided in subdivision (d), no person
 40 may file more than two small claims actions in which the amount

1 demanded exceeds two thousand five hundred dollars (\$2,500),
2 anywhere in the state in any calendar year.

3 (b) Except as provided in subdivision (d), if the amount
4 demanded in any small claims action exceeds two thousand five
5 hundred dollars (\$2,500), the party making the demand shall file
6 a declaration under penalty of perjury attesting to the fact that not
7 more than two small claims actions in which the amount of the
8 demand exceeded two thousand five hundred dollars (\$2,500) have
9 been filed by that party in this state within the calendar year.

10 (c) The Legislature finds and declares that the pilot project
11 conducted under the authority of Chapter 1196 of the Statutes of
12 1991 demonstrated the efficacy of the removal of the limitation
13 on the number of actions public entities may file in the small claims
14 courts on claims exceeding two thousand five hundred dollars
15 (\$2,500).

16 (d) The limitation on the number of filings exceeding two
17 thousand five hundred dollars (\$2,500) does not apply to filings
18 where the claim does not exceed ~~five~~ *ten* thousand dollars ~~(\$5,000)~~
19 ~~(\$10,000)~~ that are filed by a city, county, city and county, school
20 district, county office of education, community college district,
21 local district, or any other local public entity. ~~If any small claims~~
22 ~~action is filed by a city, county, city and county, school district,~~
23 ~~county office of education, community college district, local~~
24 ~~district, or any other local public entity pursuant to this section,~~
25 ~~and the defendant informs the court either in advance of the hearing~~
26 ~~by written notice or at the time of the hearing, that he or she is~~
27 ~~represented in the action by legal counsel, the action shall be~~
28 ~~transferred out of the small claims division. A city, county, city~~
29 ~~and county, school district, county office of education, community~~
30 ~~college district, local district, or any other local public entity may~~
31 ~~not file a claim within the small claims division if the amount of~~
32 ~~the demand exceeds five thousand dollars (\$5,000).~~

ASSEMBLY BILL

No. 720

Introduced by Assembly Member Cooley

February 25, 2015

An act to add Sections 38575 and 38576 to the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 720, as introduced, Cooley. California Global Warming Solutions Act of 2006: market-based compliance mechanisms.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act authorizes the state board to include the use of market-based compliance mechanisms.

This bill would require the state board, for any market-based compliance mechanism that the state board might adopt, to allow participating entities to freely sell or transfer greenhouse gas emissions allowances held in a holding account, as defined, or compliance account, as defined, except for allowances that have been expressly retired to meet a compliance obligation, as defined.

This bill would require the state board, for any market-based compliance mechanism that the state board might adopt, to set a price cap on any allowances offered for purchase through the state board.

This bill would exempt from the Administrative Procedure Act and the California Environmental Quality Act a regulation adopted by the state board pursuant to this act.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The California Global Warming Solutions Act of 2006
4 (Division 25.5 (commencing with Section 38500) of the Health
5 and Safety Code) was adopted to reduce carbon emissions
6 associated with the state's economy. Section 38560 of the Health
7 and Safety Code charges the State Air Resources Board with the
8 duty of adopting rules and regulations "to achieve the maximum
9 technologically feasible and cost-effective greenhouse gas
10 emissions reductions from sources or categories of sources."

11 (b) One measure that the state board has implemented in
12 furtherance of the act is a market-based compliance mechanism,
13 known as the cap-and-trade regulation.

14 (c) For a market-based compliance mechanism to operate
15 effectively and allow entities covered by the market-based
16 compliance mechanism the efficiency and flexibility to achieve
17 emissions reductions at the lowest possible cost, the market for
18 emissions allowances must promote liquidity while also preventing
19 market manipulation.

20 (d) As part of the market-based compliance mechanism, the
21 state board has adopted a holding limit, placing a limitation on the
22 total number of allowances that any entity participating in the
23 program can hold at one time, subject to certain exceptions. The
24 current holding limit could adversely affect the liquidity and
25 efficiency of the emissions allowance market in that the holding
26 limit functions to require some entities participating in the
27 market-based compliance mechanism to surrender compliance
28 instruments for compliance prior to established regulatory
29 compliance deadlines, thus creating artificial scarcity in the market.

30 (e) Revising the holding limit to permit entities participating in
31 the market-based compliance mechanism to freely transfer
32 allowances from a compliance and holding account to meet their

1 obligations under the market-based compliance mechanism will
2 promote market efficiency and fairness while maintaining the state
3 board’s ability to preserve market integrity and prevent market
4 manipulation.

5 SEC. 2. Section 38575 is added to the Health and Safety Code,
6 to read:

7 38575. (a) For purposes of this section, the following terms
8 have the following meanings:

9 (1) “Compliance account” means an account, created by the
10 state board for an entity participating in a market-based compliance
11 mechanism that has a compliance obligation, to which the entity
12 transfers allowances and offsets to meet its compliance obligations.

13 (2) “Compliance obligation” means the quantity of verified
14 reported greenhouse gas emissions or assigned greenhouse gas
15 emissions for which an entity participating in a market-based
16 compliance mechanism is required to submit compliance
17 instruments to the state board.

18 (3) “Holding account” means an account created for each entity
19 participating in a market-based compliance mechanism, or a
20 voluntarily associated entity, to hold allowances or offsets.

21 (4) “Offset” means a greenhouse gas emissions reduction or
22 greenhouse gas emissions removal enhancement verified by the
23 state board that may be used by an entity participating in a
24 market-based compliance mechanism to satisfy a compliance
25 obligation.

26 (b) For any market-based compliance mechanism that the state
27 board might adopt pursuant to this part, the state board shall allow
28 participating entities to freely sell or transfer greenhouse gas
29 emissions allowances held in a holding account or compliance
30 account, except for allowances that have been expressly retired to
31 meet a compliance obligation. This subdivision also applies to
32 allowances held jointly by a group of entities with a direct
33 corporation association.

34 (c) No later than June 30, 2016, the state board shall promulgate
35 a regulation for the purposes of this section. A regulation adopted
36 pursuant to this section shall be exempt from the Administrative
37 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
38 Part 1 of Division 3 of Title 2 of the Government Code) and the
39 California Environmental Quality Act (Division 13 (commencing
40 with Section 21000) of the Public Resources Code).

1 SEC. 3. Section 38576 is added to the Health and Safety Code,
2 to read:

3 38576. (a) For any market-based compliance mechanism that
4 the state board might adopt, the state board shall set a price cap
5 on any allowances offered for purchase through the state board.

6 (b) No later than June 30, 2016, the state board shall promulgate
7 a regulation for the purposes of this section. A regulation adopted
8 pursuant to this section shall be exempt from the Administrative
9 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
10 Part 1 of Division 3 of Title 2 of the Government Code) and the
11 California Environmental Quality Act (Division 13 (commencing
12 with Section 21000) of the Public Resources Code).

ASSEMBLY BILL

No. 742

Introduced by Assembly Member Gallagher

February 25, 2015

An act to add Section 43018.3 to the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 742, as introduced, Gallagher. Heavy-duty diesel-fueled vehicles: safety review: filters.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law requires the state board to adopt and implement motor vehicle emission standards, in-use performance standards, and motor vehicle fuel specifications for the control of air contaminants, including standards for off-road and nonvehicle engine categories.

This bill would prohibit the state board from enforcing a certain regulation that restricts emissions from in-use, diesel-fueled vehicles until the state board completes a review of the safety of any particulate-matter filters required to be installed on affected vehicles.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 43018.3 is added to the Health and Safety
2 Code, to read:
3 43018.3. (a) (1) For a regulation for the reduction of emissions
4 of diesel particulate matter, oxides of nitrogen, and other criteria
5 pollutants from in-use diesel-fueled vehicles, applicable to any
6 person, business, federal government agency, school district, or
7 school transportation provider that owns or operates, leases, or
8 rents, affected vehicles that operate in California and to persons
9 that sell affected vehicles in California, the state board shall not
10 enforce that regulation until the state board completes a review of
11 the safety of any particulate-matter filters required to be installed
12 on those affected vehicles.
13 (2) The state board shall notify the Secretary of State of both
14 of the following:
15 (A) The suspension of the enforcement of a regulation pursuant
16 to paragraph (1).
17 (B) The resumed enforcement of a regulation following the
18 completion of the safety review required pursuant to paragraph
19 (1).
20 (b) As used in this section, “affected vehicles” means vehicles
21 that operate on diesel fuel, dual fuel, or alternative diesel fuel that
22 are registered to be driven on public highways, vehicles that were
23 originally designed to be driven on public highways whether or
24 not they are registered, yard trucks with on-road engines or yard
25 trucks with off-road engines used for agricultural operations, both
26 engines of two-engine sweepers, schoolbuses, and vehicles that
27 have a manufacturer’s gross vehicle weight rating greater than
28 14,000 pounds, except as exempted by the state board.

O

ASSEMBLY BILL

No. 777

Introduced by Assembly Member Harper

February 25, 2015

An act to repeal Division 25.5 (commencing with Section 38500) of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 777, as introduced, Harper. California Global Warming Solutions Act of 2006: repeal.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions.

This bill would repeal the act.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Division 25.5 (commencing with Section 38500)
- 2 of the Health and Safety Code is repealed.

O

ASSEMBLY BILL

No. 945

Introduced by Assembly Member Ting

February 26, 2015

An act to add and repeal Section 6377 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 945, as introduced, Ting. Sales and use taxes: exemption: low-emission vehicles.

Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for the storage, use, or other consumption in this state, and provides various exemptions from those taxes.

The bill would, until January 1, 2020, provide either a partial exemption or a partial exclusion from those taxes with respect to the sale of specified low-emission vehicles, as provided.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and existing law authorizes districts, as specified, to impose transactions and use taxes in accordance with the Transactions and Use Tax Law, which conforms to the Sales and Use Tax Law. Amendments to state sales and use taxes are incorporated into these laws.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse any local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6377 is added to the Revenue and
2 Taxation Code, to read:

3 6377. (a) There are exempted from the taxes imposed by this
4 part the greater of either of the following:

5 (1) The gross receipts from the sale of, and the storage and use
6 of, or other consumption in this state of, any vehicle, as specified
7 in paragraphs (1) or (3) of subdivision (a) of Section 5205.5 of the
8 Vehicle Code, or any successor to those provisions, or advanced
9 technology medium and heavy duty vehicles that are eligible for
10 the California Hybrid and Zero-Emission Truck and Bus Voucher
11 Incentive Project funded under the Air Quality Improvement
12 Program at the State Air Resources Board or the Natural Gas and
13 Propane Vehicle Buydown program funded by the Alternative and
14 Renewable Fuel and Vehicle Technology Program at the California
15 Energy Commission, which exemption shall not include any tax
16 levied by a county, city, or district pursuant to, or in accordance
17 with, either the Bradley-Burns Uniform Local Sales and Use Tax
18 Law (Part 1.5 (commencing with Section 7200)) or the
19 Transactions and Use Tax Law (Part 1.6 (commencing with Section
20 7251)) of those laws.

21 (2) The gross receipts measured by the value of a motor vehicle
22 traded in for a vehicle described in paragraph (1) or (3) of
23 subdivision (a) of Section 5205.5 of the Vehicle Code, or any
24 successor to those provisions, or advanced technology medium
25 and heavy duty vehicles that are eligible for the California Hybrid
26 and Zero-Emission Truck and Bus Voucher Incentive Project
27 funded under the Air Quality Improvement Program at the State
28 Air Resources Board or the Natural Gas and Propane Vehicle
29 Buydown program funded by the Alternative and Renewable Fuel
30 and Vehicle Technology Program at the California Energy

1 Commission, if the value of the trade-in motor vehicle is separately
2 stated on the new motor vehicle invoice or bill of sale or similar
3 document provided to the purchaser.

4 (b) Notwithstanding subdivision (a), the exemption established
5 by this section shall not apply with respect to any tax levied
6 pursuant to Section 6051.2 or 6201.2, pursuant to Section 35 of
7 Article XIII of the California Constitution, or any tax levied
8 pursuant to Section 6051 or 6201 that is deposited in the State
9 Treasury to the credit of the Local Revenue Fund 2011 pursuant
10 to Section 6051.15 or 6201.15.

11 (c) This section shall remain in effect only until January 1,
12 2020, and as of that date is repealed, unless a later enacted statute,
13 that is enacted before January 1, 2020, deletes or extends that date.

14 SEC. 2. Notwithstanding Section 2230 of the Revenue and
15 Taxation Code, no appropriation is made by this act and the state
16 shall not reimburse any local agency for any sales and use tax
17 revenues lost by it under this act.

18 SEC. 3. This act provides for a tax levy within the meaning
19 of Article IV of the Constitution and shall go into immediate effect.

ASSEMBLY BILL

No. 1059

Introduced by Assembly Member Eduardo Garcia

February 26, 2015

An act to add Part 2.1 (commencing with Section 71090) to Division 34 of the Public Resources Code, relating to environmental justice.

LEGISLATIVE COUNSEL'S DIGEST

AB 1059, as introduced, Eduardo Garcia. California Communities Environmental Health Screening.

Existing law requires the Secretary for Environmental Protection to convene a Working Group on Environmental Justice to assist the secretary in developing an agencywide strategy for identifying and addressing gaps in existing programs, policies, or activities of the agency's boards, departments, and offices that may impede the achievement of environmental justice.

Existing law requires the California Environmental Protection Agency to identify disadvantaged communities as part of a 3-year investment plan developed by the Department of Finance for the moneys collected by the State Air Resources Board resulting from a market-based compliance mechanism.

This bill would require the Office of Environmental Health Hazard Assessment to update the California Communities Environmental Health Screening, developed by the agency and the office to implement the above requirements, by using any relevant environmental data relating to known impacts on the environmental quality of the communities in the California-Mexico border region. The bill would require the office to make a report to the Legislature on any barriers to accessing that data.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 2.1 (commencing with Section 71090) is
2 added to Division 34 of the Public Resources Code, to read:

3

4 PART 2.1. CALIFORNIA COMMUNITIES ENVIRONMENTAL
5 HEALTH SCREENING

6

7 71090. (a) For purposes of this part, the following terms have
8 the following meanings:

9 (1) "Office" means the Office of Environmental Health Hazard
10 Assessment.

11 (2) "Tool" means the California Communities Environmental
12 Health Screening, also known as CalEnviroScreen, that is used to
13 identify disadvantaged communities pursuant to Section 39711 of
14 the Health and Safety Code.

15 (b) The office shall update the tool by using any relevant
16 environmental data relating to known impacts on the environmental
17 quality of the communities in the California-Mexico border region,
18 including, but not limited to, air pollution, water pollution, and
19 toxic sites.

20 (c) (1) The office shall report to the Legislature on any barriers
21 in accessing the data described in subdivision (b) in the next update
22 of the tool or by January 1, 2017, whichever is sooner.

23 (2) A report submitted pursuant to paragraph (1) shall be
24 submitted in compliance with Section 9795 of the Government
25 Code.

ASSEMBLY BILL

No. 1176

Introduced by Assembly Member Perea

February 27, 2015

An act to amend Section 44272 of, to add Section 44271.3 to, and to add Chapter 8.8 (commencing with Section 44269) to Part 5 of Division 26 of, the Health and Safety Code, relating to vehicular air pollution, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1176, as introduced, Perea. Vehicular air pollution.

(1) Existing law establishes the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007, which includes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission, and the Air Quality Improvement Program, administered by the State Air Resources Board. Existing law requires the emphasis of the Alternative and Renewable Fuel and Vehicle Technology Program to be to develop and deploy technology and alternative and renewable fuels in the marketplace, without adopting any one preferred fuel or technology. Existing law requires the primary purpose of the Air Quality Improvement Program to be the funding of projects to reduce criteria air pollutants, to improve air quality, and to fund research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels, and equipment technologies.

This bill would establish the Advanced Low-Carbon Diesel Fuels Access Program, to be administered by the state board, for the purpose

of reducing greenhouse gas emissions of diesel motor vehicles by providing capital assistance for projects that expand advanced low-carbon diesel fueling infrastructure in communities that are disproportionately impacted by environmental hazards and additionally where the greatest air quality impacts can be identified.

This bill would require the commission and the state board to allocate no less than 50% of the available moneys under the Alternative and Renewable Fuel and Vehicle Technology Program and the Air Quality Improvement Program to projects that provide direct benefits to or serve or are located in disadvantaged communities.

This bill would authorize the commission as part of the Alternative and Renewable Fuel and Vehicle Technology Program, to amend a contract, grant, loan, or other agreement or award to extend the terms of that contract, grant, loan, or other agreement or award by 2 years if the moneys are reprioritized by the commission to apply toward a project that provides benefits to disadvantaged communities.

(2) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.

This bill would appropriate \$35,000,000 from the fund to the state board to implement the Advanced Low-Carbon Diesel Fuels Access Program.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) It is the intent of the Legislature that the
2 California Alternative and Renewable Fuel, Vehicle Technology,

1 Clean Air, and Carbon Reduction Act of 2007 (Chapter 8.9
2 (commencing with Section 44270) of Part 5 of Division 26 of the
3 Health and Safety Code) continue the state’s implementation of
4 Assembly Bill 118 (Chapter 750, Statutes of 2007) by directing
5 resources to the state’s most impacted and disadvantaged
6 communities to ensure activities taken pursuant to that authority
7 will provide economic and health benefits to these communities
8 as well.

9 (b) The Legislature further finds and declares all of the
10 following:

11 (1) The California Communities Environmental Health
12 Screening Tool, also known as CalEnviroScreen, which was
13 developed by the Office of Environmental Health Hazard
14 Assessment at the request of the California Environmental
15 Protection Agency, is a science-based tool that identifies the
16 California communities most burdened by pollution from multiple
17 sources and most vulnerable to its effects.

18 (2) Using CalEnviroScreen, the California Environmental
19 Protection Agency has identified the top 25 percent highest-scoring
20 census tracts in the state based on geographic, socioeconomic,
21 public health, and environmental hazard criteria and has designated
22 these most impacted regions of the state as disadvantaged
23 communities.

24 (3) A significant number of the total identified top 25 percent
25 highest-scoring census tracts of disadvantaged communities are
26 located in the San Joaquin Valley, which is impacted by heavy
27 freight traffic moving along the Interstate 5 and Highway 99
28 corridors, and along Interstate 710, which runs 18 miles from the
29 Ports of Long Beach and Los Angeles to the Pomona Freeway
30 (SR-60) in east Los Angeles and encompasses 15 cities and
31 unincorporated areas in Los Angeles County adjacent to the
32 freeway corridor.

33 (4) Both regions consistently rate in the top 25 most polluted
34 locations in the United States and frequently exceed by significant
35 amounts the National Ambient Air Quality Standards for ozone
36 and fine particulate matter.

37 (5) Medium- and heavy-duty diesel vehicles operating on
38 petroleum diesel fuel and traveling along these heavy freight
39 corridors, which are located adjacent to or within many of the
40 state’s most environmentally impacted disadvantaged communities,

1 are a significant contributor to emissions from greenhouse gases
2 and criteria pollutants.

3 (6) However, the majority of diesel motor vehicles on the state’s
4 roads today can immediately reduce their emissions of greenhouse
5 gases, oxides of nitrogen, particulate matter, and other emissions
6 of concern by using low-carbon alternative and renewable
7 biomass-based diesel fuels, such as renewable hydrocarbon diesel
8 and low blends of biodiesel.

9 (7) The state’s policymakers can facilitate immediate and
10 tangible reductions of greenhouse gas emissions and criteria
11 pollution and amplify near-term health cobenefits to the state’s
12 most impacted and disadvantaged communities by funding the
13 development and deployment of alternative and renewable fueling
14 infrastructure to facilitate greater access to these advanced
15 low-carbon diesel fuels.

16 (8) It is the intent of the Legislature to provide the state’s most
17 impacted and disadvantaged communities with reasonable and
18 cost-effective opportunities to proactively participate in the state’s
19 greenhouse gas emissions reduction strategies, which can provide
20 immediate benefits in air quality, public health, the environment,
21 and the economy.

22 SEC. 2. Chapter 8.8 (commencing with Section 44269) is added
23 to Part 5 of Division 26 of the Health and Safety Code, to read:

24

25 CHAPTER 8.8. ADVANCED LOW-CARBON DIESEL FUELS ACCESS
26 PROGRAM

27

28 44269. For purposes of this chapter, the following terms have
29 the following meanings:

30 (a) “Biomass-based diesel fuel” means a diesel fuel that is an
31 “alternative fuel,” as defined in Section 43867.

32 (b) “Disproportionately impacted by environmental hazards”
33 means public health or environmental effects from the emission
34 or discharge of substances in a geographic area, including
35 environmental pollution for all sources whether in a single medium
36 or in multiple media, routinely, accidentally, or otherwise released
37 into the environment, taking into account sensitive populations
38 and socioeconomic factors, where applicable and to the extent data
39 is available.

1 (c) “Low-carbon diesel fueling infrastructure” means the
2 equipment used to store and dispense biomass-based diesel fuel
3 to motor vehicles according to industry codes and standards and
4 that is open to the public.

5 44269.2. (a) The Advanced Low-Carbon Diesel Fuels Access
6 Program is hereby established. The state board shall administer
7 the program for the purpose of reducing greenhouse gas emissions
8 of diesel motor vehicles by providing capital assistance for projects
9 that expand advanced low-carbon diesel fueling infrastructure in
10 communities that are disproportionately impacted by environmental
11 hazards and where additionally the greatest air quality impacts can
12 be identified.

13 (b) Moneys shall be available, upon appropriation by the
14 Legislature, from the Greenhouse Gas Reduction Fund, created
15 pursuant to Section 16428.8 of the Government Code, for the
16 purposes of carrying out this chapter.

17 44269.4. On or before March 1, 2016, the state board shall do
18 both of the following:

19 (a) Develop guidelines for the implementation of this chapter.
20 The guidelines shall ensure that the program is focused on
21 communities that are disproportionately impacted by environmental
22 hazards and where the greatest vehicular air pollution impact is
23 identified.

24 (b) Select, in consultation with the California Environmental
25 Protection Agency, the disadvantaged communities identified
26 pursuant to Section 39711.

27 44269.6. (a) In evaluating projects to be allocated moneys
28 pursuant to this chapter, the state board shall give priority to a
29 project with all of the following characteristics:

30 (1) Occurs in or near communities identified pursuant to Section
31 39711.

32 (2) Demonstrates the potential for cobenefits or multibenefit
33 attributes, including reducing significant emissions of criteria
34 pollutants or toxic air contaminants.

35 (3) Quantifies and measures cost-effectiveness and impacts on
36 disadvantaged and low-income populations.

37 (4) Demonstrates the ability to leverage additional public or
38 private funding.

39 (5) Demonstrates the ability to obtain immediate benefits.

1 (6) Includes marketing and education outreach strategies
2 designed to increase the effectiveness of the program's goals.

3 (b) A project required to be undertaken pursuant to state, federal,
4 or local laws shall not be allocated moneys pursuant to this chapter.

5 SEC. 3. Section 44271.3 is added to the Health and Safety
6 Code, to read:

7 44271.3. The commission and the state board shall allocate no
8 less than 50 percent of the moneys available pursuant to this
9 chapter to projects that meet either of the following criteria:

10 (a) Provide direct benefits to communities identified pursuant
11 to Section 39711.

12 (b) Serve or are located within communities described in Section
13 39711.

14 SEC. 4. Section 44272 of the Health and Safety Code is
15 amended to read:

16 44272. (a) The Alternative and Renewable Fuel and Vehicle
17 Technology Program is hereby created. The program shall be
18 administered by the commission. The commission shall implement
19 the program by regulation pursuant to the requirements of Chapter
20 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
21 Title 2 of the Government Code. The program shall provide, upon
22 appropriation by the Legislature, competitive grants, revolving
23 loans, loan guarantees, loans, or other appropriate funding
24 measures, to public agencies, vehicle and technology entities,
25 businesses and projects, public-private partnerships, workforce
26 training partnerships and collaboratives, fleet owners, consumers,
27 recreational boaters, and academic institutions to develop and
28 deploy innovative technologies that transform California's fuel
29 and vehicle types to help attain the state's climate change policies.
30 The emphasis of this program shall be to develop and deploy
31 technology and alternative and renewable fuels in the marketplace,
32 without adopting any one preferred fuel or technology.

33 (b) A project that receives more than seventy-five thousand
34 dollars (\$75,000) in funds from the commission shall be approved
35 at a noticed public meeting of the commission and shall be
36 consistent with the priorities established by the investment plan
37 adopted pursuant to Section 44272.5. Under this article, the
38 commission may delegate to the commission's executive director,
39 or his or her designee, the authority to approve either of the
40 following:

1 (1) A contract, grant, loan, or other agreement or award that
2 receives seventy-five thousand dollars (\$75,000) or less in funds
3 from the commission.

4 (2) Amendments to a contract, grant, loan, or other agreement
5 or award as long as the amendments do not increase the amount
6 of the award, change the scope of the project, or modify the purpose
7 of the agreement.

8 (c) The commission shall provide preferences to those projects
9 that maximize the goals of the Alternative and Renewable Fuel
10 and Vehicle Technology Program, based on the following criteria,
11 as applicable:

12 (1) The project's ability to provide a measurable transition from
13 the nearly exclusive use of petroleum fuels to a diverse portfolio
14 of viable alternative fuels that meet petroleum reduction and
15 alternative fuel use goals.

16 (2) The project's consistency with existing and future state
17 climate change policy and low-carbon fuel standards.

18 (3) The project's ability to reduce criteria air pollutants and air
19 toxics and reduce or avoid multimedia environmental impacts.

20 (4) The project's ability to decrease, on a life-cycle basis, the
21 discharge of water pollutants or any other substances known to
22 damage human health or the environment, in comparison to the
23 production and use of California Phase 2 Reformulated Gasoline
24 or diesel fuel produced and sold pursuant to California diesel fuel
25 regulations set forth in Article 2 (commencing with Section 2280)
26 of Chapter 5 of Division 3 of Title 13 of the California Code of
27 Regulations.

28 (5) The project does not adversely impact the sustainability of
29 the state's natural resources, especially state and federal lands.

30 (6) The project provides nonstate matching funds. Costs incurred
31 from the date a proposed award is noticed may be counted as
32 nonstate matching funds. The commission may adopt further
33 requirements for the purposes of this paragraph. The commission
34 is not liable for costs incurred pursuant to this paragraph if the
35 commission does not give final approval for the project or the
36 proposed recipient does not meet requirements adopted by the
37 commission pursuant to this paragraph.

38 (7) The project provides economic benefits for California by
39 promoting California-based technology firms, jobs, and businesses.

- 1 (8) The project uses existing or proposed fueling infrastructure
2 to maximize the outcome of the project.
- 3 (9) The project's ability to reduce on a life-cycle assessment
4 greenhouse gas emissions by at least 10 percent, and higher
5 percentages in the future, from current reformulated gasoline and
6 diesel fuel standards established by the state board.
- 7 (10) The project's use of alternative fuel blends of at least 20
8 percent, and higher blend ratios in the future, with a preference
9 for projects with higher blends.
- 10 (11) The project drives new technology advancement for
11 vehicles, vessels, engines, and other equipment, and promotes the
12 deployment of that technology in the marketplace.
- 13 (d) The commission shall rank applications for projects proposed
14 for funding awards based on solicitation criteria developed in
15 accordance with subdivision (c), and shall give additional
16 preference to funding those projects with higher benefit-cost scores.
- 17 (e) Only the following shall be eligible for funding:
- 18 (1) Alternative and renewable fuel projects to develop and
19 improve alternative and renewable low-carbon fuels, including
20 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,
21 hydrogen, and biomethane, among others, and their feedstocks
22 that have high potential for long-term or short-term
23 commercialization, including projects that lead to sustainable
24 feedstocks.
- 25 (2) Demonstration and deployment projects that optimize
26 alternative and renewable fuels for existing and developing engine
27 technologies.
- 28 (3) Projects to produce alternative and renewable low-carbon
29 fuels in California.
- 30 (4) Projects to decrease the overall impact of an alternative and
31 renewable fuel's life cycle carbon footprint and increase
32 sustainability.
- 33 (5) Alternative and renewable fuel infrastructure, fueling
34 stations, and equipment. The preference in paragraph (10) of
35 subdivision (c) shall not apply to renewable diesel or biodiesel
36 infrastructure, fueling stations, and equipment used solely for
37 renewable diesel or biodiesel fuel.
- 38 (6) Projects to develop and improve light-, medium-, and
39 heavy-duty vehicle technologies that provide for better fuel
40 efficiency and lower greenhouse gas emissions, alternative fuel

1 usage and storage, or emission reductions, including propulsion
2 systems, advanced internal combustion engines with a 40 percent
3 or better efficiency level over the current market standard,
4 lightweight materials, intelligent transportation systems, energy
5 storage, control systems and system integration, physical
6 measurement and metering systems and software, development of
7 design standards and testing and certification protocols, battery
8 recycling and reuse, engine and fuel optimization electronic and
9 electrified components, hybrid technology, plug-in hybrid
10 technology, battery electric vehicle technology, fuel cell
11 technology, and conversions of hybrid technology to plug-in
12 technology through the installation of safety certified supplemental
13 battery modules.

14 (7) Programs and projects that accelerate the commercialization
15 of vehicles and alternative and renewable fuels including buy-down
16 programs through near-market and market-path deployments,
17 advanced technology warranty or replacement insurance,
18 development of market niches, supply-chain development, and
19 research related to the pedestrian safety impacts of vehicle
20 technologies and alternative and renewable fuels.

21 (8) Programs and projects to retrofit medium- and heavy-duty
22 onroad and nonroad vehicle fleets with technologies that create
23 higher fuel efficiencies, including alternative and renewable fuel
24 vehicles and technologies, idle management technology, and
25 aerodynamic retrofits that decrease fuel consumption.

26 (9) Infrastructure projects that promote alternative and renewable
27 fuel infrastructure development connected with existing fleets,
28 public transit, and existing transportation corridors, including
29 physical measurement or metering equipment and truck stop
30 electrification.

31 (10) Workforce training programs related to alternative and
32 renewable fuel feedstock production and extraction, renewable
33 fuel production, distribution, transport, and storage,
34 high-performance and low-emission vehicle technology and high
35 tower electronics, automotive computer systems, mass transit fleet
36 conversion, servicing, and maintenance, and other sectors or
37 occupations related to the purposes of this chapter.

38 (11) Block grants or incentive programs administered by public
39 entities or not-for-profit technology entities for multiple projects,
40 education and program promotion within California, and

1 development of alternative and renewable fuel and vehicle
2 technology centers. The commission may adopt guidelines for
3 implementing the block grant or incentive program, which shall
4 be approved at a noticed public meeting of the commission.

5 (12) Life cycle and multimedia analyses, sustainability and
6 environmental impact evaluations, and market, financial, and
7 technology assessments performed by a state agency to determine
8 the impacts of increasing the use of low-carbon transportation fuels
9 and technologies, and to assist in the preparation of the investment
10 plan and program implementation.

11 (13) A program to provide funding for homeowners who
12 purchase a plug-in electric vehicle to offset costs associated with
13 modifying electrical sources to include a residential plug-in electric
14 vehicle charging station. In establishing this program, the
15 commission shall consider funding criteria to maximize the public
16 benefit of the program.

17 (f) The commission may make a single source or sole source
18 award pursuant to this section for applied research. The same
19 requirements set forth in Section 25620.5 of the Public Resources
20 Code shall apply to awards made on a single source basis or a sole
21 source basis. This subdivision does not authorize the commission
22 to make a single source or sole source award for a project or
23 activity other than for applied research.

24 (g) The commission may do all of the following:

25 (1) Contract with the Treasurer to expend funds through
26 programs implemented by the Treasurer, if the expenditure is
27 consistent with all of the requirements of this article and Article
28 1 (commencing with Section 44270).

29 (2) Contract with small business financial development
30 corporations established by the Governor's Office of Business and
31 Economic Development to expend funds through the Small
32 Business Loan Guarantee Program if the expenditure is consistent
33 with all of the requirements of this article and Article 1
34 (commencing with Section 44270).

35 (3) Advance funds, pursuant to an agreement with the
36 commission, to any of the following:

37 (A) A public entity.

38 (B) A recipient to enable it to make advance payments to a
39 public entity that is a subrecipient of the funds and under a binding
40 and enforceable subagreement with the recipient.

1 (C) An administrator of a block grant program.
2 (4) *Amend a contract, grant, loan, or other agreement or award*
3 *to extend the terms of that contract, grant, loan, or other agreement*
4 *or award by two years if the moneys are reprioritized by the*
5 *commission to apply toward a project that complies with Section*
6 *44271.3.*

7 SEC. 5. Notwithstanding Section 39718 of the Health and
8 Safety Code, the sum of thirty-five million dollars (\$35,000,000)
9 is hereby appropriated from the Greenhouse Gas Reduction Fund,
10 created pursuant to Section 16428.8 of the Government Code, to
11 the State Air Resources Board for the purpose of implementing
12 the Advanced Low-Carbon Diesel Fuels Access Program (Chapter
13 8.8 (commencing with Section 44269) of Part 5 of Division 26 of
14 the Health and Safety Code).

15 SEC. 6. This act is an urgency statute necessary for the
16 immediate preservation of the public peace, health, or safety within
17 the meaning of Article IV of the Constitution and shall go into
18 immediate effect. The facts constituting the necessity are:

19 To ensure stable funding for programs to reduce vehicular air
20 pollution for the protection of the public health and safety, it is
21 necessary for this act to take effect immediately.

Introduced by Senator GainesDecember 1, 2014

An act to add Section 38576 to the Health and Safety Code, relating to greenhouse gases, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as introduced, Gaines. California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open, public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing state board regulations require specified entities to comply with a market-based compliance mechanism beginning January 1, 2013, and require additional specified entities to comply with that market-based compliance mechanism beginning January 1, 2015.

This bill instead would exempt categories of persons or entities that did not have a compliance obligation, as defined, under a market-based compliance mechanism beginning January 1, 2013, from being subject to that market-based compliance mechanism. The bill would require all participating categories of persons or entities to have a compliance obligation beginning January 1, 2025.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The landmark California Global Warming Solutions Act of
4 2006 (Division 25.5 (commencing with Section 38500) of the
5 Health and Safety Code) set the goal of reducing greenhouse gas
6 emissions to 1990 levels by 2020. The act required the State Air
7 Resources Board to develop a scoping plan, including direct
8 regulations, performance-based standards, and market-based
9 mechanisms, to achieve this level of greenhouse gas emissions
10 reductions.

11 (b) The State Air Resources Board has implemented a
12 market-based compliance mechanism under the California Global
13 Warming Solutions Act of 2006 (Division 25.5 (commencing with
14 Section 38500) of the Health and Safety Code).

15 (c) Beginning January 1, 2015, the State Air Resources Board's
16 market-based compliance mechanism expanded from covering
17 large industrial facilities to include carbon-based transportation
18 fuels used today by the state's motorists.

19 (d) Including transportation fuels in a market-based compliance
20 mechanism requires suppliers of transportation fuels to purchase
21 carbon allowances for gasoline and diesel sold and used in the
22 state, therefore, adding a carbon price to the cost of transportation
23 fuels.

24 (e) The State Air Resources Board's regulatory analysis for the
25 market-based compliance mechanism anticipates carbon allowance
26 costs ranging from \$15 to \$75, inclusive, per ton between 2015
27 and 2020.

28 (f) Including transportation fuels in a market-based compliance
29 mechanism links the cost of gasoline and diesel to potentially
30 volatile carbon markets placing the state's motorists, families, and
31 small businesses at risk.

32 (g) Many areas of the state continue to struggle from
33 disproportionately high unemployment rates and the state's

1 hard-working low-income and middle-income families will likely
2 suffer most from this sudden addition in addition to potentially
3 volatile carbon costs on transportation fuels.

4 SEC. 2. Section 38576 is added to the Health and Safety Code,
5 to read:

6 38576. (a) For purposes of this section, “compliance
7 obligation” means the quantity of greenhouse gas emissions for
8 which a person or entity is required to submit greenhouse gas
9 emissions allowances or offsets to the state board pursuant to a
10 market-based compliance mechanism.

11 (b) (1) If the state board adopts a market-based compliance
12 mechanism pursuant to this part, only those categories of persons
13 or entities that had a compliance obligation beginning January 1,
14 2013, shall have a compliance obligation on the effective date of
15 the act adding this section, until December 31, 2024.

16 (2) Beginning January 1, 2025, all categories of persons or
17 entities participating in a market-based compliance mechanism
18 shall have a compliance obligation.

19 SEC. 3. This act is an urgency statute necessary for the
20 immediate preservation of the public peace, health, or safety within
21 the meaning of Article IV of the Constitution and shall go into
22 immediate effect. The facts constituting the necessity are:

23 To protect California’s struggling economy from the harmful
24 effect of higher fuel costs, it is necessary for this act to take effect
25 immediately.

**Introduced by Senator Vidak
(Principal coauthor: Senator Huff)**

(Principal coauthors: Assembly Members Kim, Olsen, Patterson, and Wilk)

(Coauthors: Senators Anderson, Bates, Berryhill, Fuller, Morrell, Nielsen, and Stone)

(Coauthors: Assembly Members Achadjian, Travis Allen, Brough, Chang, Beth Gaines, Grove, Linder, Maienschein, Mathis, Mayes, Melendez, Obernolte, Steinorth, Wagner, and Waldron)

December 1, 2014

An act to add Section 38576 to the Health and Safety Code, relating to greenhouse gases, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 5, as introduced, Vidak. California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing state board regulations require specified entities to comply with a market-based compliance mechanism beginning January 1, 2013, and require additional specified entities to

comply with that market-based compliance mechanism beginning January 1, 2015.

This bill instead would exempt categories of persons or entities that did not have a compliance obligation, as defined, under a market-based compliance mechanism beginning January 1, 2013, from being subject to that market-based compliance mechanism through December 31, 2020.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The landmark California Global Warming Solutions Act of
4 2006 (Division 25.5 (commencing with Section 38500) of the
5 Health and Safety Code) set the goal of reducing greenhouse gas
6 emissions to 1990 levels by 2020. The act required the State Air
7 Resources Board to develop a scoping plan, including direct
8 regulations, performance-based standards, and market-based
9 mechanisms, to achieve this level of greenhouse gas emissions
10 reductions.

11 (b) The State Air Resources Board has implemented a
12 market-based compliance mechanism under the California Global
13 Warming Solutions Act of 2006 (Division 25.5 (commencing with
14 Section 38500) of the Health and Safety Code).

15 (c) Beginning January 1, 2015, the State Air Resources Board's
16 market-based compliance mechanism will expand from covering
17 large industrial facilities to include carbon-based transportation
18 fuels, used today by the state's motorists, as well as natural gas.

19 (d) Including transportation fuels in a market-based compliance
20 mechanism will require suppliers of transportation fuels to purchase
21 carbon allowances for gasoline and diesel sold and used in the
22 state, therefore adding a carbon price to the cost of transportation
23 fuels.

24 (e) This market-based compliance mechanism may increase the
25 cost of transportation fuels by 15 to 76 cents a gallon.

1 (f) Many areas of the state continue to struggle from
2 disproportionately high unemployment rates and the state’s
3 hard-working low-income and middle-income families will likely
4 suffer most from this additional cost burden.

5 SEC. 2. Section 38576 is added to the Health and Safety Code,
6 to read:

7 38576. (a) For purposes of this section, “compliance
8 obligation” means the quantity of greenhouse gas emissions for
9 which a person or entity is required to submit greenhouse gas
10 emissions allowances or offsets to the state board pursuant to a
11 market-based compliance mechanism.

12 (b) If the state board adopts a market-based compliance
13 mechanism pursuant to this part, only those categories of persons
14 or entities that had a compliance obligation beginning January 1,
15 2013, and until December 31, 2014, shall have a compliance
16 obligation through December 31, 2020, consistent with subdivision
17 (c) of Section 38562.

18 (c) This Section applies retroactively from January 1, 2015.

19 SEC. 3. This act is an urgency statute necessary for the
20 immediate preservation of the public peace, health, or safety within
21 the meaning of Article IV of the Constitution and shall go into
22 immediate effect. The facts constituting the necessity are:

23 To reduce the cost impact on consumers, it is necessary for this
24 act to take effect immediately.

Introduced by Senator Beall

February 26, 2015

An act relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 513, as introduced, Beall. Carl Moyer Memorial Air Quality Standards Attainment Program.

Existing law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program, which is administered by the State Air Resources Board, to provide grants to offset the incremental cost of eligible projects that reduce emissions of air pollutants from vehicular sources in the state and for funding a fueling infrastructure demonstration program and technology development efforts.

This bill would state the intent of the Legislature to enact legislation to amend the program to achieve even greater air quality benefits.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation to amend the Carl Moyer Memorial Air Quality
- 3 Standards Attainment Program (Chapter 9 (commencing with
- 4 Section 44275) of Part 5 of Division 26 of the Health and Safety
- 5 Code) to achieve even greater air quality benefits.

O

Introduced by Senator AllenFebruary 27, 2015

An act to add Section 4024 to the Vehicle Code, relating to vehicle registration.

LEGISLATIVE COUNSEL'S DIGEST

SB 773, as introduced, Allen. Vehicles: registration fraud: study.

Existing law prohibits a person from driving, moving, or leaving standing upon a highway, or in an offstreet public parking facility, any motor vehicle, trailer, semitrailer, pole or pipe dolly, or logging dolly, unless it is registered and the appropriate fees have been paid, except as specified. Existing law makes it a felony for a person who, with the intent to prejudice, damage, or defraud, alters, forges, counterfeit, or falsifies a registration card or who utters, publishes, passes, or attempts to pass, as true and genuine, a false, altered, forged, or counterfeited registration card knowing it to be false, altered, forged, or counterfeited.

This bill would request the University of California to conduct a study on motor vehicle registration fraud and failure to register a motor vehicle, and would require the study to include specified information, including, quantification of the magnitude of the problem, the costs to the state and local governments in lost revenues, and recommended strategies for increasing compliance with registration requirements. The bill would require the Department of Motor Vehicles, the Department of the California Highway Patrol, and other state agencies, as requested by the University of California, to fully cooperate with the University of California in conducting the study. The bill would request the University of California to post a report of the study on its Internet Web site no later than January 1, 2017.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) Motor vehicle registration fraud and failure to register a
4 motor vehicle is both illegal and fundamentally unfair to the vast
5 majority of Californians who comply with registration
6 requirements. It robs the state and local governments of millions
7 of dollars of revenues needed for vital purposes, such as
8 transportation projects, supporting the Department of the California
9 Highway Patrol, deterring auto theft, enforcing laws prohibiting
10 driving under the influence of alcohol or drugs, removing
11 abandoned vehicles, and many other socially desirable programs.

12 (2) Motor vehicle registration fraud and failure to register a
13 motor vehicle also has significant public health consequences and
14 contributes disproportionately to motor vehicle emissions because
15 many individuals committing registration fraud have gross emitting
16 vehicles and are deliberately circumventing the inspection and
17 maintenance program.

18 (3) Motor vehicle registration fraud and failure to register a
19 motor vehicle also significantly increases insurance costs for
20 law-abiding citizens.

21 (4) It is in the public interest to have motor vehicle owners
22 comply with existing registration laws.

23 (b) Therefore, it is the intent of the Legislature to encourage
24 motorists to register their vehicles in accordance with existing law.

25 SEC. 2. Section 4024 is added to the Vehicle Code, to read:

26 4024. (a) The University of California is requested to conduct
27 a study on motor vehicle registration fraud and failure to register
28 a motor vehicle. The study shall include all of the following:

29 (1) Quantification of the magnitude of the problem.

30 (2) The strategies being used by motorists to commit motor
31 vehicle registration fraud.

32 (3) The reasons for the behaviors of motorists who commit fraud
33 in registrations of, or fail to register their, motor vehicles.

34 (4) The costs to the state and local governments in lost revenues.

35 (5) Increases in air pollution.

- 1 (6) Other costs, and consequences of these behaviors.
- 2 (7) Recommended strategies for increasing compliance with
- 3 registration requirements.
- 4 (b) The Department of Motor Vehicles, the Department of the
- 5 California Highway Patrol, and other state agencies, as requested
- 6 by the University of California, shall fully cooperate with the
- 7 University of California in conducting the study.
- 8 (c) The University of California is requested to post a report of
- 9 the study on its Internet Web site no later than January 1, 2017.