

ASSEMBLY BILL

No. 226

Introduced by Assembly Member Bill Campbell

February 13, 2001

An act to amend Section 25514 of the Public Resources Code, to add Section 633 to the Public Utilities Code, and to add Section 100.8 to the Revenue and Taxation Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 226, as introduced, B. Campbell. Power plant facilities: incentives.

Existing law requires the Public Utilities Commission to issue a final report upon the conclusion of informational hearings conducted in the process of certifying a new facility, as defined, that provides electrical power. Existing law requires that this final report contain findings and conclusions regarding, among other items, the conformity of alternative sites for the facility, comments of the California Coastal Commission and the San Francisco Bay Conservation and Development Commission, and the safety and reliability of the proposed facility.

This bill would additionally require the final report issued by the Public Utilities Commission to contain findings and conclusions that the ad valorem property taxes derived from the new facility will be sufficient to finance local improvements and public services that are necessary to support the facility.

Existing law empowers certain jurisdictions and agencies with the right of first refusal for, among other items, surplus public agency property.

This bill would grant the board of supervisors of the county or the city and county in which a newly constructed power plant facility is located to have the right of first refusal to the electricity generated by the newly constructed power plant facility.

The California Constitution requires the State Board of Equalization to assess the property, other than franchises, of companies transmitting or selling electricity. Existing property tax law provides for the valuation, as a unit, of properties of a state-assessee that are operated as a unit as a primary function of that assessee, and for the allocation of the assessed value of the unit among various counties in which the state-assessee’s unitary property is located. Existing law also provides, pursuant to specified formulas, for the application in each county of specified tax rates to unitary assessed value, and for the allocation among jurisdictions in that county of the resulting revenues.

This bill would require that the assessed value of a power plant facility, as defined, to be allocated exclusively to the county in which the primary power-generating operation of that facility is located. This bill would also require the revenues derived from the assessment of this property to be allocated, pursuant to a specified formula, 50% between the county and any city in which the facility is located, and then among the remaining jurisdictions within that county. By establishing new duties with respect to the annual allocation of property tax revenues derived from state-assessed property this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

- 1 SECTION 1. Section 25514 of the Public Resources Code is
- 2 amended to read:
- 3 25514. After conclusion of the hearings held pursuant to
- 4 Section 25513 and no later than 300 days after the filing of the



1 notice, a final report shall be prepared and distributed. The final
2 report shall include, but not be limited to, all of the following:

3 (a) The findings and conclusions of the commission regarding
4 the conformity of alternative sites and related facilities designated
5 in the notice or considered in the notice of intention proceeding
6 with both of the following:

7 (1) The 12-year forecast of statewide and service area electric
8 power demands adopted pursuant to subdivision (e) of Section
9 25305, except as provided in Section 25514.5.

10 (2) Applicable local, regional, state, and federal standards,
11 ordinances, and laws, including any long-range land use plans or
12 guidelines adopted by the state or by any local or regional planning
13 agency, which would be applicable but for the exclusive authority
14 of the commission to certify sites and related facilities; and the
15 standards adopted by the commission pursuant to Section 25216.3.

16 (b) Any findings and comments submitted by the California
17 Coastal Commission pursuant to Section 25507 and subdivision
18 (d) of Section 30413.

19 (c) Any findings and comments submitted by the San Francisco
20 Bay Conservation and Development Commission pursuant to
21 Section 25507 of this code and subdivision (d) of Section 66645
22 of the Government Code.

23 (d) The commission's findings on the acceptability and relative
24 merit of each alternative siting proposal designated in the notice
25 or presented at the hearings and reviewed by the commission. The
26 specific findings of relative merit shall be made pursuant to
27 Sections 25502 to 25516, inclusive. In its findings on any
28 alternative siting proposal, the commission may specify
29 modification in the design, construction, location, or other
30 conditions which will meet the standards, policies, and guidelines
31 established by the commission.

32 (e) Findings and conclusions with respect to the safety and
33 reliability of the facility or facilities at each of the sites designated
34 in the notice, as determined by the commission pursuant to Section
35 25511, and any conditions, modifications, or criteria proposed for
36 any site and related facility proposal resulting from the findings
37 and conclusions.

38 (f) *Findings and conclusions that the ad valorem property taxes*
39 *to be derived from the facility are sufficient to finance local*



1 *improvements and public services that are necessary to support the*
2 *facility.*

3 SEC. 2. Section 633 is added to the Public Utilities Code, to
4 read:

5 633. In the case of a power plant facility, as defined in Section
6 100.8 of the Revenue and Taxation Code, that is completed and
7 first placed in service on or after January 1, 2002, the board of
8 supervisors of the county or the city and county in which the power
9 plant facility is located shall, on behalf of that county, or city and
10 county, have the right of first refusal to the electricity generated by
11 the newly constructed power plant facility.

12 SEC. 3. Section 100.8 is added to the Revenue and Taxation
13 Code, to read:

14 100.8. Notwithstanding any other provision of law, for the
15 2001–02 fiscal year and each fiscal year thereafter, all of the
16 following apply:

17 (a) The property tax assessed value of a power plant facility
18 assessed by the State Board of Equalization shall be allocated
19 entirely to the county in which the primary power generating
20 operation of the power plant facility is located.

21 (b) The total tax rate applied to the assessed value allocated
22 pursuant to subdivision (a) shall be the sum of the rates calculated
23 pursuant to subdivision (b) of Section 100.

24 (c) The revenues derived from the application of the total tax
25 rate described in subdivision (b) to the assessed value allocated
26 pursuant to subdivision (a) shall be allocated as follows:

27 (1) If the primary power generating operation of the power
28 plant facility is located within a city and county, or within the
29 unincorporated area of a county, that county or city and county
30 shall be allocated 50 percent of the property tax revenues. The
31 remaining 50 percent of property tax revenues shall be allocated
32 among the remaining jurisdictions within that county or city and
33 county in percentage shares that correspond to each of those
34 jurisdiction's percentage share of the total amount of revenues,
35 derived from locally assessed property, allocated among those
36 jurisdictions.

37 (2) If the primary power generating operation of the power
38 plant facility is located within a city, that city shall receive 25
39 percent of the property tax revenues and the county within which
40 that city is located shall receive 25 percent of the property tax



1 revenues. The remaining 50 percent of property tax revenue shall
2 be allocated among the remaining jurisdictions within that county
3 in percentage shares that correspond to each of those jurisdiction's
4 percentage share of the total amount of revenues, derived from
5 locally assessed property, allocated among those jurisdictions.

6 (d) For purposes of this section:

7 (1) "Modification of an existing power plant facility" has the
8 same meaning as "modification of an existing facility" as defined
9 in Section 25123 of the Public Resources Code.

10 (2) "Power plant facility" has the same meaning as "facility"
11 as defined in Section 25123 of the Public Resources Code.

12 SEC. 4. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution because
14 this act provides for offsetting savings to local agencies or school
15 districts that result in no net costs to the local agencies or school
16 districts, within the meaning of Section 17556 of the Government
17 Code.

