

AMENDED IN SENATE AUGUST 9, 2004

AMENDED IN SENATE JULY 12, 2004

AMENDED IN SENATE JUNE 23, 2004

AMENDED IN SENATE JUNE 16, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2657

Introduced by Assembly Member Nunez

February 20, 2004

An act to add Chapter 2 (commencing with Section 42100) to Part 3 of Division 30 of the Public Resources Code, relating to metal plating facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2657, as amended, Nunez. Metal plating facilities.

The California Integrated Waste Management Act of 1989 establishes a comprehensive program implemented by the California Integrated Waste Management Board and local agencies to reduce, recycle, and reuse solid waste in an efficient and cost effective manner.

This bill would require the California Environmental Protection Agency to establish and coordinate an ~~Interagency~~ *interagency* Metal Plating Task Force, as specified. The bill would require the agency, in consultation with the task force, to take specified actions with respect to the regulation of the metal plating industry, as prescribed. The bill would require the agency to establish a ~~grant program for metal plating facilities, as specified, and a pilot loan and~~ *program or a loan guarantee program or both, for chrome plating facilities*, as specified. The bill

would create the Chromium ~~Multi-media Hazardous Waste Reduction~~ *Pollution Prevention* Fund in the State Treasury, and would require that the money in the fund be expended by the agency, *upon appropriation by the Legislature*, to support the task force’s activities, ~~make specified grants~~, and make specified loans and loan guarantees. *The bill would require the agency to make loans or loan guarantees available only to a generator that is a small business that owns or operates a chrome plating facility that is subject to a specified rule of the South Coast Air Quality Management District or a comparable rule in another district. The bill would allow the agency to delegate administration of the loan or loan guarantee program to one of its boards, divisions, or offices, but would require the Secretary for Environmental Protection to approve all projects to be funded before a loan commitment is issued.*

The bill would authorize the agency to adopt regulations ~~and emergency regulations~~ to implement the bill’s requirements *and to adopt emergency regulations to implement the loan program and loan guarantee program.*

The bill would require the agency, in consultation with the task force, to submit a report to the Legislature by March 31, 2006, and would require the agency, by January 1, 2006, and every even year thereafter, to submit a report to the Legislature concerning the performance of the loan program or loan guarantee program.

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 hereby finds and declares
- 2 all of the following:
- 3 (1) Metal plating facilities are establishments primarily
- 4 engaged in all types of electroplating, plating, anodizing, coloring,
- 5 and finishing of metals and formed products ~~for the trade.~~
- 6 ~~(2) Most metal platers are small, family owned businesses that~~
- 7 ~~are located in communities of color and tend to employ minority~~
- 8 ~~workers. This industry provides significant support to other larger~~
- 9 ~~industries in the state, particularly manufacturing industries..~~
- 10 Facilities conducting metal plating activities include everything
- 11 from small, low-volume operations like jewelry repair shops to
- 12 ~~high-volume production line applications. The automotive,~~
- 13 ~~high-volume production lines.~~



1 (2) *This industry provides significant support to other larger*
2 *industry segments in the state, particularly manufacturing*
3 *industries. The automotive, electronics, machine equipment, and*
4 *defense industry are the four largest industry segments served by*
5 *metal platers.*

6 ~~(3) The Department of Toxic Substances Control has identified~~

7 (3) *According to the Department of Toxic Substances Control,*
8 *there are approximately 875 metal plating facilities in the State of*
9 *California, 67 percent of which are located in the five county Los*
10 *Angeles area, the largest concentration of metal platers anywhere*
11 *in the United States.*

12 ~~(4) There are also large numbers of metal platers in the San~~
13 ~~Francisco Bay Area, San Diego, and the Central Valley regions of~~
14 ~~States. There are also large numbers of metal platers located in the~~
15 ~~San Francisco Bay area, San Diego County, and the Central Valley~~
16 ~~regions of the state.~~

17 ~~(5) The data indicates~~

18 (4) *Statistics indicate that 94 percent of the Legislature, 113 of*
19 *the 120 members, have at least one metal plater in their district, and*
20 *over one-third of the state's legislative districts house at least 10*
21 *facilities.*

22 ~~(6) There is not a complete inventory of facilities in the state~~
23 ~~including locations and proximity to sensitive receptors. Different~~
24 ~~regulatory agencies cite different numbers and there is no central~~
25 ~~database for locations or compliance history.~~

26 ~~(7) The metal plating process can significantly impact the~~
27 ~~environment, including, air, water, and soil, in a very intensive~~
28 ~~manner. The chemical processes used in metal plating involve the~~
29 ~~use of various toxic materials, and generate significant amounts of~~
30 ~~solid and hazardous waste.~~

31 ~~(8) Hexavalent chromium, a chemical compound intrinsic to~~
32 ~~the chrome plating process, is a known human carcinogen. It is~~
33 ~~also one of the most potent toxic air contaminants for which the~~
34 ~~safe threshold exposure level has not yet been established. The~~
35 ~~current recognized standard established by the Division of~~
36 ~~Occupational Safety and Health as a permissible exposure level is~~
37 ~~0.1 milligrams per cubic meter.~~

38 ~~(9) facilities. Many of these metal platers are small businesses~~
39 ~~that are located in communities of color.~~



1 (5) *The metal plating process impacts the environment,*
2 *including air, water, and soil, in a very intensive manner. The*
3 *process involves the use of various toxic materials, and generates*
4 *significant amounts of solid and hazardous waste. For example,*
5 *hexavalent chromium, a chemical compound intrinsic to the*
6 *chrome plating process, is a known human carcinogen and a potent*
7 *toxic air contaminant for which the safe threshold exposure level*
8 *has not yet been established.*

9 (6) The metal plating industry is regulated by various federal,
10 state, and local agencies including the United States
11 Environmental Protection Agency, the State Air Resources Board,
12 the State Water Resources Control Board, the Department of Toxic
13 Substances Control, California regional water quality control
14 boards, regional air quality management districts, and Certified
15 control boards, local air quality management districts and air
16 pollution control districts, and Certified Unified Program
17 Agencies (CUPAs).

18 ~~(10)~~

19 (7) The complexity of metal plating operations requires a
20 ~~coordinated regulatory and mitigation approach. Existing~~
21 ~~enforcement efforts are inadequate largely due to budgetary~~
22 ~~constraints and the lack of coordination between the various~~
23 ~~regulatory agencies. At the same time, ongoing efforts of metal~~
24 ~~coordinated regulatory approach. Ongoing efforts of metal plating~~
25 ~~facilities to comply with environmental laws and regulations are~~
26 ~~challenged by the number, and in some cases the complexity or~~
27 ~~duplicative nature, of these requirements.~~

28 ~~(11) regulations are challenged by the number, and, in some~~
29 ~~cases, the duplicative nature of these requirements.~~

30 (8) In October 2003, the Los Angeles City Attorney created a
31 Chrome Platers Initiative as part of its Environmental Protection
32 Strike Force, to conduct multiagency inspections of chrome
33 plating facilities and to identify violations. Through the efforts of
34 ~~this multiagency task force, and within the last few months, the~~ *this*
35 *multiagency task force, the city attorney has been able to increase*
36 *enforcement of environmental health and safety regulations at*
37 *facilities in the Los Angeles area.*

38 ~~(12) Throughout the state, metal plating facilities are located~~
39 ~~on land that has been zoned for those facilities; however, many~~
40 ~~facilities are still located in close proximity to residences and~~



1 ~~“sensitive receptors.” For example, there are several cases in the~~
2 ~~Los Angeles area where schools are located within close proximity~~
3 ~~of metal plating facilities. In these cases, there may still be~~
4 ~~associated human health problems.~~

5 ~~(13) The metal plating industry’s inability to access capital for~~

6 *(9) Throughout the state, metal plating facilities are*
7 *appropriately located on land that has been zoned for these*
8 *facilities; however, due to changes in neighborhoods and zoning*
9 *ordinances, many facilities are now located in close proximity to*
10 *residences and “sensitive receptors.” For example, there are*
11 *several cases in the Los Angeles area where schools are located*
12 *within close proximity to metal plating facilities.*

13 *(10) A complete inventory of metal plating facilities in the state,*
14 *including locations, proximity to residences and sensitive*
15 *receptors, and a history of compliance with environmental health*
16 *and safety laws, does not exist. Additionally, different regulatory*
17 *agencies cite different numbers and there is no central database for*
18 *locations or compliance history.*

19 *(11) The metal plating industry’s limited ability to access*
20 *capital for environmental improvements and investments has been*
21 *identified by the United States Environmental Protection Agency*
22 *as one of its biggest obstacles in meeting and exceeding current*
23 *environmental requirements.*

24 ~~(14) There is~~

25 *(12) There is also a need to provide training for the metal*
26 *plating community on new, cleaner technologies and better*
27 *operating practices, as well as changing regulations.*

28 *(b) The Legislature hereby further declares that it is in the best*
29 *interest of the people of California and the communities involved*
30 *to address the various environmental issues posed by the metal*
31 *plating industry while preserving its economic vitality.*
32 *Specifically, funds should be provided to support various*
33 ~~*environmental compliance, technology procurement, pollution*~~
34 *environmental compliance, pollution prevention, and emission*
35 *reduction measures.*

36 SEC. 2. Chapter 2 (commencing with Section 42100) is added
37 to Part 3 of Division 30 of the Public Resources Code, to read:
38



CHAPTER 2. METAL PLATING FACILITIES

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42100. For purposes of this chapter, the following definitions apply:

(a) "Agency" means the California Environmental Protection Agency.

(b) "Chrome plating" has the same meaning as "decorative chromium electroplating" as defined in the regulations specifying a hexavalent chromium toxic control measure for chrome plating adopted by the State Air Resources Board and found in Section 93102 of Title 17 of the California Code of Regulations.

(c) "Emission reduction" has the same meaning as "airborne toxic risk reduction measure," as defined in subdivisions (a) and (b) of Section 44390 of the Health and Safety Code.

(d) "Generator" means a borrower pursuant to this chapter or a party that produces hazardous waste and applies for financial assistance pursuant to this chapter to reduce hazardous waste as generated.

~~(e)~~

(e) "Metal plating facility" means an establishment primarily engaged in all types of electroplating, plating, anodizing, coloring, and finishing of metals and formed products for the trade.

~~(d)~~

(f) "Pollution prevention" means the same as source reduction as defined by subdivision (e) of Section 25244.14 of the Health and Safety Code.

~~(e)~~

(g) "Sensitive receptor" means schools (kindergarten to grade 12, inclusive), licensed day care centers, hospitals, and convalescent homes.

42101. (a) The agency shall establish and coordinate an interagency Metal Plating Task Force. The task force shall build upon the leadership efforts of the existing Los Angeles Chrome Platers Initiative and Environmental Protection Strike Force to develop a comprehensive enforcement, compliance, pollution prevention, and technology assistance approach for the metal plating industry.

(b) The task force shall include representatives from various governmental agencies, including, but not limited to, the State Air Resources Board, State Water Resources Control Board,



1 Department of Toxic Substances Control, ~~California regional~~
2 ~~water quality control boards, local air quality management~~
3 ~~districts, local Certified Unified Program Agencies (CUPAs), Los~~
4 ~~Angeles City Attorney's Office and Environmental Protection~~
5 ~~Strike Force, Los Angeles City Council, and various other local~~
6 ~~government representatives, as appropriate. the Division of~~
7 *Occupational Safety and Health of the Department of Industrial*
8 *Relations, State Department of Health Services, California*
9 *regional water quality control boards, air quality management*
10 *districts and air pollution control districts, and local Certified*
11 *Unified Program Agencies (CUPAs). Other agencies, including,*
12 *but not limited to the United States Environmental Protection*
13 *Agency, the Los Angeles City Attorney's Office, the Los Angeles*
14 *City Council, and other interested local governments may*
15 *participate as appropriate.*

16 (c) In implementing ~~this section and Section 42102 this~~
17 ~~chapter~~, the task force shall, to the maximum extent possible, work
18 in a collaborative manner with metal plating facilities, ~~other~~
19 ~~associations, including environmental and community groups,~~
20 ~~and other interested parties.~~

21 ~~42102. The agency, in consultation with the Metal Plating~~
22 ~~Task Force, shall do all of the following:~~

23 (a) ~~Conduct a survey of metal plating facilities, to include~~
24 ~~information on the location of a facility, years in operation, and~~
25 ~~compliance history with environmental laws and regulations~~
26 ~~governing those facilities.~~

27 (b) ~~Facilitate efforts of state and local agencies to increase~~
28 ~~inspection and enforcement of metal plating facilities and to~~
29 ~~improve coordination among regulatory agencies.~~

30 (e) (1) ~~Establish a pilot loan and loan guarantee program for~~
31 ~~facilities subject to the new South Coast Air Quality Management~~
32 ~~District Rule 1469, which regulates hexavalent chromium~~
33 ~~emissions, to purchase high performance environmental control~~
34 ~~technologies.~~

35 (2) ~~In establishing the pilot loan and loan guarantee program~~
36 ~~pursuant to paragraph (1), utilize existing funding mechanisms,~~
37 ~~including the Treasurer's California Air Pollution Control~~
38 ~~Financing Authority, the Business, Transportation and Housing~~
39 ~~Agency's financial development corporations' loan guarantee~~



1 ~~programs, and the South Coast Air Quality Management District's~~
2 ~~small business assistance loan program.~~

3 ~~42103.—The agency shall utilize information gained from the~~
4 ~~pilot loan and loan guarantee program established pursuant to~~
5 ~~Section 42102, in conjunction with recommendations from the~~
6 ~~Metal Plating Task Force, to do all of the following:~~

7 ~~(a) Develop and disseminate a protocol for onsite audits of~~
8 ~~facility compliance and pollution prevention activities.~~

9 ~~(b) Develop training programs.~~

10 ~~(c) Develop regulations for prescribing the siting of new~~
11 ~~chrome plating facilities within the vicinity of sensitive receptors,~~
12 ~~including developing appropriate buffer zone regulations for~~
13 ~~adoption by local government entities, to restrict the future siting~~
14 ~~of new chrome plating facilities within the vicinity of residences~~
15 ~~or sensitive receptors.~~

16 ~~(d) Develop recommendations for a long-term approach to~~
17 ~~address the various environmental issues posed by the metal~~
18 ~~plating industry, while preserving its economic vitality, including,~~
19 ~~but not limited to, opportunities for relocation of facilities, closure~~
20 ~~mitigation strategies, assessment of various fees, and mechanisms~~
21 ~~for financial assurance.~~

22 ~~(e) Report to the Legislature, not later than January 1, 2006, on~~
23 ~~its progress.~~

24 ~~42104.—The agency shall utilize information and experience~~
25 ~~gained from the activities conducted pursuant to Section 42103 to~~
26 ~~establish a grant program for metal plating facilities, to foster~~
27 ~~alternatives to the use of hazardous materials, pollution prevention~~
28 ~~practices, and the installation of environmental controls.~~

29 ~~42105.—(a) There is hereby created in the State Treasury the~~
30 ~~Chromium Multi-media Hazardous Waste Reduction Fund, for the~~
31 ~~sole purpose of receiving deposits of state, federal, or local~~
32 ~~government money, and other public or private money for~~
33 ~~expenditure by the agency for the purposes of this chapter.~~

34 ~~(b) The money in the Chromium Multi-media Hazardous~~
35 ~~Waste Reduction Fund shall be expended by the agency for the~~
36 ~~following purposes:~~

37 ~~(1) To support task force activities.~~

38 ~~(2) To make grants pursuant to Section 42104.~~

39 ~~(3) (A) to make loans and loan guarantees pursuant to~~
40 ~~subdivision (e) of Section 42102.~~



1 ~~(B) The agency shall make _____ dollars (\$_____) from the fund~~
2 ~~available for low interest loans and loan guarantees made pursuant~~
3 ~~to subdivision (c) of Section 42102.~~

4 ~~(C) An individual loan from the fund shall not exceed 1.5~~
5 ~~percent of the available money in the fund.~~

6 ~~42106. The agency shall prepare and adopt criteria and~~
7 ~~procedures for evaluating applications for low interest loans and~~
8 ~~loan guarantees awarded pursuant to subdivision (c) of Section~~
9 ~~42102.~~

10 ~~42107. (a) The agency shall, before a loan commitment is~~
11 ~~issued, approve the project to be funded.~~

12 ~~(b) The agency shall publicize and promote the availability of~~
13 ~~loan assistance pursuant to this section. and associations,~~
14 ~~environmental and community groups, and other interested~~
15 ~~parties.~~

16 *42102. The agency, in consultation with the Metal Plating*
17 *Task Force, shall do all of the following:*

18 *(a) Compile an inventory of metal plating facilities, using*
19 *existing databases and resources where feasible, including*
20 *information on the location of a facility, years in operation, the*
21 *type of plating, including, chrome, nickel, or aluminum, and*
22 *compliance history.*

23 *(b) Facilitate efforts of state and local agencies to increase*
24 *inspection and enforcement activities at metal plating facilities.*
25 *This effort shall be consistent with the state's regulatory*
26 *requirements, including Rule 1469 of the South Coast Air Quality*
27 *Management District and other relevant regulations adopted by*
28 *the State Air Resources Board, air quality management districts,*
29 *and air pollution control districts.*

30 *(c) Improve coordination of enforcement and inspection among*
31 *regulatory agencies.*

32 *(d) (1) Establish a loan or a loan guarantee program, or both*
33 *programs, for chrome plating facilities subject to Rule 1469 of the*
34 *South Coast Air Quality Management District, or a comparable*
35 *rule in other air quality management districts and air pollution*
36 *control districts, for the purpose of demonstrating the application*
37 *of high performance environmental control technologies to the*
38 *metal plating industry, in accordance with Section 42106.*

39 *(2) In establishing the loan or loan guarantee program*
40 *pursuant to paragraph (1), the agency shall make every effort to*



1 *integrate and leverage existing financing mechanisms for this new*
2 *program, including the Treasurer's California Pollution Control*
3 *Financing Authority California Capital Access Program*
4 *(CalCAP), the Business, Transportation and Housing Agency's*
5 *financial development corporations' loan guarantee programs,*
6 *and the California Infrastructure and Economic Development*
7 *Bank (I-Bank)'s Revenue Bond program.*

8 *(e) Develop, disseminate, and pilot a protocol for onsite audits*
9 *of facility compliance and pollution prevention activities.*

10 *(f) Develop training programs and conduct outreach activities.*

11 *(g) Provide assistance to the State Air Resources Board to*
12 *adopt regulations for the siting of new chrome plating facilities*
13 *within the vicinity of residences or sensitive receptors, including*
14 *appropriate buffer zones to restrict the future siting of new chrome*
15 *plating facilities within the vicinity of residences or sensitive*
16 *receptors.*

17 *(h) Develop recommendations for a long-term approach to*
18 *address the various environmental issues posed by the metal*
19 *plating industry, while preserving its economic vitality, including,*
20 *but not limited to, opportunities for relocation of facilities, closure*
21 *mitigation strategies, research and development of alternative*
22 *technologies, creation of a grant program and continuation of loan*
23 *and other financial assistance programs, assessment of various*
24 *fees, and mechanisms for financial assurance.*

25 *(i) On or before March 31, 2006, submit a report to the*
26 *Legislature. Prior to the release of this report, the agency shall*
27 *provide opportunity for public and stakeholder review and*
28 *comment.*

29 *42103. (a) There is hereby created, in the State Treasury, the*
30 *Chromium Pollution Prevention Fund, for the purpose of receiving*
31 *all of the following:*

32 *(1) Deposits of state, federal, or local government money, and*
33 *other public or private money for expenditure by the agency for the*
34 *purposes of this chapter.*

35 *(2) Repayments of loans or loan guarantees and interest and*
36 *late fees on those accounts.*

37 *(b) Notwithstanding Section 16305.7 of the Government Code,*
38 *all interest or other increments resulting from the investment of the*
39 *funds in the Chromium Pollution Prevention Fund pursuant to*
40 *Article 4 (commencing with Section 16470) of Chapter 3 of Part*



1 2 of Division 4 of Title 2 of the Government Code shall be deposited
2 in the Chromium Pollution Prevention Fund.

3 (c) All interest accruing on the interest payments from loan
4 applicants or interest earned on the funds in the Chromium
5 Pollution Prevention Fund shall be deposited into the Chromium
6 Pollution Prevention Fund.

7 (d) The money in the Chromium Pollution Prevention Fund
8 shall be expended by the agency, upon appropriation by the
9 Legislature, for the following purposes:

10 (1) To support task force activities.

11 (2) To make loans or loan guarantees pursuant to subdivision
12 (d) of Section 42102.

13 42106. (a) The agency shall prepare and adopt criteria and
14 procedures for evaluating applications for low interest loans and
15 loan guarantees awarded pursuant to subdivision (d) of Section
16 42102.

17 (b) The agency shall only make a loan or a loan guarantee only
18 available to a generator that is a small business that owns or
19 operates a chrome plating facility located in the South Coast Air
20 Quality Management District or in a district with a rule
21 comparable to Rule 1469 of that district.

22 42107. (a) The agency may delegate administration of the
23 loan or loan guarantee program to one of its boards, divisions, or
24 offices. The Secretary for Environmental Protection shall approve
25 all projects to be funded before a loan commitment is issued.

26 (b) On or before January 1, 2006, and every even year
27 thereafter, the agency shall submit a report to the Legislature
28 concerning the performance of the loan or loan guarantee
29 program established by this chapter, including the number and size
30 of loans made, characteristics of loan recipients, and the amount
31 of money spent on administering the program. Copies of the report
32 shall be submitted to the appropriate fiscal and policy committees
33 of the Legislature, and, upon request, to individual Members of the
34 Legislature.

35 42108. The agency may adopt regulations to implement this
36 chapter. The agency may adopt emergency regulations to
37 implement ~~this chapter~~ the loan program or loan guarantee
38 program, in accordance with Chapter 3.5 (commencing with
39 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
40 Code, and for the purposes of that chapter, including Section



1 11346.1 of the Government Code, the adoption of these
2 regulations is an emergency and shall be considered by the Office
3 of Administrative Law as necessary for the immediate
4 preservation of the public peace, health, and safety, and general
5 welfare. Notwithstanding Chapter 3.5 (commencing with Section
6 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
7 an emergency regulation adopted by the agency pursuant to this
8 section shall be filed with, but not repealed by, the Office of
9 Administrative Law, and shall remain in effect until revised by the
10 agency.

11 ~~42109. The Legislature finds and declares that the Regents of~~
12 ~~the University of California should provide appropriate assistance~~
13 ~~to the agency and the Metal Plating Task Force, including, but not~~
14 ~~limited to, faculty and researchers associated with the Center for~~
15 ~~Occupational and Environmental Health.~~

16 *42109. The Legislature requests that the University of*
17 *California assist the agency and the Metal Plating Task Force, as*
18 *appropriate, which may involve faculty and researcher expertise*
19 *from campuses and centers throughout the University of*
20 *California.*

