

**Assembly Bill No. 2838**

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Passed the Assembly August 28, 2006

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*Chief Clerk of the Assembly*

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Passed the Senate August 23, 2006

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

CHAPTER \_\_\_\_\_

An act to add and repeal Chapter 10 (commencing with Section 31500) of Division 21 of the Public Resources Code, and to add and repeal Sections 9250.25 and 9250.26 of the Vehicle Code, relating to coastal resources.

LEGISLATIVE COUNSEL’S DIGEST

AB 2838, Pavley. Coastal Environment Motor Vehicle Mitigation Program.

Existing law establishes the State Coastal Conservancy with prescribed powers and responsibilities for implementing a program of agricultural land protection, area restoration, and resource enhancement within the coastal zone, as defined. Under existing law, the conservancy is authorized to provide grants to local public agencies and nonprofit organizations. Existing law authorizes the Department of Motor Vehicles, if requested by a county air pollution control district, air quality management district, or unified regional air pollution control district to collect specified fees upon the registration or renewal of registration of any motor vehicle registered in the district, except as provided, to be used for the reduction of air pollution from motor vehicles, as specified.

This bill would establish the Coastal Environment Motor Vehicle Mitigation Program, which, until January 1, 2020, would authorize the conservancy to request that the Department of Motor Vehicles collect a fee of up to \$6 upon the registration or renewal of registration of every motor vehicle registered in an eligible county that elects to participate in the program, as provided. The bill would create the Coastal Environment Motor Vehicle Mitigation Account in the State Coastal Conservancy Fund of 1984, for the purpose of receiving and disbursing funds derived from those fees collected by the Department of Motor Vehicles. The bill would require that all appropriations of funds deposited in the account only be used for specified program purposes, and be included in a section of the annual Budget Act for each fiscal year for consideration by the Legislature. The bill would prohibit the expenditure of funds derived from the account

unless the appropriation is contained in that section of the Budget Act.

The bill would authorize the conservancy, and the counties to which a specified percentage of the fee revenues would be transferred, to expend the moneys in the account for specified purposes related to the implementation and funding of projects and grants intended to prevent, reduce, remediate, or mitigate the adverse environmental effects of motor vehicles and their associated facilities and infrastructure, as provided. The bill would prohibit the expenditure of moneys in the account in any county that does not elect to participate in the program. The bill would require the conservancy to consult with each participating county on proposed projects. The bill would also require the conservancy and each county that participates in the program, as applicable, to, at least once every 2 years, each undertake an audit of projects and grants expended in that county or for which that county is responsible, and that are funded, in whole or in part, by moneys from the account.

This bill would prohibit a county whose board of supervisors is authorized to adopt a fee pursuant to the program from adopting that fee, if the county's local transportation commission has adopted a fee for traffic congestion and environmental mitigation purposes pursuant to other provisions. The bill would also prohibit a county's local transportation commission from adopting a fee for traffic congestion and environmental mitigation purposes, if the county's board of supervisors has adopted a fee pursuant to the program to be established by this bill.

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

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

(a) The California coast and the San Francisco Bay comprise an extraordinary and environmentally precious area that faces unique environmental challenges as a direct result of population growth and the attendant rise in the number of motor vehicles and their related facilities and infrastructure.

(b) Nearly 20 million motor vehicles are currently registered in the counties adjacent to the Pacific Ocean and San Francisco

Bay, and an extensive network of streets, highways, bridges, and associated infrastructure has been constructed to accommodate these vehicles.

(c) Motor vehicles and their associated facilities and infrastructure, including, but not limited to, highways, streets, roads, and parking lots contribute to a variety of adverse consequences to the inland, coastal, bay, and ocean environment of California's coast and San Francisco Bay Area counties, affecting significant state resources, including, but not limited to, the quality of land and water habitat, urban and rural streams, riparian areas and watersheds, recreation, bays, wetlands, beaches, and the ocean, and impact the health of humans, fish, and wildlife.

(d) A fee not exceeding six dollars (\$6) should be imposed upon the registration or registration renewal of every motor vehicle registered in a county that elects to participate in the program established pursuant to Chapter 10 (commencing with Section 31500) of Division 21 of the Public Resources Code. The imposition of this fee is fair and reasonable in relation to the adverse environmental impacts imposed by motor vehicles and their associated facilities and infrastructure, given that there is no existing fee that serves the same purposes of that fee; the cost of remedying these environmental impacts is significantly greater than the amount of revenues that would be raised by that fee; and substantial revenues from nonmotor vehicle fees and taxes, the sale and issuance of state bonds, the imposition of civil penalties for violations of specified statutes, and private donations are also being expended pursuant to other provisions for these purposes.

(e) A fee imposed upon the registration or registration renewal of every motor vehicle registered in an eligible county participating in the program established pursuant to Chapter 10 (commencing with Section 31500) of Division 21 of the Public Resources Code would be used to remedy the environmental impacts caused by motor vehicles and their associated facilities and infrastructure, and would not result in the imposition of a tax within the meaning of Article XIII A of the California Constitution because the amount and nature of the fee would have a fair and reasonable relationship to those environmental impacts, and there is a sufficient nexus between the imposition of the fee and the use of revenues from the fee to support the

prevention, reduction, remediation, and mitigation of the adverse water quality and other environmental impacts caused by motor vehicles.

SEC. 2. Chapter 10 (commencing with Section 31500) is added to Division 21 of the Public Resources Code, to read:

CHAPTER 10. COASTAL ENVIRONMENT MOTOR VEHICLE  
MITIGATION PROGRAM

31500. (a) (1) The Coastal Environment Motor Vehicle Mitigation Account is hereby created in the State Coastal Conservancy Fund of 1984, established pursuant to Section 5096.258, for the purposes of receiving and disbursing funds derived from fees collected by the Department of Motor Vehicles pursuant to Section 9250.25 of the Vehicle Code. All appropriations of funds deposited in the Coastal Environment Motor Vehicle Mitigation Account shall only be used for the purposes specified in Section 31510, and shall be included in a section of the annual Budget Act for each fiscal year for consideration by the Legislature. Each such appropriation shall bear the heading "Coastal Environment Motor Vehicle Mitigation Account." No funds derived from the account shall be expended unless the appropriation is contained in that section of the Budget Act.

(2) The conservancy annually shall transfer, to each county that has elected to participate in the program pursuant to subdivision (c), 30 percent of the balance of the funds collected from fees imposed pursuant to Section 9250.25 of the Vehicle Code that are deposited into that account that are generated by that participating county. These counties may use these revenues for the purposes, and subject to the conditions, described in Section 31510.

(b) The conservancy is not required to undertake any activities pursuant to this chapter until the time that funds generated through this program are appropriated by the Legislature.

(c) The conservancy may request that the Department of Motor Vehicles collect a fee of up to six dollars (\$6) upon the registration or renewal of registration of every motor vehicle registered in each eligible county that elects to participate in the program established by this chapter. Pursuant to the procedures

set forth in Section 9250.25 of the Vehicle Code, the Department of Motor Vehicles may begin collection only after five or more eligible counties elect to participate. Eligible counties include those counties that are, in whole or in part, within the jurisdiction of the conservancy, including the Counties of Alameda, Contra Costa, Del Norte, Humboldt, Los Angeles, Marin, Mendocino, Monterey, Napa, Orange, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura. A county may elect to participate in the program upon the adoption of a resolution by a majority vote of the membership of its board of supervisors. If the amount of fees collected by the Department of Motor Vehicles exceeds the reasonable cost of fulfilling the purposes of this section as determined by the conservancy or any participating county pursuant to an audit conducted in accordance with Section 31530, the conservancy shall request a reduced fee level to be collected by the Department of Motor Vehicles in the subsequent fiscal year.

31510. (a) The funds deposited in the Coastal Environment Motor Vehicle Mitigation Account may be used only for the purposes of administering and funding projects and grants that prevent, reduce, remediate, or mitigate the adverse environmental effects of motor vehicles and their associated facilities and infrastructure, consistent with Section 2 of Article XIX of the California Constitution. The requirements of Section 31520 shall apply to all funds expended pursuant to this chapter.

(b) Up to 5 percent of the funds deposited into the Coastal Environment Motor Vehicle Mitigation Account, and retained by the conservancy, may be used to reimburse the conservancy for administrative costs incurred by the conservancy in implementing and administering this chapter. Not more than 5 percent of the funds transferred to each participating county may be used for administrative costs incurred by the county in implementing and administering this chapter.

(c) Funds from the Coastal Environment Motor Vehicle Mitigation Account may not be used to fund any part of a project or activity required to satisfy a condition imposed by a permit, license, certificate, or other entitlement that is not issued primarily for the purposes described in this chapter. A permit, license, certificate, or entitlement required for a project funded,

in whole or in part, from funds in the account, shall be issued by one or more public agencies, and may include, but is not limited to, the mitigation of significant effects on the environment of a project pursuant to an approved environmental impact report or mitigated negative declaration required pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000)). Funds from the account may also be used to support public projects or activities that are included in the implementation measures of a Municipal Storm Water National Pollutant Discharge Elimination System Permit held by a public agency.

(d) Priority shall be given to those projects and grants that accomplish the purposes of this chapter through the long-term protection and restoration of natural resources and natural systems affected by motor vehicles and their associated facilities and infrastructure, or the long-term reduction in the level of environmental effects generated by motor vehicles and their associated facilities and infrastructure.

(e) The conservancy shall consult with each participating county on proposed projects.

(f) To the extent feasible, the services of the California Conservation Corps, certified local conservation corps, as defined in Section 14507.5, and any nonprofit organization that the administering entity of one of the corps determines has the relevant and demonstrated capacity and expertise, shall be utilized to carry out the purposes of this section.

(g) Before making funds available for a grant or project pursuant to this section, the conservancy or a participating county, as appropriate, shall make findings that the expenditure of funds is consistent with the requirements of this chapter.

31520. (a) Notwithstanding Section 31006, funds in the Coastal Environment Motor Vehicle Mitigation Account shall be expended for projects within those counties that elect to participate in the program pursuant to subdivision (c) of Section 31500. A project may be done anywhere in the county consistent with the requirements of this chapter. Funds in the Coastal Environment Motor Vehicle Mitigation Account may not be expended in a county that does not elect to participate in the program pursuant to Section 31500. No funds in the Coastal Environment Motor Vehicle Mitigation Account may be

transferred pursuant to Section 2796 of the Fish and Game Code, or used to offset a reduction in any other source of funds for the purposes authorized under this chapter.

(b) Funds shall be expended by the conservancy for projects and grants in a manner that, over any two consecutive two-year periods, pursuant to the audit required by Section 31530, benefits to the county are proportional to the revenues collected in each participating county pursuant to Section 9250.25 of the Vehicle Code for vehicles registered in that county.

(c) Priority shall be given to projects that directly benefit communities that are disproportionately affected by the adverse environmental effects of motor vehicles and their associated facilities and infrastructure. Grants may be given for this purpose to the California Conservation Corps or nonprofit community organizations, including, but not limited to, local conservation corps that have a demonstrated commitment to natural resource conservation in these communities.

31530. The conservancy and each county that participates in the program shall, at least once every two years, each undertake an audit of the program of projects and grants expended in that county or for which that county is responsible, and that are funded, in whole or in part, by moneys from the Coastal Environment Motor Vehicle Mitigation Account. The audit shall, at a minimum, evaluate the degree to which resources adversely impacted by motor vehicles and motor vehicle-related facilities and infrastructure have been protected, restored, remediated, or rehabilitated, or to which the impacts on those resources have been reduced, the level of matching funds obtained, and the distribution of funds and projected benefits, by county. The findings of the audits shall be compiled and made available by the conservancy to the Legislature, participating counties, other interested agencies, and the public.

31531. This chapter shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

SEC. 3. Section 9250.25 is added to the Vehicle Code, to read:

9250.25. (a) (1) In addition to any fees specified in this code and the Revenue and Taxation Code, upon the adoption of a

resolution by any county board of supervisors, and if requested by the State Coastal Conservancy pursuant to Section 31500 of the Public Resources Code, the department shall collect a fee of up to six dollars (\$6), to be paid upon the registration or renewal of registration of every motor vehicle registered to an address within that county, except those expressly exempted from payment of registration fees. The fees, after deduction of the administrative costs incurred by the department in carrying out this section, shall be remitted to the State Treasurer for deposit into the Coastal Environmental Motor Vehicle Mitigation Account.

(2) A resolution adopted by a county board of supervisors pursuant to paragraph (1) shall provide that the authority to collect the fee pursuant to this section expires on or before January 1, 2020.

(b) (1) A fee collected by the department under this article shall be initiated according to the following schedule, consistent with subdivision (a) of Section 1661:

(A) A request to collect the fee received by the department by October 1 shall be invoiced on vehicle registration billing notices mailed on or after January 1 of the following year for vehicles having a registration date of April 1 or later.

(B) A request to collect the fee received by the department by April 1 shall be invoiced on vehicle registration billing notices on or after July 1 for vehicles having a registration date of October 1 or later.

(2) The fee shall be included by the department in any fee statement or notice as part of its designation of county or district fees.

(c) After deducting necessary and reasonable costs incurred by the department pursuant to this section, not to exceed 5 percent of the amount collected, the department shall remit the balance of the revenues received pursuant to this section State Treasurer for deposit in the Coastal Environment Motor Vehicle Mitigation Account, established pursuant to paragraph (1) of subdivision (a) of Section 31500 of the Public Resources Code. The department shall, upon remittance, notify the State Coastal Conservancy, and any participating county of the total amount remitted from each participating county.

(d) The State Coastal Conservancy shall pay for the initial setup and programming costs identified by the department through a direct contract with the department. Any direct contract payment by the State Coastal Conservancy shall be repaid, with restriction on the funds, to the State Coastal Conservancy as part of the initial revenues distributed. Regular department collection costs shall be in accordance with subdivision (c).

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

SEC. 4. Section 9250.26 is added to the Vehicle Code, to read:

9250.26. (a) This section shall apply to a county whose board of supervisors is authorized to adopt a fee for environmental remediation purposes pursuant to Section 9250.25 and whose local transportation commission is authorized to adopt a fee for traffic congestion and environmental mitigation purposes pursuant to Section 9250.4.

(b) A county board of supervisors shall not adopt a fee pursuant to Section 9250.25, if the county's local transportation commission has adopted a fee pursuant to Section 9250.4.

(c) A county's local transportation commission shall not adopt a fee pursuant to Section 9250.4, if the county board of supervisors has adopted a fee pursuant to Section 9250.25.

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

SEC. 5. Section 4 of this bill shall only become operative if both of the following occurs:

(a) Assembly Bill 2444 is enacted and becomes effective on or before January 1, 2007.

(b) Assembly Bill 2444 adds Section 9250.4 to the Vehicle Code.











Approved \_\_\_\_\_, 2006

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*Governor*