

AMENDED IN SENATE APRIL 21, 2005

AMENDED IN SENATE MARCH 29, 2005

**SENATE BILL**

**No. 658**

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**Introduced by Senator Kuehl**

February 22, 2005

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An act to ~~amend Section 31012 of, and to add and repeal Chapter 10 (commencing with Section 31500) of Division 21 of, the Public Resources Code, and to add and repeal Section ~~9250.20~~ 9250.25 of the Vehicle Code, relating to coastal resources, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 658, as amended, Kuehl. 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 ~~Coastal Trust~~ *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 ~~provide that funds in the account shall be continuously appropriated, without regard to fiscal year, to the conservancy for the purposes of the program~~ *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~~

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 money in the account in any county that does not elect to participate in the program. The bill would also require the conservancy and each county that participates in the program, as applicable, to, at least once every 2 years, jointly 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.

Vote: majority. Appropriation: ~~yes~~*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 coast and the San Francisco Bay comprise
- 4 an extraordinary and environmentally precious area that faces
- 5 unique environmental challenges as a direct result of population
- 6 growth and the attendant rise in the number of motor vehicles
- 7 and their related facilities and infrastructure.

1 (b) Nearly 20 million motor vehicles are currently registered  
2 in the counties adjacent to the Pacific Ocean and San Francisco  
3 Bay, and an extensive network of streets, highways, bridges, and  
4 associated infrastructure has been constructed to accommodate  
5 these vehicles.

6 (c) Motor vehicles and their associated facilities and  
7 infrastructure, including, but not limited to, highways, streets,  
8 roads, and parking lots, contribute to a variety of adverse  
9 consequences to the coastal, bay, and ocean environment of  
10 California, which affects significant state resources, including,  
11 but not limited to, river, bay, and ocean water quality, wetlands,  
12 fish and wildlife habitat, coastal beaches, and the health of  
13 humans, fish, and wildlife.

14 (d) A fee not exceeding six dollars (\$6) should be imposed  
15 upon the registration or registration renewal of every motor  
16 vehicle registered in a county that elects to participate in the  
17 program established pursuant to Chapter 10 (commencing with  
18 Section 31500) of Division 21 of the Public Resources Code. The  
19 imposition of this fee is fair and reasonable in relation to the  
20 adverse environmental impacts imposed by motor vehicles and  
21 their associated facilities and infrastructure, given that the cost of  
22 remedying these environmental impacts is significantly greater  
23 than the amount of revenues that would be raised by that fee, and  
24 substantial revenues from nonmotor vehicle fees and taxes, the  
25 sale and issuance of state bonds, the imposition of civil penalties  
26 for violations of specified statutes, and private donations are also  
27 being expended pursuant to other provisions for these purposes.

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

1 water quality and other environmental impacts caused by motor  
2 vehicles.

3 ~~SEC. 2. Section 31012 of the Public Resources Code is~~  
4 ~~amended to read:~~

5 ~~31012. (a) The Coastal Trust Fund is hereby established in~~  
6 ~~the State Treasury, to receive and disburse funds paid to the~~  
7 ~~conservancy in trust, subject to the right of recovery to fulfill the~~  
8 ~~purposes of the trust, as provided in this section.~~

9 ~~(b) (1) There is in the Coastal Trust Fund the San Francisco~~  
10 ~~Bay Area Conservancy Program Account, which shall be~~  
11 ~~expended solely for the purposes of Chapter 4.5 (commencing~~  
12 ~~with Section 31160).~~

13 ~~(2) The conservancy shall deposit in the San Francisco Bay~~  
14 ~~Area Conservancy Program Account all funds received by the~~  
15 ~~conservancy for the purposes of the San Francisco Bay Area~~  
16 ~~Conservancy Program established under Chapter 4.5~~  
17 ~~(commencing with Section 31160), from sources other than the~~  
18 ~~state or federal government and not provided for in subdivision~~  
19 ~~(a) of Section 31164. These funds include, but are not limited to,~~  
20 ~~private donations, fees, penalties, and local government~~  
21 ~~contributions.~~

22 ~~(c) (1) There is in the Coastal Trust Fund the Coastal Program~~  
23 ~~Account. Funds in the Coastal Program Account shall be~~  
24 ~~expended solely for their specified trust purposes.~~

25 ~~(2) Upon approval of the Department of Finance, the~~  
26 ~~conservancy shall deposit in the Coastal Program Account all~~  
27 ~~funds paid to the conservancy in trust for purposes of this~~  
28 ~~division, except those funds identified in paragraph (2) of~~  
29 ~~subdivision (b), and those funds deposited in the Coastal~~  
30 ~~Environment Motor Vehicle Mitigation Account pursuant to~~  
31 ~~Section 31500. The funds that shall be deposited in the Coastal~~  
32 ~~Program Account, upon that approval, include, but are not~~  
33 ~~limited to, funds that are paid to the conservancy in trust for~~  
34 ~~purposes of mitigation, for settlement of litigation, instead of~~  
35 ~~other conditions of coastal development permits or other~~  
36 ~~regulatory entitlements, or for other trust purposes consistent~~  
37 ~~with this division and specified by the terms of a gift or contract.~~  
38 ~~Funds in the Coastal Program Account shall be separately~~  
39 ~~accounted for according to their source and trust purpose. Funds~~

1 may not be deposited in the Coastal Program Account without  
2 the Department of Finance’s approval.

3 ~~(d) Interest that accrues on funds in the Coastal Trust Fund~~  
4 ~~shall be retained in the Coastal Trust Fund and available for~~  
5 ~~expenditure by the conservancy for the trust purposes.~~

6 ~~(e) The conservancy shall maintain separate accountings of~~  
7 ~~funds within the Coastal Trust Fund, pursuant to its fiduciary~~  
8 ~~duties, for the purpose of separating deposits and interest on~~  
9 ~~those deposits, according to their trust purposes.~~

10 ~~(f) Notwithstanding Section 13340 of the Government Code,~~  
11 ~~all funds in the Coastal Trust Fund are continuously~~  
12 ~~appropriated, without regard to fiscal year, to the conservancy to~~  
13 ~~fulfill the trust purposes for which the payments of funds were~~  
14 ~~made.~~

15 ~~(g) The conservancy shall provide an annual accounting to the~~  
16 ~~Department of Finance of the conservancy’s expenditures from,~~  
17 ~~and other activities related to, the Coastal Trust Fund.~~

18 ~~SEC. 3.~~

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

21

22 CHAPTER 10. COASTAL ENVIRONMENT MOTOR VEHICLE  
23 MITIGATION PROGRAM  
24

25 31500. (a) (1) The Coastal Environment Motor Vehicle  
26 Mitigation Account is hereby created in the ~~Coastal Trust Fund~~  
27 ~~established pursuant to Section 31012 *State Coastal Conservancy*~~  
28 ~~*Fund of 1984, established pursuant to Section 5096.258,*~~ for the  
29 purpose of receiving and disbursing funds derived from fees  
30 collected by the Department of Motor Vehicles pursuant to  
31 ~~Section 9250.20 9250.25 of the Vehicle Code. Notwithstanding~~  
32 ~~Section 13340 of the Government Code, funds in this account are~~  
33 ~~continuously appropriated, without regard to fiscal year, to the~~  
34 ~~conservancy, for expenditure for the purposes specified in~~  
35 ~~Section 31510. Funds shall not be expended from this account for~~  
36 ~~an activity that would require a legal commitment of state funds~~  
37 ~~on or after January 1, 2020. All reimbursements, proceeds of~~  
38 ~~sale, or other money received by the conservancy as a result of~~  
39 ~~expenditures from this account shall be redeposited in this~~  
40 ~~account. *All appropriations of funds deposited in the Coastal*~~

1 *Environment Motor Vehicle Mitigation Account shall only be*  
2 *used for the purposes specified in Section 31510, and shall be*  
3 *included in a section of the annual Budget Act for each fiscal*  
4 *year for consideration by the Legislature. Each such*  
5 *appropriation shall bear the heading “Coastal Environment*  
6 *Motor Vehicle Mitigation Account.” No funds derived from the*  
7 *account shall be expended unless the appropriation is contained*  
8 *in that section of the Budget Act.*

9 (2) The conservancy shall annually transfer, to each county  
10 that has elected to participate in the program pursuant to  
11 subdivision (c), 30 percent of the balance of the funds collected  
12 from fees imposed pursuant to Section ~~9250.20~~ 9250.25 of the  
13 Vehicle Code that are deposited into that account that are  
14 generated by that participating county. These counties may use  
15 these revenues for the purposes, and subject to the conditions,  
16 described in Section 31510.

17 (b) The conservancy is not required to undertake any activities  
18 pursuant to this chapter until the time that funds generated  
19 through this program are ~~deposited in the account~~ *appropriated*  
20 *by the Legislature.*

21 (c) The conservancy may request that the Department of  
22 Motor Vehicles collect a fee of up to six dollars (\$6) upon the  
23 registration or renewal of registration of every motor vehicle  
24 registered in each eligible county that elects to participate in the  
25 program established by this chapter. Pursuant to the procedures  
26 set forth in Section ~~9250.20~~ 9250.25 of the Vehicle Code, the  
27 Department of Motor Vehicles may begin collection only after  
28 five or more eligible counties elect to participate. Eligible  
29 counties include those counties that are, in whole or in part,  
30 within the jurisdiction of the conservancy, including the Counties  
31 of Alameda, Contra Costa, Del Norte, Humboldt, Los Angeles,  
32 Marin, Mendocino, Monterey, Napa, Orange, San Diego, San  
33 Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa  
34 Clara, Santa Cruz, Solano, Sonoma, and Ventura. A county may  
35 elect to participate in the program upon the adoption of a  
36 resolution by a majority vote of the membership of its board of  
37 supervisors. If the amount of fees collected by the Department of  
38 Motor Vehicles exceeds the reasonable cost of fulfilling the  
39 purposes of this section as determined by the conservancy or any  
40 participating county pursuant to an audit conducted in

1 accordance with Section 31530, the conservancy shall request a  
2 reduced fee level to be collected by the Department of Motor  
3 Vehicles in the subsequent fiscal year.

4 31510. (a) The funds deposited in the Coastal Environment  
5 Motor Vehicle Mitigation Account may ~~only~~ be used only for the  
6 purpose of administering and funding projects and grants that  
7 prevent, reduce, remediate, or mitigate the adverse environmental  
8 effects of motor vehicles and their associated facilities and  
9 infrastructure, consistent with Section 2 of Article XIX of the  
10 California Constitution. The requirements of Section 31520 shall  
11 apply to all funds expended pursuant to this chapter.

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

20 (c) Funds from the Coastal Environment Motor Vehicle  
21 Mitigation Account may not be used to fund any part of a project  
22 or activity required to satisfy a condition imposed by a permit,  
23 license, certificate, or other entitlement that is not issued  
24 primarily for the purposes described in this chapter. A permit,  
25 license, certificate, or entitlement required for a project funded,  
26 in whole or in part, from funds in the account, shall be issued by  
27 one or more public agencies, and may include, but is not limited  
28 to, the mitigation of significant effects on the environment of a  
29 project pursuant to an approved environmental impact report or  
30 mitigated negative declaration required pursuant to the California  
31 Environmental Quality Act (Division 13 (commencing with  
32 Section 21000)). Funds from the account may also be used to  
33 support public projects or activities that are included in the  
34 implementation measures of a ~~county's~~ Municipal Storm Water  
35 National Pollutant Discharge Elimination System Permit ~~issued~~  
36 ~~by a regional water quality control board~~ *held by a public*  
37 *agency.*

38 (d) Priority shall be given to those projects and grants that  
39 accomplish the purposes of this chapter through the long-term  
40 protection and restoration of natural resources and natural

1 systems affected by motor vehicles and their associated facilities  
2 and infrastructure, or the long-term reduction in the level of  
3 environmental effects generated by motor vehicles and their  
4 associated facilities and infrastructure.

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

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

16 31520. (a) Notwithstanding Section 31006, funds in the  
17 Coastal Environment Motor Vehicle Mitigation Account shall be  
18 expended for ~~countywide projects~~ *projects countywide* within  
19 those counties that elect to participate in the program pursuant to  
20 subdivision (c) of Section 31500. Funds in the Coastal  
21 Environment Motor Vehicle Mitigation Account may not be  
22 expended in a county that does not elect to participate in the  
23 program pursuant to Section 31500. No funds in the Coastal  
24 Environment Motor Vehicle Mitigation Account may be  
25 transferred pursuant to Section 2796 of the Fish and Game Code,  
26 or used to offset a reduction in any other source of funds for the  
27 purposes authorized under this chapter.

28 (b) Funds shall be expended by the conservancy for projects  
29 and grants in a manner that, over any two consecutive two-year  
30 periods, as determined in accordance with the audit required by  
31 Section 31530, is proportional to the revenues collected in each  
32 participating county pursuant to Section ~~9250.20~~ *9250.25* of the  
33 Vehicle Code for vehicles registered in that county.

34 31530. The conservancy and each county that participates in  
35 the program shall, at least once every two years, jointly  
36 undertake an audit of the program of projects and grants  
37 expended in that county or for which that county is responsible  
38 that are funded, in whole or in part, by moneys from the Coastal  
39 Environment Motor Vehicle Mitigation Account. The audit shall,  
40 at a minimum, evaluate the degree to which resources adversely

1 impacted by motor vehicles and motor vehicle-related facilities  
2 and infrastructure have been protected, restored, remediated,  
3 reduced or rehabilitated, the level of matching funds obtained,  
4 and the distribution of funds and projected benefits, by county.  
5 The findings of the audit shall be made available *by the*  
6 *conservancy* to the Legislature, participating counties, other  
7 interested agencies, and the public.

8 31531. This chapter shall remain in effect only until January  
9 1, 2020, and as of that date is repealed, unless a later enacted  
10 statute, that is enacted before January 1, 2020, deletes or extends  
11 that date.

12 SEC. 4. Section ~~9250.20~~ 9250.25 is added to the Vehicle  
13 Code, to read:

14 ~~9250.20.~~

15 9250.25. (a) In addition to any fees specified in this code and  
16 the Revenue and Taxation Code, upon the adoption of a  
17 resolution by any county board of supervisors, and if requested  
18 by the State Coastal Conservancy pursuant to Section 31500 of  
19 the Public Resources Code, the department shall collect a fee of  
20 up to six dollars (\$6), to be paid upon the registration or renewal  
21 of registration of every motor vehicle registered to an address  
22 within that county, except those expressly exempted from  
23 payment of registration fees. The fees, after deduction of the  
24 administrative costs incurred by the department in carrying out  
25 this section, shall be paid quarterly to the Controller. The  
26 department shall begin collecting the fee in each county on the  
27 January 1 immediately following the date the department  
28 receives the request to do so from the State Coastal Conservancy.  
29 The fee shall be included by the department in any fee statement  
30 or notice as part of its designation of county or district fees.

31 (b) After deducting ~~for the~~ necessary and reasonable costs  
32 incurred by the department pursuant to this section up to one-half  
33 cent (\$0.005) for every registration transaction, including the  
34 department's initial costs incurred to impose and collect the fee  
35 in each county, the department shall remit the balance of the  
36 revenues received pursuant to this section to the Controller.  
37 Except as provided in subdivision (c), the Controller shall deposit  
38 those revenues in the Coastal Environment Motor Vehicle  
39 Mitigation Account, established pursuant to paragraph (1) of  
40 subdivision (a) of Section 31500 of the Public Resources Code.

1 The department shall, upon remittance, notify the Controller, the  
2 State Coastal Conservancy, and any participating county of the  
3 total amount remitted from each participating county.

4 (c) Notwithstanding Section 13340 of the Government Code,  
5 of the money paid to the Controller there is continuously  
6 appropriated to the Controller pursuant to subdivision (b),  
7 without regard to fiscal years, the amount necessary to pay for  
8 the administrative costs of the Controller in administering this  
9 section.

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