

AMENDED IN SENATE MAY 27, 2005  
AMENDED IN SENATE APRIL 21, 2005  
AMENDED IN SENATE MARCH 29, 2005

**SENATE BILL**

**No. 658**

---

---

**Introduced by Senator Kuehl**

***(Coauthors: Senators Chesbro and Kehoe)***

*(Coauthors: Assembly Members Chan, Hancock, Klehs, Nation, and Pavley)*

February 22, 2005

---

---

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 Section 9250.25 of the Vehicle Code, relating to coastal resources.

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

5

6 CHAPTER 10. COASTAL ENVIRONMENT MOTOR VEHICLE

7 MITIGATION PROGRAM

8

9 31500. (a) (1) The Coastal Environment Motor Vehicle  
10 Mitigation Account is hereby created in the State Coastal  
11 Conservancy Fund of 1984, established pursuant to Section  
12 5096.258, for the purpose of receiving and disbursing funds  
13 derived from fees collected by the Department of Motor Vehicles  
14 pursuant to Section 9250.25 of the Vehicle Code. All  
15 appropriations of funds deposited in the Coastal Environment  
16 Motor Vehicle Mitigation Account shall only be used for the  
17 purposes specified in Section 31510, and shall be included in a  
18 section of the annual Budget Act for each fiscal year for  
19 consideration by the Legislature. Each such appropriation shall  
20 bear the heading "Coastal Environment Motor Vehicle  
21 Mitigation Account." No funds derived from the account shall be  
22 expended unless the appropriation is contained in that section of  
23 the Budget Act.

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

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

35 (c) The conservancy may request that the Department of  
36 Motor Vehicles collect a fee of up to six dollars (\$6) upon the  
37 registration or renewal of registration of every motor vehicle  
38 registered in each eligible county that elects to participate in the  
39 program established by this chapter. Pursuant to the procedures  
40 set forth in Section 9250.25 of the Vehicle Code, the Department

1 of Motor Vehicles may begin collection only after five or more  
2 eligible counties elect to participate. Eligible counties include  
3 those counties that are, in whole or in part, within the jurisdiction  
4 of the conservancy, including the Counties of Alameda, Contra  
5 Costa, Del Norte, Humboldt, Los Angeles, Marin, Mendocino,  
6 Monterey, Napa, Orange, San Diego, San Francisco, San Luis  
7 Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz,  
8 Solano, Sonoma, and Ventura. A county may elect to participate  
9 in the program upon the adoption of a resolution by a majority  
10 vote of the membership of its board of supervisors. If the amount  
11 of fees collected by the Department of Motor Vehicles exceeds  
12 the reasonable cost of fulfilling the purposes of this section as  
13 determined by the conservancy or any participating county  
14 pursuant to an audit conducted in accordance with Section  
15 31530, the conservancy shall request a reduced fee level to be  
16 collected by the Department of Motor Vehicles in the subsequent  
17 fiscal year.

18 31510. (a) The funds deposited in the Coastal Environment  
19 Motor Vehicle Mitigation Account may be used only for the  
20 purpose of administering and funding projects and grants that  
21 prevent, reduce, remediate, or mitigate the adverse environmental  
22 effects of motor vehicles and their associated facilities and  
23 infrastructure, consistent with Section 2 of Article XIX of the  
24 California Constitution. The requirements of Section 31520 shall  
25 apply to all funds expended pursuant to this chapter.

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

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

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

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

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

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

28 31520. (a) Notwithstanding Section 31006, funds in the  
29 Coastal Environment Motor Vehicle Mitigation Account shall be  
30 expended for projects countywide within those counties that elect  
31 to participate in the program pursuant to subdivision (c) of  
32 Section 31500. Funds in the Coastal Environment Motor Vehicle  
33 Mitigation Account may not be expended in a county that does  
34 not elect to participate in the program pursuant to Section 31500.  
35 No funds in the Coastal Environment Motor Vehicle Mitigation  
36 Account may be transferred pursuant to Section 2796 of the Fish  
37 and Game Code, or used to offset a reduction in any other source  
38 of funds for the purposes authorized under this chapter.

39 (b) Funds shall be expended by the conservancy for projects  
40 and grants in a manner that, over any two consecutive two-year

1 periods, as determined in accordance with the audit required by  
2 Section 31530, is proportional to the revenues collected in each  
3 participating county pursuant to Section 9250.25 of the Vehicle  
4 Code for vehicles registered in that county.

5 31530. The conservancy and each county that participates in  
6 the program shall, at least once every two years, jointly  
7 undertake an audit of the program of projects and grants  
8 expended in that county or for which that county is responsible  
9 that are funded, in whole or in part, by moneys from the Coastal  
10 Environment Motor Vehicle Mitigation Account. The audit shall,  
11 at a minimum, evaluate the degree to which resources adversely  
12 impacted by motor vehicles and motor vehicle-related facilities  
13 and infrastructure have been protected, restored, remediated,  
14 ~~reduced or rehabilitated~~ *or rehabilitated, or to which the impacts*  
15 *on those resources have been reduced*, the level of matching  
16 funds obtained, and the distribution of funds and projected  
17 benefits, by county. The findings of the audit shall be made  
18 available by the conservancy to the Legislature, participating  
19 counties, other interested agencies, and the public.

20 31531. This chapter shall remain in effect only until January  
21 1, 2020, and as of that date is repealed, unless a later enacted  
22 statute, that is enacted before January 1, 2020, deletes or extends  
23 that date.

24 ~~SEC. 4.—~~

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

27 9250.25. (a) In addition to any fees specified in this code and  
28 the Revenue and Taxation Code, upon the adoption of a  
29 resolution by any county board of supervisors, and if requested  
30 by the State Coastal Conservancy pursuant to Section 31500 of  
31 the Public Resources Code, the department shall collect a fee of  
32 up to six dollars (\$6), to be paid upon the registration or renewal  
33 of registration of every motor vehicle registered to an address  
34 within that county, except those expressly exempted from  
35 payment of registration fees. The fees, after deduction of the  
36 administrative costs incurred by the department in carrying out  
37 this section, shall be paid quarterly to the Controller. ~~The~~  
38 ~~department shall begin collecting the fee in each county on the~~  
39 ~~January 1 immediately following the date the department~~

1 receives the request to do so from the State Coastal Conservancy.

2 The

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

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

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

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

17 ~~(b)~~

18 (c) After deducting necessary and reasonable costs incurred by  
19 the department pursuant to this section up to one-half cent  
20 (\$0.005) for every registration transaction, including the  
21 department’s initial costs incurred to impose and collect the fee  
22 in each county, the department shall remit the balance of the  
23 revenues received pursuant to this section to the Controller.  
24 Except as provided in subdivision ~~(e)~~ (d), the Controller shall  
25 deposit those revenues in the Coastal Environment Motor  
26 Vehicle Mitigation Account, established pursuant to paragraph  
27 (1) of subdivision (a) of Section 31500 of the Public Resources  
28 Code. The department shall, upon remittance, notify the  
29 Controller, the State Coastal Conservancy, and any participating  
30 county of the total amount remitted from each participating  
31 county.

32 ~~(e)~~

33 (d) Notwithstanding Section 13340 of the Government Code,  
34 of the money paid to the Controller there is continuously  
35 appropriated to the Controller pursuant to subdivision (b),  
36 without regard to fiscal years, the amount necessary to pay for  
37 the administrative costs of the Controller in administering this  
38 section.

39 ~~(d)~~

1     *(e)* This section shall remain in effect only until January 1,  
2 2020, and as of that date is repealed, unless a later enacted  
3 statute, that is enacted before January 1, 2020, deletes or extends  
4 that date.

O