

AMENDED IN ASSEMBLY SEPTEMBER 2, 2005

AMENDED IN ASSEMBLY AUGUST 25, 2005

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

*(Principal coauthors: Assembly Members De La Torre, Montanez,
and Nation)*

(Coauthors: Senators Chesbro, Kehoe, and Torlakson)

*(Coauthors: Assembly Members Chan, Hancock, Klehs, Koretz,
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~~ *Sections 9250.25 and 9250.26* 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 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, except for funds continuously appropriated to the Controller for administrative costs.

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 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 bill would provide that these limitations be operative only if AB 1623 of the 2004-05 Regular Session is enacted and becomes effective on or before January 1, 2006.

Vote: majority. Appropriation: yes. 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.

8 (b) Nearly 20 million motor vehicles are currently registered
9 in the counties adjacent to the Pacific Ocean and San Francisco
10 Bay, and an extensive network of streets, highways, bridges, and
11 associated infrastructure has been constructed to accommodate
12 these vehicles.

13 (c) Motor vehicles and their associated facilities and
14 infrastructure, including, but not limited to, highways, streets,
15 roads, and parking lots, contribute to a variety of adverse
16 ~~consequences to the coastal, bay, and ocean environment of~~
17 ~~California, which affects significant state resources, including,~~
18 ~~but not limited to, river, bay, and ocean water quality, wetlands,~~
19 ~~fish and wildlife habitat, coastal beaches, and the health of~~
20 ~~humans, fish, and wildlife: consequences to the inland, coastal,~~
21 ~~bay, and ocean environment of California’s coastal and San~~
22 ~~Francisco Bay Area counties, affecting significant state~~
23 ~~resources, including, but not limited to, the quality of land and~~
24 ~~water habitat, urban and rural streams, riparian areas and~~
25 ~~watersheds, recreation, bays, wetlands, beaches, and the ocean,~~
26 ~~and impact the health of humans, fish, and wildlife.~~

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

16 (e) A fee imposed upon the registration or registration renewal
17 of every motor vehicle registered in an eligible county
18 participating in the program established pursuant to Chapter 10
19 (commencing with Section 31500) of Division 21 of the Public
20 Resources Code would be used to remedy the environmental
21 impacts caused by motor vehicles and their associated facilities
22 and infrastructure, and would not result in the imposition of a tax
23 within the meaning of Article XIII A of the California
24 Constitution because the amount and nature of the fee would
25 have a fair and reasonable relationship to those environmental
26 impacts, and there is a sufficient nexus between the imposition of
27 the fee and the use of revenues from the fee to support the
28 prevention, reduction, remediation, and mitigation of the adverse
29 water quality and other environmental impacts caused by motor
30 vehicles.

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

33

34 CHAPTER 10. COASTAL ENVIRONMENT MOTOR VEHICLE
35 MITIGATION PROGRAM

36

37 31500. (a) (1) The Coastal Environment Motor Vehicle
38 Mitigation Account is hereby created in the State Coastal
39 Conservancy Fund of 1984, established pursuant to Section
40 5096.258, for the purpose of receiving and disbursing funds

1 derived from fees collected by the Department of Motor Vehicles
2 pursuant to Section 9250.25 of the Vehicle Code. All
3 appropriations of funds deposited in the Coastal Environment
4 Motor Vehicle Mitigation Account shall only be used for the
5 purposes specified in Section 31510, and shall be included in a
6 section of the annual Budget Act for each fiscal year for
7 consideration by the Legislature. Each such appropriation shall
8 bear the heading “Coastal Environment Motor Vehicle
9 Mitigation Account.” No funds derived from the account shall be
10 expended unless the appropriation is contained in that section of
11 the Budget Act.

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

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

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

1 determined by the conservancy or any participating county
2 pursuant to an audit conducted in accordance with Section
3 31530, the conservancy shall request a reduced fee level to be
4 collected by the Department of Motor Vehicles in the subsequent
5 fiscal year.

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

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

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

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

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

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

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

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

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

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

38 (c) *Priority shall be given to projects that directly benefit*
39 *communities that are disproportionately affected by the adverse*
40 *environmental effects of motor vehicles and their associated*

1 *facilities and infrastructure. Grants may be given for this*
2 *purpose to the California Conservation Corps or nonprofit*
3 *community organizations, including, but not limited to, local*
4 *conservation corps that have a demonstrated commitment to*
5 *natural resource conservation in these communities.*

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

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

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.

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

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

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

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

12 (c) After deducting necessary and reasonable costs incurred by
13 the department pursuant to this section up to one-half cent
14 (\$0.005) for every registration transaction, including the
15 department's initial costs incurred to impose and collect the fee
16 in each county, the department shall remit the balance of the
17 revenues received pursuant to this section to the Controller.
18 Except as provided in subdivision (d), the Controller shall
19 deposit those revenues in the Coastal Environment Motor
20 Vehicle Mitigation Account, established pursuant to paragraph
21 (1) of subdivision (a) of Section 31500 of the Public Resources
22 Code. The department shall, upon remittance, notify the
23 Controller, the State Coastal Conservancy, and any participating
24 county of the total amount remitted from each participating
25 county.

26 (d) Notwithstanding Section 13340 of the Government Code,
27 of the money paid to the Controller there is continuously
28 appropriated to the Controller pursuant to subdivision (b),
29 without regard to fiscal years, the amount necessary to pay for
30 the administrative costs of the Controller in administering this
31 section.

32 (e) This section shall remain in effect only until January 1,
33 2020, and as of that date is repealed, unless a later enacted
34 statute, that is enacted before January 1, 2020, deletes or extends
35 that date.

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

38 *9250.26. (a) This section shall apply to a county whose*
39 *board of supervisors is authorized adopt a fee for environmental*
40 *remediation purposes pursuant to Section 9250.25 and whose*

1 *local transportation commission is authorized to adopt a fee for*
2 *traffic congestion and environmental mitigation purposes*
3 *pursuant to Section 9250.4.*

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

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

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

13 *SEC. 5. Section 4 of this act shall become operative only if*
14 *Assembly Bill 1623 is enacted and becomes effective on or before*
15 *January 1, 2006.*