

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY APRIL 17, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 118

Introduced by Assembly Member Nunez

January 9, 2007

An act to add Chapter 8.9 (commencing with Section 44270) to Part 5 of Division 26 of the Health and Safety Code, relating to fuels. An act to amend Section 16428.3 of the Government Code, to amend, repeal, and add Section 44060 of, and to add Chapter 8.9 (commencing with Section 44270) to Part 5 of Division 26 of, the Health and Safety Code, to add Section 25620.16 to the Public Resources Code, and to amend, repeal, and add Sections 9250, 9261, 9853, 14900, and 14900.1 of the Vehicle Code, relating to fuels.

LEGISLATIVE COUNSEL'S DIGEST

AB 118, as amended, Nunez. Alternative fuels and vehicle technologies: funding programs.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Under existing law, the state board, in conjunction with other state agencies, is required to develop and adopt a state plan to increase the use of alternative fuels, as defined.

This bill would create the Air Quality Improvement Program, *to be* administered by the state board, to fund air quality improvement

projects, upon appropriation by the Legislature, relating to fuel and vehicle technologies. The bill *would create the Air Quality Improvement Fund, and would require the state board to expend the moneys in that fund, upon appropriation by the Legislature, for eligible air quality improvement projects and programs.*

The bill would also create the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program, to be administered by the State Energy Resources Conservation and Development Commission, to provide, upon appropriation by the Legislature, grants and revolving loans to—state public agencies, California-based businesses, public-private partnerships, vehicle and technology consortia, and academic institutions to develop innovative technologies that transform California’s fuel and vehicle types. The commission would be required to establish an advisory body to develop investment strategies to help implement this program.

The bill would create the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Fund (Alternative Fund), and would require the commission to expend the moneys in the Alternative Fund, upon appropriation by the Legislature, for eligible projects under the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program. The bill would transfer to the Alternative Fund specified settlement funds in the amount of \$30,000,000, and would also transfer \$6,500,000 from the Motor Vehicle Account in the State Transportation Fund. The bill would require \$5,000,000 to be transferred annually to the Alternative Fund from the Public Interest Research, Development, and Demonstration Fund.

The bill, until January 1, 2016, would increase vehicle registration fees from \$31 to \$33, vessel registration fees from \$10 to \$20 and from \$20 to \$40, as applicable, specified service fees for identification plates from \$15 to \$20, and driver’s license fees from \$24 to \$25. The bill would require the additional revenue generated by those fee increases to be deposited in the Alternative Fund for the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Program. The bill, until January 1, 2016, would also increase smog abatement fees from \$12 to \$20, and would require half of the additional revenue generated by that fee increase to be deposited in the Air Quality Improvement Fund for the Air Quality Improvement Program and the other half of that additional revenue to be deposited in the Alternative Fund for the Alternative and Renewable Fuel, Vehicle Technology, Carbon Reduction, and Clean Air 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. The Legislature finds and declares all of the
2 following:
- 3 (a) The California Global Warming Solutions Act of 2006
4 (Division 25.5 (commencing with Section 38500) of the Health
5 and Safety Code) requires California to reduce statewide
6 greenhouse gas emissions to 1990 levels by 2020.
- 7 (b) The transportation sector is responsible for approximately
8 40 percent of statewide greenhouse gas emissions.
- 9 (c) The State Energy Resources Conservation and Development
10 Commission (Energy Commission) in its Integrated Energy Policy
11 Report recommends that alternative fuels comprise 20 percent of
12 on-road motor vehicle fuels by 2020.
- 13 (d) The State Air Resources Board is currently developing a
14 “low-carbon” fuel standard for transportation fuels to reduce the
15 carbon intensity of transportation fuels by 10 percent by 2020.
- 16 (e) The Energy Commission will adopt a state alternative fuel
17 implementation plan by June 30, 2007, to increase the use of
18 alternative transportation fuels by recommending policies and
19 financial incentives, and identifying barriers to alternative fuel
20 use.
- 21 (f) Investing in the development of innovative and pioneering
22 technologies will assist California in achieving the 2020 statewide
23 limit on emissions of greenhouse gases.
- 24 (g) Research, development, and commercialization of alternative
25 fuels and vehicle technologies in California have the potential to
26 strengthen California’s economy by providing job growth and
27 helping to reduce the state’s vulnerability to petroleum price
28 volatility.
- 29 (h) This act will provide ongoing funding for alternative fuel
30 and vehicle technology research, development, demonstration, and
31 deployment in order to advance the state’s leadership in clean
32 technologies, meet the state’s clean air and greenhouse gas
33 emission reduction standards, develop public-private partnerships,
34 and ensure *a an affordable, reliable fuel supply.*

1 (i) This act will ensure that research is conducted to evaluate
 2 the air quality impacts of alternative fuels and to establish clear
 3 criteria to prevent net increases in criteria air pollutants and air
 4 toxics.

5 (j) This act will be implemented in a manner to ensure the fair
 6 treatment of people of all races, cultures, and income levels,
 7 including minority populations and low-income populations of the
 8 state.

9 (k) This act will provide funding consistent with the California
 10 Global Warming Solutions Act of 2006, the Integrated Energy
 11 Policy Report, the plan adopted pursuant to Section 43866 of the
 12 Health and Safety Code, and other state goals and requirements.

13 *SEC. 2. Section 16428.3 of the Government Code is amended*
 14 *to read:*

15 16428.3. (a) ~~Any~~ *Except as provided in subdivision (b) of*
 16 *Section 44273 of the Health and Safety Code, any energy settlement*
 17 *agreement entered into by the Attorney General, after reimbursing*
 18 *the Attorney General’s litigation and investigation expenses, to*
 19 *the maximum extent possible, shall direct settlement funds to the*
 20 *following purposes in priority order:*

21 (1) To reduce ratepayer costs of those utility ratepayers harmed
 22 by the actions of the settling parties. To the extent the ratepayers
 23 of the investor-owned utilities were harmed, the settlement funds
 24 shall be directed to reduce their costs, to the maximum extent
 25 possible, through reduction of rates or the reduction of ratepayer
 26 debt obligations incurred as a result of the energy crisis.

27 (2) For deposit in the fund.

28 (b) Nothing in this article shall preclude nonmonetary
 29 compensation to the state through an energy settlement agreement,
 30 provided that the allocation of benefits from any nonmonetary
 31 compensation is consistent with paragraph (1) of subdivision (a).

32 *SEC. 3. Section 44060 of the Health and Safety Code is*
 33 *amended to read:*

34 44060. (a) The department shall prescribe the form of the
 35 certificate of compliance or noncompliance, repair cost waivers,
 36 and economic hardship extensions.

37 (b) The certificates, repair cost waivers, and economic hardship
 38 extensions shall be in the form of an electronic entry filed with the
 39 department, the Department of Motor Vehicles, and any other
 40 person designated by the department. The department shall ensure

1 that the motor vehicle owner or operator is provided with a written
2 report, signed by the licensed technician who performed the
3 inspection, of any test performed by a smog check station,
4 including a pass or fail indication, and written confirmation of the
5 issuance of the certificate.

6 (c) (1) The department shall charge a fee to a smog check
7 station, including a test-only station, and a station providing referee
8 functions, for a motor vehicle inspected at that station that meets
9 the requirements of this chapter and is issued a certificate of
10 compliance, a certificate of noncompliance, repair cost waiver, or
11 economic hardship extension.

12 (2) The fee charged pursuant to paragraph (1) shall be calculated
13 to recover the costs of the department and any other state agency
14 directly involved in the implementation, administration, or
15 enforcement of the motor vehicle inspection and maintenance
16 program, and shall not exceed the amount reasonably necessary
17 to fund the operation of the program, including all responsibilities,
18 requirements, and obligations imposed upon the department or
19 any of those state agencies by this chapter, that are not otherwise
20 recoverable by fees received pursuant to Section 44034.

21 (3) Except for adjustments to reflect changes in the Consumer
22 Price Index, as published by the United States Bureau of Labor
23 Statistics, the fee for each certificate, waiver, or extension shall
24 not exceed seven dollars (\$7).

25 (4) Fees collected by the department pursuant to this subdivision
26 shall be deposited in the Vehicle Inspection and Repair Fund. It
27 is the intent of the Legislature that a prudent surplus be maintained
28 in the Vehicle Inspection and Repair Fund.

29 (d) (1) Motor vehicles exempted under paragraph (4) of
30 subdivision (a) of Section 44011 shall be subject to an annual smog
31 abatement fee of ~~twelve dollars (\$12)~~ *twenty dollars (\$20)*. The
32 department may also, by regulation, subject motor vehicles that
33 are exempted under paragraph (5) of subdivision (a) of Section
34 44011 to the ~~twelve dollar (\$12)~~ *twenty dollars (\$20)* annual smog
35 abatement fee. Payment of the annual smog abatement fee shall
36 be made to the Department of Motor Vehicles at the time of
37 registration of the motor vehicle.

38 (2) (A) Except as provided in subdivision (a) of Section
39 44091.1 *and subparagraph (B)*, fees collected pursuant to this

1 subdivision shall be deposited on a daily basis into the Vehicle
2 Inspection and Repair Fund.

3 (B) (i) *Of the total amount of each fee collected pursuant to*
4 *paragraph (1), four dollars (\$4) shall be deposited into the Air*
5 *Quality Improvement Fund created by Section 44270.6.*

6 (ii) *Of the total amount of each fee collected pursuant to*
7 *paragraph (1), four dollars (\$4) shall be deposited into the*
8 *Alternative and Renewable Fuel, Vehicle Technology, Carbon*
9 *Reduction, and Clean Air Fund created by Section 44273.*

10 (e) The sale or transfer of the certificate, waiver, or extension
11 by a licensed smog check station or test-only station to any other
12 licensed smog check station or to any other person, and the
13 purchase or acquisition of the certificate, waiver, or extension, by
14 any person, other than from the department, the department's
15 designee, or pursuant to a vehicle's inspection or repair conducted
16 pursuant to this chapter, is prohibited.

17 (f) Following implementation of the electronic entry certificate
18 under subdivision (b), the department may require the modification
19 of the analyzers and other equipment required at smog check
20 stations to prevent the entry of a certificate that has not been issued
21 or validated through prepayment of the fee authorized by
22 subdivision (c).

23 (g) The fee charged by licensed smog check stations to
24 consumers for a certificate, waiver, or extension shall be the same
25 amount that is charged by the department.

26 (h) *This section shall remain in effect only until January 1, 2016,*
27 *and as of that date is repealed, unless a later enacted statute, that*
28 *is enacted before January 1, 2016, deletes or extends that date.*

29 SEC. 4. *Section 44060 is added to the Health and Safety Code,*
30 *to read:*

31 44060. (a) *The department shall prescribe the form of the*
32 *certificate of compliance or noncompliance, repair cost waivers,*
33 *and economic hardship extensions.*

34 (b) *The certificates, repair cost waivers, and economic hardship*
35 *extensions shall be in the form of an electronic entry filed with the*
36 *department, the Department of Motor Vehicles, and any other*
37 *person designated by the department. The department shall ensure*
38 *that the motor vehicle owner or operator is provided with a written*
39 *report, signed by the licensed technician who performed the*
40 *inspection, of any test performed by a smog check station, including*

1 a pass or fail indication, and written confirmation of the issuance
2 of the certificate.

3 (c) (1) The department shall charge a fee to a smog check
4 station, including a test-only station, and a station providing
5 referee functions, for a motor vehicle inspected at that station that
6 meets the requirements of this chapter and is issued a certificate
7 of compliance, a certificate of noncompliance, repair cost waiver,
8 or economic hardship extension.

9 (2) The fee charged pursuant to paragraph (1) shall be
10 calculated to recover the costs of the department and any other
11 state agency directly involved in the implementation,
12 administration, or enforcement of the motor vehicle inspection
13 and maintenance program, and shall not exceed the amount
14 reasonably necessary to fund the operation of the program,
15 including all responsibilities, requirements, and obligations
16 imposed upon the department or any of those state agencies by
17 this chapter, that are not otherwise recoverable by fees received
18 pursuant to Section 44034.

19 (3) Except for adjustments to reflect changes in the Consumer
20 Price Index, as published by the United States Bureau of Labor
21 Statistics, the fee for each certificate, waiver, or extension shall
22 not exceed seven dollars (\$7).

23 (4) Fees collected by the department pursuant to this
24 subdivision shall be deposited in the Vehicle Inspection and Repair
25 Fund. It is the intent of the Legislature that a prudent surplus be
26 maintained in the Vehicle Inspection and Repair Fund.

27 (d) (1) Motor vehicles exempted under paragraph (4) of
28 subdivision (a) of Section 44011 shall be subject to an annual
29 smog abatement fee of twelve dollars (\$12). The department may
30 also, by regulation, subject motor vehicles that are exempted under
31 paragraph (5) of subdivision (a) of Section 44011 to the twelve
32 dollar (\$12) annual smog abatement fee. Payment of the annual
33 smog abatement fee shall be made to the Department of Motor
34 Vehicles at the time of registration of the motor vehicle.

35 (2) Except as provided in subdivision (a) of Section 44091.1,
36 fees collected pursuant to this subdivision shall be deposited on a
37 daily basis into the Vehicle Inspection and Repair Fund.

38 (e) The sale or transfer of the certificate, waiver, or extension
39 by a licensed smog check station or test-only station to any other
40 licensed smog check station or to any other person, and the

1 *purchase or acquisition of the certificate, waiver, or extension, by*
 2 *any person, other than from the department, the department's*
 3 *designee, or pursuant to a vehicle's inspection or repair conducted*
 4 *pursuant to this chapter, is prohibited.*

5 *(f) Following implementation of the electronic entry certificate*
 6 *under subdivision (b), the department may require the modification*
 7 *of the analyzers and other equipment required at smog check*
 8 *stations to prevent the entry of a certificate that has not been issued*
 9 *or validated through prepayment of the fee authorized by*
 10 *subdivision (c).*

11 *(g) The fee charged by licensed smog check stations to*
 12 *consumers for a certificate, waiver, or extension shall be the same*
 13 *amount that is charged by the department.*

14 *(h) This section shall become operative on January 1, 2016.*

15 ~~SEC. 2.~~

16 *SEC. 5.* Chapter 8.9 (commencing with Section 44270) is
 17 added to Part 5 of Division 26 of the Health and Safety Code, to
 18 read:

19

20 CHAPTER 8.9. ALTERNATIVE FUEL, CLEAN AIR, AND CARBON
 21 REDUCTION PROGRAMS

22

23 44270. This chapter shall be known, and may be cited, as the
 24 California Alternative and Renewable Fuel, Vehicle Technology,
 25 Clean Air, and Carbon Reduction Act of 2007.

26 44270.3. For the purposes of this chapter, the following terms
 27 have the following meanings:

28 (a) "Alternative fuel" means a nonpetroleum fuel, including,
 29 but not limited to, electricity, ethanol, biodiesel, methanol, or
 30 natural gas that, when used in vehicles, has demonstrated to the
 31 satisfaction of the state board, to have the ability to meet applicable
 32 vehicular emission standards. For the purpose of this chapter,
 33 alternative fuel may also include petroleum fuel blended with
 34 nonpetroleum constituents.

35 (b) "Commission" means the State Energy Resources
 36 Conservation and Development Commission.

37 (c) "Full fuel-cycle assessment" or "*life-cycle assessment*"
 38 means evaluating and comparing the full environmental and health
 39 impacts of each step in the life cycle of a fuel, including, but not
 40 limited to, all of the following:

- 1 (1) Feedstock production, extraction, transport, and storage.
- 2 (2) Fuel production, distribution, transport, and storage.
- 3 (3) Vehicle operation, including refueling, combustion,
- 4 conversion, *permeation*, and evaporation.

5 44270.5. (a) The Air Quality Improvement Program is hereby
6 created to fund, upon appropriation by the Legislature, air quality
7 improvement projects relating to fuel and vehicle technologies not
8 addressed by the Carl Moyer Memorial Air Quality Standards
9 Attainment Program created by Chapter 9 (commencing with
10 Section 44275). The program shall be administered by the state
11 board in coordination with the commission, and other state agencies
12 that the state board deems appropriate.

13 (b) Projects to be funded by the Air Quality Improvement
14 Program shall include, but not be limited to, all of the following:

15 (1) Off-road equipment projects that contemplate action not
16 required by control measures adopted by the state board or any
17 other laws, to mitigate for criteria air pollutant and toxic air
18 contaminant emissions.

19 (2) Projects that provide mitigation for air pollution resulting
20 from on-road emissions prior to 2012 that were associated with
21 permeation or hydrocarbon emissions or oxides of nitrogen
22 emissions that occurred as a result of the phase out of methyl
23 tertiary-butyl ether (MTBE) and its replacement with ethanol.

24 (3) *Projects that provide mitigation for off-road gasoline exhaust*
25 *and evaporative emissions not currently regulated by the state*
26 *board.*

27 ~~(3)~~

28 (4) Projects that provide research to determine the air quality
29 impacts of alternative fuels and projects that study the life-cycle
30 impacts of alternative fuels and conventional fuels, the emissions
31 of biofuel and advanced reformulated gasoline mixes, and air
32 pollution improvement and control technologies for use with
33 alternative fuels and vehicles.

34 ~~(4)~~

35 (5) Projects that augment the University of California's
36 Agricultural Extension Program for research to increase sustainable
37 biofuels production and improve the collection of biomass
38 feedstocks.

1 (6) *Incentives for small off-road equipment replacement to*
 2 *encourage consumers to replace internal combustion engine lawn*
 3 *and garden equipment.*

4 (7) *Incentives for heavy-duty vehicles and equipment mitigation,*
 5 *including all of the following:*

- 6 (A) *Lower emission schoolbus programs.*
- 7 (B) *Heavy-duty electric off-road equipment.*
- 8 (C) *Regional air quality improvement and attainment programs*
 9 *to assess the most impacted regions of the state.*

10 (c) The Air Quality Improvement Program may be used to
 11 augment the program created by Article 10 (commencing with
 12 Section 44100) of Chapter 5.

13 44270.6. *The Air Quality Improvement Fund is hereby created*
 14 *in the State Treasury, to be administered by the state board. The*
 15 *moneys in the Air Quality Improvement Fund, upon appropriation*
 16 *by the Legislature, shall be expended by the state board in*
 17 *accordance with Section 44270.5.*

18 44271. (a) There is hereby created the Alternative and
 19 Renewable Fuel, Vehicle Technology, Carbon Reduction, and
 20 Clean Air Program. The program shall be administered, in
 21 accordance with this chapter, by the commission in ~~coordination~~
 22 *partnership with the California Environmental Protection Agency*
 23 ~~and state board and in coordination with other state agencies~~
 24 *deemed appropriate by the commission.*

25 (b) *The state board shall adopt and submit to the commission*
 26 *criteria to ensure that the activities undertaken pursuant to the*
 27 *program complement, and do not interfere with, efforts to achieve*
 28 *and maintain federal and state ambient air quality standards and*
 29 *to reduce toxic air contaminant emissions.*

30 ~~(b)~~
 31 (c) (1) The program shall provide, upon appropriation by the
 32 Legislature, grants and revolving loans to ~~state public~~ agencies,
 33 *California-based businesses*, public-private partnerships, vehicle
 34 and technology consortia, and academic institutions to develop
 35 innovative technologies that transform California’s fuel and vehicle
 36 types to help attain the state’s climate change policies, without
 37 adopting any one preferred fuel or technology.

38 (2) The program shall provide funding complementary to
 39 ~~programs and projects that are market-based and to existing public~~

1 and private investments, including existing state programs that
2 further the goals of this chapter.

3 (e)

4 (d) The commission shall establish an advisory body to develop
5 investment strategies to help implement the Alternative and
6 Renewable Fuel, Vehicle Technology, Carbon Reduction, and
7 Clean Air Program. The advisory body shall have representatives
8 from the State Resources Agency, the Business, Transportation
9 and Housing Agency, the California Environmental Protection
10 Agency, fuel and vehicle technology consortia, environmental
11 organizations, consumer advocates, academic institutions, and
12 private industry.

13 (d)

14 (e) The commission, in coordination with the ~~California~~
15 ~~Environmental Protection Agency state board~~ and the advisory
16 body created pursuant to subdivision ~~(e)~~ (d), shall establish criteria
17 and priorities for the awarding of competitive grants based on an
18 applicant's use of private matching dollars, ability to support
19 existing and future state climate change policy, ability to provide
20 transformative technology advancements, ability to develop
21 innovative new technology solutions, and the promotion of
22 California-based technology firms, among other criteria. The
23 commission shall annually review priorities, guidelines, and other
24 criteria made by the commission, in coordination with the
25 ~~California Environmental Protection Agency state board~~ and the
26 advisory body.

27 44272. Projects to be funded by the Alternative and Renewable
28 Fuel, Vehicle Technology, Carbon Reduction, and Clean Air
29 Program shall include, but not be limited to, all of the following:

30 (a) Alternative and renewable fuel research and development
31 projects to improve and develop alternative and low-carbon fuels,
32 including ethanol, dimethyl ether, renewable diesel, natural gas,
33 and biomethane, among others, and their feedstocks that have high
34 potential for long-term or short-term commercialization.

35 (b) Alternative and renewable fuel deployment projects that
36 optimize fuels for existing and developing engine technologies,
37 production of alternative and low-carbon fuels in California, and
38 development of less carbon intensive processes for current fuels.

39 (c) Technology deployment projects to decrease the overall
40 impact of a fuel's life-cycle carbon footprint and sustainability.

1 (d) Alternative and renewable fuel infrastructure, fueling
2 stations, and equipment incentive projects, *including revolving*
3 *loans and grants to small- and medium-sized businesses for these*
4 *purposes.*

5 (e) Alternative and renewable fuel and efficient vehicle
6 technology research development projects for the improvement
7 and development of light-, medium- and heavy-duty vehicle
8 technologies that provide for better fuel efficiency, alternative fuel
9 usage and storage, or emission reductions, including propulsion
10 systems, light weight materials, energy storage, engine optimization
11 with a target particularly for renewable and low carbon fuels,
12 electronic and electrified components, hybrid technology, plug-in
13 hybrid technology, and fuel cell technology.

14 (f) Alternative and renewable fuel and efficient vehicle
15 technology deployment programs and projects for the
16 demonstration and deployment of vehicle technologies in California
17 that accelerate the commercialization of vehicle technology,
18 including buy-down programs for near-market and market-path
19 deployments.

20 (g) Revolving loans to small and medium size businesses for
21 medium- and heavy-duty vehicle fleets to retrofit existing fleets
22 with technologies that create higher fuel efficiencies, including
23 idle management technology and aerodynamic retrofits that
24 decrease fuel consumption.

25 (h) Alternative fuel and electric infrastructure projects that
26 promote infrastructure development connected with existing fleets,
27 public transit, and existing transportation corridors.

28 44273. (a) *The Alternative and Renewable Fuel, Vehicle*
29 *Technology, Carbon Reduction, and Clean Air Fund is hereby*
30 *created in the State Treasury, to be administered by the*
31 *commission. The moneys in the Alternative and Renewable Fuel,*
32 *Vehicle Technology, Carbon Reduction, and Clean Air Fund, upon*
33 *appropriation by the Legislature, shall be expended by the*
34 *commission in accordance with Sections 44271 and 44272.*

35 (b) (1) *For the purposes of this subdivision, "Williams*
36 *settlement funds" means any moneys obtained, and any interest*
37 *generated on the moneys, through the settlement of litigation with*
38 *The Williams Companies, Inc. and Williams Energy Marketing &*
39 *Trading Company, made and entered into as of November 11,*
40 *2002.*

1 (2) Notwithstanding Section 16428.3 of the Government Code
2 and any other provision of law, of the Williams settlement funds
3 deposited in the Ratepayer Relief Fund, the sum of thirty million
4 dollars (\$30,000,000) is hereby transferred to the Alternative and
5 Renewable Fuel, Vehicle Technology, Carbon Reduction, and
6 Clean Air Fund.

7 (c) The sum of six million five hundred thousand dollars
8 (\$6,500,000) is hereby transferred from the Motor Vehicle Account
9 in the State Transportation Fund to the Alternative and Renewable
10 Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Fund.

11 (d) Notwithstanding any other provision of law, the sum of five
12 million dollars (\$5,000,000) shall be transferred annually from
13 the Public Interest Research, Development, and Demonstration
14 Fund created by Section 384 of the Public Utilities Code to the
15 Alternative and Renewable Fuel, Vehicle Technology, Carbon
16 Reduction, and Clean Air Fund.

17 SEC. 6. Section 25620.16 is added to the Public Resources
18 Code, to read:

19 25620.16. Notwithstanding any other provision of law, the sum
20 of five million dollars (\$5,000,000) shall be transferred annually
21 from the Public Interest Research, Development, and
22 Demonstration Fund to the Alternative and Renewable Fuel,
23 Vehicle Technology, Carbon Reduction, and Clean Air Fund
24 created by Section 44273 of the Health and Safety Code.

25 SEC. 7. Section 9250 of the Vehicle Code is amended to read:

26 9250. (a) A registration fee of ~~thirty-one dollars~~ (\$31)
27 ~~thirty-three dollars~~ (\$33) shall be paid to the department for the
28 registration of every vehicle or trailer coach of a type subject to
29 registration under this code, except those vehicles that are expressly
30 exempted under this code from the payment of registration fees.

31 (b) The registration fee imposed under this section applies to
32 all vehicles described in Section 5004, whether or not special
33 identification plates are issued to that vehicle.

34 (c) Trailer coaches are subject to the fee provided in subdivision
35 (a) for each unit of the trailer coach.

36 (d) This section applies to all of the following:

37 (1) The initial or original registration, on or after January 1,
38 2004, of any vehicle not previously registered in this state.

39 (2) The renewal of registration of any vehicle for which the
40 registration period expires on or after January 1, 2004, regardless

1 of whether a renewal application was mailed to the registered
 2 owner prior to January 1, 2004.

3 (3) Any renewal of a registration that expired on or before
 4 December 31, 2003, but for which the fees are not paid until on
 5 or after January 1, 2004.

6 (e) *Notwithstanding any other provision of law, of the total*
 7 *amount of each fee collected pursuant to subdivision (a), two*
 8 *dollars (\$2) shall be deposited into the Alternative and Renewable*
 9 *Fuel, Vehicle Technology, Carbon Reduction, and Clean Air Fund*
 10 *created by Section 44273 of the Health and Safety Code.*

11 (f) *This section shall remain in effect only until January 1, 2016,*
 12 *and as of that date is repealed, unless a later enacted statute, that*
 13 *is enacted before January 1, 2016, deletes or extends that date.*

14 SEC. 8. *Section 9250 is added to the Vehicle Code, to read:*

15 9250. (a) *A registration fee of thirty-one dollars (\$31) shall*
 16 *be paid to the department for the registration of every vehicle or*
 17 *trailer coach of a type subject to registration under this code,*
 18 *except those vehicles that are expressly exempted under this code*
 19 *from the payment of registration fees.*

20 (b) *The registration fee imposed under this section applies to*
 21 *all vehicles described in Section 5004, whether or not special*
 22 *identification plates are issued to that vehicle.*

23 (c) *Trailer coaches are subject to the fee provided in subdivision*
 24 *(a) for each unit of the trailer coach.*

25 (d) *This section applies to all of the following:*

26 (1) *The initial or original registration, on or after January 1,*
 27 *2004, of any vehicle not previously registered in this state.*

28 (2) *The renewal of registration of any vehicle for which the*
 29 *registration period expires on or after January 1, 2004, regardless*
 30 *of whether a renewal application was mailed to the registered*
 31 *owner prior to January 1, 2004.*

32 (3) *Any renewal of a registration that expired on or before*
 33 *December 31, 2003, but for which the fees are not paid until on*
 34 *or after January 1, 2004.*

35 (e) *This section shall become operative on January 1, 2016.*

36 SEC. 9. *Section 9261 of the Vehicle Code is amended to read:*

37 9261. (a) *A service fee of ~~fifteen dollars (\$15)~~ twenty dollars*
 38 *(\$20) shall be paid for an identification plate issued pursuant to*
 39 *Section 5014. Publicly owned special construction equipment,*

1 cemetery equipment, special mobile equipment, logging vehicles,
2 and implements of husbandry are exempt from the service charge.

3 (b) A service fee of ~~fifteen dollars (\$15)~~ *twenty dollars (\$20)*
4 shall be paid for an identification plate issued pursuant to Section
5 5016.5.

6 (c) Upon application for the transfer of interest of an owner in
7 a piece of equipment, vehicle, or implement of husbandry identified
8 pursuant to Section 5014, the transferee shall pay a fee of ~~fifteen~~
9 ~~dollars (\$15)~~ *twenty dollars (\$20)*.

10 (d) A fee of ~~fifteen dollars (\$15)~~ *twenty dollars (\$20)* shall be
11 paid upon the renewal of an identification plate issued pursuant to
12 Section 5014 or 5016.5.

13 (e) *Notwithstanding any other provision of law, of the total*
14 *amount of each fee collected pursuant to this section, five dollars*
15 *(\$5) shall be deposited into the Alternative and Renewable Fuel,*
16 *Vehicle Technology, Carbon Reduction, and Clean Air Fund*
17 *created by Section 44273 of the Health and Safety Code.*

18 (f) *This section shall remain in effect only until January 1, 2016,*
19 *and as of that date is repealed, unless a later enacted statute, that*
20 *is enacted before January 1, 2016, deletes or extends that date.*

21 *SEC. 10. Section 9261 is added to the Vehicle Code, to read:*

22 9261. (a) *A service fee of fifteen dollars (\$15) shall be paid*
23 *for an identification plate issued pursuant to Section 5014. Publicly*
24 *owned special construction equipment, cemetery equipment, special*
25 *mobile equipment, logging vehicles, and implements of husbandry*
26 *are exempt from the service charge.*

27 (b) *A service fee of fifteen dollars (\$15) shall be paid for an*
28 *identification plate issued pursuant to Section 5016.5.*

29 (c) *Upon application for the transfer of interest of an owner in*
30 *a piece of equipment, vehicle, or implement of husbandry identified*
31 *pursuant to Section 5014, the transferee shall pay a fee of fifteen*
32 *dollars (\$15).*

33 (d) *A fee of fifteen dollars (\$15) shall be paid upon the renewal*
34 *of an identification plate issued pursuant to Section 5014 or 5016.5.*

35 (e) *This section shall become operative on January 1, 2016.*

36 *SEC. 11. Section 9853 of the Vehicle Code is amended to read:*

37 9853. (a) *The owner of each vessel requiring numbering by*
38 *this state shall file an initial application for a number with the*
39 *department or with an agent authorized by the department on forms*
40 *approved by the department. The forms shall be prepared in*

1 cooperation with the Department of Boating and Waterways. The
2 application shall contain the true name and address of the owner
3 and of the legal owner, if any, and the hull identification number
4 of the vessel as may be required by the department. The application
5 shall be signed by the owner of the vessel and shall be accompanied
6 by a fee of nine dollars (\$9), in addition to the fees required under
7 subdivision (b), except that an owner of a vessel registered outside
8 this state who is submitting an application for registration in this
9 state shall pay a fee of thirty-seven dollars (\$37), in addition to
10 the fees required under subdivision (b).

11 (b) (1) Whenever the fee for original registration of a vessel
12 becomes due between January 1 and December 31 of any
13 even-numbered year, the application shall be accompanied by a
14 fee of ~~ten dollars (\$10)~~ *twenty dollars (\$20)*, in addition to any
15 other fees that are then due and payable.

16 (2) Whenever the fee for original registration of a vessel
17 becomes due, or is filed with the department, between January 1
18 and December 31 of any odd-numbered year, the application shall
19 be accompanied by a fee of ~~twenty dollars (\$20)~~ *forty dollars (\$40)*
20 in addition to any other fees that are then due and payable.

21 (c) *Notwithstanding any other provision of law, of the total*
22 *amount of each fee collected pursuant subdivision (b), ten dollars*
23 *(\$10) shall be deposited into the Alternative and Renewable Fuel,*
24 *Vehicle Technology, Carbon Reduction, and Clean Air Fund*
25 *created by Section 44273 of the Health and Safety Code.*

26 (d) *This section shall remain in effect only until January 1, 2016,*
27 *and as of that date is repealed, unless a later enacted statute, that*
28 *is enacted before January 1, 2016, deletes or extends that date.*

29 SEC. 12. Section 9853 is added to the Vehicle Code, to read:

30 9853. (a) *The owner of each vessel requiring numbering by*
31 *this state shall file an initial application for a number with the*
32 *department or with an agent authorized by the department on*
33 *forms approved by the department. The forms shall be prepared*
34 *in cooperation with the Department of Boating and Waterways.*
35 *The application shall contain the true name and address of the*
36 *owner and of the legal owner, if any, and the hull identification*
37 *number of the vessel as may be required by the department. The*
38 *application shall be signed by the owner of the vessel and shall*
39 *be accompanied by a fee of nine dollars (\$9), in addition to the*
40 *fees required under subdivision (b), except that an owner of a*

1 vessel registered outside this state who is submitting an application
2 for registration in this state shall pay a fee of thirty-seven dollars
3 (\$37), in addition to the fees required under subdivision (b).

4 (b) (1) Whenever the fee for original registration of a vessel
5 becomes due between January 1 and December 31 of any
6 even-numbered year, the application shall be accompanied by a
7 fee of ten dollars (\$10), in addition to any other fees that are then
8 due and payable.

9 (2) Whenever the fee for original registration of a vessel
10 becomes due, or is filed with the department, between January 1
11 and December 31 of any odd-numbered year, the application shall
12 be accompanied by a fee of twenty dollars (\$20) in addition to any
13 other fees that are then due and payable.

14 (c) This section shall become operative on January 1, 2016.

15 SEC. 13. Section 14900 of the Vehicle Code is amended to
16 read:

17 14900. (a) Upon application for an original class C or M
18 driver's license, there shall be paid to the department a fee of
19 ~~twenty-four dollars (\$24)~~ *twenty-five dollars (\$25)* for a license
20 that will expire on the fifth birthday of the applicant following the
21 date of the application. The payment of the fee entitles the person
22 paying the fee to apply for a driver's license and to take three
23 examinations within a period of 12 months from the date of the
24 application or during the period that an instruction permit is valid,
25 as provided in Section 12509.

26 (b) In addition to the application fee specified in subdivision
27 (a), a person who fails to successfully complete the driving skill
28 test on the first attempt shall be required to pay an additional fee
29 of five dollars (\$5) for each additional driving skill test
30 administered under that application.

31 (c) The fee specified in subdivision (b) shall be collected in
32 conjunction with any application submitted on or after July 1,
33 2003.

34 (d) *Notwithstanding any other provision of law, of the total*
35 *amount of each fee collected pursuant subdivision (a), one dollar*
36 *(\$1) shall be deposited into the Alternative and Renewable Fuel,*
37 *Vehicle Technology, Carbon Reduction, and Clean Air Fund*
38 *created by Section 44273 of the Health and Safety Code.*

1 (e) *This section shall remain in effect only until January 1, 2016,*
2 *and as of that date is repealed, unless a later enacted statute, that*
3 *is enacted before January 1, 2016, deletes or extends that date.*

4 *SEC. 14. Section 14900 is added to the Vehicle Code, to read:*

5 *14900. (a) Upon application for an original class C or M*
6 *driver's license, there shall be paid to the department a fee of*
7 *twenty-four dollars (\$24) for a license that will expire on the fifth*
8 *birthday of the applicant following the date of the application. The*
9 *payment of the fee entitles the person paying the fee to apply for*
10 *a driver's license and to take three examinations within a period*
11 *of 12 months from the date of the application or during the period*
12 *that an instruction permit is valid, as provided in Section 12509.*

13 *(b) In addition to the application fee specified in subdivision*
14 *(a), a person who fails to successfully complete the driving skill*
15 *test on the first attempt shall be required to pay an additional fee*
16 *of five dollars (\$5) for each additional driving skill test*
17 *administered under that application.*

18 *(c) The fee specified in subdivision (b) shall be collected in*
19 *conjunction with any application submitted on or after July 1,*
20 *2003.*

21 *(d) This section shall become operative on January 1, 2016.*

22 *SEC. 15. Section 14900.1 of the Vehicle Code is amended to*
23 *read:*

24 *14900.1. (a) Except as provided in Sections 15250.6 and*
25 *15255.1, upon application for the renewal of a driver's license or*
26 *for a license to operate a different class of vehicle, there shall be*
27 *paid to the department a fee of ~~twenty-four dollars (\$24)~~ twenty-five*
28 *dollars (\$25) for a license that will expire on the fifth birthday of*
29 *the applicant following the date of the application. The payment*
30 *of the fee entitles the person paying the fee to apply for a driver's*
31 *license and to take three examinations within a period of 12 months*
32 *from the date of the application or during the period that an*
33 *instruction permit is valid, as provided in Section 12509.*

34 *(b) In addition to the application fee specified in subdivision*
35 *(a), a person who fails to successfully complete the driving skill*
36 *test on the first attempt shall be required to pay an additional fee*
37 *of five dollars (\$5) for each additional driving skill test*
38 *administered under that application.*

1 (c) The fee specified in subdivision (b) shall be collected in
2 conjunction with any application submitted on or after July 1,
3 2003.

4 (d) *Notwithstanding any other provision of law, of the total*
5 *amount of each fee collected pursuant subdivision (a), one dollar*
6 *(\$1) shall be deposited into the Alternative and Renewable Fuel,*
7 *Vehicle Technology, Carbon Reduction, and Clean Air Fund*
8 *created by Section 44273 of the Health and Safety Code.*

9 (e) *This section shall remain in effect only until January 1, 2016,*
10 *and as of that date is repealed, unless a later enacted statute, that*
11 *is enacted before January 1, 2016, deletes or extends that date.*

12 SEC. 16. *Section 14900.1 is added to the Vehicle Code, to*
13 *read:*

14 14900.1. (a) *Except as provided in Sections 15250.6 and*
15 *15255.1, upon application for the renewal of a driver's license or*
16 *for a license to operate a different class of vehicle, there shall be*
17 *paid to the department a fee of twenty-four dollars (\$24) for a*
18 *license that will expire on the fifth birthday of the applicant*
19 *following the date of the application. The payment of the fee entitles*
20 *the person paying the fee to apply for a driver's license and to*
21 *take three examinations within a period of 12 months from the*
22 *date of the application or during the period that an instruction*
23 *permit is valid, as provided in Section 12509.*

24 (b) *In addition to the application fee specified in subdivision*
25 *(a), a person who fails to successfully complete the driving skill*
26 *test on the first attempt shall be required to pay an additional fee*
27 *of five dollars (\$5) for each additional driving skill test*
28 *administered under that application.*

29 (c) *The fee specified in subdivision (b) shall be collected in*
30 *conjunction with any application submitted on or after July 1,*
31 *2003.*

32 (d) *This section shall become operative on January 1, 2016.*