

AMENDED IN ASSEMBLY SEPTEMBER 12, 2007

AMENDED IN ASSEMBLY MAY 8, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1083

Introduced by Assembly Member Huffman
(Coauthors: ~~Assembly Members Horton, Krekorian, Lieber, and~~
~~Portantino)~~

February 23, 2007

~~An act to add Section 43871 to the Health and Safety Code, relating to fuels. An act relating to automotive insurance.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1083, as amended, Huffman. ~~Alternative fuel infrastructure grant program. Automotive insurance: mileage-based incentives.~~

~~Existing law requires insurers to set automotive insurance rates and premiums using specified factors.~~

~~This bill would declare legislative intent to allow insurance providers to use vehicle usage as a factor in setting rates and premiums.~~

~~Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution, and requires the State Energy Resources Conservation and Development Commission, in partnership with the state board, and in consultation with specified state agencies, to develop and adopt a state plan to increase the use of alternative fuels, as defined.~~

~~This bill would require the state board to establish a program to provide one-time grants of \$50,000 to fuel station operators in the state to help fund the cost of installing publicly accessible fuel tanks and distribution equipment necessary for distribution of a qualifying~~

~~alternative fuel, as defined. The bill would create the Alternative Fuel Infrastructure Account and require moneys in the account to, upon appropriation by the Legislature, be expended by the state board for the purposes of this grant program.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~-no. 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 the year 2020.*

7 *(b) A reduction in the average vehicle miles traveled per*
8 *California motorist may lead to a substantive reduction in*
9 *greenhouse gas emissions.*

10 *(c) Providing insurance-based incentives to motorists to drive*
11 *less may be a successful way to reduce overall vehicle miles*
12 *traveled.*

13 *(d) Current state automotive insurance rates may not accurately*
14 *reflect the miles that motorists drive.*

15 *(e) According to the United States Environmental Protection*
16 *Agency, once an individual purchases a car, roughly 88 percent*
17 *of their transportation costs remain much the same on a monthly*
18 *basis regardless of how much or how little he or she drives.*

19 *(f) The increase in traffic density from a typical additional driver*
20 *increases total statewide insurance costs of other drivers.*

21 *(g) California law prohibits even voluntary programs for*
22 *motorists to participate in usage-based automotive insurance.*

23 *(h) Allowing California insurance providers to voluntarily*
24 *implement new programs that offer insurance on a mileage basis*
25 *may effectively reduce vehicle miles traveled and help the state*
26 *achieve the goals outlined in the California Global Warming*
27 *Solutions Act of 2006.*

28 *SEC. 2. It is the intent of the Legislature to allow insurance*
29 *providers to implement voluntary programs offering mileage-based*
30 *insurance to drivers in California, and to provide these insurance*
31 *providers with the authority to offer discounts based on the*

1 *adoption of such programs, the reporting of miles traveled, and*
2 *the reduction of vehicle miles traveled.*

3 SECTION 1. ~~Section 43871 is added to the Health and Safety~~
4 ~~Code, to read:~~

5 43871. (a) ~~The state board shall establish a program to provide~~
6 ~~not more than 1,800 one-time grants in the amount of fifty thousand~~
7 ~~dollars (\$50,000) each to fuel station operators in the state to help~~
8 ~~fund the cost of installing publicly accessible fuel tanks and~~
9 ~~distribution equipment necessary for distribution of a qualifying~~
10 ~~alternative fuel.~~

11 (b) ~~The state board shall distribute grants only if the cost of~~
12 ~~installing the equipment exceeds fifty thousand dollars (\$50,000).~~

13 (c) ~~The state board shall give applicants that operate in areas~~
14 ~~with the largest alternative fuel vehicle populations priority. Where~~
15 ~~applicants operate in areas with equal alternative fuel vehicle~~
16 ~~populations, the earlier applicant shall have priority in the awarding~~
17 ~~of grants.~~

18 (d) (1) ~~The Alternative Fuel Infrastructure Account is~~
19 ~~established within the State Treasury. Moneys in the account shall,~~
20 ~~upon appropriation by the Legislature, be expended by the state~~
21 ~~board for the purposes of this section.~~

22 (2) ~~Notwithstanding any other provision of law, the Alternative~~
23 ~~Fuel Infrastructure Account may accept and receive federal, state,~~
24 ~~and local funds and any other funds from public or private~~
25 ~~organizations or individuals, including funds from a judgment in~~
26 ~~state or federal court where the funds are contributed or the~~
27 ~~judgment specifies that the proceeds are to be used for the purposes~~
28 ~~of this section. Private contributors shall not have the authority to~~
29 ~~influence or direct the use of their contributions.~~

30 (e) (1) ~~For the purposes of this section, “qualifying alternative~~
31 ~~fuel” means any fuel that on a full fuel-cycle assessment and energy~~
32 ~~equivalent basis, does not increase the emissions of greenhouse~~
33 ~~gases, toxic air contaminants, criteria air pollutants, water~~
34 ~~pollutants, or any other substances known to damage human health~~
35 ~~or the environment, in comparison to the production and use of a~~
36 ~~petroleum derived fuel, and that is either of the following:~~

37 (A) ~~A nonpetroleum fuel, including electricity, ethanol, liquefied~~
38 ~~petroleum gas, hydrogen, methanol, or compressed natural gas~~
39 ~~that, when used in vehicles, has demonstrated, to the satisfaction~~

1 of the state board, to have the ability to meet applicable vehicular
2 emission standards.

3 ~~(B) Any other fuel derived from renewable resources, in the~~
4 ~~discretion of the state board.~~

5 ~~(2) “Qualifying alternative fuel” includes petroleum fuel blended~~
6 ~~with any of the nonpetroleum constituents specified in paragraph~~
7 ~~(1) only if the fuel achieves either of the following:~~

8 ~~(A) Maintains or improves upon emissions reductions and air~~
9 ~~quality benefits achieved by the California Phase 2 Reformulated~~
10 ~~Gasoline Program as of January 1, 1999, including emissions~~
11 ~~reductions for all pollutants and precursors identified in the State~~
12 ~~Implementation Plan for ozone, and emissions of potency weighted~~
13 ~~toxics compounds and particulate matter.~~

14 ~~(B) Maintains or improves upon the emissions reductions and~~
15 ~~air quality benefits achieved by the diesel fuel regulations in Article~~
16 ~~2 (commencing with Section 2280) of Chapter 5 of Division 3 of~~
17 ~~Title 13 of the California Code of Regulations.~~