

AMENDED IN ASSEMBLY MARCH 24, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2638

Introduced by Assembly Member Coto

February 22, 2008

An act to add Chapter 11 (commencing with Section 44299.95) to Part 5 of Division 26 of the Health and Safety Code, relating to air pollution, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2638, as amended, Coto. California Air Quality and Environmental Health Act of 2008.

Existing law designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution.

This bill would require the State Board of Equalization to collect a fee ~~in the~~ *an amount of _____ determined by the State Air Resources Board* on the sale or lease of a new passenger motor vehicle that, among other things, has a federal fuel economy rating of 15 miles per gallon or less. The bill would create the California Air Quality and Environmental Health Fund, and would continuously appropriate moneys in the fund to the State Air Resources Board to finance projects and programs that will mitigate or prevent the air pollution harm caused by vehicles subject to the fee.

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) Existing law designates the State Air Resources Board as*
4 *the state agency with the primary responsibility for the control of*
5 *vehicular air pollution. The state board is also charged with*
6 *monitoring and regulating sources of emissions of greenhouse*
7 *gases that cause global warming in order to reduce emissions of*
8 *greenhouse gases. The state board is required to adopt a statewide*
9 *greenhouse gas emissions limit equivalent to the statewide*
10 *greenhouse gas emissions levels in 1990 to be achieved by 2020,*
11 *and is required to adopt rules and regulations in an open public*
12 *process to achieve the maximum technologically feasible and*
13 *cost-effective greenhouse gas emissions reductions.*

14 *(b) The greatest sources of air pollution are private passenger*
15 *vehicles. According to the State Energy Resources Conservation*
16 *and Development Commission, the transportation sector is the*
17 *largest source of greenhouse gas emissions in California.*

18 *(c) Monetary incentives can augment existing state vehicle*
19 *emissions standards by encouraging automobile buyers to purchase*
20 *cleaner vehicles and by encouraging manufacturers to offer more*
21 *low-emitting vehicle choices to consumers.*

22 *(d) One-time fees on the purchase of new motor vehicles that*
23 *emit high amounts of greenhouse gases are a reasonable and*
24 *appropriate method to disincentivize the purchase of, and*
25 *internalize the environmental costs to the public of, these vehicles.*

26 *(e) Recent studies authorized by the California Environmental*
27 *Protection Agency and the State Energy Resources Conservation*
28 *and Development Commission have found that the impact of global*
29 *warming to California residents is likely to be severe, especially*
30 *if action to curb global warming emissions is not taken.*

31 ~~(a)~~

32 *(f) The fee imposed pursuant to Chapter 11 (commencing with*
33 *Section 44299.95) of Part 5 of Division 26 of the Health and Safety*
34 *Code will be expended to mitigate the environmental, public health,*
35 *and other public-financed impacts from emissions resulting from*
36 *motor vehicles subject to the fee.*

37 ~~(b)~~

1 (g) The imposition of the fee will not result in the imposition
2 of a tax within the meaning of Article XIII A of the California
3 Constitution because the amount and nature of the fee has a fair
4 and reasonable relationship to the environmental, public health,
5 and societal burdens imposed by the motor vehicles subject to the
6 fee and, there is a sufficient nexus between the fees imposed and
7 the use of those fees to support the programs to redress the impacts
8 caused by those vehicles as determined by the State Air Resources
9 Board.

10 (e)

11 (h) The fee imposed by *pursuant to* this act is consistent with
12 *Sinclair Paint Co. v. State Bd. of Equalization* (1997) 15 Cal.4th
13 866.

14 SEC. 2. Chapter 11 (commencing with Section 44299.95) is
15 added to Part 5 of Division 26 of the Health and Safety Code,
16 immediately following Section 44299.91, to read:

17
18 CHAPTER 11. CALIFORNIA AIR QUALITY AND ENVIRONMENTAL
19 HEALTH ACT OF 2008

20
21 44299.95. (a) Beginning July 1, 2009, ~~there is hereby imposed~~
22 ~~a fee in the amount of _____~~ *the state board shall impose a fee in*
23 *an amount established by the state board pursuant to subdivision*
24 *(c) on the sale, or lease of one year or longer, of a new passenger*
25 *motor vehicle that meets all of the following requirements:*

26 (1) Has a gross vehicle weight rating of 10,000 pounds or less.

27 (2) Has a manufacturer's suggested retail price of more than
28 eighty thousand dollars (\$80,000).

29 (3) Has a federal fuel economy rating of 15 miles per gallon or
30 less.

31 (b) The State Board of Equalization shall collect the fee from
32 the motor vehicle dealer pursuant to the Fee Collection Procedures
33 Law (Part 30 (commencing with Section 55001) of Division 2 of
34 the Revenue and Taxation Code), and deposit all moneys into the
35 California Air Quality and Environmental Health Fund.

36 (c) *The state board shall conduct a study to determine the*
37 *amount of air pollution, including, but not limited to, greenhouse*
38 *gas emissions, created by the vehicles described in subdivision (a)*
39 *and the cost of mitigation for that air pollution, and adopt a system*

1 *of assessing the vehicles for their fair share of air pollution a fee*
2 *sufficient to fund that mitigation.*

3 *(d) The state board and the State Board of Equalization may*
4 *adopt emergency regulations to carry out the responsibilities*
5 *required by this chapter.*

6 44299.96. (a) The California Air Quality and Environmental
7 Health Fund is hereby created in the State Treasury.
8 Notwithstanding Section 13340 of the Government Code, the
9 moneys in the fund are hereby continuously appropriated, without
10 regard to fiscal year, to the state board for expenditure to finance
11 projects and programs that will mitigate or prevent the air pollution
12 harm caused by motor vehicles subject to the fee, consistent with
13 *Sinclair Paint Co. v. State Bd. of Equalization (1997) 15 Cal.4th*
14 *866. It is the intent of the Legislature that the state board consider*
15 *expending some of the moneys in the fund to finance the*
16 *Lower-Emission School Bus Program.*

17 (b) Moneys in the fund may also be expended to pay for the
18 administrative costs incurred by the State Board of Equalization
19 in collecting fees pursuant to this chapter.