

AMENDED IN SENATE APRIL 22, 2008

**SENATE BILL**

**No. 1662**

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**Introduced by Senator Cox**

February 22, 2008

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An act to amend Section 40709.6 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 1662, as amended, Cox. Air districts: emission reduction offsets: *Sacramento Metro federal nonattainment area*.

Under existing law, increases in emissions of air pollutants at a stationary source located in an air pollution control district or air quality management district may be offset by emission reductions credited to a stationary source located in another district if both stationary sources are located in the same air basin.

This bill would allow ~~those offsets to be either in the same air basin or in the Sacramento Metro federal nonattainment area~~ *one stationary source located in the El Dorado County Air Quality Management District, to be determined by the El Dorado County Air Quality Management District, to offset increases in emissions by emission reductions credited to any stationary source located in the Sacramento Metropolitan Air Quality Management District if both stationary sources are in the Sacramento Metro federal nonattainment area*.

*This bill would state the findings and declarations of the Legislature concerning the need for special legislation.*

The bill would impose a state-mandated local program by imposing new duties on the districts relative to determining the applicability of the offsets.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 40709.6 of the Health and Safety Code~~  
2     ~~is amended to read:~~  
3     ~~40709.6. (a) Increases in emissions of air pollutants at a~~  
4     ~~stationary source located in a district may be offset by emission~~  
5     ~~reductions credited to a stationary source located in another district~~  
6     ~~if both stationary sources are located in the same air basin or the~~  
7     ~~Sacramento Metro federal nonattainment area or, if not located in~~  
8     ~~the same air basin or the Sacramento Metro federal nonattainment~~  
9     ~~area, if both of the following requirements are met:~~  
10     ~~(1) The stationary source to which the emission reductions are~~  
11     ~~credited is located in an upwind district that is classified as being~~  
12     ~~in a worse nonattainment status than the downwind district pursuant~~  
13     ~~to Chapter 10 (commencing with Section 40910).~~  
14     ~~(2) The stationary source at which there are emission increases~~  
15     ~~to be offset is located in a downwind district that is overwhelmingly~~  
16     ~~impacted by emissions transported from the upwind district, as~~  
17     ~~determined by the state board pursuant to Section 39610.~~  
18     ~~(b) The district, in which the stationary source to which emission~~  
19     ~~reductions are credited is located, shall determine the type and~~  
20     ~~quantity of the emission reductions to be credited.~~  
21     ~~(c) The district, in which the stationary source at which there~~  
22     ~~are emission increases to be offset is located, shall do both of the~~  
23     ~~following:~~  
24     ~~(1) Determine the impact of those emission reductions in~~  
25     ~~mitigation of the emission increases in the same manner and to~~  
26     ~~the same extent as the district would do so for fully credited~~  
27     ~~emission reductions from sources located within its boundaries.~~

1 ~~(2) Adopt a rule or regulation to discount the emission reductions~~  
2 ~~credited to the stationary source in the other district. The discount~~  
3 ~~shall not be less than the emission reduction for offsets from~~  
4 ~~comparable sources located within the district boundaries.~~

5 ~~(d) Any offset credited pursuant to subdivision (a) shall be~~  
6 ~~approved by a resolution adopted by the governing board of the~~  
7 ~~upwind district and the governing board of the downwind district,~~  
8 ~~after taking into consideration the impact of the offset on air~~  
9 ~~quality, public health, and the regional economy. Each district~~  
10 ~~governing board may delegate to its air pollution control officer~~  
11 ~~the board's authority to approve offsets credited pursuant to~~  
12 ~~subdivision (a).~~

13 *SECTION 1. (a) Increases in emissions of air pollutants at*  
14 *one stationary source located in the El Dorado County Air Quality*  
15 *Management District, to be determined by the El Dorado County*  
16 *Air Quality Management District pursuant to subdivision (d), may*  
17 *be offset by emission reductions credited to any stationary source*  
18 *located in the Sacramento Metropolitan Air Quality Management*  
19 *District, if both the stationary source in the El Dorado County Air*  
20 *Quality Management District and the stationary source or sources*  
21 *in the Sacramento Metropolitan Air Quality Management District*  
22 *are in the Sacramento Metro federal nonattainment area.*

23 *(b) The requirements of Section 40709.6 of the Health and Safety*  
24 *Code, except subdivision (a) of that section, shall apply to any*  
25 *offsetting of emissions pursuant to this section.*

26 *(c) Before authorizing any offsetting of emissions pursuant to*  
27 *this section, the El Dorado County Air Quality Management*  
28 *District shall prepare and certify an environmental impact report*  
29 *pursuant to Division 13 (commencing with Section 21000) of the*  
30 *Public Resources Code, including an analysis of, and mitigation*  
31 *for, the environmental impacts.*

32 *(d) The El Dorado County Air Quality Management District*  
33 *shall select one and only one stationary source located in the*  
34 *district that shall be able to offset emission reductions pursuant*  
35 *to this section. That stationary source shall only be allowed to*  
36 *offset emissions pursuant to this section until January 1, 2010.*  
37 *However, any credits acquired pursuant to this section may be*  
38 *applied in future years, at the discretion of the El Dorado County*  
39 *Air Quality Management District.*

1     *SEC. 2. Due to unique circumstances concerning the*  
2     *Sacramento Metro federal nonattainment area, the Legislature*  
3     *finds and declares that a general statute cannot be made applicable*  
4     *within the meaning of Section 16 of Article IV of the California*  
5     *Constitution.*

6     ~~SEC. 2.~~

7     *SEC. 3.* If the Commission on State Mandates determines that  
8     this act contains costs mandated by the state, reimbursement to  
9     local agencies and school districts for those costs shall be made  
10    pursuant to Part 7 (commencing with Section 17500) of Division  
11    4 of Title 2 of the Government Code.