

**Assembly Bill No. 1405**

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Passed the Assembly August 31, 2010

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*Chief Clerk of the Assembly*

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Passed the Senate August 30, 2010

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2010, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Part 5 (commencing with Section 71420) to Division 34 of the Public Resources Code, relating to climate change.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1405, De León. California Global Warming Solutions Act of 2006: California Climate Change Community Benefits Fund.

The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt regulations to require the reporting and verification of emissions of greenhouse gases and to monitor and enforce compliance with the reporting and verification program, and requires the state board to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act requires the state board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The act authorizes the state board to include the use of market-based compliance mechanisms. The act authorizes the state board to adopt a schedule of fees to be paid by the sources of greenhouse gas emissions regulated pursuant to the act, and requires the revenues collected pursuant to that fee to be deposited into the Air Pollution Control Fund and be available, upon appropriation by the Legislature, for purposes of carrying out the act.

This bill would establish the California Climate Change Community Benefits Fund, and would require a minimum of 10% of revenues generated for the state each year from the state sale of compliance instruments for market-based compliance mechanisms pursuant to the act, other than revenues collected for administrative purposes, to be deposited into that fund. The moneys in the fund would be used, upon appropriation by the Legislature, in the most impacted and disadvantaged communities, as defined, to fund programs or projects that reduce greenhouse gas emissions or mitigate direct health, or environmental, impacts of climate change through competitive grants, loans, or other funding

mechanisms. The Secretary for Environmental Protection would be required to administer moneys appropriated from the fund and would be required to establish criteria and procedures, and meet other requirements in connection with implementation, as provided.

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

SECTION 1. Part 5 (commencing with Section 71420) is added to Division 34 of the Public Resources Code, to read:

PART 5. CALIFORNIA CLIMATE CHANGE COMMUNITY  
BENEFITS FUND

71420. It is the intent of the Legislature that:

(a) Investments made pursuant to this part include, to the greatest extent possible, green collar employment opportunities for low-income residents in the most impacted and disadvantaged communities.

(b) The evaluation criteria for air pollution exposure consider, at a minimum, criteria and toxic air pollutant levels, proximity to sources of air pollution, and sensitive populations.

(c) The evaluation criteria for socioeconomic vulnerability consider, to the extent feasible, multiple indicators, including, but not limited to, poverty level, percent home ownership, unemployment level, and educational attainment.

71421. As used in this part, “most impacted and disadvantaged communities” means either those areas having the highest 10 percent air pollution exposure and socioeconomic vulnerability within an air basin that does not meet one or more national or state ambient air quality standards, or those areas having the highest 10 percent socioeconomic vulnerability to direct health, or environmental, impacts of climate change.

71422. (a) There is established in the State Treasury the California Climate Change Community Benefits Fund. A minimum of 10 percent of revenues generated for the state each year from the state sale of compliance instruments for market-based compliance mechanisms pursuant to Section 38570 of the Health and Safety Code, other than revenues collected for administrative purposes, shall be deposited into the California Climate Change Community Benefits Fund. The moneys in the fund shall be used,

upon appropriation by the Legislature, for the purposes described in this part.

(b) Moneys in the California Climate Change Community Benefits Fund shall be used solely in the most impacted and disadvantaged communities.

(c) Notwithstanding Section 16475 of the Government Code, any interest earned on moneys in the California Climate Change Community Benefits Fund shall be deposited in the California Climate Change Community Benefits Fund for expenditure pursuant to this part.

(d) Up to 5 percent of the moneys in the California Climate Change Community Benefits Fund may be used for purposes of administering this part, upon appropriation by the Legislature.

(e) To the extent that funds are provided to existing programs, those funds shall be used to supplement, not supplant, those programs to meet the goals of this part.

71423. (a) The Secretary for Environmental Protection shall administer moneys appropriated from the California Climate Change Community Benefits Fund and shall establish criteria and procedures for the implementation of this part. The secretary shall implement the program created pursuant to this part no later than six months after a market-based compliance mechanism, as described in Section 38570 of the Health and Safety Code, becomes operative.

(b) Moneys in the California Climate Change Community Benefits Fund shall be used to fund programs or projects that reduce greenhouse gas emissions or mitigate direct health, or environmental, impacts of climate change, through competitive grants, loans, or other funding mechanisms. Moneys may be appropriated for green collar employment opportunities for the most impacted and disadvantaged communities.

(c) (1) The Secretary for Environmental Protection, in consultation with the Climate Action Team, shall use a geographic information system-based method, to the extent feasible, to identify the most impacted and disadvantaged communities that qualify for funding using census block or tract level data, to the extent reasonably available.

(2) The identification of the most impacted and disadvantaged communities shall be done through an open and public process, no later than six months after a market-based compliance

mechanism, as described in Section 38570 of the Health and Safety Code, becomes operative.

(3) The identification of the most impacted and disadvantaged communities may be modified periodically in an open and public process.

(4) The scientific basis for the identification of the most impacted and disadvantaged communities shall be subject to peer review pursuant to Section 57004 of the Health and Safety Code.

71424. (a) The Secretary for Environmental Protection, following an open and public process, shall develop and adopt a report that describes the support structure and framework for the implementation of this part, the types of programs and projects to be funded under this part, the selection and oversight process for the projects and programs to be funded, and the eligibility criteria. The report shall be made available to the public on the California Environmental Protection Agency's Internet Web site.

(b) No later than six months after a market-based compliance mechanism, as described in Section 38570 of the Health and Safety Code, becomes operative, and every two years thereafter, the Secretary for Environmental Protection, in consultation with the Climate Action Team, in an open process, shall develop and adopt biennial plans describing the specific type of programs and projects to be solicited for funding during the two-year period. The report shall be made available to the public on the California Environmental Protection Agency's Internet Web site.

(c) The Secretary for Environmental Protection shall convene a review panel to make recommendations and review the development of policies, plans, and programs as they relate to this part.

(d) To the extent practical, existing support structures, frameworks, and programs shall be used to implement this part.





Approved \_\_\_\_\_, 2010

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*Governor*