

AMENDED IN ASSEMBLY AUGUST 18, 2010

AMENDED IN ASSEMBLY AUGUST 2, 2010

AMENDED IN ASSEMBLY JUNE 17, 2010

AMENDED IN SENATE APRIL 22, 2010

**SENATE BILL**

**No. 1340**

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**Introduced by Senator Kehoe**

(Coauthors: Assembly Members Bradford, Coto, Davis, and Solorio)

February 19, 2010

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An act to amend Section 44272 of the Health and Safety Code, to amend Sections 26100, 26104, 26121, and 26123 of the Public Resources Code, and to ~~amend Sections 5898.12, 5898.14, 5898.20, 5898.21, and 5898.22 of~~ *add Sections 5898.15, 5898.23, and 5899.3 to the Streets and Highways Code, relating to energy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1340, as amended, Kehoe. Energy.

(1) Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission (Energy Commission), to provide to specified entities, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change goals. Existing law specifies that only certain projects or programs are eligible for funding.

This bill would, additionally, specify projects eligible for funding under the program to include a cost-effective program to provide funding for homeowners who purchase an electric vehicle to offset costs

associated with modifying electrical sources to include a residential plug-in electric vehicle charging station.

(2) Existing law authorizes a public agency and a property owner to enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently affixed on real property.

*This bill would expand the use of the voluntary contractual assessment to finance electric vehicle charging infrastructure affixed on real property. The bill would prohibit a public agency from permitting a property owner to participate in a contractual assessment program if the total amount of assessments and taxes on the property exceeds 5% of the property's appraised market value, as specified. The bill would also require the preliminary report issued in connection with the contractual assessment program to include criteria for determining the creditworthiness of a property owner, and safeguards to be used to limit the total annual property tax and assessments on the property, as specified.*

**Existing**

(3) Existing law requires the California Alternative Energy and Advanced Transportation Financing Authority to establish a Property Assessed Clean Energy (PACE) Reserve program to assist local jurisdictions in financing the installation of distributed generation renewable energy sources or energy or water efficiency improvements meeting specified requirements that are permanently affixed on real property through the use of a voluntary contractual assessment.

~~This bill would expand the use of the voluntary contractual assessment to finance electric vehicle charging infrastructure affixed on real property and would declare the intent of the Legislature to limit participation in this assessment program when it would result in an inability of the property owner to pay property taxes or in total taxes and assessments exceeding 5% of the property value. The~~

*This bill would expand the PACE Reserve program to assist local jurisdictions in financing the installation of electric vehicle charging infrastructure.*

*(4) This bill would incorporate additional changes in Section 44272 of the Health and Safety Code proposed by AB 1106, that would become operative only if AB 1106 and this bill are both chaptered and become operative on or before January 1, 2011, and this bill is chaptered last.*

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. Section 44272 of the Health and Safety Code is  
2 amended to read:

3 44272. (a) The Alternative and Renewable Fuel and Vehicle  
4 Technology Program is hereby created. The program shall be  
5 administered by the commission. The commission shall implement  
6 the program by regulation pursuant to the requirements of Chapter  
7 3.5 (commencing with Section 11340) of *Part 1 of Division 3* of  
8 Title 2 of the Government Code. The program shall provide, upon  
9 appropriation by the Legislature, competitive grants, revolving  
10 loans, loan guarantees, loans, or other appropriate funding  
11 measures, to public agencies, vehicle and technology entities,  
12 businesses and projects, public-private partnerships, workforce  
13 training partnerships and collaboratives, fleet owners, consumers,  
14 recreational boaters, and academic institutions to develop and  
15 deploy innovative technologies that transform California's fuel  
16 and vehicle types to help attain the state's climate change policies.  
17 The emphasis of this program shall be to develop and deploy  
18 technology and alternative and renewable fuels in the marketplace,  
19 without adopting any one preferred fuel or technology.

20 (b) A project funded by the commission shall be approved at a  
21 noticed public hearing of the commission and shall be consistent  
22 with the priorities established by the investment plan adopted  
23 pursuant to Section 44272.5.

24 (c) The commission shall provide preferences to those projects  
25 that maximize the goals of the Alternative and Renewable Fuel  
26 and Vehicle Technology Program, based on the following criteria,  
27 as applicable:

28 (1) The project's ability to provide a measurable transition from  
29 the nearly exclusive use of petroleum fuels to a diverse portfolio  
30 of viable alternative fuels that meet petroleum reduction and  
31 alternative fuel use goals.

32 (2) The project's consistency with existing and future state  
33 climate change policy and low-carbon fuel standards.

34 (3) The project's ability to reduce criteria air pollutants and air  
35 toxics and reduce or avoid multimedia environmental impacts.

36 (4) The project's ability to decrease, on a life-cycle basis, the  
37 discharge of water pollutants or any other substances known to  
38 damage human health or the environment, in comparison to the

1 production and use of California Phase 2 Reformulated Gasoline  
2 or diesel fuel produced and sold pursuant to California diesel fuel  
3 regulations set forth in Article 2 (commencing with Section 2280)  
4 of Chapter 5 of Division 3 of Title 13 of the California Code of  
5 Regulations.

6 (5) The project does not adversely impact the sustainability of  
7 the state's natural resources, especially state and federal lands.

8 (6) The project provides nonstate matching funds.

9 (7) The project provides economic benefits for California by  
10 promoting California-based technology firms, jobs, and businesses.

11 (8) The project uses existing or proposed fueling infrastructure  
12 to maximize the outcome of the project.

13 (9) The project's ability to reduce on a life-cycle assessment  
14 greenhouse gas emissions by at least 10 percent, and higher  
15 percentages in the future, from current reformulated gasoline and  
16 diesel fuel standards established by the state board.

17 (10) The project's use of alternative fuel blends of at least 20  
18 percent, and higher blend ratios in the future, with a preference  
19 for projects with higher blends.

20 (11) The project drives new technology advancement for  
21 vehicles, vessels, engines, and other equipment, and promotes the  
22 deployment of that technology in the marketplace.

23 (d) Only the following shall be eligible for funding:

24 (1) Alternative and renewable fuel projects to develop and  
25 improve alternative and renewable low-carbon fuels, including  
26 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,  
27 hydrogen, and biomethane, among others, and their feedstocks  
28 that have high potential for long-term or short-term  
29 commercialization, including projects that lead to sustainable  
30 feedstocks.

31 (2) Demonstration and deployment projects that optimize  
32 alternative and renewable fuels for existing and developing engine  
33 technologies.

34 (3) Projects to produce alternative and renewable low-carbon  
35 fuels in California.

36 (4) Projects to decrease the overall impact of an alternative and  
37 renewable fuel's life cycle carbon footprint and increase  
38 sustainability.

39 (5) Alternative and renewable fuel infrastructure, fueling  
40 stations, and equipment. The preference in paragraph (10) of

1 subdivision (c) shall not apply to renewable diesel or biodiesel  
2 infrastructure, fueling stations, and equipment used solely for  
3 renewable diesel or biodiesel fuel.

4 (6) Projects to develop and improve light-, medium-, and  
5 heavy-duty vehicle technologies that provide for better fuel  
6 efficiency and lower greenhouse gas emissions, alternative fuel  
7 usage and storage, or emission reductions, including propulsion  
8 systems, advanced internal combustion engines with a 40 percent  
9 or better efficiency level over the current market standard,  
10 light-weight materials, energy storage, control systems and system  
11 integration, physical measurement and metering systems and  
12 software, development of design standards and testing and  
13 certification protocols, battery recycling and reuse, engine and fuel  
14 optimization electronic and electrified components, hybrid  
15 technology, plug-in hybrid technology, battery electric vehicle  
16 technology, fuel cell technology, and conversions of hybrid  
17 technology to plug-in technology through the installation of safety  
18 certified supplemental battery modules.

19 (7) Programs and projects that accelerate the commercialization  
20 of vehicles and alternative and renewable fuels including buy-down  
21 programs through near-market and market-path deployments,  
22 advanced technology warranty or replacement insurance,  
23 development of market niches, supply-chain development, and  
24 research related to the pedestrian safety impacts of vehicle  
25 technologies and alternative and renewable fuels.

26 (8) Programs and projects to retrofit medium- and heavy-duty  
27 on-road and nonroad vehicle fleets with technologies that create  
28 higher fuel efficiencies, including alternative and renewable fuel  
29 vehicles and technologies, idle management technology, and  
30 aerodynamic retrofits that decrease fuel consumption.

31 (9) Infrastructure projects that promote alternative and renewable  
32 fuel infrastructure development connected with existing fleets,  
33 public transit, and existing transportation corridors, including  
34 physical measurement or metering equipment and truck stop  
35 electrification.

36 (10) Workforce training programs related to alternative and  
37 renewable fuel feedstock production and extraction, renewable  
38 fuel production, distribution, transport, and storage,  
39 high-performance and low-emission vehicle technology and high  
40 tower electronics, automotive computer systems, mass transit fleet

1 conversion, servicing, and maintenance, and other sectors or  
2 occupations related to the purposes of this chapter.

3 (11) Block grants administered by not-for-profit technology  
4 entities for multiple projects, education and program promotion  
5 within California, and development of alternative and renewable  
6 fuel and vehicle technology centers.

7 (12) Life cycle and multimedia analyses, sustainability and  
8 environmental impact evaluations, and market, financial, and  
9 technology assessments performed by a state agency to determine  
10 the impacts of increasing the use of low-carbon transportation fuels  
11 and technologies, and to assist in the preparation of the investment  
12 plan and program implementation.

13 (13) A program to provide funding for homeowners who  
14 purchase a plug-in electric vehicle to offset costs associated with  
15 modifying electrical sources to include a residential plug-in electric  
16 vehicle charging station. In establishing this program, the  
17 commission shall consider funding criteria to maximize the public  
18 benefit of the program.

19 (e) The commission may make a single source or sole source  
20 award pursuant to this section for applied research. The same  
21 requirements set forth in Section 25620.5 of the Public Resources  
22 Code shall apply to awards made on a single source basis or a sole  
23 source basis. This subdivision does not authorize the commission  
24 to make a single source or sole source award for a project or  
25 activity other than for applied research.

26 (f) Until January 1, 2012, the commission may contract with  
27 the Treasurer to expend funds through programs implemented by  
28 the Treasurer, if that expenditure is consistent with all of the  
29 requirements of this chapter.

30 *SEC. 1.5. Section 44272 of the Health and Safety Code is*  
31 *amended to read:*

32 44272. (a) The Alternative and Renewable Fuel and Vehicle  
33 Technology Program is hereby created. The program shall be  
34 administered by the commission. The commission shall implement  
35 the program by regulation pursuant to the requirements of Chapter  
36 3.5 (commencing with Section 11340) of *Part 1 of Division 3* of  
37 Title 2 of the Government Code. The program shall provide, upon  
38 appropriation by the Legislature, competitive grants, revolving  
39 loans, loan guarantees, loans, or other appropriate funding  
40 measures, to public agencies, vehicle and technology entities,

1 businesses and projects, public-private partnerships, workforce  
2 training partnerships and collaboratives, fleet owners, consumers,  
3 recreational boaters, and academic institutions to develop and  
4 deploy innovative technologies that transform California’s fuel  
5 and vehicle types to help attain the state’s climate change policies.  
6 The emphasis of this program shall be to develop and deploy  
7 technology and alternative and renewable fuels in the marketplace,  
8 without adopting any one preferred fuel or technology.

9 (b) A project funded by the commission shall be approved at a  
10 noticed public hearing of the commission and shall be consistent  
11 with the priorities established by the investment plan adopted  
12 pursuant to Section 44272.5.

13 (c) The commission shall provide preferences to those projects  
14 that maximize the goals of the Alternative and Renewable Fuel  
15 and Vehicle Technology Program, based on the following criteria,  
16 as applicable:

17 (1) The project’s ability to provide a measurable transition from  
18 the nearly exclusive use of petroleum fuels to a diverse portfolio  
19 of viable alternative fuels that meet petroleum reduction and  
20 alternative fuel use goals.

21 (2) The project’s consistency with existing and future state  
22 climate change policy and low-carbon fuel standards.

23 (3) The project’s ability to reduce criteria air pollutants and air  
24 toxics and reduce or avoid multimedia environmental impacts.

25 (4) The project’s ability to decrease, on a ~~life-cycle~~ *life cycle*  
26 basis, the discharge of water pollutants or any other substances  
27 known to damage human health or the environment, in comparison  
28 to the production and use of California Phase 2 Reformulated  
29 Gasoline or diesel fuel produced and sold pursuant to California  
30 diesel fuel regulations set forth in Article 2 (commencing with  
31 Section 2280) of Chapter 5 of Division 3 of Title 13 of the  
32 California Code of Regulations.

33 (5) The project does not adversely impact the sustainability of  
34 the state’s natural resources, especially state and federal lands.

35 (6) The project provides nonstate matching funds.

36 (7) The project provides economic benefits for California by  
37 promoting California-based technology firms, jobs, and businesses.

38 (8) The project uses existing or proposed fueling infrastructure  
39 to maximize the outcome of the project.

1 (9) The project's ability to reduce on a ~~life-cycle~~ *life cycle*  
2 assessment greenhouse gas emissions by at least 10 percent, and  
3 higher percentages in the future, from current reformulated gasoline  
4 and diesel fuel standards established by the state board.

5 (10) The project's use of alternative fuel blends of at least 20  
6 percent, and higher blend ratios in the future, with a preference  
7 for projects with higher blends.

8 (11) The project drives new technology advancement for  
9 vehicles, vessels, engines, and other equipment, and promotes the  
10 deployment of that technology in the marketplace.

11 (d) Only the following shall be eligible for funding:

12 (1) Alternative and renewable fuel projects to develop and  
13 improve alternative and renewable low-carbon fuels, including  
14 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,  
15 hydrogen, and biomethane, among others, and their feedstocks  
16 that have high potential for long-term or short-term  
17 commercialization, including projects that lead to sustainable  
18 feedstocks.

19 (2) Demonstration and deployment projects that optimize  
20 alternative and renewable fuels for existing and developing engine  
21 technologies.

22 (3) Projects to produce alternative and renewable low-carbon  
23 fuels in California.

24 (4) Projects to decrease the overall impact of an alternative and  
25 renewable fuel's life cycle carbon footprint and increase  
26 sustainability.

27 (5) Alternative and renewable fuel infrastructure, fueling  
28 stations, and equipment. The preference in paragraph (10) of  
29 subdivision (c) shall not apply to renewable diesel or biodiesel  
30 infrastructure, fueling stations, and equipment used solely for  
31 renewable diesel or biodiesel fuel.

32 (6) Projects to develop and improve light-, medium-, and  
33 heavy-duty vehicle technologies that provide for better fuel  
34 efficiency and lower greenhouse gas emissions, alternative fuel  
35 usage and storage, or emission reductions, including propulsion  
36 systems, advanced internal combustion engines with a 40 percent  
37 or better efficiency level over the current market standard,  
38 light-weight materials, energy storage, control systems and system  
39 integration, physical measurement and metering systems and  
40 software, development of design standards and testing and

1 certification protocols, battery recycling and reuse, engine and fuel  
2 optimization electronic and electrified components, hybrid  
3 technology, plug-in hybrid technology, battery electric vehicle  
4 technology, fuel cell technology, and conversions of hybrid  
5 technology to plug-in technology through the installation of safety  
6 certified supplemental battery modules.

7 (7) Programs and projects that accelerate the commercialization  
8 of vehicles and alternative and renewable fuels including buy-down  
9 programs through near-market and market-path deployments,  
10 advanced technology warranty or replacement insurance,  
11 development of market niches, supply-chain development, and  
12 research related to the pedestrian safety impacts of vehicle  
13 technologies and alternative and renewable fuels.

14 (8) Programs and projects to retrofit medium- and heavy-duty  
15 on-road and nonroad vehicle fleets with technologies that create  
16 higher fuel efficiencies, including alternative and renewable fuel  
17 vehicles and technologies, idle management technology, and  
18 aerodynamic retrofits that decrease fuel consumption.

19 (9) Infrastructure projects that promote alternative and renewable  
20 fuel infrastructure development connected with existing fleets,  
21 public transit, and existing transportation corridors, including  
22 physical measurement or metering equipment and truck stop  
23 electrification.

24 (10) Workforce training programs related to alternative and  
25 renewable fuel feedstock production and extraction, renewable  
26 fuel production, distribution, transport, and storage,  
27 high-performance and low-emission vehicle technology and high  
28 tower electronics, automotive computer systems, mass transit fleet  
29 conversion, servicing, and maintenance, and other sectors or  
30 occupations related to the purposes of this chapter.

31 (11) Block grants administered by not-for-profit technology  
32 entities for multiple projects, education and program promotion  
33 within California, and development of alternative and renewable  
34 fuel and vehicle technology centers.

35 (12) ~~Life-cycle~~*Life cycle* and multimedia analyses, sustainability  
36 and environmental impact evaluations, and market, financial, and  
37 technology assessments performed by a state agency to determine  
38 the impacts of increasing the use of low-carbon transportation fuels  
39 and technologies, and to assist in the preparation of the investment  
40 plan and program implementation.

1 (13) A program to provide funding for homeowners who  
 2 purchase a plug-in electric vehicle to offset costs associated with  
 3 modifying electrical sources to include a residential plug-in electric  
 4 vehicle charging station. In establishing this program, the  
 5 commission shall consider funding criteria to maximize the public  
 6 benefit of the program.

7 (e) The commission may make a single source or sole source  
 8 award pursuant to this section for applied research. The same  
 9 requirements set forth in Section 25620.5 of the Public Resources  
 10 Code shall apply to awards made on a single source basis or a sole  
 11 source basis. This subdivision does not authorize the commission  
 12 to make a single source or sole source award for a project or  
 13 activity other than for applied research. ~~The commission may~~  
 14 ~~pursuant to this subdivision make a single source or sole source~~  
 15 ~~award for the applied research to be conducted by the Quiet~~  
 16 ~~Motorized Road Vehicle and Safe Mobility Committee created~~  
 17 ~~pursuant to Section 25227 of the Public Resources Code, if Senate~~  
 18 ~~Bill 1174 of the 2007-08 Regular Session, which would add that~~  
 19 ~~section, is enacted.~~

20 (f) Until January 1, 2012, the commission may ~~contract~~ *do both*  
 21 *of the following:*

22 (1) *Contract* with the Treasurer to expend funds through  
 23 programs implemented by the Treasurer, if ~~that~~ *the* expenditure is  
 24 consistent with all of the requirements of this chapter.

25 (2) *Contract with small business financial development*  
 26 *corporations established by the Business, Transportation and*  
 27 *Housing Agency to expend funds through the Small Business Loan*  
 28 *Guarantee Program if the expenditure is consistent with all of the*  
 29 *requirements of the program and this chapter.*

30 SEC. 2. Section 26100 of the Public Resources Code is  
 31 amended to read:

32 26100. (a) The Legislature finds and declares all of the  
 33 following:

34 (1) Property Assessed Clean Energy (PACE) financing has been  
 35 pioneered by municipalities and counties in California as a way  
 36 for home and small business owners to finance voluntary energy  
 37 and water efficiency and clean energy improvements.

38 (2) PACE financing was pioneered in the City of Berkeley,  
 39 while the City and County of San Francisco, City of San Diego,  
 40 City of Palm Desert, Sonoma County, and the California Statewide

1 Communities Development Authority (CSCDA) have already  
2 initiated or are working to launch additional programs.

3 (3) Seventeen other states, including Colorado and New York,  
4 have also enacted enabling PACE legislation.

5 (4) The public subsidy provided by the PACE financing is  
6 justified by the benefits received in job creation, lower energy  
7 demand, and spurring new clean industries that will grow the  
8 economy.

9 (b) It is the intent of the Legislature to assist local jurisdictions  
10 in financing the installation of distributed generation renewable  
11 energy sources, electric vehicle charging infrastructure, or energy  
12 or water efficiency improvements that are permanently fixed to  
13 real property through the use of voluntary contractual assessments.

14 (c) It is not the intent of the Legislature to create any debt,  
15 liability, or obligation on the part of the state in assisting local  
16 jurisdictions pursuant to this division.

17 SEC. 3. Section 26104 of the Public Resources Code is  
18 amended to read:

19 26104. “Property Assessed Clean Energy bond” or “PACE  
20 bond” means a bond that is secured by a voluntary contractual  
21 assessment on property authorized pursuant to paragraph (2) of  
22 subdivision (a) of Section 5898.20 of the Streets and Highways  
23 Code or by a voluntary contractual assessment or a voluntary  
24 special tax on property to finance the installation of distributed  
25 generation renewable energy sources, electric vehicle charging  
26 infrastructure, or energy or water efficiency improvements that is  
27 levied pursuant to a chartered city’s constitutional authority under  
28 Section 5 of Article XI of the California Constitution.

29 SEC. 4. Section 26121 of the Public Resources Code is  
30 amended to read:

31 26121. To qualify for assistance pursuant to this division, the  
32 PACE program shall require all of the following:

33 (a) The interest rate on the PACE bond does not exceed a  
34 percentage as determined by the authority to be appropriate.

35 (b) Minimum legal loan structure and credit underwriting criteria  
36 as determined by the authority are met.

37 (c) Proceeds of the PACE bonds are used to finance qualified  
38 energy and water efficiency, electric vehicle charging  
39 infrastructure, and clean energy improvements.

1 (d) The improvement financed is for a residential project of  
2 three units or fewer, or a commercial project that costs less than  
3 twenty-five thousand dollars (\$25,000) in total.

4 SEC. 5. Section 26123 of the Public Resources Code is  
5 amended to read:

6 26123. (a) In evaluating eligibility, the authority shall consider  
7 whether the applicant's PACE program includes the following  
8 conditions:

9 (1) Loan recipients are legal owners of underlying property.

10 (2) Loan recipients are current on mortgage and property tax  
11 payments.

12 (3) Loan recipients are not in default or in bankruptcy  
13 proceedings.

14 (4) Loans are for less than 10 percent of the value of the  
15 property.

16 (5) The property is within the geographical boundaries of the  
17 PACE program.

18 (6) The program offers financing for energy efficiency  
19 improvements or electric vehicle charging infrastructure.

20 (7) Improvements financed by the program follow applicable  
21 standards of energy efficiency retrofit work, including any  
22 guidelines adopted by the State Resources Conservation and  
23 Development Commission.

24 (b) In evaluating an application, the authority shall consider all  
25 of the following factors:

26 (1) The use by the PACE program of best practices, adopted by  
27 the authority, to qualify eligible properties for participation in  
28 underwriting the PACE program.

29 (2) The cost efficiency of the applicant's PACE program,  
30 including bond issuance.

31 (3) The projected number of jobs created by the PACE program.

32 (4) The applicant's PACE program requirements for quality  
33 assurance and consumer protection as related to achieving  
34 efficiency and clean energy production.

35 (5) The mechanisms by which savings produced by this program  
36 are passed on to the property owners.

37 (6) Any other factors deemed appropriate by the authority.

38 SEC. 6. Section 5898.15 is added to the Streets and Highways  
39 Code, to read:

1 5898.15. (a) A public agency shall not permit a property owner  
2 to participate in any program established pursuant to this chapter  
3 if the owner's participation would result in the total amount of  
4 any annual property taxes and assessments exceeding 5 percent  
5 of the property's appraised market value, as determined at the  
6 time of approval of the owner's contractual assessment.

7 (b) Nothing in this chapter shall be construed to void or  
8 otherwise release a property owner from the contractual  
9 obligations incurred by a contractual assessment on a property,  
10 particularly in the event that the total amount of annual property  
11 taxes and assessments exceeds 5 percent of a property's appraised  
12 value after the property owner has entered into a contractual  
13 assessment pursuant to this chapter.

14 SEC. 7. Section 5898.23 is added to the Streets and Highways  
15 Code, to read:

16 5898.23. For purposes of the report required pursuant to  
17 Section 5898.22, the statement of public agency policies required  
18 pursuant to subdivision (c) of that section shall also include a brief  
19 description of criteria for determining the creditworthiness of a  
20 property owner, and safeguards that will be used to ensure that  
21 the total annual property tax and assessments on the property will  
22 not exceed 5 percent of the property's appraised market value, as  
23 determined at the time of approval for the owner's contractual  
24 assessment.

25 SEC. 8. Section 5899.3 is added to the Streets and Highways  
26 Code, to read:

27 5899.3. (a) The Legislature finds and declares all of the  
28 following:

29 (1) This chapter should be used to finance the installation of  
30 electric vehicle charging infrastructure that is permanently fixed  
31 to residential, commercial, industrial, agricultural, or other real  
32 property.

33 (2) Electric vehicle charging infrastructure is a necessary  
34 component to transitioning to increase electric vehicle usage.  
35 Electric vehicles and their electric charging infrastructure also  
36 address the issue of global climate change.

37 (3) The upfront cost of installing electric vehicle charging  
38 infrastructure improvements for residential, commercial, industrial,  
39 agricultural, or other real property prevents many property owners  
40 from making those improvements. To make those improvements

1 more affordable and to promote the installation of those  
2 improvements, it is necessary to authorize an alternative procedure  
3 for authorizing assessments to finance the cost of installing electric  
4 vehicle charging infrastructure.

5 (4) The Legislature declares that a public purpose will be served  
6 by a voluntary contractual assessment program that provides the  
7 legislative body of a public agency with the authority to finance  
8 the installation of electric vehicle charging infrastructure that is  
9 permanently fixed to residential, commercial, industrial,  
10 agricultural, or other real property.

11 (b) For the purpose of financing the installation of electric  
12 vehicle charging infrastructure, “public agency” means a county,  
13 city, city and county, or a municipal utility district, an irrigation  
14 district, or public utility district that owns and operates an electric  
15 distribution system. The definition of “city” in Section 5005 shall  
16 not apply to this section.

17 (c) The legislative body of any public agency may designate an  
18 area, in the manner provided pursuant to Section 5898.20, within  
19 which authorized public agency officials and property owners may  
20 enter into voluntary contractual assessments to finance the  
21 installation of electric vehicle charging infrastructure that is  
22 permanently fixed to real property pursuant to this chapter.

23 (d) For purposes of establishing a voluntary contractual  
24 assessment program relating to electric vehicle charging  
25 infrastructure, the legislative body shall make the determinations  
26 required pursuant to Section 5898.20 by adopting a resolution  
27 indicating its intention to do so. The resolution of intention shall  
28 identify the kinds of electric vehicle charging infrastructure that  
29 may be financed and shall include all of the information that is  
30 required pursuant to subdivision (b) of Section 5898.20, including,  
31 but not limited to, directing an appropriate public agency official  
32 to prepare a report pursuant to Section 5898.22.

33 (e) For purposes of the report required pursuant to Section  
34 5898.22, relating to a voluntary contractual assessment program  
35 for electric vehicle charging infrastructure, the designated public  
36 agency official shall satisfy the requirements of paragraph (1) of  
37 subdivision (c) of Section 5898.22 by identifying the types of  
38 electric vehicle charging infrastructure that may be financed  
39 through the use of contractual assessments.

1 (f) Notwithstanding any other provision of this chapter, upon  
2 the written consent of an authorized public agency official, the  
3 proposed arrangements for financing the program pertaining to  
4 the installation of electric vehicle charging infrastructure that is  
5 permanently fixed to real property may authorize the property  
6 owner to purchase directly the related equipment and materials  
7 for the installation of electric vehicle charging infrastructure and  
8 to contract directly for the installation of electric vehicle charging  
9 infrastructure that is permanently fixed to the property owner's  
10 residential, commercial, industrial, agricultural, or other real  
11 property.

12 SEC. 9. Section 1.5 of this bill incorporates amendments to  
13 Section 44272 of the Health and Safety Code proposed by this bill  
14 and AB 1106. It shall only become operative if (1) both bills are  
15 enacted and become effective on or before January 1, 2011, (2)  
16 each bill amends Section 44272 of the Health and Safety Code,  
17 and (3) this bill is enacted after AB 1106, in which case Section  
18 44272 of the Health and Safety Code, as amended by AB 1106,  
19 shall remain operative only until the operative date of this bill, at  
20 which time Section 1.5 of this bill shall become operative, and  
21 Section 1 of this bill shall not become operative.

22 SEC. 6. Section 5898.12 of the Streets and Highways Code is  
23 amended to read:

24 ~~5898.12. (a) It is the intent of the Legislature that this chapter~~  
25 ~~should be used to finance public improvements to lots or parcels~~  
26 ~~that are developed and for which the costs and time delays involved~~  
27 ~~in creating an assessment district pursuant to other provisions of~~  
28 ~~this division or any other law would be prohibitively large relative~~  
29 ~~to the cost of the public improvements to be financed.~~

30 ~~(b) It is also the intent of the Legislature that this chapter should~~  
31 ~~be used to finance the installation of distributed generation~~  
32 ~~renewable energy sources, electric vehicle charging infrastructure,~~  
33 ~~or energy efficiency improvements that are permanently fixed to~~  
34 ~~residential, commercial, industrial, agricultural, or other real~~  
35 ~~property.~~

36 ~~(c) It is also the intent of the Legislature to address chronic~~  
37 ~~water needs throughout California by permitting voluntary~~  
38 ~~individual efforts to improve water efficiency. The Legislature~~  
39 ~~further intends that this chapter should be used to finance the~~  
40 ~~installation of water efficiency improvements that are permanently~~

1 fixed to residential, commercial, industrial, agricultural, or other  
2 real property, including, but not limited to, recycled water  
3 connections, synthetic turf, cisterns for stormwater recovery, and  
4 permeable pavement.

5 (d) It is also the intent of the Legislature that a public agency  
6 in the process of establishing an assessment program, to the extent  
7 feasible, use a good faith effort to provide advance notice of the  
8 proposed program to water and electric service providers in the  
9 relevant service area, as set forth in Section 5898.24, to allow the  
10 most efficient coordination and collaboration between the public  
11 agency and water and electric service providers.

12 (e) This chapter shall not be used to finance facilities for parcels  
13 that are undergoing development.

14 (f) It is the intent of the Legislature that participation in an  
15 assessment program shall not have the effect of making the  
16 participant unable to pay the property taxes and assessments on  
17 the property, therefore, a property owner shall not be eligible to  
18 participate in any program established pursuant to this chapter if  
19 participation would result in the total amount of any annual  
20 property taxes and assessments exceeding 5 percent of the  
21 property's appraised market value.

22 (g) This chapter shall not be used to finance the purchase or  
23 installation of appliances that are not permanently fixed to  
24 residential, commercial, industrial, agricultural, or other real  
25 property.

26 (h) Assessments may be levied pursuant to this chapter only  
27 with the free and willing consent of the owner of each lot or parcel  
28 on which an assessment is levied at the time the assessment is  
29 levied.

30 SEC. 7. Section 5898.14 of the Streets and Highways Code is  
31 amended to read:

32 5898.14. (a) The Legislature finds all of the following:

33 (1) Energy and water conservation efforts, including the  
34 promotion of energy efficiency improvements to residential,  
35 commercial, industrial, agricultural, or other real property are  
36 necessary to address the issue of global climate change.

37 (2) Electric vehicle charging infrastructure is a necessary  
38 component to transitioning to increase electric vehicle usage.  
39 Electric vehicles and their electric charging infrastructure also  
40 address the issue of global climate change.

1 ~~(3) The upfront cost of making residential, commercial,~~  
2 ~~industrial, agricultural, or other real property more energy and~~  
3 ~~water efficient prevents many property owners from making those~~  
4 ~~improvements. To make those improvements more affordable and~~  
5 ~~to promote the installation of those improvements, it is necessary~~  
6 ~~to authorize an alternative procedure for authorizing assessments~~  
7 ~~to finance the cost of energy and water efficiency improvements.~~

8 ~~(b) The Legislature declares that a public purpose will be served~~  
9 ~~by a voluntary contractual assessment program that provides the~~  
10 ~~legislative body of any public agency with the authority to finance~~  
11 ~~the installation of distributed generation renewable energy sources,~~  
12 ~~electric vehicle charging infrastructure, and energy or water~~  
13 ~~efficiency improvements that are permanently fixed to residential,~~  
14 ~~commercial, industrial, agricultural, or other real property.~~

15 ~~SEC. 8. Section 5898.20 of the Streets and Highways Code is~~  
16 ~~amended to read:~~

17 ~~5898.20. (a) (1) The legislative body of any public agency~~  
18 ~~may determine that it would be convenient and advantageous to~~  
19 ~~designate an area within the public agency, which may encompass~~  
20 ~~the entire public agency or a lesser portion, within which authorized~~  
21 ~~public agency officials and property owners may enter into~~  
22 ~~voluntary contractual assessments for public improvements and~~  
23 ~~to make financing arrangements pursuant to this chapter.~~

24 ~~(2) The legislative body of any public agency may also~~  
25 ~~determine that it would be convenient, advantageous, and in the~~  
26 ~~public interest to designate an area within the public agency, which~~  
27 ~~may encompass the entire public agency or a lesser portion, within~~  
28 ~~which authorized public agency officials and property owners may~~  
29 ~~enter into voluntary contractual assessments to finance the~~  
30 ~~installation of distributed generation renewable energy sources,~~  
31 ~~electric vehicle charging infrastructure, or energy or water~~  
32 ~~efficiency improvements that are permanently fixed to real property~~  
33 ~~pursuant to this chapter.~~

34 ~~(b) The legislative body shall make these determinations by~~  
35 ~~adopting a resolution indicating its intention to do so. The~~  
36 ~~resolution of intention shall include a statement that the public~~  
37 ~~agency proposes to make voluntary contractual assessment~~  
38 ~~financing available to property owners, shall identify the kinds of~~  
39 ~~public works, distributed generation renewable energy sources,~~  
40 ~~electric vehicle charging infrastructure, or energy or water~~

1 efficiency improvements that may be financed, shall describe the  
2 boundaries of the area within which voluntary contractual  
3 assessments may be entered into, and shall briefly describe the  
4 proposed arrangements for financing the program, including a  
5 brief description of criteria for determining the creditworthiness  
6 of a property owner. The resolution of intention shall state that it  
7 is in the public interest to finance the installation of distributed  
8 generation renewable energy sources, electric vehicle charging  
9 infrastructure, or energy or water efficiency improvements, or any  
10 combination of these sources, infrastructure, and improvements,  
11 pursuant to paragraph (2) of subdivision (a), if applicable. The  
12 resolution shall state that a public hearing should be held at which  
13 interested persons may object to or inquire about the proposed  
14 program or any of its particulars, and shall state the time and place  
15 of the hearing. The resolution shall direct an appropriate public  
16 agency official to prepare a report pursuant to Section 5898.22  
17 and to enter into consultations with the county auditor's office or  
18 county controller's office in order to reach agreement on what  
19 additional fees, if any, will be charged to the city or county for  
20 incorporating the proposed voluntary contractual assessments into  
21 the assessments of the general taxes of the city or county on real  
22 property.

23 (e) As used in this chapter, each of the following terms shall  
24 have the following meaning:

25 (1) "Efficiency improvements" means permanent improvements  
26 fixed to residential, commercial, industrial, agricultural, or other  
27 real property.

28 (2) "Legislative body" means the governing body of a public  
29 agency.

30 (3) (A) For the purpose of financing the installation of water  
31 efficiency improvements, "public agency" means a city, county,  
32 city and county, municipal utility district, community services  
33 district, sanitary district, sanitation district, or water district, as  
34 defined in Section 20200 of the Water Code. The definition of  
35 "city" in Section 5005 shall not apply to this subparagraph.

36 (B) For the purpose of financing the installation of distributed  
37 generation renewable energy sources, electric vehicle charging  
38 infrastructure, or energy efficiency improvements, "public agency"  
39 means a county, city, city and county, or a municipal utility district,  
40 an irrigation district, or public utility district that owns and operates

1 an electric distribution system. The definition of “city” in Section  
2 5005 shall not apply to this subparagraph.

3 (C) For the purpose of financing the public improvements,  
4 “public agency” means a city as defined in Section 5005.

5 SEC. 9. Section 5898.21 of the Streets and Highways Code is  
6 amended to read:

7 5898.21. Notwithstanding any other provision of this chapter,  
8 upon the written consent of an authorized public agency official,  
9 the proposed arrangements for financing the program pertaining  
10 to the installation of distributed generation renewable energy  
11 sources, electric vehicle charging infrastructure, or energy or water  
12 efficiency improvements that are permanently fixed to real property  
13 may authorize the property owner to purchase directly the related  
14 equipment and materials for the installation of distributed  
15 generation renewable energy sources, electric vehicle charging  
16 infrastructure, or energy or water efficiency improvements and to  
17 contract directly for the installation of distributed generation  
18 renewable energy sources, electric vehicle charging infrastructure,  
19 or energy or water efficiency improvements that are permanently  
20 fixed to the property owner’s residential, commercial, industrial,  
21 agricultural, or other real property.

22 SEC. 10. Section 5898.22 of the Streets and Highways Code  
23 is amended to read:

24 5898.22. The report shall contain all of the following:

25 (a) A map showing the boundaries of the territory within which  
26 voluntary contractual assessments are proposed to be offered.

27 (b) A draft contract specifying the terms and conditions that  
28 would be agreed to by a property owner within the voluntary  
29 contractual assessment area and the public agency.

30 (c) A statement of public agency policies concerning voluntary  
31 contractual assessments including all of the following:

32 (1) Identification of types of facilities, distributed generation  
33 renewable energy sources, electric vehicle charging infrastructure,  
34 or energy or water efficiency improvements that may be financed  
35 through the use of contractual assessments.

36 (2) Identification of a public agency official authorized to enter  
37 into voluntary contractual assessments on behalf of the public  
38 agency.

39 (3) A maximum aggregate dollar amount of voluntary  
40 contractual assessments.

- 1     ~~(4) A method for setting requests from property owners for~~  
2 ~~financing through voluntary contractual assessments in priority~~  
3 ~~order in the event that requests appear likely to exceed the~~  
4 ~~authorization amount.~~
- 5     ~~(5) A brief description of criteria for determining the~~  
6 ~~creditworthiness of a property owner, and of the safeguards that~~  
7 ~~will be used to ensure that the total annual property tax and~~  
8 ~~assessments on the property will not exceed 5 percent of the~~  
9 ~~property's appraised market value.~~
- 10    ~~(d) A plan for raising a capital amount required to pay for work~~  
11 ~~performed pursuant to voluntary contractual assessments. The plan~~  
12 ~~may include amounts to be advanced by the public agency through~~  
13 ~~funds available to it from any source. The plan may include the~~  
14 ~~sale of a bond or bonds or other financing relationship pursuant~~  
15 ~~to Section 5898.28. The plan shall include a statement of or method~~  
16 ~~for determining the interest rate and time period during which~~  
17 ~~contracting property owners would pay any assessment. The plan~~  
18 ~~shall provide for any reserve fund or funds. The plan shall provide~~  
19 ~~for the apportionment of all or any portion of the costs incidental~~  
20 ~~to financing, administration, and collection of the voluntary~~  
21 ~~contractual assessment program among the consenting property~~  
22 ~~owners and the public agency.~~
- 23    ~~(e) A report on the results of the consultations with the county~~  
24 ~~auditor's office or county controller's office concerning the~~  
25 ~~additional fees, if any, that will be charged to the city or county~~  
26 ~~for incorporating the proposed voluntary contractual assessments~~  
27 ~~into the assessments of the general taxes of the city or county on~~  
28 ~~real property, and a plan for financing the payment of those fees.~~