

AMENDED IN SENATE JUNE 7, 2011
AMENDED IN SENATE MAY 31, 2011
AMENDED IN ASSEMBLY MARCH 22, 2011
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 462

Introduced by Assembly Member Bonnie Lowenthal

February 15, 2011

An act to amend Section 44229 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 462, as amended, Bonnie Lowenthal. Air pollution: vehicular pollution.

Existing law authorizes ~~an~~ *specified* air pollution control ~~district or a regional districts and~~ air quality management ~~district districts~~, until January 1, 2015, to establish a fee of up to \$6 on the registration of motor vehicles registered in the district. Existing law requires the revenues from the first \$4 of the fee *to* be used for specified purposes. Existing law requires that the revenues from the last \$2 of the fee be used for specified programs that the district determines remediate air pollution harms created by motor vehicles.

This bill would additionally authorize a district based on that determination to use the last \$2 of the fee for programs to replace onboard natural gas tanks on schoolbuses owned by a school district that are 14 years or older, with a funding amount not to exceed \$20,000 per bus and to enhance deteriorating natural gas fueling dispensers of fueling infrastructure operated by a school district, with a one-time funding amount not to exceed \$500 per dispenser.

This bill would incorporate additional changes in Section 44229 of the Health and Safety Code, proposed by AB 470, to be operative only if AB 470 and this bill are both chaptered and become effective January 1, 2012, and this bill is chaptered last.

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

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

1 SECTION 1. Section 44229 of the Health and Safety Code, as
 2 amended by Section 4 of Chapter 707 of the Statutes of 2004, is
 3 amended to read:

4 44229. (a) After deducting all administrative costs it incurs
 5 through collection of fees pursuant to Section 44227, the
 6 Department of Motor Vehicles shall distribute the revenues to
 7 districts, which shall use the revenues resulting from the first four
 8 dollars (\$4) of each fee imposed to reduce air pollution from motor
 9 vehicles and to carry out related planning, monitoring, enforcement,
 10 and technical studies necessary for implementation of the California
 11 Clean Air Act of 1988. Fees collected by the Department of Motor
 12 Vehicles pursuant to this chapter shall be distributed to districts
 13 based upon the amount of fees collected from motor vehicles
 14 registered within each district.

15 (b) Notwithstanding the provisions of ~~Section~~ Sections 44241
 16 and ~~Section~~ 44243, a district shall use the revenues resulting from
 17 the next two dollars (\$2) of each fee imposed pursuant to Section
 18 44227 to implement the following programs that the district
 19 determines remediate air pollution harms created by motor vehicles
 20 on which the surcharge is imposed:

21 (1) Projects eligible for grants under the Carl Moyer Memorial
 22 Air Quality Standards Attainment Program (Chapter 9
 23 commencing with Section 44275) of Part 5).

24 (2) The new purchase, retrofit, repower, or add-on equipment
 25 for previously unregulated agricultural sources of air pollution, as
 26 defined in Section 39011.5, for a minimum of three years from
 27 the date of adoption of an applicable rule or standard, or until the
 28 compliance date of that rule or standard, whichever is later, if the
 29 state board has determined that the rule or standard complies with
 30 Sections 40913, 40914, and 41503.1, after which period of time,
 31 a new purchase, retrofit, repower, or add-on of equipment shall

1 not be funded pursuant to this chapter. The districts shall follow
2 any guidelines developed under subdivision (a) of Section 44287
3 for awarding grants under this program.

4 (3) The new purchase of schoolbuses pursuant to the
5 Lower-Emission School Bus Program adopted by the state board.

6 (4) An accelerated vehicle retirement or repair program that is
7 adopted by the state board pursuant to authority granted hereafter
8 by the Legislature by statute.

9 (5) The replacement of onboard natural gas fuel tanks on
10 schoolbuses owned by a school district that are 14 years or older,
11 not to exceed twenty thousand dollars (\$20,000) per bus.

12 (6) The enhancement of deteriorating natural gas fueling
13 dispensers of fueling infrastructure operated by a school district
14 with a one-time funding amount not to exceed five hundred dollars
15 (\$500) per dispenser.

16 (c) The Department of Motor Vehicles may annually expend
17 not more than ~~the following percentages~~ *1 percent* of the fees
18 collected pursuant to Section 44227 on ~~administrative costs~~: *costs*.

19 ~~(1) During the first year after the operative date of this chapter,~~
20 ~~not more than 5 percent of the fees collected may be used for~~
21 ~~administrative costs.~~

22 ~~(2) During the second year after the operative date of this~~
23 ~~chapter, not more than 3 percent of the fees collected may be used~~
24 ~~for administrative costs.~~

25 ~~(3) During any year subsequent to the second year after the~~
26 ~~operative date of this chapter, not more than 1 percent of the fees~~
27 ~~collected may be used for administrative costs.~~

28 (d) A project funded by the program shall not be used for credit
29 under any state or federal emissions averaging, banking, or trading
30 program. ~~Emission~~ *An emission* reduction generated by the program
31 shall not be used as marketable emission reduction credits or to
32 offset any emission reduction obligation of any person or entity.
33 Projects involving new engines that would otherwise generate
34 marketable credits under state or federal averaging, banking, and
35 trading programs shall include transfer of credits to the engine end
36 user and retirement of those credits toward reducing air emissions
37 in order to qualify for funding under the program. A purchase of
38 a low-emission vehicle or of equipment pursuant to a corporate or
39 a controlling board's policy, but not otherwise required by law,

1 shall generate surplus emissions reductions and may be funded by
2 the program.

3 (e) This section shall remain in effect only until January 1, 2015,
4 and as of that date is repealed, unless a later enacted statute, that
5 is enacted before January 1, 2015, deletes or extends that date.

6 *SEC. 1.5. Section 44229 of the Health and Safety Code, as*
7 *amended by Section 4 of Chapter 707 of the Statutes of 2004, is*
8 *amended to read:*

9 44229. (a) After deducting all administrative costs it incurs
10 through collection of fees pursuant to Section 44227, the
11 Department of Motor Vehicles shall distribute the revenues to
12 districts, which shall use the revenues resulting from the first four
13 dollars (\$4) of each fee imposed to reduce air pollution from motor
14 vehicles and to carry out related planning, monitoring, enforcement,
15 and technical studies necessary for implementation of the California
16 Clean Air Act of 1988. Fees collected by the Department of Motor
17 Vehicles pursuant to this chapter shall be distributed to districts
18 based upon the amount of fees collected from motor vehicles
19 registered within each district.

20 (b) Notwithstanding the provisions of ~~Section~~ *Sections* 44241
21 and ~~Section~~ 44243, a district shall use the revenues resulting from
22 the next two dollars (\$2) of each fee imposed pursuant to Section
23 44227 to implement the following programs that the district
24 determines remediate air pollution harms created by motor vehicles
25 on which the surcharge is imposed:

26 (1) Projects eligible for grants under the Carl Moyer Memorial
27 Air Quality Standards Attainment Program (Chapter 9
28 (commencing with Section 44275) of Part 5).

29 (2) The new purchase, retrofit, repower, or add-on equipment
30 for previously unregulated agricultural sources of air pollution, as
31 defined in Section 39011.5, for a minimum of three years from
32 the date of adoption of an applicable rule or standard, or until the
33 compliance date of that rule or standard, whichever is later, if the
34 state board has determined that the rule or standard complies with
35 Sections 40913, 40914, and 41503.1, after which period of time,
36 a new purchase, retrofit, repower, or add-on of equipment shall
37 not be funded pursuant to this chapter. The districts shall follow
38 any guidelines developed under subdivision (a) of Section 44287
39 for awarding grants under this program.

1 (3) ~~The new purchase of new, or retrofit of emissions control~~
2 ~~equipment for existing, schoolbuses pursuant to the~~
3 ~~Lower-Emission School Bus Program adopted by the state board.~~

4 (4) An accelerated vehicle retirement or repair program that is
5 adopted by the state board pursuant to authority granted hereafter
6 by the Legislature by statute.

7 (5) *The replacement of onboard natural gas fuel tanks on*
8 *schoolbuses owned by a school district that are 14 years or older,*
9 *not to exceed twenty thousand dollars (\$20,000) per bus.*

10 (6) *The enhancement of deteriorating natural gas fueling*
11 *dispensers of fueling infrastructure operated by a school district*
12 *with a one-time funding amount not to exceed five hundred dollars*
13 *(\$500) per dispenser.*

14 (c) The Department of Motor Vehicles may annually expend
15 not more than ~~the following percentages~~ *1 percent* of the fees
16 collected pursuant to Section 44227 on administrative ~~costs~~: *costs*.

17 (1) ~~During the first year after the operative date of this chapter,~~
18 ~~not more than 5 percent of the fees collected may be used for~~
19 ~~administrative costs.~~

20 (2) ~~During the second year after the operative date of this~~
21 ~~chapter, not more than 3 percent of the fees collected may be used~~
22 ~~for administrative costs.~~

23 (3) ~~During any year subsequent to the second year after the~~
24 ~~operative date of this chapter, not more than 1 percent of the fees~~
25 ~~collected may be used for administrative costs.~~

26 (d) ~~No~~ A project funded by the program shall *not* be used for
27 credit under any state or federal emissions averaging, banking, or
28 trading program. ~~No~~ An emission reduction generated by the
29 program shall *not* be used as marketable emission reduction credits
30 or to offset any emission reduction obligation of any person or
31 entity. Projects involving new engines that would otherwise
32 generate marketable credits under state or federal averaging,
33 banking, and trading programs shall include transfer of credits to
34 the engine end user and retirement of those credits toward reducing
35 air emissions in order to ~~quality~~ *qualify* for funding under the
36 program. A purchase of a ~~low-emission~~ *low-emission* vehicle or of
37 equipment pursuant to a corporate or a controlling board's policy,
38 but not otherwise required by law, shall generate surplus emissions
39 reductions and may be funded by the program.

1 (e) This section shall remain in effect only until January 1, 2015,
2 and as of that date is repealed, unless a later enacted statute, that
3 is enacted before January 1, 2015, deletes or extends that date.

4 *SEC. 2. Section 1.5 of this bill incorporates amendments to*
5 *Section 44229 of the Health and Safety Code proposed by both*
6 *this bill and AB 470. It shall only become operative if (1) both bills*
7 *are enacted and become effective on or before January 1, 2012,*
8 *(2) each bill amends Section 44229 of the Health and Safety Code,*
9 *and (3) this bill is enacted after AB 470, in which case Section 1*
10 *of this bill shall not become operative.*