

AMENDED IN SENATE AUGUST 26, 2013

AMENDED IN SENATE JULY 8, 2013

AMENDED IN SENATE JUNE 19, 2013

AMENDED IN SENATE JUNE 4, 2013

AMENDED IN ASSEMBLY APRIL 15, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1422**

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**Introduced by Committee on Jobs, Economic Development, and the Economy (Medina (Chair), Daly, Fong, Fox, and V. Manuel Pérez)**

March 21, 2013

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An act to amend Sections 26003 and 26011.8 of the Public Resources Code, and to repeal Section 1 of Chapter 677 of the Statutes of 2012, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1422, as amended, Committee on Jobs, Economic Development, and the Economy. California Alternative Energy and Advanced Transportation Financing Authority: participating party.

(1) Existing law, the California Alternative Energy and Advanced Transportation Financing Authority Act, establishes the California Alternative Energy and Advanced Transportation Financing Authority and requires the authority to establish programs to provide financial assistance to participating parties for projects, as defined, related to sustainable and renewable energy sources, energy efficiency, and advanced transportation projects. The act provides financial assistance,

in the form of a sales and use tax exclusion, to participating parties for these types of projects. ~~The act prohibits the sales and use tax exclusions granted from exceeding \$100,000,000 for each calendar year.~~

This bill would redefine “project” to include, but not be limited to, machinery and equipment ~~purchased and~~ utilized in the state, and, for purposes of the sales and use tax exclusion, would redefine “project” to mean tangible personal property that is ~~purchased and~~ utilized in the state for the design, manufacture, production, or assembly of advanced manufacturing, advanced transportation technologies, or alternative source products, components, or systems. The bill would clarify that for purposes of the sales and use tax exclusion, an entity located outside of the state, including an entity located overseas, is considered to be a participating party and is eligible to apply for financial assistance if the participating party commits to, and demonstrates that the participating party will be opening a manufacturing facility in the state. The bill would ~~require that any portion of the \$100,000,000 not granted through the sales and use tax exclusions be available to be granted in the subsequent calendar year, provided that the total amount available in any year does not exceed \$200,000,000.~~ This bill would also make technical, nonsubstantive changes to these provisions.

(2) Existing law requires the authority to evaluate project applications based on certain criteria, including, but not limited to, the extent *to which* the project will create new, permanent jobs in California and the extent *to which* the project results in a reduction in greenhouse gases, a reduction in air or water pollution, an increase in energy efficiency, or a reduction in energy consumption. Existing law requires the authority to work with the University of California or the California State University to perform a peer review of ~~this~~ *these* criteria, as specified.

This bill would repeal the requirement to perform a peer review.

(3) Existing law requires the Governor’s Office of Business and Economic Development to review and identify efficient and cost-effective methods for the state to create jobs in advanced manufacturing, as specified, and to report its findings to the Legislature on or before January 1, 2017.

This bill would repeal this reporting requirement.

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 26003 of the Public Resources Code, as  
2 amended by Section 5 of Chapter 677 of the Statutes of 2012, is  
3 amended to read:

4 26003. (a) As used in this division, unless the context  
5 otherwise requires:

6 (1) (A) “Advanced manufacturing” means manufacturing  
7 processes that improve ~~existing~~, *existing* or create entirely new  
8 materials, products, and processes through the use of science,  
9 engineering, or information technologies, high-precision tools and  
10 methods, a high-performance workforce, and innovative business  
11 or organizational models utilizing any of the following technology  
12 areas:

13 (i) ~~Micro~~—*Microelectronics* and nanoelectronics, including  
14 semiconductors.

15 (ii) Advanced materials.

16 (iii) Integrated computational materials engineering.

17 (iv) Nanotechnology.

18 (v) Additive manufacturing.

19 (vi) Industrial biotechnology.

20 (B) “Advanced manufacturing” includes any of the following:

21 (i) Systems that result from substantive advancement, whether  
22 incremental or breakthrough, beyond the current industry standard,  
23 in the production of materials and products. These advancements  
24 include improvements in manufacturing processes and systems  
25 that are often referred to as “smart” or “intelligent” manufacturing  
26 systems, which integrate computational predictability and  
27 operational efficiency.

28 (ii) (I) Sustainable manufacturing systems and manufacturing  
29 technologies that minimize the use of resources while maintaining  
30 or improving cost and performance.

31 (II) Sustainable manufacturing systems and manufacturing  
32 technologies do not include those required to be undertaken  
33 pursuant to state or federal law or regulations, air district rules or  
34 regulations, memoranda of understanding with a governmental  
35 entity, or legally binding agreements or documents. The State Air  
36 Resources Board shall advise the authority to ensure that the  
37 requirements of this clause are met.

1 (2) (A) “Advanced transportation technologies” means  
2 emerging commercially competitive transportation-related  
3 technologies identified by the authority as capable of creating  
4 long-term, high value-added jobs for Californians while enhancing  
5 the state’s commitment to energy conservation, pollution and  
6 greenhouse gas emissions reduction, and transportation efficiency.

7 (B) “Advanced transportation technologies” does not include  
8 those projects required to be undertaken pursuant to state or federal  
9 law or regulations, air district rules or regulations, memoranda of  
10 understanding with a governmental entity, or legally binding  
11 agreements or documents. The State Air Resources Board shall  
12 advise the authority regarding projects that are excluded pursuant  
13 to this subparagraph.

14 (3) (A) “Alternative sources” means devices or technologies  
15 used for a renewable electrical generation facility, as defined in  
16 paragraph (1) of subdivision (a) of Section 25741, a combined  
17 heat and power system, as defined in Section 2840.2 of the Public  
18 Utilities Code, distributed generation and energy storage  
19 technologies eligible under the self-generation incentive program  
20 pursuant to Section 379.6 of the Public Utilities Code, as  
21 determined by the Public Utilities Commission, or a facility  
22 designed for the production of renewable fuels, the efficient use  
23 of which reduce the use of fossil or nuclear fuels, and energy  
24 efficiency devices or technologies that reduce the need for new  
25 electric generation and reduce emissions of toxic and criteria  
26 pollutants and greenhouse gases.

27 (B) “Alternative sources” does not include a hydroelectric  
28 facility that does not meet state laws pertaining to the control,  
29 appropriation, use, and distribution of water, including, but not  
30 limited to, the obtaining of applicable licenses and permits.

31 (4) “Authority” means the California Alternative Energy and  
32 Advanced Transportation Financing Authority established pursuant  
33 to Section 26004, and any board, commission, department, or  
34 officer succeeding to the functions of the authority, or to which  
35 the powers conferred upon the authority by this division shall be  
36 given.

37 (5) “Cost” as applied to a project or portion of the project  
38 financed under this division means all or part of the cost of  
39 construction and acquisition of all lands, structures, real or personal  
40 property or an interest in the real or personal property, rights,

1 rights-of-way, franchises, easements, and interests acquired or  
2 used for a project; the cost of demolishing or removing any  
3 buildings or structures on land so acquired, including the cost of  
4 acquiring any lands to which those buildings or structures may be  
5 moved; the cost of all machinery, equipment, and furnishings,  
6 financing charges, interest prior to, during, and for a period after,  
7 completion of construction as determined by the authority;  
8 provisions for working capital; reserves for principal and interest  
9 and for extensions, enlargements, additions, replacements,  
10 renovations, and improvements; the cost of architectural,  
11 engineering, financial, accounting, auditing and legal services,  
12 plans, specifications, estimates, administrative expenses, and other  
13 expenses necessary or incident to determining the feasibility of  
14 constructing any project or incident to the construction, acquisition,  
15 or financing of a project.

16 (6) “Financial assistance” includes, but is not limited to, loans,  
17 loan loss reserves, interest rate reductions, proceeds of bonds issued  
18 by the authority, bond insurance, loan guarantees or other credit  
19 enhancements or liquidity facilities, contributions of money, or a  
20 combination thereof, as determined by, and approved by the  
21 resolution of, the board.

22 (7) (A) “Participating party” means a person, federal or state  
23 agency, department, board, authority, or commission, state or  
24 community college, or university, or a city or county, regional  
25 agency, public district, school district, or other political entity  
26 engaged in the business or operations in the state, whether  
27 organized for profit or not for profit, that applies for financial  
28 assistance from the authority for the purpose of implementing a  
29 project.

30 (B) (i) For ~~the~~ purposes of Section 6010.8 of the Revenue and  
31 Taxation Code, “participating party” means an entity specified in  
32 subparagraph (A) that seeks financial assistance pursuant to Section  
33 26011.8.

34 (ii) For purposes of Section 6010.8 of the Revenue and Taxation  
35 Code, an entity located outside of the state, including an entity  
36 located overseas, is considered to be a participating party and is  
37 eligible to apply for financial assistance pursuant to Section  
38 26011.8 if the participating party commits to, and demonstrates  
39 that, the party will be opening a manufacturing facility in the state.

1 (iii) It is the intent of the Legislature by adding clause (ii) to  
2 clarify existing law and ensure that an out-of-state entity or  
3 overseas entity is eligible to apply for financial assistance pursuant  
4 to Section 26011.8.

5 (8) (A) “Project” means a land, building, improvement to the  
6 land or building, rehabilitation, work, property, or structure, real  
7 or personal, stationary or mobile, including, but not limited to,  
8 machinery and equipment—~~purchased and~~ utilized in the state,  
9 whether or not in existence or under construction, that utilizes, or  
10 is designed to utilize, an alternative source, or that is utilized for  
11 the design, technology transfer, manufacture, production, assembly,  
12 distribution, or service of advanced transportation technologies or  
13 alternative source components.

14 (B) “Project,” for purposes of Section 26011.8 and Section  
15 6010.8 of the Revenue and Taxation Code, means tangible personal  
16 property that is ~~purchased and~~ utilized in the state for the design,  
17 manufacture, production, or assembly of advanced manufacturing,  
18 advanced transportation technologies, or alternative source  
19 products, components, or systems.

20 (9) “Revenue” means all rents, receipts, purchase payments,  
21 loan repayments, and all other income or receipts derived by the  
22 authority from a project, or the sale, lease, or other disposition of  
23 alternative source or advanced transportation technology facilities,  
24 or the making of loans to finance alternative source or advanced  
25 transportation technology facilities, and any income or revenue  
26 derived from the investment of money in any fund or account of  
27 the authority.

28 (b) This section shall become inoperative on July 1, 2016, and,  
29 as of January 1, 2017, is repealed, unless a later enacted statute,  
30 that becomes operative on or before January 1, 2017, deletes or  
31 extends the dates on which it becomes inoperative and is repealed.

32 SEC. 2. Section 26003 of the Public Resources Code, as added  
33 by Section 6 of Chapter 677 of the Statutes of 2012, is amended  
34 to read:

35 26003. (a) As used in this division, unless the context  
36 otherwise requires:

37 (1) (A) “Advanced transportation technologies” means  
38 emerging commercially competitive transportation-related  
39 technologies identified by the authority as capable of creating  
40 long-term, high value-added jobs for Californians while enhancing

1 the state’s commitment to energy conservation, pollution and  
2 greenhouse gas emissions reduction, and transportation efficiency.

3 (B) “Advanced transportation technologies” does not include  
4 those projects required to be undertaken pursuant to state or federal  
5 law or regulations, air district rules or regulations, memoranda of  
6 understanding with a governmental entity, or legally binding  
7 agreements or documents. The State Air Resources Board shall  
8 advise the authority regarding projects that are excluded pursuant  
9 to this subparagraph.

10 (2) (A) “Alternative sources” means devices or technologies  
11 used for a renewable electrical generation facility, as defined in  
12 paragraph (1) of subdivision (a) of Section 25741, a combined  
13 heat and power system, as defined in Section 2840.2 of the Public  
14 Utilities Code, distributed generation and energy storage  
15 technologies eligible under the self-generation incentive program  
16 pursuant to Section 379.6 of the Public Utilities Code, as  
17 determined by the Public Utilities Commission, or a facility  
18 designed for the production of renewable fuels, the efficient use  
19 of which reduce the use of fossil or nuclear fuels, and energy  
20 efficiency devices or technologies that reduce the need for new  
21 electric generation and reduce emissions of toxic and criteria  
22 pollutants and greenhouse gases.

23 (B) “Alternative sources” does not include a hydroelectric  
24 facility that does not meet state laws pertaining to the control,  
25 appropriation, use, and distribution of water, including, but not  
26 limited to, the obtaining of applicable licenses and permits.

27 (3) “Authority” means the California Alternative Energy and  
28 Advanced Transportation Financing Authority established pursuant  
29 to Section 26004, and any board, commission, department, or  
30 officer succeeding to the functions of the authority, or to which  
31 the powers conferred upon the authority by this division shall be  
32 given.

33 (4) “Cost” as applied to a project or portion of the project  
34 financed under this division means all or part of the cost of  
35 construction and acquisition of all lands, structures, real or personal  
36 property or an interest in the real or personal property, rights,  
37 rights-of-way, franchises, easements, and interests acquired or  
38 used for a project; the cost of demolishing or removing any  
39 buildings or structures on land so acquired, including the cost of  
40 acquiring any lands to which those buildings or structures may be

1 moved; the cost of all machinery, equipment, and furnishings,  
2 financing charges, interest prior to, during, and for a period after,  
3 completion of construction as determined by the authority;  
4 provisions for working capital; reserves for principal and interest  
5 and for extensions, enlargements, additions, replacements,  
6 renovations, and improvements; the cost of architectural,  
7 engineering, financial, accounting, auditing and legal services,  
8 plans, specifications, estimates, administrative expenses, and other  
9 expenses necessary or incident to determining the feasibility of  
10 constructing any project or incident to the construction, acquisition,  
11 or financing of a project.

12 (5) “Financial assistance” includes, but is not limited to, loans,  
13 loan loss reserves, interest rate reductions, proceeds of bonds issued  
14 by the authority, bond insurance, loan guarantees or other credit  
15 enhancements or liquidity facilities, contributions of money, or a  
16 combination thereof, as determined by, and approved by the  
17 resolution of, the board.

18 (6) (A) “Participating party” means a person, federal or state  
19 agency, department, board, authority, or commission, state or  
20 community college, or university, or a city or county, regional  
21 agency, public district, school district, or other political entity  
22 engaged in the business or operations in the state, whether  
23 organized for profit or not for profit, that applies for financial  
24 assistance from the authority for the purpose of implementing a  
25 project.

26 (B) (i) For purposes of Section 6010.8 of the Revenue and  
27 Taxation Code, “participating party” means an entity specified in  
28 subparagraph (A) that seeks financial assistance pursuant to Section  
29 26011.8.

30 (ii) For purposes of Section 6010.8 of the Revenue and Taxation  
31 Code, an entity located outside of the state, including an entity  
32 located overseas, is considered to be a participating party and is  
33 eligible to apply for financial assistance pursuant to Section  
34 26011.8 if the participating party commits to, and demonstrates  
35 that, the party will be opening a manufacturing facility in the state.

36 (iii) It is the intent of the Legislature by adding clause (ii) to  
37 clarify existing law and ensure that an out-of-state entity or  
38 overseas entity is eligible to apply for financial assistance pursuant  
39 to Section 26011.8.



1 (7) (A) “Project” means a land, building, improvement to the  
2 land or building, rehabilitation, work, property, or structure, real  
3 or personal, stationary or mobile, including, but not limited to,  
4 machinery and equipment ~~purchased and~~ utilized in the state,  
5 whether or not in existence or under construction, that utilizes, or  
6 is designed to utilize, an alternative source, or that is utilized for  
7 the design, technology transfer, manufacture, production, assembly,  
8 distribution, or service of advanced transportation technologies or  
9 alternative source components.

10 (B) “Project,” for purposes of Section 26011.8 and Section  
11 6010.8 of the Revenue and Taxation Code, means tangible personal  
12 property that is ~~purchased and~~ utilized in the state for the design,  
13 manufacture, production, or assembly of advanced transportation  
14 technologies or alternative source products, components, or  
15 systems.

16 (8) “Revenue” means all rents, receipts, purchase payments,  
17 loan repayments, and all other income or receipts derived by the  
18 authority from a project, or the sale, lease, or other disposition of  
19 alternative source or advanced transportation technology facilities,  
20 or the making of loans to finance alternative source or advanced  
21 transportation technology facilities, and any income or revenue  
22 derived from the investment of money in any fund or account of  
23 the authority.

24 (b) This section shall become operative on July 1, 2016.

25 SEC. 3. Section 26011.8 of the Public Resources Code, as  
26 amended by Section 12 of Chapter 677 of the Statutes of 2012, is  
27 amended to read:

28 26011.8. (a) The purpose of this section is to promote the  
29 creation of California-based manufacturing, California-based jobs,  
30 advanced manufacturing, the reduction of greenhouse gases, or  
31 reductions in air and water pollution or energy consumption. In  
32 furtherance of this purpose, the authority may approve a project  
33 for financial assistance in the form of the sales and use tax  
34 exclusion established in Section 6010.8 of the Revenue and  
35 Taxation Code.

36 (b) For purposes of this section, “project” means a project as  
37 defined in subparagraph (B) of paragraph (8) of subdivision (a) of  
38 Section 26003.

1 (c) The authority shall publish notice of the availability of  
2 project applications and deadlines for submission of project  
3 applications to the authority.

4 (d) The authority shall evaluate project applications based upon  
5 all of the following criteria:

6 (1) The extent to which the project develops manufacturing  
7 facilities, or purchases equipment for manufacturing facilities,  
8 located in California.

9 (2) The extent to which the anticipated benefit to the state from  
10 the project equals or exceeds the projected benefit to the  
11 participating party from the sales and use tax exclusion.

12 (3) The extent to which the project will create new, permanent  
13 jobs in California.

14 (4) To the extent feasible, the extent to which the project, or the  
15 product produced by the project, results in a reduction of  
16 greenhouse gases, a reduction in air or water pollution, an increase  
17 in energy efficiency, or a reduction in energy consumption, beyond  
18 what is required by ~~any~~ federal or state law or regulation.

19 (5) The extent of unemployment in the area in which the project  
20 is proposed to be located.

21 (6) Any other factors the authority deems appropriate in  
22 accordance with this section.

23 (e) At a duly noticed public hearing, the authority shall approve,  
24 by resolution, project applications for financial assistance.

25 (f) Notwithstanding subdivision (j), and without regard to the  
26 actual date of any transaction between a participating party and  
27 the authority, any project approved by the authority by resolution  
28 for the sales and use tax exclusion pursuant to Section 6010.8 of  
29 the Revenue and Taxation Code before March 24, 2010, shall not  
30 be subject to this section.

31 (g) The Legislative Analyst’s Office shall report to the Joint  
32 Legislative Budget Committee on the effectiveness of this program,  
33 on or before January 1, 2019, by evaluating factors, including, but  
34 not limited to, the following:

35 (1) The number of jobs created by the program in California.

36 (2) The number of businesses that have remained in California  
37 or relocated to California as a result of this program.

38 (3) The amount of state and local revenue and economic activity  
39 generated by the program.

1 (4) The types of advanced manufacturing, as defined in  
2 paragraph (1) of subdivision (a) of Section 26003, utilized.

3 (5) The amount of reduction in greenhouse gases, air pollution,  
4 water pollution, or energy consumption.

5 (h) The exclusions granted pursuant to Section 6010.8 of the  
6 Revenue and Taxation Code for projects approved by the authority  
7 pursuant to this section shall not exceed one hundred million dollars  
8 (\$100,000,000) for each calendar year. ~~Any portion of the one~~  
9 ~~hundred million dollars (\$100,000,000) in exclusions not granted~~  
10 ~~in the assigned calendar year shall be available to be granted in~~  
11 ~~the subsequent calendar year provided that the total amount~~  
12 ~~available in any year does not exceed two hundred million dollars~~  
13 ~~(\$200,000,000).~~

14 (i) (1) The authority shall study the efficacy and cost benefit  
15 of the sales and use tax exemption as it relates to advanced  
16 manufacturing projects. The study shall include the number of jobs  
17 created, the costs of each job, and the annual salary of each job.  
18 The study shall also consider a dynamic analysis of the economic  
19 output to the state that would occur without the sales and use tax  
20 exemption. Before January 1, 2017, the authority shall submit to  
21 the Legislature, consistent with Section 9795 of the Government  
22 Code, the result of the study.

23 (2) Before January 1, 2015, the authority shall, consistent with  
24 Section 9795 of the Government Code, submit to the Legislature  
25 an interim report on the efficacy of the program conducted pursuant  
26 to this section. The study shall include recommendations on  
27 program changes that would increase the program's efficacy in  
28 creating permanent and temporary jobs, and whether eligibility  
29 for the program should be extended or narrowed to other  
30 manufacturing types. The authority may work with the Legislative  
31 Analyst's Office in preparing the report and its recommendations.

32 (j) (1) Except as provided in paragraph (2), this section shall  
33 become inoperative on July 1, 2016, and, as of January 1, 2017,  
34 is repealed, unless a later enacted statute, that becomes operative  
35 on or before January 1, 2017, deletes or extends the dates on which  
36 it becomes inoperative and is repealed. The sale or purchase of  
37 tangible personal property of a project approved before June 30,  
38 2016, shall continue to be excluded from sales and use taxes  
39 pursuant to Section 6010.8 of the Revenue and Taxation Code for

1 the period of time set forth in the authority’s resolution approving  
2 the project pursuant to this section.

3 (2) Notwithstanding paragraph (1), the authority’s obligation  
4 to submit to the Legislature a report pursuant to paragraph (2) of  
5 subdivision (i) shall remain operative until the submission of the  
6 report.

7 SEC. 4. Section 26011.8 of the Public Resources Code, as  
8 added by Section 13 of Chapter 677 of the Statutes of 2012, is  
9 amended to read:

10 26011.8. (a) The purpose of this section is to promote the  
11 creation of California-based manufacturing, California-based jobs,  
12 the reduction of greenhouse gases, or reductions in air and water  
13 pollution or energy consumption. In furtherance of this purpose,  
14 the authority may approve a project for financial assistance in the  
15 form of the sales and use tax exclusion established in Section  
16 6010.8 of the Revenue and Taxation Code.

17 (b) For purposes of this section, “project” means a project as  
18 defined in subparagraph (B) of paragraph (7) of subdivision (a) of  
19 Section 26003.

20 (c) The authority shall publish notice of the availability of  
21 project applications and deadlines for submission of project  
22 applications to the authority.

23 (d) The authority shall evaluate project applications based upon  
24 a net benefits test that includes all of the following criteria:

25 (1) The extent to which the project develops manufacturing  
26 facilities, or purchases equipment for manufacturing facilities,  
27 located in California.

28 (2) The extent to which the anticipated benefit to the state from  
29 the project equals or exceeds the projected benefit to the  
30 participating party from the sales and use tax exclusion.

31 (3) The extent to which the project will create new, permanent  
32 jobs in California.

33 (4) To the extent feasible, the extent to which the project, or the  
34 product produced by the project, results in a reduction of  
35 greenhouse gases, a reduction in air or water pollution, an increase  
36 in energy efficiency, or a reduction in energy consumption, beyond  
37 what is required by ~~any~~ federal or state law or regulation.

38 (5) The extent of unemployment in the area in which the project  
39 is proposed to be located.

1 (6) Any other factors the authority deems appropriate in  
2 accordance with this section.

3 (e) At a duly noticed public hearing, the authority shall approve,  
4 by resolution, project applications for financial assistance.

5 (f) Notwithstanding subdivision (j), and without regard to the  
6 actual date of any transaction between a participating party and  
7 the authority, any project as defined in paragraph (7) of subdivision  
8 (a) of Section 26003 approved by the authority by resolution for  
9 the sales and use tax exclusion pursuant to Section 6010.8 of the  
10 Revenue and Taxation Code before March 24, 2010, shall not be  
11 subject to this section.

12 (g) The Legislative Analyst's Office shall report to the Joint  
13 Legislative Budget Committee on the effectiveness of this program,  
14 on or before January 1, 2019, by evaluating factors, including, but  
15 not limited to, the following:

16 (1) The number of jobs created by the program in California.

17 (2) The number of businesses that have remained in California  
18 or relocated to California as a result of this program.

19 (3) The amount of state and local revenue and economic activity  
20 generated by the program.

21 (4) The amount of reduction in greenhouse gases, air pollution,  
22 water pollution, or energy consumption.

23 (h) The exclusions granted pursuant to Section 6010.8 of the  
24 Revenue and Taxation Code for projects approved by the authority  
25 pursuant to this section shall not exceed one hundred million dollars  
26 (\$100,000,000) for each calendar year. ~~Any portion of the one~~  
27 ~~hundred million dollars (\$100,000,000) in exclusions not granted~~  
28 ~~in the assigned calendar year shall be available to be granted in~~  
29 ~~the subsequent calendar year provided that the total amount~~  
30 ~~available in any year does not exceed two hundred million dollars~~  
31 ~~(\$200,000,000).~~

32 (i) The authority shall make every effort to expedite the  
33 operation of this section, and shall adopt regulations for purposes  
34 of implementing the section as emergency regulations in  
35 accordance with Chapter 3.5 (commencing with Section 11340)  
36 of Part 1 of Division 3 of Title 2 of the Government Code. For  
37 purposes of that Chapter 3.5, including Section 11349.6 of the  
38 Government Code, the adoption of the regulations shall be  
39 considered by the Office of Administrative Law to be necessary

1 for the immediate preservation of the public peace, health and  
2 safety, and general welfare.

3 (j) This section shall become operative on July 1, 2016, and  
4 shall remain in effect only until January 1, 2021, and as of that  
5 date is repealed. The sale or purchase of tangible personal property  
6 of a project approved before January 1, 2021, shall continue to be  
7 excluded from sales and use taxes pursuant to Section 6010.8 of  
8 the Revenue and Taxation Code for the period of time set forth in  
9 the authority's resolution approving the project pursuant to this  
10 section.

11 SEC. 5. Section 1 of Chapter 677 of the Statutes of 2012 is  
12 repealed.

O