

AMENDED IN SENATE AUGUST 11, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1478

Introduced by Committee on Budget (Skinner (Chair), Bloom, Campos, Chesbro, Dababneh, Daly, Dickinson, Gordon, Jones-Sawyer, Mullin, Muratsuchi, Nazarian, Rodriguez, Stone, Ting, and Weber)

January 9, 2014

An act relating to the Budget Act of 2014. An act to amend, repeal, and add Section 5956.10 of the Government Code, to amend Section 50661 of the Health and Safety Code, to amend Section 25416 of the Public Resources Code, and to amend Sections 62 and 193 of Chapter 35 of the Statutes of 2014, relating to public resources, and making an appropriation therefor; to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 1478, as amended, Committee on Budget. ~~Budget Act of 2014.~~
Public resources.

(1) Existing law authorizes a governmental agency to solicit proposals and enter into agreements with private entities for the design, construction, or reconstruction of, and to lease to private entities, specified types of fee-producing infrastructure projects. Existing law prohibits a state agency or specified governmental agencies from using this authorization to design, construct, finance, or operate a state project, as specified.

This bill, until December 31, 2019, would specify that a state project, for these purposes, does not include a governmental agency project

financed through the State Water Pollution Control Revolving Fund or the Safe Drinking Water State Revolving Fund.

(2) Existing law creates the Housing Rehabilitation Loan Fund and continuously appropriates moneys in the fund for, among other purposes, making specified deferred payment housing rehabilitation loans. Prior to June 20, 2014, existing law authorized, to the extent no other funding sources were available, \$10,000,000 in the fund to be used by the department for the purpose of providing housing rental-related subsidies to persons rendered homeless, or at risk of becoming homeless, due to unemployment, underemployment, or other economic hardship resulting from the state of emergency proclaimed by the Governor based on drought conditions.

This bill would, to the extent no other funding sources are available, reauthorize that \$10,000,000 in the fund to be used by the department for the above-stated purposes.

(3) The Energy Conservation Assistance Act of 1979 establishes the State Energy Conservation Assistance Account, a continuously appropriated account, that is administered by the State Energy Resources Conservation and Development Commission to provide grants and loans to various public entities to maximize energy use savings in existing and planned buildings and facilities. Existing law, the Budget Act of 2014, transfers, upon order of the Director of Finance, moneys from the Greenhouse Gas Reduction Fund to the account for those purposes.

This bill would create a continuously appropriated subaccount within the State Energy Conservation Assistance Account to track the award and repayment of loans made with moneys transferred from the Greenhouse Gas Reduction Fund, as specified. The bill would authorize moneys in the subaccount to be used for loans only for projects in buildings owned and operated by a state agency or entity, including, without limitation, the University of California and California State University.

(4) Existing law, the Budget Act of 2014, appropriates the unencumbered balance of specified moneys appropriated in the Budget Act of 2003 for the State Department of Public Health to the State Water Resources Control Board for encumbrance or expenditure until June 30, 2016, for the purposes of providing grants of up to \$500,000 per project for public water systems to address drought-related drinking water emergencies or threatened emergencies.

This bill would make those moneys available for liquidation until June 30, 2018.

This bill also would make conforming changes.

(5) The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit, as defined, to be achieved by 2020, equivalent to the statewide greenhouse gas emissions levels in 1990. Existing law 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 those fees to be deposited in the Cost of Implementation Account. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions. The act requires the scoping plan to be updated at least once every 5 years.

This bill would appropriate \$529,000 from the Cost of Implementation Account to the Secretary of the Natural Resources Agency for the purpose of implementing elements of the scoping plan adopted by the State Air Resources Board.

(6) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2014.~~

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

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

- 1 SECTION 1. Section 5956.10 of the Government Code is
- 2 amended to read:
- 3 5956.10. (a) Notwithstanding any *other* provision of this
- 4 chapter, neither the state or any state agency ~~may~~ shall directly or
- 5 indirectly use the authority in this ~~chapter, chapter~~ nor ~~may~~ shall
- 6 any governmental ~~agency~~ agency, as defined in Section 5956.3,
- 7 use the authority in this ~~chapter, chapter~~ to design, construct,
- 8 finance, or operate a state project. For purposes of this section, a
- 9 state project includes any of the following:
- 10 (a)
- 11 (1) Toll roads on state highways.

- 1 ~~(b)~~
- 2 (2) State water projects.
- 3 ~~(e)~~
- 4 (3) State park and recreation projects.
- 5 ~~(d)~~
- 6 (4) State financed projects.

7 (b) These limitations shall not prohibit the state, any state
 8 agency, or any governmental ~~agency~~ agency, as defined in Section
 9 5956.3, from utilizing authorizations contained in other provisions
 10 of law.

11 (c) *For purposes of this section, a state project does not include*
 12 *a governmental agency project financed through the State Water*
 13 *Pollution Control Revolving Fund, established pursuant to Section*
 14 *13477 of the Water Code, or the Safe Drinking Water State*
 15 *Revolving Fund, established pursuant to Section 116760.30 of the*
 16 *Health and Safety Code.*

17 (d) *This section shall become inoperative on December 31, 2019,*
 18 *and, as of January 1, 2020, is repealed, unless a later enacted*
 19 *statute, that becomes operative on or before January 1, 2020,*
 20 *deletes or extends the dates on which it becomes inoperative and*
 21 *is repealed.*

22 SEC. 2. *Section 5956.10 is added to the Government Code, to*
 23 *read:*

24 5956.10. (a) *Notwithstanding any other provision of this*
 25 *chapter, neither the state or any state agency shall directly or*
 26 *indirectly use the authority in this chapter nor shall any*
 27 *governmental agency, as defined in Section 5956.3, use the*
 28 *authority in this chapter to design, construct, finance, or operate*
 29 *a state project. For purposes of this section, a state project includes*
 30 *any of the following:*

- 31 (1) *Toll roads on state highways.*
- 32 (2) *State water projects.*
- 33 (3) *State park and recreation projects.*
- 34 (4) *State financed projects.*

35 (b) *These limitations shall not prohibit the state, any state*
 36 *agency, or any governmental agency, as defined in Section 5956.3,*
 37 *from utilizing authorizations contained in other provisions of law.*

38 (c) *This section shall become operative on January 1, 2020.*

39 SEC. 3. *Section 50661 of the Health and Safety Code is*
 40 *amended to read:*

1 50661. (a) There is hereby created in the State Treasury the
2 Housing Rehabilitation Loan Fund. All interest or other increments
3 resulting from the investment of moneys in the Housing
4 Rehabilitation Loan Fund shall be deposited in the fund,
5 notwithstanding Section 16305.7 of the Government Code.
6 Notwithstanding Section 13340 of the Government Code, all
7 money in the fund is continuously appropriated to the department
8 for the following purposes:

9 (1) For making deferred-payment rehabilitation loans for
10 financing all or a portion of the cost of rehabilitating existing
11 housing to meet rehabilitation standards as provided in this chapter.

12 (2) For making deferred payment loans as provided in Sections
13 50668.5, 50669, and 50670.

14 (3) For making deferred payment loans pursuant to Sections
15 50662.5 and 50671.

16 (4) Subject to the restrictions of Section 53131, if applicable,
17 for administrative expenses of the department made pursuant to
18 this chapter, Article 3 (commencing with Section 50693) of Chapter
19 7.5, and Chapter 10 (commencing with Section 50775).

20 (5) For related administrative costs of nonprofit corporations
21 and local public entities contracting with the department pursuant
22 to Section 50663 in an amount, if any, as determined by the
23 department, to enable the entities and corporations to implement
24 a program pursuant to this chapter. The department shall ensure
25 that not less than 20 percent of the funds loaned pursuant to this
26 chapter shall be allocated to rural areas. For purposes of this ~~chapter~~
27 *chapter*, “rural area” shall have the same meaning as in Section
28 50199.21.

29 (6) *To the extent no other funding sources are available, ten*
30 *million dollars (\$10,000,000), as provided in Section 4 of Chapter*
31 *3 of the Statutes of 2014, may be used for the purposes of Section*
32 *34085.*

33 (b) There shall be paid into the fund the following:

34 (1) Any moneys appropriated and made available by the
35 Legislature for purposes of the fund.

36 (2) Any moneys that the department receives in repayment of
37 loans made from the fund, including any interest thereon.

38 (3) Any other moneys that may be made available to the
39 department for the purposes of this chapter from any other source
40 or sources.

1 (4) Moneys transferred or deposited to the fund pursuant to
 2 Sections 50661.5 and 50778.

3 (c) Notwithstanding any other ~~provision~~ of law, any interest or
 4 other increment earned by the investment or deposit of moneys
 5 appropriated by subdivision (b) of Section 3 of Chapter 2 of the
 6 Statutes of the 1987–88 First Extraordinary Session, or Section 7
 7 of Chapter 4 of the Statutes of the 1987–88 First Extraordinary
 8 Session, shall be deposited in a special account in the Housing
 9 Rehabilitation Loan Fund and shall be used exclusively for
 10 purposes of Sections 50662.5 and 50671.

11 (d) Notwithstanding any other ~~provision~~ of law, effective with
 12 the date of the act adding this subdivision, appropriations
 13 authorized by the Budget Act of 1996 for support of the
 14 Department of Housing and Community Development from the
 15 California Disaster Housing Repair Fund and the California
 16 Homeownership Assistance Fund shall instead be authorized for
 17 expenditure from the Housing Rehabilitation Loan Fund.

18 (e) Effective July 1, 2014, the California Housing Trust Fund
 19 in the State Treasury is abolished and any remaining balance,
 20 assets, liabilities, and encumbrances shall be transferred to, and
 21 become part of, the Housing Rehabilitation Loan Fund.
 22 Notwithstanding Section 13340 of the Government Code, all
 23 transferred amounts are continuously appropriated to the
 24 department for the purpose of satisfying any liabilities and
 25 encumbrances and the purposes specified in this section.

26 *SEC. 4. Section 25416 of the Public Resources Code is*
 27 *amended to read:*

28 25416. (a) The State Energy Conservation Assistance Account
 29 is hereby created in the General Fund. Notwithstanding Section
 30 13340 of the Government Code, the account is continuously
 31 appropriated to the commission without regard to fiscal year.

32 (b) The money in the account shall consist of all ~~money~~ *moneys*
 33 authorized or required to be deposited in the account by the
 34 Legislature and all ~~money~~ *moneys* received by the commission
 35 pursuant to Sections 25414 and 25415.

36 (c) The ~~money~~ *moneys* in the account shall be disbursed by the
 37 Controller for the purposes of this chapter as authorized by the
 38 commission.

39 (d) The commission may contract and provide grants for services
 40 to be performed for eligible institutions. Services may include, but

1 are not limited to, feasibility analysis, project design, field
2 assistance, and operation and training. The amount expended for
3 those services—~~may~~ shall not exceed 10 percent of the
4 unencumbered balance of the account as determined by the
5 commission on July 1 of each year.

6 (e) The commission may make grants to eligible institutions for
7 innovative projects and programs. Except as provided in
8 subdivision (d), the amount expended for grants—~~may~~ shall not
9 exceed 5 percent of the annual unencumbered balance in the
10 account as determined by the commission on July 1 of each fiscal
11 year.

12 (f) The commission may charge a fee for the services provided
13 under subdivision (d).

14 (g) Notwithstanding any other ~~provision of law~~, the Controller
15 may use the State Energy Conservation Assistance Account for
16 loans to the General Fund as provided in Sections 16310 and 16381
17 of the Government Code.

18 (h) (1) *A subaccount is hereby created within the State Energy
19 Conservation Assistance Account to track the award and repayment
20 of loans, including principal, interest, and interest earnings on or
21 accruing to the subaccount, made with moneys transferred to the
22 account from the Greenhouse Gas Reduction Fund, created
23 pursuant to Section 16428.8 of the Government Code.
24 Notwithstanding Section 13340 of the Government Code, the
25 subaccount is hereby continuously appropriated to the commission
26 without regard to fiscal year.*

27 (2) *Moneys deposited in the subaccount may be used for loans
28 only for projects in buildings owned and operated by a state agency
29 or entity, including, without limitation, the University of California
30 and California State University.*

31 (3) *Notwithstanding Section 39718 of the Health and Safety
32 Code, a repayment of a loan made pursuant to this chapter with
33 moneys transferred from the Greenhouse Gas Reduction Fund
34 shall be deposited in the subaccount and shall be available for a
35 loan made to an entity eligible for these moneys pursuant to this
36 subdivision.*

37 *SEC. 5. Section 62 of Chapter 35 of the Statutes of 2014 is
38 amended to read:*

39 *Sec. 62. It is the intent of the Legislature that the reorganization
40 and transfer made by Sections 63 to 127, inclusive, Section 181,*

1 ~~and Section 182, Sections 187 to 190~~ 191, inclusive, and Section
 2 193 of this act be carried out in a manner to preserve state primacy
 3 under the federal Safe Drinking Water Act and that the terms of
 4 this act shall be liberally construed to achieve this purpose.

5 *SEC. 6. Section 193 of Chapter 35 of the Statutes of 2014 is*
 6 *amended to read:*

7 *Sec. 193. Notwithstanding any other law, the unenumbered*
 8 *balance of the appropriation provided for in Item 4265-111-0001*
 9 *of Chapter 2 of the Statutes of 2014, for the purposes specified in*
 10 *Provision 3 of that item, is hereby appropriated to the State Water*
 11 *Resources Control Board, as of June 30, 2014. This fund These*
 12 *funds shall be available for encumbrance or expenditure until June*
 13 *30, 2016, and available for liquidation until June 30, 2018, for*
 14 *purposes consistent with subdivisions (a) and (c) of Section 75021*
 15 *of the Public Resources Code for grants pursuant to the Public*
 16 *Water System Drought Emergency Funding Guidelines adopted*
 17 *by the State Department of Public Health on March 28, 2014, for*
 18 *public water systems to address drought-related drinking water*
 19 *emergencies. The State Water Resources Control Board shall make*
 20 *every effort to use other funds available to address drinking water*
 21 *emergencies, including federal funds made available for the drought*
 22 *drought, prior to using the funds specified in this section.*

23 *SEC. 7. The sum of five hundred twenty-nine thousand dollars*
 24 *(\$529,000) is hereby appropriated from the Cost of Implementation*
 25 *Account, established pursuant to Section 16428.95 of the*
 26 *Government Code, to the Secretary of the Natural Resources*
 27 *Agency for the purpose of implementing elements of the scoping*
 28 *plan adopted by the State Air Resources Board pursuant to Section*
 29 *38561 of the Health and Safety Code.*

30 *SEC. 8. This act is a bill providing for appropriations related*
 31 *to the Budget Bill within the meaning of subdivision (e) of Section*
 32 *12 of Article IV of the California Constitution, has been identified*
 33 *as related to the budget in the Budget Bill, and shall take effect*
 34 *immediately.*

35 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
 36 ~~changes relating to the Budget Act of 2014.~~