

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2242**

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**Introduced by Assembly Member Perea**

February 21, 2014

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An act to amend Section ~~40612~~ 44274 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2242, as amended, Perea. ~~San Joaquin Valley Clean Air Attainment~~ *Air Quality Improvement Program.*

*Existing law establishes the Air Quality Improvement Program that is administered by the State Air Resources Board for the purpose of funding air quality improvement projects. Existing law requires the primary purpose of the program to be the funding of projects to reduce criteria air pollutants, and to improve air quality, and to fund research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels, and equipment technologies.*

*This bill additionally would require the program to be focused where the greatest air quality impacts can be identified.*

~~Existing law establishes the San Joaquin Valley Clean Air Attainment Program for the purpose of the San Joaquin Valley achieving state and federal ambient air quality standards by the earliest practicable date. The program authorizes, in order to provide funding for air pollution control programs, the air pollution control district for that area to increase specified motor vehicle fees and adopt rules and regulations to reduce vehicle trips in order to reduce air pollution from vehicular sources.~~

~~This bill would make a technical, nonsubstantive change to these provisions.~~

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

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

1     SECTION 1. Section 44274 of the Health and Safety Code is  
2 amended to read:

3     44274. (a) The Air Quality Improvement Program is hereby  
4 created. The program shall be administered by the state board, in  
5 consultation with the districts. The state board shall develop  
6 guidelines to implement the program. Prior to the adoption of the  
7 guidelines, the state board shall hold at least one public hearing.  
8 In addition, the state board shall hold at least three public  
9 workshops with at least one workshop in northern California, one  
10 in the central valley, and one in southern California. The purpose  
11 of the program shall be to fund, upon appropriation by the  
12 Legislature, air quality improvement projects relating to fuel and  
13 vehicle technologies. The primary purpose of the program shall  
14 be to fund projects to reduce criteria air pollutants, *and to improve*  
15 *air quality, and provide funding for and to fund* research to  
16 determine and improve the air quality impacts of alternative  
17 transportation fuels and vehicles, vessels, and equipment  
18 technologies. *The program shall be focused where the greatest air*  
19 *quality impacts can be identified.*

20     (b) The state board shall provide preference in awarding funding  
21 to those projects with higher benefit-cost scores that maximize the  
22 purposes and goals of the Air Quality Improvement Program. The  
23 state board also may give additional preference based on the  
24 following criteria, as applicable, in funding awards to projects:

25     (1) Proposed or potential reduction of criteria or toxic air  
26 pollutants.

27     (2) Contribution to regional air quality improvement.

28     (3) Ability to promote the use of clean alternative fuels and  
29 vehicle technologies as determined by the state board, in  
30 coordination with the commission.

31     (4) Ability to achieve climate change benefits in addition to  
32 criteria pollutant or air toxic emissions reductions.

1 (5) Ability to support market transformation of California's  
2 vehicle or equipment fleet to utilize low carbon or zero-emission  
3 technologies.

4 (6) Ability to leverage private capital investments.

5 (c) The program shall be limited to competitive grants, revolving  
6 loans, loan guarantees, loans, and other appropriate funding  
7 measures that further the purposes of the program. Projects to be  
8 funded shall include only the following:

9 (1) Onroad and off-road equipment projects that are cost  
10 effective.

11 (2) Projects that provide mitigation for off-road gasoline exhaust  
12 and evaporative emissions.

13 (3) Projects that provide research to determine the air quality  
14 impacts of alternative fuels and projects that study the life-cycle  
15 impacts of alternative fuels and conventional fuels, the emissions  
16 of biofuel and advanced reformulated gasoline blends, and air  
17 pollution improvements and control technologies for use with  
18 alternative fuels and vehicles.

19 (4) Projects that augment the University of California's  
20 agricultural experiment station and cooperative extension programs  
21 for research to increase sustainable biofuels production and  
22 improve the collection of biomass feedstock.

23 (5) Incentives for small off-road equipment replacement to  
24 encourage consumers to replace internal combustion engine lawn  
25 and garden equipment.

26 (6) Incentives for medium- and heavy-duty vehicles and  
27 equipment mitigation, including all of the following:

28 (A) Lower emission schoolbus programs.

29 (B) Electric, hybrid, and plug-in hybrid onroad and off-road  
30 medium- and heavy-duty equipment.

31 (C) Regional air quality improvement and attainment programs  
32 implemented by the state or districts in the most impacted regions  
33 of the state.

34 (7) Workforce training initiatives related to advanced energy  
35 technology designed to reduce air pollution, including  
36 state-of-the-art equipment and goods, and new processes and  
37 systems. Workforce training initiatives funded shall be broad-based  
38 partnerships that leverage other public and private job training  
39 programs and resources. These partnerships may include, though  
40 are not limited to, employers, labor unions, labor-management

1 partnerships, community organizations, workforce investment  
2 boards, postsecondary education providers including community  
3 colleges, and economic development agencies.

4 (8) Incentives to identify and reduce emissions from  
5 high-emitting light-duty vehicles.

6 (d) (1) Beginning January 1, 2011, the state board shall submit  
7 to the Legislature a biennial report to evaluate the implementation  
8 of the Air Quality Improvement Program established pursuant to  
9 this chapter.

10 (2) The report shall include all of the following:

11 (A) A list of projects funded by the Air Quality Improvement  
12 Account.

13 (B) The expected benefits of the projects in promoting clean,  
14 alternative fuels and vehicle technologies.

15 (C) Improvement in air quality and public health, greenhouse  
16 gas emissions reductions, and the progress made toward achieving  
17 these benefits.

18 (D) The impact of the projects in making progress toward  
19 attainment of state and federal air quality standards.

20 (E) Recommendations for future actions.

21 (3) The state board may include the information required to be  
22 reported pursuant to paragraph (1) in an existing report to the  
23 Legislature as the state board deems appropriate.

24 ~~SECTION 1. Section 40612 of the Health and Safety Code is~~  
25 ~~amended to read:~~

26 ~~40612. (a) To provide funding for air pollution control~~  
27 ~~programs needed to achieve and maintain state and federal air~~  
28 ~~quality, the district may do both of the following:~~

29 ~~(1) Notwithstanding the limits on the amount of the motor~~  
30 ~~vehicle fee specified in Sections 44223 and 44225, increase the~~  
31 ~~fee established pursuant to these sections to up to, but not~~  
32 ~~exceeding, thirty dollars (\$30) per motor vehicle per year for the~~  
33 ~~purposes of establishing and implementing incentive-based~~  
34 ~~programs to achieve surplus emissions reductions that the district~~  
35 ~~determines are needed to remediate air pollution harms created by~~  
36 ~~motor vehicles on which the fee is imposed and that are intended~~  
37 ~~to achieve and maintain state and federal ambient air quality~~  
38 ~~standards required by the federal Clean Air Act (42 U.S.C. Sec.~~  
39 ~~7401 et seq.). Except for the amount of the fee, any increase shall~~  
40 ~~be subject to Chapter 7 (commencing with Section 44220) of Part~~

1 ~~5, including, but not limited to, the adoption of a resolution~~  
2 ~~providing for both the fee increase and a corresponding program~~  
3 ~~for expenditure of the moneys raised by the increased fees for the~~  
4 ~~reduction of mobile source emissions.~~

5 ~~(2) Notwithstanding Section 40717.9, adopt rules and regulations~~  
6 ~~to reduce vehicle trips in order to reduce air pollution from~~  
7 ~~vehicular sources.~~

8 ~~(b) Fees adopted pursuant to this section are in addition to any~~  
9 ~~other fees imposed by the district, and may be charged in any of~~  
10 ~~fiscal years 2009–10 to 2023–24, inclusive. Fees may be assessed~~  
11 ~~after the 2012–13 fiscal year only if the United States~~  
12 ~~Environmental Protection Agency approves the district’s proposed~~  
13 ~~reclassification of its nonattainment status for ozone from severe~~  
14 ~~to extreme. The fees adopted pursuant to this section are for the~~  
15 ~~district portion of the total amount needed to achieve and maintain~~  
16 ~~state and federal ambient air quality standards. At least ten million~~  
17 ~~dollars (\$10,000,000) shall be used to mitigate the impacts of air~~  
18 ~~pollution on public health and the environment in~~  
19 ~~disproportionately impacted environmental justice communities~~  
20 ~~in the San Joaquin Valley. The district board shall convene an~~  
21 ~~environmental justice advisory committee, selected from a list~~  
22 ~~given to the board by environmental justice groups from the San~~  
23 ~~Joaquin Valley, to recommend the neighborhoods in the district~~  
24 ~~that constitute environmental justice communities, and how to~~  
25 ~~expend funds within these communities.~~

26 ~~(e) (1) The fees adopted pursuant to this section shall become~~  
27 ~~effective after the state board makes both of the following findings:~~

28 ~~(A) The district has undertaken all feasible measures to reduce~~  
29 ~~nonattainment air pollutants from sources within the district’s~~  
30 ~~jurisdiction and regulatory control.~~

31 ~~(B) The district has notified the state board that fees have been~~  
32 ~~adopted pursuant to this section and provided the state board with~~  
33 ~~an estimate of the total funds that will be provided annually by~~  
34 ~~each of those fees.~~

35 ~~(2) The state board shall file a written copy of its findings made~~  
36 ~~pursuant to this subdivision with the Secretary of State within two~~  
37 ~~days of its determination.~~

38 ~~(3) The fees adopted pursuant to this section shall be collected~~  
39 ~~nine months after the requirements of paragraph (2) are met.~~

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