

AMENDED IN ASSEMBLY AUGUST 18, 2015

AMENDED IN ASSEMBLY JUNE 9, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 199**

---

---

**Introduced by Assembly Member Eggman**  
**(Coauthors: Assembly Members Dahle, Hadley, Harper, Rendon,**  
**Williams, and Wood)**

January 29, 2015

---

---

An act to amend ~~Section~~ *Sections 26003 and 26011.8* of the Public Resources Code, relating to alternative energy, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 199, as amended, Eggman. Alternative energy: recycled feedstock.

Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance for projects that promote the use of alternative energies. Existing law, until January 1, 2021, authorizes the authority to approve a project for financial assistance in the form of a sales and use tax exclusion. Existing law prohibits the authority from granting sales and use tax exclusions that exceed \$100,000,000 for each calendar year.

This bill would expand projects eligible for the sales and use tax exclusion to include projects that process or utilize recycled feedstock, but would not include a project that processes or utilizes recycled feedstock in a manner that constitutes disposal.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. 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 1 of Chapter 540 of the Statutes of 2013, 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 or create entirely new materials,  
8 products, and processes through the use of science, engineering,  
9 or information technologies, high-precision tools and methods, a  
10 high-performance workforce, and innovative business or  
11 organizational models utilizing any of the following technology  
12 areas:  
13 (i) 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

1 Resources Board shall advise the authority to ensure that the  
2 requirements of this clause are met.

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

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

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

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

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

39 (5) “Cost” as applied to a project or portion of the project  
40 financed under this division means all or part of the cost of

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

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

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

32 (B) (i) For purposes of Section 6010.8 of the Revenue and  
33 Taxation Code, “participating party” means an entity specified in  
34 subparagraph (A) that seeks financial assistance pursuant to Section  
35 26011.8.

36 (ii) For purposes of Section 6010.8 of the Revenue and Taxation  
37 Code, an entity located outside of the state, including an entity  
38 located overseas, is considered to be a participating party and is  
39 eligible to apply for financial assistance pursuant to Section

1 26011.8 if the participating party commits to, and demonstrates  
2 that, the party will be opening a manufacturing facility in the state.

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

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

16 (B) "Project," for purposes of Section 26011.8 and Section  
17 6010.8 of the Revenue and Taxation Code, ~~means tangible personal~~  
18 ~~property that primarily processes recycled feedstock that is intended~~  
19 ~~to be reused in the production of another product or utilizes~~  
20 ~~recycled feedstock in the production of another product or soil~~  
21 ~~amendment, or that is utilized in the state for the design,~~  
22 ~~manufacture, production, or assembly of advanced manufacturing,~~  
23 ~~advanced transportation technologies, or alternative source~~  
24 ~~products, components, or systems. "Project" does not include~~  
25 ~~tangible personal property that processes or utilizes recycled~~  
26 ~~feedstock in a manner that would constitute disposal as defined in~~  
27 ~~subdivision (b) of Section 40192. is defined in Section 26011.8.~~

28 (9) "Recycled feedstock" means materials that would otherwise  
29 be destined for disposal, having completed its intended end use  
30 and product lifecycle.

31 ~~(10)~~

32 (9) "Revenue" means all rents, receipts, purchase payments,  
33 loan repayments, and all other income or receipts derived by the  
34 authority from a project, or the sale, lease, or other disposition of  
35 alternative source or advanced transportation technology facilities,  
36 or the making of loans to finance alternative source or advanced  
37 transportation technology facilities, and any income or revenue  
38 derived from the investment of money in any fund or account of  
39 the authority.

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

5 SEC. 2. Section 26003 of the Public Resources Code, as  
6 amended by Section 2 of Chapter 540 of the Statutes of 2013, is  
7 amended to read:

8 26003. (a) As used in this division, unless the context  
9 otherwise requires:

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

16 (B) “Advanced transportation technologies” does not include  
17 those projects required to be undertaken pursuant to state or federal  
18 law or regulations, air district rules or regulations, memoranda of  
19 understanding with a governmental entity, or legally binding  
20 agreements or documents. The State Air Resources Board shall  
21 advise the authority regarding projects that are excluded pursuant  
22 to this subparagraph.

23 (2) (A) “Alternative sources” means devices or technologies  
24 used for a renewable electrical generation facility, as defined in  
25 paragraph (1) of subdivision (a) of Section 25741, a combined  
26 heat and power system, as defined in Section 2840.2 of the Public  
27 Utilities Code, distributed generation and energy storage  
28 technologies eligible under the self-generation incentive program  
29 pursuant to Section 379.6 of the Public Utilities Code, as  
30 determined by the Public Utilities Commission, or a facility  
31 designed for the production of renewable fuels, the efficient use  
32 of which reduce the use of fossil or nuclear fuels, and energy  
33 efficiency devices or technologies that reduce the need for new  
34 electric generation and reduce emissions of toxic and criteria  
35 pollutants and greenhouse gases.

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

1 (3) “Authority” means the California Alternative Energy and  
2 Advanced Transportation Financing Authority established pursuant  
3 to Section 26004, and any board, commission, department, or  
4 officer succeeding to the functions of the authority, or to which  
5 the powers conferred upon the authority by this division shall be  
6 given.

7 (4) “Cost” as applied to a project or portion of the project  
8 financed under this division means all or part of the cost of  
9 construction and acquisition of all lands, structures, real or personal  
10 property or an interest in the real or personal property, rights,  
11 rights-of-way, franchises, easements, and interests acquired or  
12 used for a project; the cost of demolishing or removing any  
13 buildings or structures on land so acquired, including the cost of  
14 acquiring any lands to which those buildings or structures may be  
15 moved; the cost of all machinery, equipment, and furnishings,  
16 financing charges, interest prior to, during, and for a period after,  
17 completion of construction as determined by the authority;  
18 provisions for working capital; reserves for principal and interest  
19 and for extensions, enlargements, additions, replacements,  
20 renovations, and improvements; the cost of architectural,  
21 engineering, financial, accounting, auditing and legal services,  
22 plans, specifications, estimates, administrative expenses, and other  
23 expenses necessary or incidental to determining the feasibility of  
24 constructing any project or incident to the construction, acquisition,  
25 or financing of a project.

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

32 (6) (A) “Participating party” means a person, federal or state  
33 agency, department, board, authority, or commission, state or  
34 community college, or university, or a city or county, regional  
35 agency, public district, school district, or other political entity  
36 engaged in the business or operations in the state, whether  
37 organized for profit or not for profit, that applies for financial  
38 assistance from the authority for the purpose of implementing a  
39 project.

1 (B) (i) For purposes of Section 6010.8 of the Revenue and  
2 Taxation Code, “participating party” means an entity specified in  
3 subparagraph (A) that seeks financial assistance pursuant to Section  
4 26011.8.

5 (ii) For purposes of Section 6010.8 of the Revenue and Taxation  
6 Code, an entity located outside of the state, including an entity  
7 located overseas, is considered to be a participating party and is  
8 eligible to apply for financial assistance pursuant to Section  
9 26011.8 if the participating party commits to, and demonstrates  
10 that, the party will be opening a manufacturing facility in the state.

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

15 (7) (A) “Project” means a land, building, improvement to the  
16 land or building, rehabilitation, work, property, or structure, real  
17 or personal, stationary or mobile, including, but not limited to,  
18 machinery and equipment utilized in the state, whether or not in  
19 existence or under construction, that utilizes, or is designed to  
20 utilize, an alternative source, or that is utilized for the design,  
21 technology transfer, manufacture, production, assembly,  
22 distribution, or service of advanced transportation technologies or  
23 alternative source components.

24 (B) “Project,” for purposes of Section 26011.8 and Section  
25 6010.8 of the Revenue and Taxation Code, ~~means tangible personal~~  
26 ~~property that primarily processes recycled feedstock that is intended~~  
27 ~~to be reused in the production of another product or utilizes~~  
28 ~~recycled feedstock in the production of another product or soil~~  
29 ~~amendment, or that is utilized in the state for the design,~~  
30 ~~manufacture, production, or assembly of advanced transportation~~  
31 ~~technologies or alternative source products, components, or~~  
32 ~~systems. “Project” does not include tangible personal property that~~  
33 ~~processes or utilizes recycled feedstock in a manner that would~~  
34 ~~constitute disposal as defined in subdivision (b) of Section 40192.~~  
35 *is defined in Section 26011.8.*

36 ~~(8) “Recycled feedstock” means materials that would otherwise~~  
37 ~~be destined for disposal, having completed its intended end use~~  
38 ~~and product lifecycle.~~

39 (9)

1 (8) “Revenue” means all rents, receipts, purchase payments,  
2 loan repayments, and all other income or receipts derived by the  
3 authority from a project, or the sale, lease, or other disposition of  
4 alternative source or advanced transportation technology facilities,  
5 or the making of loans to finance alternative source or advanced  
6 transportation technology facilities, and any income or revenue  
7 derived from the investment of money in any fund or account of  
8 the authority.

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

10 *SEC. 3. Section 26011.8 of the Public Resources Code, as*  
11 *amended by Section 3 of Chapter 540 of the Statutes of 2013, is*  
12 *amended to read:*

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

21 ~~(b) For purposes of this section, “project” means a project as~~  
22 ~~defined in subparagraph (B) of paragraph (8) of subdivision (a) of~~  
23 ~~Section 26003.~~

24 (b) *For purposes of this section, the following terms have the*  
25 *following meanings:*

26 (1) *“Project” means tangible personal property if at least 50*  
27 *percent of its use is either to process recycled feedstock that is*  
28 *intended to be reused in the production of another product or using*  
29 *recycled feedstock in the production of another product or soil*  
30 *amendment, or tangible personal property that is used in the state*  
31 *for the design, manufacture, production, or assembly of advanced*  
32 *manufacturing, advanced transportation technologies, or*  
33 *alternative source products, components, or systems. “Project”*  
34 *does not include tangible personal property that processes or uses*  
35 *recycled feedstock in a manner that would constitute disposal as*  
36 *defined in subdivision (b) of Section 40192.*

37 (2) *“Recycled feedstock” means materials that would otherwise*  
38 *be destined for disposal, having completed their intended end use*  
39 *and product lifecycle.*

1 (3) *Soil amendments*” may include “compost,” as defined in  
2 *Section 14525 of the Food and Agricultural Code*, “fertilizing  
3 *material*,” as defined in *Section 14533 of the Food and*  
4 *Agricultural Code*, “gypsum” or “phosphatic sulfate gypsum,”  
5 as those terms are defined in *Section 14537 of the Food and*  
6 *Agricultural Code*, or a substance distributed for the purpose of  
7 *promoting plant growth or improving the quality of crops by*  
8 *conditioning soils through physical means*.

9 (c) The authority shall publish notice of the availability of  
10 project applications and deadlines for submission of project  
11 applications to the authority.

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

14 (1) The extent to which the project develops manufacturing  
15 facilities, or purchases equipment for manufacturing facilities,  
16 located in California.

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

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

22 (4) To the extent feasible, the extent to which the project, or the  
23 product produced by the project, results in a reduction of  
24 greenhouse gases, a reduction in air or water pollution, an increase  
25 in energy efficiency, or a reduction in energy consumption, beyond  
26 what is required by federal or state law or regulation.

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

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

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

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

39 (g) The Legislative Analyst’s Office shall report to the Joint  
40 Legislative Budget Committee on the effectiveness of this program,

1 on or before January 1, 2019, by evaluating factors, including, but  
2 not limited to, the following:

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

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

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

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

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

12 (h) The exclusions granted pursuant to Section 6010.8 of the  
13 Revenue and Taxation Code for projects approved by the authority  
14 pursuant to this section shall not exceed one hundred million dollars  
15 (\$100,000,000) for each calendar year.

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

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

34 (j) (1) Except as provided in paragraph (2), this section shall  
35 become inoperative on July 1, 2016, and, as of January 1, 2017,  
36 is repealed, unless a later enacted statute, that becomes operative  
37 on or before January 1, 2017, deletes or extends the dates on which  
38 it becomes inoperative and is repealed. The sale or purchase of  
39 tangible personal property of a project approved before June 30,  
40 2016, shall continue to be excluded from sales and use taxes

1 pursuant to Section 6010.8 of the Revenue and Taxation Code for  
 2 the period of time set forth in the authority’s resolution approving  
 3 the project pursuant to this section.

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

8 *SEC. 4. Section 26011.8 of the Public Resources Code, as*  
 9 *amended by Section 4 of Chapter 540 of the Statutes of 2013, is*  
 10 *amended to read:*

11 26011.8. (a) The purpose of this section is to promote the  
 12 creation of California-based manufacturing, California-based jobs,  
 13 the reduction of greenhouse gases, or reductions in air and water  
 14 pollution or energy consumption. In furtherance of this purpose,  
 15 the authority may approve a project for financial assistance in the  
 16 form of the sales and use tax exclusion established in Section  
 17 6010.8 of the Revenue and Taxation Code.

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

21 (b) For purposes of this section, the following terms have the  
 22 following meanings:

23 (1) “Project” means tangible personal property if at least 50  
 24 percent of its use is either to process recycled feedstock that is  
 25 intended to be reused in the production of another product or using  
 26 recycled feedstock in the production of another product or soil  
 27 amendment, or tangible personal property that is used in the state  
 28 for the design, manufacture, production, or assembly of advanced  
 29 transportation technologies or alternative source products,  
 30 components, or systems. “Project” does not include tangible  
 31 personal property that processes or uses recycled feedstock in a  
 32 manner that would constitute disposal as defined in subdivision  
 33 (b) of Section 40192.

34 (2) “Recycled feedstock” means materials that would otherwise  
 35 be destined for disposal, having completed their intended end use  
 36 and product lifecycle.

37 (3) “Soil amendments” may include “compost,” as defined in  
 38 Section 14525 of the Food and Agricultural Code, “fertilizing  
 39 material,” as defined in Section 14533 of the Food and  
 40 Agricultural Code, “gypsum” or “phosphatic sulfate gypsum,”

1 *as those terms are defined in Section 14537 of the Food and*  
2 *Agricultural Code, or a substance distributed for the purpose of*  
3 *promoting plant growth or improving the quality of crops by*  
4 *conditioning soils through physical means.*

5 (c) The authority shall publish notice of the availability of  
6 project applications and deadlines for submission of project  
7 applications to the authority.

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

10 (1) The extent to which the project develops manufacturing  
11 facilities, or purchases equipment for manufacturing facilities,  
12 located in California.

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

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

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

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

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

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

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

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

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

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

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

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

7 (h) The exclusions granted pursuant to Section 6010.8 of the  
8 Revenue and Taxation Code for projects approved by the authority  
9 pursuant to this section shall not exceed one hundred million dollars  
10 (\$100,000,000) for each calendar year.

11 (i) The authority shall make every effort to expedite the  
12 operation of this section, and shall adopt regulations for purposes  
13 of implementing the section as emergency regulations in  
14 accordance with Chapter 3.5 (commencing with Section 11340)  
15 of Part 1 of Division 3 of Title 2 of the Government Code. For  
16 purposes of that Chapter 3.5, including Section 11349.6 of the  
17 Government Code, the adoption of the regulations shall be  
18 considered by the Office of Administrative Law to be necessary  
19 for the immediate preservation of the public peace, health and  
20 safety, and general welfare.

21 (j) This section shall become operative on July 1, 2016, and  
22 shall remain in effect only until January 1, 2021, and as of that  
23 date is repealed. The sale or purchase of tangible personal property  
24 of a project approved before January 1, 2021, shall continue to be  
25 excluded from sales and use taxes pursuant to Section 6010.8 of  
26 the Revenue and Taxation Code for the period of time set forth in  
27 the authority’s resolution approving the project pursuant to this  
28 section.

29 ~~SEC. 3.~~

30 SEC. 5. This act is an urgency statute necessary for the  
31 immediate preservation of the public peace, health, or safety within  
32 the meaning of Article IV of the Constitution and shall go into  
33 immediate effect. The facts constituting the necessity are:

34 In order to provide incentives for the development of projects  
35 that process or utilize recycled feedstock for the protection of the  
36 public health and environment, it is necessary for this act to take  
37 effect immediately.

O