

AMENDED IN SENATE AUGUST 25, 2016

AMENDED IN ASSEMBLY APRIL 14, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1629

Introduced by Committee on Budget (Assembly Members Ting (Chair), Travis Allen, Bigelow, Bloom, Bonta, Campos, Chávez, Chiu, Cooper, Gordon, Grove, Harper, Holden, Irwin, Kim, Lackey, McCarty, Melendez, Mullin, Nazarian, Obernolte, O'Donnell, Patterson, Rodriguez, Thurmond, Wilk, and Williams)

January 7, 2016

An act to add Section 412 to the Food and Agricultural Code, to add Section 12802.10 to the Government Code, to add Section 44274.3 to the Health and Safety Code, and to add Section 4799.05 to the Public Resources Code, relating to the ~~Budget Act of 2016~~, greenhouse gases, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 1629, as amended, Committee on Budget. ~~Budget Act of 2016~~. *Greenhouse gas emissions.*

(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation.

Existing law requires the California Environmental Protection Agency to identify disadvantaged communities and requires the Department of Finance, in consultation with the State Air Resources Board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.

This bill would require the Secretary of the Natural Resources Agency to support the development of sustainable communities by managing and awarding financial assistance for the preparation and implementation of specified green infrastructure projects that reduce greenhouse gas emissions and provide multiple benefits, as defined, to specified entities. The bill would authorize moneys from the Greenhouse Gas Reduction Fund, upon appropriation, to be available for allocation by the Secretary of the Natural Resources Agency for the purposes of awarding the financial assistance. The bill would require the secretary to allocate at least 75% of the moneys to projects in critically underserved communities or disadvantaged communities, as specified. The bill would exempt the development and adoption of guidelines and selection criteria from the Administrative Procedure Act.

This bill would require the State Air Resources Board, no later than January 1, 2017, in consultation with the Natural Resources Agency and the Department of Forestry and Fire Protection, to complete a standardized greenhouse gas emissions inventory, as specified, and, by January 1, 2018, to complete a standardized accounting framework that supports statewide greenhouse gas emissions reduction goals and investments of moneys from the Greenhouse Gas Reduction Fund, as specified.

This bill would find and declare that a diversity of dairy methane management practices, including anaerobic digesters and nondigester dairy methane management strategies, can effectively reduce greenhouse gas emissions.

(2) Existing law establishes the Air Quality Improvement Program that is administered by the State Air Resources Board for the purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality. Pursuant to its existing statutory authority, the state board has established the Clean Vehicle Rebate Project, as a part of the Air Quality Improvement Program, to promote the production and use of zero-emission vehicles by providing rebates for the purchase of new zero-emission vehicles.

The Charge Ahead California Initiative requires the State Air Resources Board to adopt, no later than June 30, 2015, revisions to the

criteria and other requirements for the Clean Vehicle Rebate Project to, among other things, limit eligibility based on income.

This bill would require the State Air Resources Board to adopt regulations for the purposes of the Clean Vehicle Rebate Project that would establish the maximum gross annual income at specified levels for a person to be eligible for a rebate; increase rebate payments by \$500 for low-income applicants, as defined; include outreach to disadvantaged communities, as specified, to increase consumer awareness; and prioritize rebate payments for low-income applicants.

(3) Existing law authorizes the Director of Forestry and Fire Protection to enter into agreements and make loans for various forest resource improvement projects to improve the timber productivity of forest lands in the state and to improve all forest resources and the total forest resource system.

This bill would additionally authorize the Director of Forestry and Fire Protection to provide grants to, or enter into contracts or other cooperative agreements with, private or nongovernmental entities, Native American tribes, or local, state, and federal public agencies for the implementation and administration of projects and programs to improve forest health and reduce greenhouse gas emissions. The bill would require any such project or program funded with moneys from the Greenhouse Gas Reduction Fund to comply with all statutory and program requirements applicable to the use of moneys from that fund.

This bill would require the Department of Forestry and Fire Protection, from moneys appropriated to it, to allocate not less than \$5,000,000 to the Wildlife Conservation Board and public conservancies with public land management responsibilities for working forest conservation easements, as provided, and not less than \$2,500,000 for specified fire prevention and management activities related to the implementation of managed ignition and prescribed burns. The bill would also require the department to allocate funding to specified landscape-scale projects.

(4) This bill would appropriate \$100,000 from the Greenhouse Gas Reduction Fund to the Wildlife Conservation Board to provide administrative support for projects and programs to improve forest health and reduce greenhouse gas emissions.

(5) 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 2016.

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. *It is the intent of the Legislature to provide funding*
2 *for various projects that decrease wildfire risk and reduce*
3 *greenhouse gas emissions that are caused by wildfires in Tier 1*
4 *High Hazard Zones identified by the Tree Mortality Task Force,*
5 *however, it is not the intent of the Legislature that this act*
6 *eliminate, alter, or otherwise interfere with any activities*
7 *implemented by the Tree Mortality Task Force relating to forest*
8 *improvement and health, including vegetation management*
9 *activities.*

10 SEC. 2. *Section 412 is added to the Food and Agricultural*
11 *Code, to read:*

12 412. (a) *The Legislature finds and declares that a diversity of*
13 *dairy methane management practices, including anaerobic*
14 *digesters and nondigester dairy methane management strategies,*
15 *can effectively reduce greenhouse gas emissions. Nondigester*
16 *dairy methane management strategies include, but are not limited*
17 *to, scrape conversion, open solar drying and composting of manure*
18 *onsite, conversion of dairy operations to pasture-based*
19 *management, and solid separation technologies.*

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

22 (1) *“Conversion of dairy operations to pasture-based*
23 *management” means dairying systems where the dairy cows spend*
24 *a portion of their time grazing on fields in which some or all of*
25 *the manure is deposited and left in the field and decomposes*
26 *aerobically, which avoids methane emissions.*

27 (2) *“Open solar drying and composting of manure onsite”*
28 *means the collection, storage, and drying of dairy manure in a*
29 *nonliquid environment.*

30 (3) *“Scrape conversion” means the conversion of flush water*
31 *lagoon systems to solid-scrape or dry manure management*
32 *practices, including vacuum technologies for manure management.*

33 (4) *“Solid separation technologies” means technologies*
34 *designed to separate liquid components of manure from minerals*

1 *and organic components, for the purposes of reducing methane*
2 *emissions.*

3 *SEC. 3. Section 12802.10 is added to the Government Code,*
4 *to read:*

5 *12802.10. (a) For purposes of this section, the following terms*
6 *have the following meanings:*

7 *(1) “Critically underserved community” has the same meaning*
8 *as defined in Section 5642 of the Public Resources Code.*

9 *(2) “Disadvantaged community” means a community identified*
10 *pursuant to Section 39711 of the Health and Safety Code or*
11 *pursuant to Section 75005 of the Public Resources Code.*

12 *(3) “Multiple benefits” includes, but is not limited to, a decrease*
13 *in air and water pollution or a reduction in the consumption of*
14 *natural resources and energy, including, but not limited to, the*
15 *establishment and enhancement of projects listed in subdivision*
16 *(e).*

17 *(4) “Secretary” means the Secretary of the Natural Resources*
18 *Agency.*

19 *(b) To support the development of sustainable communities, the*
20 *secretary shall manage and award financial assistance, for the*
21 *preparation and implementation of green infrastructure projects*
22 *that reduce greenhouse gas emissions and provide multiple*
23 *benefits, to any of the following:*

24 *(1) A city.*

25 *(2) A county.*

26 *(3) A special district.*

27 *(4) A nonprofit organization.*

28 *(5) An agency or entity formed pursuant to the Joint Exercise*
29 *of Powers Act (Chapter 5 (commencing with Section 6500) of*
30 *Division 7 of Title 1) if at least one of the parties to the joint powers*
31 *agreement qualifies as an eligible applicant, notwithstanding the*
32 *Joint Exercise of Powers Act.*

33 *(c) Moneys from the Greenhouse Gas Reduction Fund, created*
34 *pursuant to Section 16428.8, shall be available, upon appropriation*
35 *by the Legislature, for allocation by the secretary pursuant to this*
36 *section.*

37 *(d) The secretary shall develop minimum requirements for*
38 *awarding moneys for eligible projects pursuant to this section.*
39 *Those requirements shall require a project, in addition to reducing*
40 *greenhouse gas emissions, to do at least one of the following:*

- 1 (1) *Acquire, create, enhance, or expand community parks and*
2 *green spaces.*
- 3 (2) *Use natural systems or systems that mimic natural systems*
4 *to achieve multiple benefits.*
- 5 (e) *The multiple benefits of a project may include, but are not*
6 *limited to, the establishment or enhancement of at least two of the*
7 *following:*
- 8 (1) *The greening of existing public lands and structures,*
9 *including schools.*
- 10 (2) *Multiobjective stormwater projects, including the*
11 *construction of permeable surfaces and collection basins and*
12 *barriers.*
- 13 (3) *Green streets and alleys that integrate green infrastructure*
14 *elements into the street or alley design, including permeable*
15 *surfaces, bioswales, and trees.*
- 16 (4) *Urban heat island mitigation and energy conservation efforts*
17 *through greening, including green roof projects.*
- 18 (5) *Nonmotorized urban trails that provide safe routes for both*
19 *recreation and travel between residences, workplaces, commercial*
20 *centers, and schools.*
- 21 (6) *Tree canopy.*
- 22 (7) *Wetlands.*
- 23 (8) *Neighborhood, city, regional, or county parks and open*
24 *space.*
- 25 (9) *Climate resilience and adaptation of urban areas that reduce*
26 *vulnerability to climate impacts and improve the ability of natural*
27 *systems to buffer the impacts of climate change.*
- 28 (10) *Economic, social, and health benefits, including, but not*
29 *limited to, recreational opportunities, workforce education and*
30 *training, contracting, and job opportunities for disadvantaged*
31 *communities.*
- 32 (f) *The secretary shall give additional consideration to awarding*
33 *moneys for a project pursuant to this section that meets at least*
34 *two of the following criteria:*
- 35 (1) *Provides park or recreational benefits to a critically*
36 *underserved community or disadvantaged community.*
- 37 (2) *Is proposed by a critically underserved community or*
38 *disadvantaged community.*
- 39 (3) *Develops partnerships with local community organizations*
40 *and businesses in order to strengthen outreach to disadvantaged*

1 communities, provides access to quality jobs for residents of
2 disadvantaged communities, or provides access to workforce
3 education and training.

4 (4) Uses interagency cooperation and integration.

5 (5) Uses existing public lands and facilitates the use of public
6 resources and investments, including schools.

7 (g) The secretary shall allocate at least 75 percent of the moneys
8 available for purposes of this section to projects that are located
9 in, and that provide benefits to, critically underserved communities
10 or disadvantaged communities, and shall allocate at least one-third
11 of that 75 percent to disadvantaged communities, as identified
12 pursuant to Section 39711 of the Health and Safety Code.

13 (h) In implementing this section, the secretary shall maximize
14 the expenditure of funds made available pursuant to the Statewide
15 Park Development and Community Revitalization Act of 2008
16 (Chapter 3.3 (commencing with Section 5640) of Division 5 of the
17 Public Resources Code).

18 (i) The Administrative Procedure Act (Chapter 3.5 (commencing
19 with Section 11340) of Part 1) does not apply to the development
20 and adoption of guidelines and selection criteria adopted pursuant
21 to this section.

22 SEC. 4. Section 44274.3 is added to the Health and Safety
23 Code, to read:

24 44274.3. (a) For purposes of this section, “low income” means
25 a resident of the state whose household income is less than or
26 equal to 300 percent of the federal poverty level.

27 (b) The state board, in consultation with the State Energy
28 Resources Conservation and Development Commission, districts,
29 and the public, shall adopt regulations for the purposes of the
30 Clean Vehicle Rebate Project, established as part of the Air Quality
31 Improvement Program, that do all of the following:

32 (1) Limit eligibility for the project based on income by providing
33 that, for all eligible vehicle types except fuel cell electric vehicles,
34 the gross annual income, as reported on the Internal Revenue
35 Service Form 1040, the Internal Revenue Service Form 1040A, or
36 the Internal Revenue Service Form 1040EZ, for a person to be
37 eligible for a rebate payment shall not exceed the following:

38 (A) One hundred twenty-five thousand dollars (\$125,000) for
39 single filers.

1 (B) One hundred seventy thousand dollars (\$170,000) for
2 head-of-household filers.

3 (C) Two hundred fifty thousand dollars (\$250,000) for joint
4 filers.

5 (2) For a low-income applicant, increase the rebate payment
6 by five hundred dollars (\$500) for all eligible vehicle types.

7 (3) Include outreach to disadvantaged communities, as identified
8 pursuant to Section 39711, to increase consumer awareness.

9 (4) Prioritize rebate payments for low-income applicants.

10 SEC. 5. Section 4799.05 is added to the Public Resources Code,
11 to read:

12 4799.05. (a) The director may provide grants to, or enter into
13 contracts or other cooperative agreements with, entities, including,
14 but not limited to, private or nongovernmental entities, Native
15 American tribes, or local, state, and federal public agencies, for
16 the implementation and administration of projects and programs
17 to improve forest health and reduce greenhouse gas emissions.

18 (b) Any project or program described in this section that is
19 funded with moneys from the Greenhouse Gas Reduction Fund,
20 created pursuant to Section 16428.8 of the Government Code,
21 shall comply with all statutory and program requirements
22 applicable to the use of moneys from the fund.

23 (c) Moneys appropriated to the department for the purposes of
24 this section shall be allocated as follows:

25 (1) Not less than five million dollars (\$5,000,000) to the Wildlife
26 Conservation Board and other public conservancies with public
27 land management responsibilities for working forest conservation
28 easements. The department shall collaborate with the board and
29 those conservancies to facilitate the easement acquisition process.

30 (2) Not less than two million five hundred thousand dollars
31 (\$2,500,000) for the collaborative use of managed ignition or
32 prescribed burns that are carried out either as part of a
33 landscape-scale project, as described in paragraph (3), or as an
34 individual project. The department shall collaborate with all
35 directly affected public agencies in the implementation of this
36 paragraph.

37 (3) For landscape-scale projects, as follows:

38 (A) (i) To subsidize the removal of small diameter material,
39 especially surface fuels and ladder fuels, as well as dead trees,

1 *including the transportation of this material to biomass plants or*
2 *shredding facilities.*

3 *(ii) For purposes of this subparagraph, the State Air Resources*
4 *Board shall develop and adopt new carbon and particulate*
5 *emission standards for biomass plants that it considers to be the*
6 *best available technology.*

7 *(iii) A biomass plant may receive a subsidy pursuant to this*
8 *subparagraph until January 1, 2019. The plant may continue to*
9 *receive the subsidy until July 1, 2023, if the plant complies with*
10 *the applicable standards adopted by the state board pursuant to*
11 *clause (ii) within 18 months after adoption of the standards.*

12 *(B) For multiple benefit projects such as tree thinning, carbon*
13 *sequestration, biomass processing, forest resilience, and improved*
14 *ecological outcome projects. The department shall give grant*
15 *funding priority to landowners who practice uneven-age forest*
16 *management within the boundaries of the project and whose*
17 *activities are conducted pursuant to an approved timber harvest*
18 *plan, nonindustrial timber harvest plan, or working forest*
19 *management plan. An application for a grant for a project under*
20 *this subparagraph shall include a description of how the proposed*
21 *project will increase average stem diameter and provide other*
22 *site-specific improvement to forest complexity, as demonstrated*
23 *by the expansion of the variety of tree age classes and species*
24 *covering a period of at least 50 years. The department shall also*
25 *give funding priority to landowners who agree to long-term forest*
26 *management goals prescribed by the department.*

27 *(C) For activities on National Forest lands to increase tree*
28 *stand heterogeneity, create forest openings of less than one acre,*
29 *and increase average tree stand diameter of residual trees. Any*
30 *grants provided under this subparagraph shall be approved by*
31 *the department and the State Air Resources Board, in collaboration*
32 *with appropriate state agencies.*

33 *SEC. 6. The State Air Resources Board, in consultation with*
34 *the Natural Resources Agency and the Department of Forestry*
35 *and Fire Protection, shall do both of the following:*

36 *(a) No later than January 1, 2017, complete a standardized*
37 *greenhouse gas emissions inventory for natural and working lands.*

38 *(b) (1) No later than January 1, 2018, complete a standardized*
39 *accounting framework for forests that supports statewide*
40 *greenhouse gas emissions reduction goals and investments of*

1 moneys from the Greenhouse Gas Reduction Fund, established
2 pursuant to Section 16428.8 of the Government Code.

3 (2) The accounting framework shall include a statewide baseline
4 projection of business-as-usual emissions and carbon sequestration
5 and shall consider state, regional, and project scales of accounting
6 based on forest type and other ecological indicators.

7 SEC. 7. The sum of one hundred thousand dollars (\$100,000)
8 is hereby appropriated from the Greenhouse Gas Reduction Fund,
9 created pursuant to Section 16428.8 of the Government Code, to
10 the Wildlife Conservation Board to provide administrative support
11 for projects and programs to improve forest health and reduce
12 greenhouse gas emissions.

13 SEC. 8. This act is a bill providing for appropriations related
14 to the Budget Bill within the meaning of subdivision (e) of Section
15 12 of Article IV of the California Constitution, has been identified
16 as related to the budget in the Budget Bill, and shall take effect
17 immediately.

18 SECTION 1. ~~It is the intent of the Legislature to enact statutory~~
19 ~~changes relating to the 2016 Budget Act.~~