

AMENDED IN ASSEMBLY MARCH 16, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1697

Introduced by Assembly Member Bonilla

January 21, 2016

~~An act to amend Section 85309 of the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately. An act to amend Section 44272 of the Health and Safety Code, relating to vehicular air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1697, as amended, Bonilla. ~~Political Reform Act of 1974: contributions.~~ *Alternative and Renewable Fuel and Vehicle Technology Program.*

Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission. Existing law requires the program to provide funding measures to certain entities to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. Existing law requires the commission to provide preferences to projects that maximize the goals of the program based on certain criteria, including the project's ability to provide economic benefits for California by promoting California-based technology firms, jobs, and businesses.

This bill would add a project's ability to provide a path for trained workers to transition to jobs in the clean technology and renewable fuels sectors and a project's ability to promote employment of trained

workers in those sectors as additional criteria on which preference under the program shall be provided.

~~Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. The act requires that a candidate for elective state office or a committee primarily formed to support or oppose a state ballot measure, if the candidate or committee has reportable contributions or expenditures of \$25,000 or more, file a report with the Secretary of State disclosing the receipt of a contribution of \$1,000 or more during an election cycle, as defined, within 24 hours of receiving the contribution. At times other than during the election cycle, the act requires those candidates and committees to file a report for contributions of \$5,000 or more within 10 business days of receipt of the contribution. Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.~~

~~This bill would modify these reporting requirements to instead require the above-described candidates and committees, and a committee that makes an expenditure in support of or opposition to candidates for elective state office or state ballot measures, to file a report with the Secretary of State disclosing the receipt of a contribution of \$1,000 or more during an election cycle within 24 hours of receipt of the contribution. At times other than during an election cycle, the bill would require those candidates and committees to file a report for contributions of \$1,000 or more within 5 business days of receipt of the contribution. Because this bill would expand the definition of an existing crime, it would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.~~

~~This bill would declare that it furthers the purposes of the act.~~

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

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~yes~~-no.

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

1 SECTION 1. Section 44272 of the Health and Safety Code is
2 amended to read:

3 44272. (a) The Alternative and Renewable Fuel and Vehicle
4 Technology Program is hereby created. The program shall be
5 administered by the commission. The commission shall implement
6 the program by regulation pursuant to the requirements of Chapter
7 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
8 Title 2 of the Government Code. The program shall provide, upon
9 appropriation by the Legislature, competitive grants, revolving
10 loans, loan guarantees, loans, or other appropriate funding
11 ~~measures~~; *measures* to public agencies, vehicle and technology
12 entities, businesses and projects, public-private partnerships,
13 workforce training partnerships and collaboratives, fleet owners,
14 consumers, recreational boaters, and academic institutions to
15 develop and deploy innovative technologies that transform
16 California’s fuel and vehicle types to help attain the state’s climate
17 change policies. The emphasis of this program shall be to develop
18 and deploy technology and alternative and renewable fuels in the
19 marketplace, without adopting any one preferred fuel or
20 technology.

21 (b) A project that receives more than seventy-five thousand
22 dollars (\$75,000) in funds from the commission shall be approved
23 at a noticed public meeting of the commission and shall be
24 consistent with the priorities established by the investment plan
25 adopted pursuant to Section 44272.5. Under this article, the
26 commission may delegate to the commission’s executive director,
27 or his or her designee, the authority to approve either of the
28 following:

29 (1) A contract, grant, loan, or other agreement or award that
30 receives seventy-five thousand dollars (\$75,000) or less in funds
31 from the commission.

32 (2) Amendments to a contract, grant, loan, or other agreement
33 or award as long as the amendments do not increase the amount

1 of the award, change the scope of the project, or modify the purpose
2 of the agreement.

3 (c) The commission shall provide preferences to those projects
4 that maximize the goals of the Alternative and Renewable Fuel
5 and Vehicle Technology Program, based on the following criteria,
6 as applicable:

7 (1) The project's ability to provide a measurable transition from
8 the nearly exclusive use of petroleum fuels to a diverse portfolio
9 of viable alternative fuels that meet petroleum reduction and
10 alternative fuel use goals.

11 (2) The project's consistency with existing and future state
12 climate change policy and low-carbon fuel standards.

13 (3) The project's ability to reduce criteria air pollutants and air
14 toxics and reduce or avoid multimedia environmental impacts.

15 (4) The project's ability to decrease, on a life-cycle basis, the
16 discharge of water pollutants or any other substances known to
17 damage human health or the environment, in comparison to the
18 production and use of California Phase 2 Reformulated Gasoline
19 or diesel fuel produced and sold pursuant to California diesel fuel
20 regulations set forth in Article 2 (commencing with Section 2280)
21 of Chapter 5 of Division 3 of Title 13 of the California Code of
22 Regulations.

23 (5) The project does not adversely impact the sustainability of
24 the state's natural resources, especially state and federal lands.

25 (6) The project provides nonstate matching funds. Costs incurred
26 from the date a proposed award is noticed may be counted as
27 nonstate matching funds. The commission may adopt further
28 requirements for the purposes of this paragraph. The commission
29 is not liable for costs incurred pursuant to this paragraph if the
30 commission does not give final approval for the project or the
31 proposed recipient does not meet requirements adopted by the
32 commission pursuant to this paragraph.

33 (7) The project provides economic benefits for California by
34 promoting California-based technology firms, jobs, and businesses.

35 (8) The project uses existing or proposed fueling infrastructure
36 to maximize the outcome of the project.

37 (9) The project's ability to reduce on a life-cycle assessment
38 greenhouse gas emissions by at least 10 percent, and higher
39 percentages in the future, from current reformulated gasoline and
40 diesel fuel standards established by the state board.

1 (10) The project's use of alternative fuel blends of at least 20
2 percent, and higher blend ratios in the future, with a preference
3 for projects with higher blends.

4 (11) The project drives new technology advancement for
5 vehicles, vessels, engines, and other equipment, and promotes the
6 deployment of that technology in the marketplace.

7 (12) *The project's ability to provide a path for trained workers*
8 *to transition to jobs in the clean technology and renewable fuels*
9 *sectors.*

10 (13) *The project's ability to promote employment of trained*
11 *workers in the clean technology and renewable fuels sectors.*

12 (d) The commission shall rank applications for projects proposed
13 for funding awards based on solicitation criteria developed in
14 accordance with subdivision (c), and shall give additional
15 preference to funding those projects with higher benefit-cost scores.

16 (e) Only the following shall be eligible for funding:

17 (1) Alternative and renewable fuel projects to develop and
18 improve alternative and renewable low-carbon fuels, including
19 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,
20 hydrogen, and biomethane, among others, and their feedstocks
21 that have high potential for long-term or short-term
22 commercialization, including projects that lead to sustainable
23 feedstocks.

24 (2) Demonstration and deployment projects that optimize
25 alternative and renewable fuels for existing and developing engine
26 technologies.

27 (3) Projects to produce alternative and renewable low-carbon
28 fuels in California.

29 (4) Projects to decrease the overall impact of an alternative and
30 renewable fuel's life cycle carbon footprint and increase
31 sustainability.

32 (5) Alternative and renewable fuel infrastructure, fueling
33 stations, and equipment. The preference in paragraph (10) of
34 subdivision (c) shall not apply to renewable diesel or biodiesel
35 infrastructure, fueling stations, and equipment used solely for
36 renewable diesel or biodiesel fuel.

37 (6) Projects to develop and improve light-, medium-, and
38 heavy-duty vehicle technologies that provide for better fuel
39 efficiency and lower greenhouse gas emissions, alternative fuel
40 usage and storage, or emission reductions, including propulsion

1 systems, advanced internal combustion engines with a 40 percent
2 or better efficiency level over the current market standard,
3 lightweight materials, intelligent transportation systems, energy
4 storage, control systems and system integration, physical
5 measurement and metering systems and software, development of
6 design standards and testing and certification protocols, battery
7 recycling and reuse, engine and fuel optimization electronic and
8 electrified components, hybrid technology, plug-in hybrid
9 technology, battery electric vehicle technology, fuel cell
10 technology, and conversions of hybrid technology to plug-in
11 technology through the installation of safety certified supplemental
12 battery modules.

13 (7) Programs and projects that accelerate the commercialization
14 of vehicles and alternative and renewable fuels including buy-down
15 programs through near-market and market-path deployments,
16 advanced technology warranty or replacement insurance,
17 development of market niches, supply-chain development, and
18 research related to the pedestrian safety impacts of vehicle
19 technologies and alternative and renewable fuels.

20 (8) Programs and projects to retrofit medium- and heavy-duty
21 onroad and nonroad vehicle fleets with technologies that create
22 higher fuel efficiencies, including alternative and renewable fuel
23 vehicles and technologies, idle management technology, and
24 aerodynamic retrofits that decrease fuel consumption.

25 (9) Infrastructure projects that promote alternative and renewable
26 fuel infrastructure development connected with existing fleets,
27 public transit, and existing transportation corridors, including
28 physical measurement or metering equipment and truck stop
29 electrification.

30 (10) Workforce training programs related to alternative and
31 renewable fuel feedstock production and extraction, renewable
32 fuel production, distribution, transport, and storage,
33 high-performance and low-emission vehicle technology and high
34 tower electronics, automotive computer systems, mass transit fleet
35 conversion, servicing, and maintenance, and other sectors or
36 occupations related to the purposes of this chapter.

37 (11) Block grants or incentive programs administered by public
38 entities or not-for-profit technology entities for multiple projects,
39 education and program promotion within California, and
40 development of alternative and renewable fuel and vehicle

1 technology centers. The commission may adopt guidelines for
2 implementing the block grant or incentive program, which shall
3 be approved at a noticed public meeting of the commission.

4 (12) Life cycle and multimedia analyses, sustainability and
5 environmental impact evaluations, and market, financial, and
6 technology assessments performed by a state agency to determine
7 the impacts of increasing the use of low-carbon transportation fuels
8 and technologies, and to assist in the preparation of the investment
9 plan and program implementation.

10 (13) A program to provide funding for homeowners who
11 purchase a plug-in electric vehicle to offset costs associated with
12 modifying electrical sources to include a residential plug-in electric
13 vehicle charging station. In establishing this program, the
14 commission shall consider funding criteria to maximize the public
15 benefit of the program.

16 (f) The commission may make a single source or sole source
17 award pursuant to this section for applied research. The same
18 requirements set forth in Section 25620.5 of the Public Resources
19 Code shall apply to awards made on a single source basis or a sole
20 source basis. This subdivision does not authorize the commission
21 to make a single source or sole source award for a project or
22 activity other than for applied research.

23 (g) The commission may do all of the following:

24 (1) Contract with the Treasurer to expend funds through
25 programs implemented by the Treasurer, if the expenditure is
26 consistent with all of the requirements of this article and Article
27 1 (commencing with Section 44270).

28 (2) Contract with small business financial development
29 corporations established by the Governor's Office of Business and
30 Economic Development to expend funds through the Small
31 Business Loan Guarantee Program if the expenditure is consistent
32 with all of the requirements of this article and Article 1
33 (commencing with Section 44270).

34 (3) Advance funds, pursuant to an agreement with the
35 commission, to any of the following:

36 (A) A public entity.

37 (B) A recipient to enable it to make advance payments to a
38 public entity that is a subrecipient of the funds and under a binding
39 and enforceable subagreement with the recipient.

40 (C) An administrator of a block grant program.

1 SECTION 1. ~~Section 85309 of the Government Code is~~
2 ~~amended to read:~~

3 85309. (a) ~~In addition to any other report required by this title,~~
4 ~~if a candidate for elective state office, or a committee that makes~~
5 ~~an expenditure in support of or opposition to one or more~~
6 ~~candidates for elective state office or state ballot measures, is~~
7 ~~required to file reports pursuant to Section 84605, that candidate~~
8 ~~or committee shall file online or electronically with the Secretary~~
9 ~~of State a report disclosing receipt of a contribution of one thousand~~
10 ~~dollars (\$1,000) or more. Those reports shall disclose the same~~
11 ~~information required by subdivision (a) of Section 84203. A report~~
12 ~~of a contribution received during an election cycle shall be filed~~
13 ~~within 24 hours of receipt of the contribution. A report of a~~
14 ~~contribution received at any time other than during an election~~
15 ~~cycle shall be filed within five business days of receipt of the~~
16 ~~contribution.~~

17 (b) ~~In addition to any other report required by this title, any~~
18 ~~committee primarily formed to support or oppose one or more~~
19 ~~state ballot measures that is required to file reports pursuant to~~
20 ~~Section 84605 shall file online or electronically with the Secretary~~
21 ~~of State a report disclosing receipt of a contribution of one thousand~~
22 ~~dollars (\$1,000) or more. Those reports shall disclose the same~~
23 ~~information required by subdivision (a) of Section 84203. A report~~
24 ~~of a contribution received during an election cycle shall be filed~~
25 ~~within 24 hours of receipt of the contribution. A report of a~~
26 ~~contribution received at any time other than during an election~~
27 ~~cycle shall be filed within five business days of receipt of the~~
28 ~~contribution.~~

29 SEC. 2. ~~No reimbursement is required by this act pursuant to~~
30 ~~Section 6 of Article XIII B of the California Constitution because~~
31 ~~the only costs that may be incurred by a local agency or school~~
32 ~~district will be incurred because this act creates a new crime or~~
33 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
34 ~~for a crime or infraction, within the meaning of Section 17556 of~~
35 ~~the Government Code, or changes the definition of a crime within~~
36 ~~the meaning of Section 6 of Article XIII B of the California~~
37 ~~Constitution.~~

38 SEC. 3. ~~The Legislature finds and declares that this bill furthers~~
39 ~~the purposes of the Political Reform Act of 1974 within the~~

1 ~~meaning of subdivision (a) of Section 81012 of the Government~~
2 ~~Code.~~

3 ~~SEC. 4. This act is an urgency statute necessary for the~~
4 ~~immediate preservation of the public peace, health, or safety within~~
5 ~~the meaning of Article IV of the Constitution and shall go into~~
6 ~~immediate effect. The facts constituting the necessity are:~~

7 ~~In order to protect the interests of Californians who are~~
8 ~~empowered with the right to vote, it is appropriate that they be~~
9 ~~duly informed regarding campaign contributions and expenditures~~
10 ~~that affect elections. The need for greater transparency of campaign~~
11 ~~contribution reports is vital to the interests of the State such that~~
12 ~~this act must take effect immediately.~~

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