

ASSEMBLY BILL

No. 2145

Introduced by Assembly Member Linder

February 17, 2016

An act to amend Sections 44125 and 44258.4 of the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2145, as introduced, Linder. Vehicle replacement: rebates.

Existing law requires the State Air Resources Board, in consultation with the Bureau of Automotive Repair, to adopt a program, known as the enhanced fleet modernization program, that allows for the voluntary retirement of passenger vehicles and light-duty and medium-duty trucks that are high polluters.

The Charge Ahead California Initiative, administered by the state board, includes goals of, among other things, placing in service at least 1,000,000 zero-emission and near-zero-emission vehicles by January 1, 2023, and increasing access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles.

Existing law, for the purposes of calculating the vehicle license fee, requires the Department of Motor Vehicles to determine the market value of the vehicle on the basis of the cost price to the purchaser, not including California sales or use tax or any local sales, transactions, use, or other local tax, as specified.

This bill, for the purpose of calculating the vehicle license fee, would authorize the amount of compensation provided to a low-income motor vehicle owner under the enhanced fleet modernization program to be deducted from the motor vehicle's price, as specified. The bill would

require the state board to develop a standardized certificate for issuance to recipients of compensation that states the amount of compensation received, and would require the Department of Motor Vehicles to adjust the motor vehicle’s price accordingly, upon submission of that certificate to the department by the vehicle owner.

This bill would also, for the purpose of calculating the vehicle license fee, authorize the amount of a vehicle replacement rebate provided to a low- or moderate-income purchaser under the Charge Ahead California Initiative to be deducted from the motor vehicle’s price, as specified. The bill would require the state board to develop a standardized certificate for issuance to low- or moderate-income rebate recipients that states the amount of the rebate received, and would require the Department of Motor Vehicles to adjust the motor vehicle’s price accordingly, upon submission of that certificate to the department by the vehicle owner.

Vote: majority. 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 44125 of the Health and Safety Code is
- 2 amended to read:
- 3 44125. (a) No later than July 1, 2009, the state board, in
- 4 consultation with the bureau, shall adopt a program to commence
- 5 on January 1, 2010, that allows for the voluntary retirement of
- 6 passenger vehicles and light-duty and medium-duty trucks that are
- 7 high polluters. The program shall be administered by the bureau
- 8 pursuant to guidelines adopted by the state board.
- 9 (b) No later than June 30, 2015, the state board, in consultation
- 10 with the bureau, shall update the program established pursuant to
- 11 subdivision (a). The program shall continue to be administered by
- 12 the bureau pursuant to guidelines updated and adopted by the state
- 13 board.
- 14 (c) The guidelines shall ensure all of the following:
- 15 (1) Vehicles retired pursuant to the program are permanently
- 16 removed from operation and retired at a dismantler under contract
- 17 with the bureau.
- 18 (2) Districts retain their authority to administer vehicle
- 19 retirement programs otherwise authorized ~~under~~ by law.

1 (3) The program is available for high polluting passenger
2 vehicles and light-duty and medium-duty trucks that have been
3 continuously registered in California for two years prior to
4 acceptance into the program or otherwise proven to have been
5 driven primarily in California for the last two years and have not
6 been registered in another state or country in the last two years.
7 The guidelines may require a vehicle to take, complete, or pass a
8 smog check inspection.

9 (4) The program is focused where the greatest air quality impact
10 can be identified.

11 (5) (A) Compensation for retired vehicles shall be at least one
12 thousand five hundred dollars (\$1,500) for a low-income motor
13 vehicle owner, as defined in Section 44062.1, and ~~no~~ not more
14 than one thousand dollars (\$1,000) for all other motor vehicle
15 owners.

16 (B) Replacement or a mobility option may be an option for all
17 motor vehicle owners and may be in addition to compensation for
18 vehicles retired pursuant to subparagraph (A). For low-income
19 motor vehicle owners, as defined in Section 44062.1, compensation
20 toward a replacement vehicle or mobility option shall be no less
21 than two thousand five hundred dollars (\$2,500). Compensation
22 toward a replacement vehicle for all other motor vehicle owners
23 shall not exceed compensation for low-income motor vehicle
24 owners.

25 (C) Compensation for either retired or replacement vehicles or
26 a mobility option for low-income motor vehicle owners may be
27 increased as necessary to maximize the air quality benefits of the
28 program while also ensuring participation by low-income motor
29 vehicle owners, as defined in Section 44062.1. Increases in
30 compensation amounts may be based on factors, including, but
31 not limited to, the age of the retired or replaced vehicle, the
32 emissions benefits of the retired or replaced vehicle, the emissions
33 impact of any replacement vehicle, participation by low-income
34 motor vehicle owners, as defined in Section 44062.1, and the
35 location of the vehicle in an area of the state with the poorest air
36 quality.

37 (6) Cost-effectiveness and impacts on disadvantaged and
38 low-income populations are considered. Program eligibility may
39 be limited on the basis of income to ensure the program adequately
40 serves persons of low or moderate income.

1 (7) Provisions that coordinate the vehicle retirement and
2 replacement and mobility option components of the program with
3 the vehicle retirement component of the bureau's Consumer
4 Assistance Program, established pursuant to other provisions of
5 this chapter, to ensure vehicle owners participate in the appropriate
6 program to maximize emissions reductions.

7 (8) Streamlined administration to simplify participation while
8 protecting the accountability of moneys spent.

9 (9) Specific steps to ensure the vehicle replacement and mobility
10 option component of the program is available in areas designated
11 as federal extreme nonattainment.

12 (10) A requirement that vehicles eligible for retirement have
13 sufficient remaining life. Demonstration of sufficient remaining
14 life may include proof of current registration, passing a recent
15 smog check inspection, or passing another test similar to a smog
16 check inspection.

17 (d) When updating the guidelines to the program established
18 pursuant to subdivision (a), the state board shall study and consider
19 all the following elements:

20 (1) Methods of financial assistance other than vouchers.

21 (2) An option for automobile dealerships or other used car sellers
22 to accept cars for retirement, provided the cars are dismantled
23 consistent with the requirements of the program.

24 (3) An incentive structure with varied incentive amounts to
25 maximize program participation and cost-effective emissions
26 reductions.

27 (4) Increased emphasis on the replacement of high polluters
28 with cleaner vehicles or the increased use of public transit and car
29 sharing that results in the increased utilization of the vehicle
30 replacement and mobility option component of the program.

31 (5) Increased emphasis on the reduction of greenhouse gas
32 emissions through increased vehicle efficiency or transit and car
33 sharing use as a result of the program.

34 (6) Increased partnerships and outreach with community-based
35 organizations.

36 (e) *The amount of compensation provided to a low-income motor*
37 *vehicle owner pursuant to this section may be deducted from the*
38 *replacement vehicle's price when calculating the cost price to the*
39 *purchaser pursuant to Section 10753 of the Revenue and Taxation*
40 *Code. The state board shall develop a standardized certificate for*

1 *issuance to recipients of compensation that states the amount of*
2 *compensation received. Upon submission of this certificate to the*
3 *Department of Motor Vehicles by the vehicle owner, the*
4 *Department of Motor Vehicles shall adjust the cost price to the*
5 *purchaser as authorized by this subdivision.*

6 (e)

7 (f) For purposes of this section, the following terms have the
8 following meanings:

9 (1) “Car sharing” has the same definition as in Section 44258.

10 (2) “Mobility option” means a voucher for public transit or car
11 sharing.

12 SEC. 2. Section 44258.4 of the Health and Safety Code is
13 amended to read:

14 44258.4. (a) Any moneys utilized ~~by this act~~ *pursuant to this*
15 *chapter* from the Greenhouse Gas Reduction Fund, established
16 pursuant to Section 16428.8 of the Government Code, shall be
17 consistent with the appropriations processes and criteria established
18 by the Greenhouse Gas Reduction Fund Investment Plan and
19 Communities Revitalization Act (Chapter 4.1 (commencing with
20 Section 39710) of Part 2).

21 (b) The Charge Ahead California Initiative is hereby established
22 and shall be administered by the state board. The goals of this
23 initiative are to place in service at least 1,000,000 zero-emission
24 and near-zero-emission vehicles by January 1, 2023, to establish
25 a self-sustaining California market for zero-emission and
26 near-zero-emission vehicles in which zero-emission and
27 near-zero-emission vehicles are a viable mainstream option for
28 individual vehicle purchasers, businesses, and public fleets, to
29 increase access for disadvantaged, low-income, and
30 moderate-income communities and consumers to zero-emission
31 and near-zero-emission vehicles, and to increase the placement of
32 those vehicles in those communities and with those consumers to
33 enhance the air quality, lower greenhouse gases, and promote
34 overall benefits for those communities and consumers.

35 (c) The state board, in consultation with the State Energy
36 Resources Conservation and Development Commission, districts,
37 and the public, shall do all of the following:

38 (1) (A) Include, commencing with the Air Quality Improvement
39 Program funding plan for the 2016–17 fiscal year, a funding plan
40 that includes the immediate fiscal year and a forecast of estimated

1 funding needs for the subsequent two fiscal years commensurate
2 with meeting the goals of this chapter. Funding needs may be
3 described as a range that identifies the projected high and low
4 funding levels needed for the two-year forecast period to contribute
5 to technology advancement, market readiness, and consumer
6 acceptance of zero- and near-zero-emission vehicle technologies.
7 The funding plan shall include a market and technology assessment
8 for each funded zero- and near-zero-emission vehicle technology
9 to inform the appropriate funding level, incentive type, and
10 incentive amount. The forecast shall include an assessment of
11 when a self-sustaining market is expected and how existing
12 incentives may be modified to recognize expected changes in future
13 market conditions.

14 (B) Projects included in the forecast may include, but are not
15 limited to, any of the following:

16 (i) The Clean Vehicle Rebate Project, established pursuant to
17 Section 44274.

18 (ii) Light-duty zero-emission and near-zero-emission vehicle
19 deployment projects eligible under the Alternative and Renewable
20 Fuel and Vehicle Technology Program, established pursuant to
21 Article 2 (commencing with Section 44272) of Chapter 8.9.

22 (iii) Programs adopted pursuant to paragraph (4).

23 (2) Update the plan required pursuant to paragraph (1) at least
24 every three years through January 1, 2023.

25 (3) No later than June 30, 2015, adopt revisions to the criteria
26 and other requirements for the Clean Vehicle Rebate Project,
27 established pursuant to Section 44274, to ensure the following:

28 (A) Rebate levels can be phased down in increments based on
29 cumulative sales levels as determined by the state board.

30 (B) (i) Eligibility is limited based on income.

31 (ii) *For applicants classified as low or moderate income under*
32 *the criteria adopted pursuant to this paragraph, the amount of the*
33 *rebate may be deducted from the motor vehicle's price when*
34 *calculating the cost price to the purchaser pursuant to Section*
35 *10753 of the Revenue and Taxation Code. The state board shall*
36 *develop a standardized certificate for issuance to low- or*
37 *moderate-income rebate recipients that states the amount of the*
38 *rebate received. Upon submission of this certificate to the*
39 *Department of Motor Vehicles by the vehicle owner, the*

1 *Department of Motor Vehicles shall adjust the cost price to the*
2 *purchaser as authorized by this clause.*

3 (C) Consideration of the conversion to prequalification and
4 point-of-sale rebates or other methods to increase participation
5 rates.

6 (4) (A) Establish programs that further increase access to and
7 direct benefits for disadvantaged, low-income, and
8 moderate-income communities and consumers from electric
9 transportation, including, but not limited to, any of the following:

10 (i) Financing mechanisms, including, but not limited to, a loan
11 or loan-loss reserve credit enhancement program to increase
12 consumer access to zero-emission and near-zero-emission vehicle
13 financing and leasing options that can help lower expenditures on
14 transportation and prequalification or point-of-sale rebates or other
15 methods to increase participation rates among low- and
16 moderate-income consumers.

17 (ii) Car sharing programs that serve disadvantaged communities
18 and utilize zero-emission and near-zero-emission vehicles.

19 (iii) Deployment of charging infrastructure in multiunit
20 dwellings in disadvantaged communities to remove barriers to
21 zero-emission and near-zero-emission vehicle adoption by those
22 who do not live in detached homes. This clause does not preclude
23 the Public Utilities Commission from acting within the scope of
24 its jurisdiction.

25 (iv) Additional incentives for zero-emission, near-zero-emission,
26 or high-efficiency replacement vehicles or a mobility option
27 available to participants in the enhanced fleet modernization
28 program, established pursuant to Article 11 (commencing with
29 Section 44125) of Chapter 5.

30 (B) Programs implemented pursuant to this paragraph shall
31 provide adequate outreach to disadvantaged, low-income, and
32 moderate-income communities and consumers, including partnering
33 with community-based organizations.