

AMENDED IN ASSEMBLY APRIL 12, 2016

AMENDED IN ASSEMBLY MARCH 29, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2564

Introduced by Assembly Member Cooper

February 19, 2016

An act to amend Section 44258.4 of *add Section 44274.3* to the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2564, as amended, Cooper. ~~Clean Vehicle Rebate Project: income eligibility.~~ *Air Quality Improvement Program: Clean Vehicle Rebate Project.*

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 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, for all eligible vehicle types except fuel cell electric vehicles,~~ *would require the state board to adopt regulations for the purposes of the Clean Vehicle Rebate Project that would establish the*

maximum gross annual income at ~~unspecified~~ *specified* levels for a person to be eligible for a ~~rebate under the project~~; *rebate; increase rebate payments by \$500 for applicants with household incomes less than or equal to 300% of the federal poverty level; include outreach to disadvantaged communities, as specified, to increase consumer awareness; and prioritize rebate payments for low-income applicants.*

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 44274.3 is added to the Health and Safety
2 Code, to read:
3 44274.3. The state board, in consultation with the State Energy
4 Resources Conservation and Development Commission, districts,
5 and the public, shall adopt regulations for the purposes of the
6 Clean Vehicle Rebate Project, established as part of the Air Quality
7 Improvement Program, that do all of the following:
8 (a) Limit eligibility based on income by providing that, for all
9 eligible vehicle types except fuel cell electric vehicles, the gross
10 annual income, as reported on Line 22 of the Internal Revenue
11 Service Form 1040, Line 15 of the Internal Revenue Service Form
12 1040A, or Line 4 of the Internal Revenue Service Form 1040EZ,
13 for a person to be eligible for a rebate payment shall not exceed
14 the following:
15 (1) One hundred twenty-five thousand dollars (\$125,000) for
16 single filers.
17 (2) One hundred seventy thousand dollars (\$170,000) for
18 head-of-household filers.
19 (3) Two hundred fifty thousand dollars (\$250,000) for joint
20 filers.
21 (b) For an applicant with a household income less than or equal
22 to 300 percent of the federal poverty level, increase the rebate
23 payment by five hundred dollars (\$500) for all eligible vehicle
24 types.
25 (c) Include outreach to disadvantaged communities, as identified
26 pursuant to Section 39711, to increase consumer awareness.
27 (d) Prioritize rebate payments for low-income applicants.
28 SECTION 1. ~~Section 44258.4 of the Health and Safety Code~~
29 is amended to read:

1 ~~44258.4. (a) Any moneys utilized by this act from the~~
2 ~~Greenhouse Gas Reduction Fund, established pursuant to Section~~
3 ~~16428.8 of the Government Code, shall be consistent with the~~
4 ~~appropriations processes and criteria established by the Greenhouse~~
5 ~~Gas Reduction Fund Investment Plan and Communities~~
6 ~~Revitalization Act (Chapter 4.1 (commencing with Section 39710)~~
7 ~~of Part 2).~~

8 ~~(b) The Charge Ahead California Initiative is hereby established~~
9 ~~and shall be administered by the state board. The goals of this~~
10 ~~initiative are to place in service at least 1,000,000 zero-emission~~
11 ~~and near-zero-emission vehicles by January 1, 2023, to establish~~
12 ~~a self-sustaining California market for zero-emission and~~
13 ~~near-zero-emission vehicles in which zero-emission and~~
14 ~~near-zero-emission vehicles are a viable mainstream option for~~
15 ~~individual vehicle purchasers, businesses, and public fleets, to~~
16 ~~increase access for disadvantaged, low-income, and~~
17 ~~moderate-income communities and consumers to zero-emission~~
18 ~~and near-zero-emission vehicles, and to increase the placement of~~
19 ~~those vehicles in those communities and with those consumers to~~
20 ~~enhance the air quality, lower greenhouse gases, and promote~~
21 ~~overall benefits for those communities and consumers.~~

22 ~~(c) The state board, in consultation with the State Energy~~
23 ~~Resources Conservation and Development Commission, districts,~~
24 ~~and the public, shall do all of the following:~~

25 ~~(1) (A) Include, commencing with the Air Quality Improvement~~
26 ~~Program funding plan for the 2016–17 fiscal year, a funding plan~~
27 ~~that includes the immediate fiscal year and a forecast of estimated~~
28 ~~funding needs for the subsequent two fiscal years commensurate~~
29 ~~with meeting the goals of this chapter. Funding needs may be~~
30 ~~described as a range that identifies the projected high and low~~
31 ~~funding levels needed for the two-year forecast period to contribute~~
32 ~~to technology advancement, market readiness, and consumer~~
33 ~~acceptance of zero- and near-zero-emission vehicle technologies.~~
34 ~~The funding plan shall include a market and technology assessment~~
35 ~~for each funded zero- and near-zero-emission vehicle technology~~
36 ~~to inform the appropriate funding level, incentive type, and~~
37 ~~incentive amount. The forecast shall include an assessment of~~
38 ~~when a self-sustaining market is expected and how existing~~
39 ~~incentives may be modified to recognize expected changes in future~~
40 ~~market conditions.~~

1 ~~(B) Projects included in the forecast may include, but are not~~
2 ~~limited to, any of the following:~~
3 ~~(i) The Clean Vehicle Rebate Project, established pursuant to~~
4 ~~Section 44274.~~
5 ~~(ii) Light-duty zero-emission and near-zero-emission vehicle~~
6 ~~deployment projects eligible under the Alternative and Renewable~~
7 ~~Fuel and Vehicle Technology Program, established pursuant to~~
8 ~~Article 2 (commencing with Section 44272) of Chapter 8.9.~~
9 ~~(iii) Programs adopted pursuant to paragraph (4).~~
10 ~~(2) Update the plan required pursuant to paragraph (1) at least~~
11 ~~every three years through January 1, 2023.~~
12 ~~(3) No later than June 30, 2015, adopt revisions to the criteria~~
13 ~~and other requirements for the Clean Vehicle Rebate Project,~~
14 ~~established pursuant to Section 44274, to ensure the following:~~
15 ~~(A) Rebate levels can be phased down in increments based on~~
16 ~~cumulative sales levels as determined by the state board.~~
17 ~~(B) (i) Eligibility is limited based on income.~~
18 ~~(ii) For all eligible vehicle types except fuel cell electric~~
19 ~~vehicles, the gross annual income, as reported on Line 22 of the~~
20 ~~Internal Revenue Service Form 1040, Line 15 of the Internal~~
21 ~~Revenue Service Form 1040A, or Line 4 of the Internal Revenue~~
22 ~~Service Form 1040EZ, for a person to be eligible for a rebate under~~
23 ~~the project shall not exceed the following:~~
24 ~~(I) _____ dollars (\$ _____) for single filers.~~
25 ~~(II) _____ dollars (\$ _____) for head-of-household filers.~~
26 ~~(III) _____ dollars (\$ _____) of joint filers.~~
27 ~~(C) Consideration of the conversion to prequalification and~~
28 ~~point-of-sale rebates or other methods to increase participation~~
29 ~~rates.~~
30 ~~(4) (A) Establish programs that further increase access to and~~
31 ~~direct benefits for disadvantaged, low-income, and~~
32 ~~moderate-income communities and consumers from electric~~
33 ~~transportation, including, but not limited to, any of the following:~~
34 ~~(i) Financing mechanisms, including, but not limited to, a loan~~
35 ~~or loan-loss reserve credit enhancement program to increase~~
36 ~~consumer access to zero-emission and near-zero-emission vehicle~~
37 ~~financing and leasing options that can help lower expenditures on~~
38 ~~transportation and prequalification or point-of-sale rebates or other~~
39 ~~methods to increase participation rates among low- and~~
40 ~~moderate-income consumers.~~

1 (ii) ~~Car sharing programs that serve disadvantaged communities~~
2 ~~and utilize zero-emission and near-zero-emission vehicles.~~

3 (iii) ~~Deployment of charging infrastructure in multiunit~~
4 ~~dwelling in disadvantaged communities to remove barriers to~~
5 ~~zero-emission and near-zero-emission vehicle adoption by those~~
6 ~~who do not live in detached homes. This clause does not preclude~~
7 ~~the Public Utilities Commission from acting within the scope of~~
8 ~~its jurisdiction.~~

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

14 (B) ~~Programs implemented pursuant to this paragraph shall~~
15 ~~provide adequate outreach to disadvantaged, low-income, and~~
16 ~~moderate-income communities and consumers, including partnering~~
17 ~~with community-based organizations.~~