

AMENDED IN ASSEMBLY MAY 31, 2016

AMENDED IN ASSEMBLY APRIL 27, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2653

**Introduced by Assembly Members Eduardo Garcia, Eggman,
Cristina Garcia, and Gomez**

February 19, 2016

An act to ~~add Section 12893.5 to the Government Code, amend Section 39720 of the Health and Safety Code,~~ relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 2653, as amended, Eduardo Garcia. Greenhouse Gas Reduction Fund: report.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for 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 from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. ~~Existing law requires state agencies to submit annually to the Secretary for Environmental Protection a specified report that includes, among other things, a list of measures that have been adopted and implemented by that state agency to meet greenhouse gas emission reduction targets, as defined, and a status report on the actual greenhouse gas emissions reduced as a result of those measures. Existing law~~

requires the Department of Finance to annually submit a report to the appropriate committees of the Legislature on the status of the projects funded with moneys from the fund.

~~This bill would create additional requirements on state agencies and state entities submitting that report, including, among other things, identifying the number of business entities, as defined, receiving moneys and the actions and outcomes of those actions taken to assist residents of disadvantaged communities, as defined, and other target populations, as specified, with the business, employment, and training opportunities offered through activities funded with moneys from the fund and with any other state funding source that is related to climate change mitigation, climate change adaptation, and greenhouse gas emissions reductions.~~

This bill would require the department to include additional information in its annual report to the Legislature, including, among other things, the greenhouse gas emissions reductions attributable to each project and the geographic location, industry sector, and number of employees of the business entities, as defined, receiving moneys from the fund.

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 39720 of the Health and Safety Code is
- 2 amended to read:
- 3 39720. (a) Notwithstanding Section 10231.5 of the
- 4 Government Code, the Department of Finance shall submit ~~a~~ *an*
- 5 annual report ~~on or before March 1, 2014, and annually thereafter,~~
- 6 to the appropriate committees of the Legislature on the status of
- 7 projects funded pursuant to this part and their outcomes.
- 8 (b) (1) *The report, at a minimum, shall include all of the*
- 9 *following:*
- 10 (A) *The greenhouse gas emissions reductions attributable to*
- 11 *each project.*
- 12 (B) *Actions and outcomes from those actions taken to assist*
- 13 *residents of disadvantaged communities, as identified pursuant to*
- 14 *Section 39711, and other target populations with the business,*
- 15 *employment, and training opportunities offered through activities*
- 16 *funded in whole or in part with moneys from the fund.*

1 (C) *The geographic location, industry sector, and number of*
2 *employees of the business entities receiving moneys from the fund.*

3 (D) *The number of jobs created, including wage levels, by the*
4 *business entities receiving moneys from the fund.*

5 (E) *The amount of other public or private moneys leveraged*
6 *with investments from the fund.*

7 (2) *The Secretary for Environmental Protection shall identify*
8 *the other target populations referenced in subparagraph (B) of*
9 *paragraph (1).*

10 (3) *Subparagraphs (C) to (D), inclusive, of paragraph (1) shall*
11 *apply only to investments made after February 1, 2017.*

12 ~~(b)~~

13 (c) A report submitted pursuant to subdivision (a) shall be
14 submitted in compliance with Section 9795 of the Government
15 Code.

16 (d) *For purposes of this section, “business entity” means any*
17 *firm operating in the state as a nonprofit, sole proprietorship,*
18 *general partnership, limited partnership, limited liability*
19 *partnership, limited liability company, or corporation.*

20 ~~SECTION 1. The Legislature finds and declares all of the~~
21 ~~following:~~

22 ~~(a) Since the enactment of the California Global Warming~~
23 ~~Solutions Act of 2006 (Division 25.5 (commencing with Section~~
24 ~~38500) of the Health and Safety Code), the state has been~~
25 ~~committed to taking actions to reduce its own greenhouse gas~~
26 ~~emissions and serve as a catalyst for others to undertake their own~~
27 ~~emissions reduction actions.~~

28 ~~(b) The purpose of the state agency greenhouse gas reduction~~
29 ~~report card, pursuant to Section 12892 of the Government Code,~~
30 ~~is to ensure that state agencies consider and implement measures~~
31 ~~and strategies that reduce greenhouse gas emissions and to establish~~
32 ~~the routine, quantified, verified, consistent, and public reporting~~
33 ~~of those measures along with their effectiveness in reducing~~
34 ~~greenhouse gas emissions.~~

35 ~~(e) The Department of Finance’s three-year investment plan for~~
36 ~~moneys deposited in the Greenhouse Gas Reduction Fund, pursuant~~
37 ~~to Section 39716 of the Health and Safety Code, is designed to~~
38 ~~identify near-term and long-term greenhouse gas emissions~~
39 ~~reduction goals by sector, gaps in current state strategies, and~~
40 ~~priority programmatic investments of moneys in the fund.~~

1 Annually, the Department of Finance reports on programs funded
2 with Greenhouse Gas Reduction Fund moneys, pursuant to Section
3 39720 of the Health and Safety Code.

4 (d) ~~The state agency greenhouse gas reduction report card and~~
5 ~~the record of proposed expenditures, pursuant to Section 16428.9~~
6 ~~of the Government Code, track state agency actions related to~~
7 ~~moneys appropriated from the Greenhouse Gas Reduction Fund,~~
8 ~~as well as key climate actions taken by state agencies using other~~
9 ~~funding. These activities include the broadest range of climate~~
10 ~~mitigation and reduction programs directed at small businesses~~
11 ~~and distressed communities, including programs sponsored by the~~
12 ~~State Energy Resources Conservation and Development~~
13 ~~Commission, Cool California, the Department of Resources~~
14 ~~Recycling and Recovery, and the State Air Resources Board.~~

15 SEC. 2. Section 12893.5 is added to the Government Code, to
16 read:

17 12893.5. (a) For purposes of this section, the following terms
18 have the following meanings:

19 (1) "Business entity" means any firm operating in the state as
20 a nonprofit, sole proprietorship, general partnership, limited
21 partnership, limited liability partnership, limited liability company,
22 or corporation.

23 (2) "Fund" means the Greenhouse Gas Reduction Fund, created
24 pursuant to Section 16428.8.

25 (b) Each state agency and state entity that expends moneys from
26 the fund shall submit as part of the report card required pursuant
27 to Section 12892 all of the following:

28 (1) The number of business entities receiving financial assistance
29 or entering into contracts paid, in whole or in part, using moneys
30 from the fund.

31 (2) The amount of other public or private moneys leveraged
32 when business entities received the assistance described in
33 paragraph (1), as reported by the business entities.

34 (3) The geographic location, industry sector, and number of
35 employees of the business entities described in paragraph (1).

36 (4) The number of jobs created, including wage levels, by the
37 business entities described in paragraph (1).

38 (5) (A) Actions and outcomes from those actions taken to assist
39 residents of disadvantaged communities, as identified pursuant to
40 Section 39711 of the Health and Safety Code, and other target

1 ~~populations with the business, employment, and training~~
2 ~~opportunities offered through activities funded in whole or in part~~
3 ~~with moneys from the fund or other state funding sources overseen~~
4 ~~by the reporting state agency that are directly related to climate~~
5 ~~change mitigation, climate change adaptation, and GHG emissions~~
6 ~~reductions, as determined by the state agency.~~

7 ~~(B)~~

8 ~~The secretary shall identify the other target populations~~
9 ~~referenced in subparagraph (A).~~

10 ~~(e) At the discretion of the secretary, the information required~~
11 ~~pursuant to paragraphs (2) to (5), inclusive, of subdivision (b) may~~
12 ~~be reported as part of the report card required pursuant to Section~~
13 ~~12892 or as part of any report required pursuant to Section 39716~~
14 ~~or 39720 of the Health and Safety Code.~~

15 ~~(d) This section shall apply to awards made by a state agency~~
16 ~~on or after February 1, 2017.~~