

AMENDED IN ASSEMBLY MAY 2, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2666**

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**Introduced by Assembly Member Battin**

February 25, 2000

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An act to add ~~Section 43013.4~~ *Sections 43013.4 and 43013.5* to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2666, as amended, Battin. Gasoline.

Existing law establishes the Air Pollution Control Fund in the State Treasury and provides that, upon appropriation, the money in the fund shall be available to the State Air Resources Board to carry out its duties and functions. Existing law requires the state board to ensure that regulations adopted for California Phase 3 Reformulated Gasoline (*CaRFG*) meet specified requirements.

This bill would *request the University of California to conduct a study on, among other things, the impacts of allowing gasoline that does not comply with CaRFG standards to be used in the state. The bill would provide that any gasoline approved for sale in California by the federal Environmental Protection Agency may be imported into, and sold, in this state. The bill would require the state board to impose an 8¢ per gallon fee on any federally approved gasoline imported into this state for sale that does not comply with the ~~California Phase 3 Reformulated Gasoline CaRFG~~ standards, and any gasoline produced in the state that does*

*not comply with CaRFG standards.* The bill would require the fee to be imposed on the producer of the gasoline and would provide that all revenue received from the fee shall be deposited in the Clean Gasoline Account, which would be created by the bill, in the Air Pollution Control Fund. Under the bill, the money in the account would be available to the state board, upon appropriation, to reduce air pollution caused by motor vehicle emissions. *The bill would specify that if the United States Environmental Protection Agency implements air pollution standards on gasoline that are more stringent than the CaRFG standards, no fee would be imposed on gasoline producers under this bill. The provisions enacted by the bill would become operative July 1, 2001.*

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 43013.4 is added to the Health  
2 and Safety Code, to read:  
3 43013.4. *The Legislature requests that the University*  
4 *of California conduct a study providing all of the*  
5 *following:*  
6 (a) *An examination of the impact of allowing the use*  
7 *of gasoline that does not comply with California Phase 3*  
8 *Reformulated Gasoline Standards (CaRFG) on gasoline*  
9 *prices in the state.*  
10 (b) *An estimate of the volume of gasoline that would*  
11 *likely be imported pursuant to the act that added this*  
12 *section during the 1999–2000 Regular Session.*  
13 (c) *A review of the potential transportation methods*  
14 *for importing gasoline that does not comply with CaRFG*  
15 *into this state, and the potential environmental impacts*  
16 *of that transportation.*  
17 (d) *An estimate of the length of time gasoline would*  
18 *likely be imported into the state pursuant to this act.*  
19 (e) *An analysis of the impact that the use of gasoline*  
20 *that does not comply with CaRFG would have on air*  
21 *quality in the state.*



1 (f) An examination of whether the use of gasoline that  
2 does not comply with CaRFG should be limited to specific  
3 geographic regions of the state, or limited to specific  
4 times of year.

5 (g) An examination of the impact that the use of  
6 gasoline that does not comply with CaRFG would have on  
7 late-model cars, specifically analyzing the harm to  
8 catalytic converters, and any resulting environmental  
9 impact.

10 (h) An analysis of potential emission offsets under  
11 existing emission reduction purchase programs, and an  
12 identification and analysis of those elements that would  
13 be necessary for the operation of a new emission  
14 reduction purchase program for mobile sources that use  
15 gasoline that does not comply with CaRFG.

16 (i) An examination of the adequacy of the fee imposed  
17 by Section 43013.5, based on a comparison of the  
18 estimated total funds raised by the fee to the cost of any  
19 pollution reduction purchases.

20 (j) Methods of providing gasoline that does not comply  
21 with CaRFG to independent service stations in order to  
22 assist those stations in competing in the gasoline  
23 marketplace.

24 SEC. 2. Section 43013.5 is added to the Health and  
25 Safety Code, to read:

26 43013.5. (a) Any gasoline approved for sale in  
27 California by the federal Environmental Protection  
28 Agency pursuant to the federal Clean Air Act (42 U.S.C.  
29 Sec. 7401 et seq.) may be imported into, and sold, in this  
30 state.

31 (b) The state board shall impose an eight cents (\$0.08)  
32 per gallon fee on ~~any~~ both of the following:

33 (1) Any gasoline imported into this state for sale  
34 pursuant to subdivision (a) that does not comply with the  
35 California Phase 3 Reformulated Gasoline standards  
36 adopted by the state board. ~~The fee~~

37 (2) Any producer located in California that produces  
38 gasoline that does not comply with the California Phase  
39 3 Reformulated Gasoline standards adopted by the state  
40 board.



1 (c) *The fee imposed pursuant to subdivision (b) shall*  
2 *be imposed on the producer of the gasoline and shall be*  
3 *remitted to the state board on a monthly basis.*

4 ~~(e)~~

5 (d) *All revenue received from the fee imposed*  
6 *pursuant to this section shall be deposited in the Clean*  
7 *Gasoline Account, which is hereby created in the Air*  
8 *Pollution Control Fund. Upon appropriation, the money*  
9 *in the account shall be available to the state board to*  
10 *reduce air pollution caused by motor vehicle emissions.*

11 (e) *If the United States Environmental Protection*  
12 *Agency implements air pollution standards on gasoline*  
13 *that are more stringent than those implemented by the*  
14 *state board, the fee described in subdivision (b) shall not*  
15 *be imposed on any producer of gasoline.*

16 SEC. 3. *This act shall become operative on July 1,*  
17 *2001.*

