ATTACHMENT 2

PORTS: PORT OF LOS ANGELES: PORT OF LONG BEACH: AIR POLLUTION

SUMMARY:

Would require that the Ports of Long Beach and Los Angeles ensure that all future growth at each port result in a zero net increase in air pollution.

BACKGROUND:

Existing law provides for the regulation of ports and harbors.

BILL STATUS:

This bill was introduced on February 17, 2004 and is scheduled to be heard by the Assembly Transportation Committee on April 12, 2004.

SPECIFIC PROVISIONS OF BILL:

Section 1740 is added to the Harbors and Navigation Code, to read:

(a) The Port of Long Beach and the Port of Los Angeles shall ensure that all future growth at each port will have a zero net increase in air pollution.

(b) Each port shall establish the baseline for air pollution in consultation with the South Coast Air Quality Management District.

OPERATIONAL IMPACT ON AQMD:

Would require AQMD staff resources for baseline inventory development and possibly for implementation and enforcement efforts.

SUPPORT:
None Known

OPPOSITION:
None Known

RECOMMENDED POSITION:
SUPPORT WITH AMENDMENTS

Ports are identified as major sources of NOx and PM10 (including diesel particulate) and the AQMD Governing Board considers controlling emissions from ports as a high priority based on the 2003 AQMP and the Environmental Justice program. Although the bill would prevent emissions from increasing above the baseline year, the AQMD could still develop more stringent regulations as appropriate.

This bill would mandate a zero net increase in air pollution to ports to offset future growth. However, the bill does not specify:

- a baseline year,
- effective date,
- an inclusive list of sources subject to the no-net-increase requirement, and
- a geographic component to account for the mobile sources which enter and leave the ports. It may not provide sufficient reductions for the AQMP needs.

Staff recommends support with amendments that the bill should:

- modify proposed paragraph (b) as such
  (b) South Coast Air Quality Management District ~~Each port~~ shall establish the baseline for air pollution in consultation with the Port of Long Beach and the Port of Los Angeles. ~~the South Coast Air Quality Management District~~.
- specify baseline year, effective date, an inclusive list of sources subject to the no-net-increase requirement , and a geographical component,
- require ports to submit program implementation methodology to U.S. EPA, CARB, and AQMD for approval, and
- require ports to reimburse AQMD for certain costs.

APRIL 9, 2004 LEGISLATIVE COMMITTEE
RECOMMENDED POSITION/COMMENTS:
AGREED WITH STAFF'S RECOMMENDATION TO SUPPORT

AMENDED IN ASSEMBLY APRIL 1, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL No. 2042

Introduced by Assembly Member Lowenthal

February 17, 2004

An act to add Section 1740 to the Harbors and Navigation Code, relating to ports.

LEGISLATIVE COUNSEL'S DIGEST

AB 2042, as amended, Lowenthal. Ports: Port of Los Angeles: Port of Long Beach: air pollution.

(1) Existing law provides for the regulation of ports and harbors. *Existing law, the Lewis-Presley Air Quality Management Act, establishes the South Coast Air Quality Management District as the sole and exclusive local agency within those portions of the Counties of Los Angeles, Orange, Riverside, and San Bernardino that are included within the South Coast Air Basin.*

This bill would require ~~the Port of Long Beach and the Port of Los Angeles to ensure that all future growth at each port will have a zero net increase in air pollution. The bill would require each port to establish the baseline for air pollution in consultation with~~ the ~~South Coast Air Quality Management District~~ *south coast district to establish a baseline for air quality in the Port of Long Beach that is based on the port's emission inventory for 2001, and a baseline for air quality in the Port of Los Angeles that is based on that port's emission inventory for 2002, including emissions from ocean-going vessels and harbor craft, cargo handling equipment, locomotives, and commercial vehicles, as defined.*

The bill would require the City of Long Beach, for the Port of Long Beach, and the City of Los Angeles, for the Port of Los Angeles, to require growth and operations at its port to be limited or controlled in a manner that prevents air pollution at the port from exceeding the specified baseline. The bill would require each city, on March 1, 2006, and every March 1 thereafter, to report to the district regarding the city's compliance with this requirement, including an accounting of the city's programs and efforts that are directed towards that compliance.

The bill would authorize the district to impose a fee upon each city that does not exceed the district's costs of administering these provisions. ~~The~~

The bill would establish a state-mandated local program by imposing new duties upon those local entities.

(2) 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, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed $1,000,000 statewide and other procedures for claims whose statewide costs exceed $1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) Exhaust fumes from diesel fuel are known to cause cancer.

(b) A landmark study conducted by the South Coast Air Quality Management District, the "Multiple Air Toxics Exposure Study," found that 70 percent of all serious health risks attributable to mobile pollution sources are attributable to diesel engine exhaust.

(c) The federal Clean Air Act (42 U.S.C. Sec. 7401, et seq.) requires certain regions that have high levels of air pollution

demonstrate that construction of new highways will not worsen air pollution.

SEC. 2. Section 1740 is added to the Harbors and Navigation Code, to read:

~~1740. (a) The Port of Long Beach and the Port of Los Angeles shall ensure that all future growth at each port will have a zero net increase in air pollution.~~

~~(b) Each port shall establish the baseline for air pollution in consultation with the South Coast Air Quality Management District.~~

1740. (a) (1) The South Coast Air Quality Management District shall establish a baseline for air quality in the Port of Long Beach that is based on the port's emission inventory for 2001.

(2) The district shall establish a baseline for air quality in the Port of Los Angeles that is based on the port's emission inventory for 2002.

(3) The baselines established by the district under this subdivision shall include, but need not be limited to, emissions from ocean-going vessels and harbor craft, cargo handling equipment, locomotives, and commercial vehicles, as defined in subdivision (b) of Section 15210 of the Vehicle Code.

(b) The City of Long Beach, for the Port of Long Beach, and the City of Los Angeles, for the Port of Los Angeles, shall require growth and operations at its port to be limited or controlled in a manner that prevents air pollution at the port from exceeding the baseline established under subdivision (a).

(c) On March 1, 2006, and every March 1 thereafter, each city shall report to the district regarding the city's compliance with subdivision (b), including, but not limited to, an accounting of the city's programs and efforts that are directed towards that compliance.

(d) The district may impose a fee upon each city that does not exceed the district's costs of administering this section.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000),

reimbursement shall be made from the State Mandates Claims Fund.

O

AIR POLLUTION: SMOG CHECK

SUMMARY:

Existing law establishes motor vehicle inspection and maintenance programs (smog check & smog check II), administered by the Department of Consumer Affairs and the State Air Resources Board.

Existing law also requires the smog tests to include, at minimum, loaded mode dynamometer testing in enhanced areas, and 2-speed idle testing in all other program areas, and a visual or functional check of emission control devices specified by the department. Existing law exempted from those requirements, until January 1, 2003, any motor vehicle manufactured prior to the 1974 model-year, and after that date, any motor vehicle that is 30 or more model-years old. This bill would instead exempt from the smog check requirements any motor vehicle manufactured prior to the 1976 model-year. This bill contains other related provisions and other existing laws.

BACKGROUND:

Existing law establishes a motor vehicle inspection and maintenance program (smog check), administered by the Department of Consumer Affairs and the State Air Resources Board that provides for:

1. Inspection of all motor vehicles, except those specifically exempted from the program, upon registration, biennially upon renewal of registration, upon transfer of ownership, and in certain other circumstances.
2. Establishes an enhanced motor vehicle inspection and maintenance program (smog check II) in each urbanized area of the state, any part of which is classified as a serious, severe, or extreme nonattainment area for specified air contaminants.

3. Requires smog tests to include, at a minimum, loaded mode dynamometer testing in enhanced areas, and 2-speed idle testing in all other program areas, and a visual or functional check of emission control devices as specified.
4. Prior to January 1, 2003, any motor vehicle manufactured prior to the 1974 model-year and any motor vehicle that is 30 or more model-years were exempted.
5. This bill would instead exempt from the smog check requirements any motor vehicle manufactured prior to the 1976 model-year.

A background paper prepared by the bill's sponsors is contained in Attachment 1.

BILL STATUS:

This bill was introduced on February 20, 2004 and has been referred to the Committee on Transportation.

SPECIFIC PROVISIONS OF BILL:

AB 2683 proposes to eliminate a provision which exempts vehicles 30 years or older from the smog check program in California. This 30 year exemption is based on the premise of a 30 year rolling average thus allowing the number of exempted vehicles to grow every year. The proposed amendment would exempt only those vehicles that are 1976 and older from the provisions of California's Smog Check Program. This amendment would cap the number of vehicles exempted in California's Smog Check Program to only those vehicles 1976 and older.

OPERATIONAL IMPACT ON SCAQMD:

This amendment would be beneficial to air quality relative to capping the number of exempt vehicles from California's Smog Check Program. Historically, studies have shown that older vehicles contribute disproportionately to California's on road motor vehicle inventory. The existing statutes would allow the number of exempt vehicles to grow relative to a 30 year rolling average. The contribution of emissions from older vehicles would continue to grow disproportionately if this provision of the statute is allowed to continue.

This amendment would have no effects on areas of responsibility for the SCAQMD since the Smog Check Program is implemented by the Bureau of Automotive Repair within the Department of Consumer Affairs.

SUPPORT:

OPPOSITION:

None known

STAFF RECOMMENDED POSITION:
SUPPORT with amendment that this bill highlights the grandfathering in of 1976 and older vehicles.

SCAQMD should support this bill, as it increases the stringency of California's motor vehicle control on existing passenger, light duty trucks and medium duty vehicle inventory. From an equity standpoint, controlling motor vehicle emissions must be strengthened to achieve similar levels of control as stationary sources

MARCH 12, 2004 LEGISLATIVE COMMITTEE
RECOMMENDED POSITION/COMMENTS:
WATCH
Staff was directed to meet with the classic car hobbyists and associations to receive their input prior to any recommendation from this committee.

APRIL 9, 2004 LEGISLATIVE COMMITTEE
RECOMMENDED POSITION/COMMENTS:
AGREED WITH STAFF'S RECOMMENDATION TO SUPPORT

AMENDED IN ASSEMBLY MARCH 24, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL No. 2683

Introduced by Assembly Member Lieber

February 20, 2004

An act to amend Section 44011 of the Health and Safety Code, *and to amend Section 4000.1 of the Vehicle Code,* relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2683, as amended, Lieber. Air pollution: smog check.

(1) Existing law establishes a motor vehicle inspection and maintenance program (smog check), administered by the Department of Consumer Affairs and the State Air Resources Board, that provides for the inspection of all motor vehicles, except those specifically exempted from the program, upon registration, biennially upon renewal of registration, upon transfer of ownership, and in certain other circumstances. *Existing law requires the Department of Motor Vehicles to require any motor vehicle subject to those requirements to demonstrate compliance with those requirements.* Existing law also establishes an enhanced motor vehicle inspection and maintenance program (smog check II) in each urbanized area of the state, any part of which is classified by the United States Environmental Protection Agency as a serious, severe, or extreme nonattainment area for specified air contaminants. Existing law also requires the smog tests to include, at minimum, loaded mode dynamometer testing in enhanced areas, and 2-speed testing in all other program areas, and a visual or functional check of emission control devices specified by the department. Existing law exempted from those requirements, until

January 1, 2003, any motor vehicle manufactured prior to the 1974 model-year, and after that date, any motor vehicle that is 30 or more model-years old.

This bill would instead exempt from the smog check requirements, *and the smog check compliance requirements,* any motor vehicle manufactured prior to the 1976 model-year.

(2) Existing law makes any violation of the smog check requirements a misdemeanor.

To the extent that the bill would impose the smog check requirements on additional vehicles on and after January 1, 2007, this bill would impose a state-mandated local program by expanding the scope of a crime.

(3) 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.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

SECTION 1. Section 44011 of the Health and Safety Code is amended to read:

44011. (a) All motor vehicles powered by internal combustion engines that are registered within an area designated for program coverage shall be required biennially to obtain a certificate of compliance or noncompliance, except for all of the following:

(1) Every motorcycle, and every diesel-powered vehicle, until the department, pursuant to Section 44012, implements test procedures applicable to motorcycles or to diesel-powered vehicles, or both.

(2) Any motor vehicle that has been issued a certificate of compliance or noncompliance or a repair cost waiver upon a change of ownership or initial registration in this state during the preceding six months.

(3) Any motor vehicle manufactured prior to the 1976 model-year.

(4) (A) Any motor vehicle four or less model-years old.

(B) Beginning January 1, 2004, any motor vehicle up to six model-years old, unless the state board finds that providing an exception for these vehicles will prohibit the state from meeting the requirements of Section 176(c) of the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) or the state's commitments with respect to the state implementation plan required by the federal Clean Air Act.

(C) Any motor vehicle excepted by this paragraph shall be subject to testing and to certification requirements as determined by the department, if any of the following apply:

(i) The department determines through remote sensing activities or other means that there is a substantial probability that the vehicle has a tampered emission control system or would fail for other cause a smog check test as specified in Section 44012.

(ii) The vehicle was previously registered outside this state and is undergoing initial registration in this state.

(iii) The vehicle is being registered as a specially constructed vehicle.

(iv) The vehicle has been selected for testing pursuant to Section 44014.7 or any other provision of this chapter authorizing out-of-cycle testing.

(5) In addition to the vehicles exempted pursuant to paragraph (4), any motor vehicle or class of motor vehicles exempted pursuant to subdivision (b) of Section 44024.5. It is the intent of the Legislature that the department, pursuant to the authority granted by this paragraph, exempt at least 15 percent of the lowest emitting motor vehicles from the biennial smog check inspection.

(6) Any motor vehicle that the department determines would present prohibitive inspection or repair problems.

(7) Any vehicle registered to the owner of a fleet licensed pursuant to Section 44020 if the vehicle is garaged exclusively outside the area included in program coverage, and is not primarily operated inside the area included in program coverage.

(b) Vehicles designated for program coverage in enhanced areas shall be required to obtain inspections from appropriate smog check stations operating in enhanced areas.

SEC. 2. *Section 4000.1 of the Vehicle Code is amended to read:*

4000.1. (a) Except as otherwise provided in subdivision (b), (c), or (d) of this section, or subdivision (b) of Section 43654 of the Health and Safety Code, the department shall require upon initial registration, and upon transfer of ownership and registration, of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, and upon registration of a motor vehicle previously registered outside this state which is subject to those provisions of the Health and Safety Code, a valid certificate of compliance or a certificate of noncompliance, as appropriate, issued in accordance with Section 44015 of the Health and Safety Code.

(b) With respect to new vehicles certified pursuant to Chapter 2 (commencing with Section 43100) of Part 5 of Division 26 of the Health and Safety Code, the department shall accept a statement completed pursuant to subdivision (b) of Section 24007 in lieu of the certificate of compliance.

(c) For purposes of determining the validity of a certificate of compliance or noncompliance submitted in compliance with the requirements of this section, the definitions of new and used motor vehicle contained in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code shall control.

(d) Subdivision (a) does not apply to a transfer of ownership and registration under any of the following circumstances:

(1) The initial application for transfer is submitted within the 90-day validity period of a smog certificate as specified in Section 44015 of the Health and Safety Code.

(2) The transferor is either the parent, grandparent, sibling, child, grandchild, or spouse of the transferee.

(3) A vehicle registered to a sole proprietorship is transferred to the proprietor as owner.

(4) The transfer is between companies whose principal business is leasing vehicles, if there is no change in the lessee or operator of the vehicle or between the lessor and the person who has been, for at least one year, the lessee's operator of the vehicle.

(5) The transfer is between the lessor and lessee of the vehicle, if there is no change in the lessee or operator of the vehicle.

(6) ~~Prior to January 1, 2003, the~~ *The* motor vehicle was manufactured prior to the ~~1974~~ *1976* model-year.

~~(7) Beginning January 1, 2003, the motor vehicle is 30 or more model-years old.~~

(e) The State Air Resources Board, under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, may exempt designated classifications of motor vehicles from subdivision (a) as it deems necessary, and shall notify the department of that action.

(f) Subdivision (a) does not apply to a motor vehicle when an additional individual is added as a registered owner of the vehicle.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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VEHICLES: AB 2766 REGISTRATION FEE INCREASE

SUMMARY:

Existing law allows local air districts to impose a fee of up to $4.00 on motor vehicles registered within the district (a.k.a. the AB 2766 program).

This bill would increase the surcharge on motor vehicle registrations from the existing $4 to $6.

BACKGROUND:

Existing law requires the Department of Motor Vehicles, if requested by an air pollution control district or an air quality management district, to impose and collect a surcharge of not more than $4 on registration fees for every motor vehicle registered in that district, as specified by the governing body of the district. This bill would increase the specified fee amount to $6.

BILL STATUS:

This bill was introduced and read for the first time on February 20, 2004 and sent to print and the bill has not been referred to a committee and the bill may not be heard in a committee until after March 23.

SPECIFIC PROVISIONS OF BILL:

Amendments to H&S Section 41081 would allow the Sacramento Metropolitan AQMD to increase from $4.00 to $6.00 its surcharge on all motor vehicles registered in counties within the District. Under current law this fee increase is subject to approval of the board of supervisors of the respective counties.

H&S Section 44225 amendments would allow all other districts to increase the registration fee on motor vehicles to up to $6, provided that the following existing conditions are met:

1) The Governing Board of the district adopts and approves a resolution for both increasing the fee as well as an implementation program for expenditure of the increased fee for reducing emissions from motor vehicles.

2) The resolution has to be adopted by a majority of the governing board and a majority of the board members who are elected officials.

3) The increase in fee shall become effective on either April 1 or October 1, pursuant to the adopted resolution.

H&S Section 9250.2 of the vehicle code amendment would require the DMV to collect a surcharge of up to $6 on the registration fee for every motor vehicle registered, if requested by Sacramento Metropolitan Air Quality Management District.

OPERATIONAL IMPACT ON SCAQMD:

No immediate impact on AQMD fiscal or staff resources. Potential district revenue increase in the neighborhood of $20 million per year. Allocation of any new revenue would be controlled by the AB 2766 formula (30/40/40 split between the District, cities, and the MSRC).

SUPPORT: **OPPOSITION:**

CEERT (Sponsor)

RECOMMENDED POSITION:
WATCH

Bill provides the AQMD Board with additional flexibility that can be used at its sole discretion. Any funds collected can be used to achieve further reductions from motor vehicles beyond existing and proposed regulations toward attainment of air quality standards.

Staff notes that the existing fee and the proposed fee increase do not apply to non-road mobile sources such as construction equipment (e.g., dozers), farm equipment (e.g., tractors), industrial equipment (e.g., forklifts) and other mobile source categories under the exclusive jurisdiction of the federal government such as ships, trains.

MARCH 12, 2004 LEGISLATIVE COMMITTEE
RECOMMENDED POSITION/COMMENTS:
WATCH
Staff needs additional time to seek the state's position and to seek clarification on more stringent guidelines.

April 9, 2004 LEGISLATIVE COMMITTEE
RECOMMENDED POSITION/COMMENTS:
WATCH
Governor's Office has not taken a position on this bill. Committee agreed with Staff's recommendation to continue to watch this bill.

ASSEMBLY BILL No. 2880

Introduced by Assembly Member Pavley

February 20, 2004

An act to amend Sections 41081 and 44225 of the Health and Safety Code, and to amend Section 9250.2 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2880, as introduced, Pavley. Vehicles: registration: fees: increase.

Existing law requires the Department of Motor Vehicles, if requested by an air pollution control district or an air quality management district, to impose and collect a surcharge of not more than $4 on the registration fees for every motor vehicle registered in that district, as specified by the governing body of the district.

This bill would increase the specified fee amount to $6.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) California's inland valleys and urban areas suffer from severe air pollution problems caused in significant part by the operation of motor vehicles, emissions from heavy-duty commercial vehicles moving goods, and the operation of off road engines and diesel-powered farm equipment. The continuation

and expansion of incentive programs to reduce emissions from these sources is crucial to protecting public health and achieving health-based air quality standards in the most heavily polluted parts of California.

(b) The State Air Resources Board and the local air quality management districts and air pollution control districts should adopt and implement programs to achieve the maximum feasible and cost-effective emission reductions from vehicular sources and off road engines, in order to meet health-based air quality standards by the earliest practicable date, and to reduce the risk to public health from toxic air contaminants that are produced by these sources.

(c) Predictable, sustained, and long-term funding is necessary for local air quality districts to provide incentives to achieve further reductions of emissions from mobile source pollution that go beyond what can be achieved with traditional "command and control" regulations on motor vehicles and stationary sources.

(d) Motor vehicle owners, along with the producers of gasoline and diesel fuels, and owners of other sources of emissions, should all contribute to a fair and balanced funding program that will achieve critically important reductions in emissions that cannot be otherwise obtained, and that are needed to protect the public health and environment of California.

SEC. 2. Section 41081 of the Health and Safety Code is amended to read:

41081. (a) Subject to Article 3.7 (commencing with Section 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, or with the approval of the board of supervisors of each county included, in whole or in part, within the Sacramento district, the Sacramento district board may adopt a surcharge on the motor vehicle registration fees applicable to all motor vehicles registered in those counties within the Sacramento district whose boards of supervisors have adopted a resolution approving the surcharge. The surcharge shall be collected by the Department of Motor Vehicles and, after deducting the department's administrative costs, the remaining funds shall be transferred to the Sacramento district. Prior to the adoption of any surcharge pursuant to this subdivision, the district board shall make a finding that any funds allocated to the district as a result of the adoption

of a county transportation sales and use tax are insufficient to carry out the purposes of this chapter.

(b) The surcharge shall not exceed ~~two dollars ($2) for each motor vehicle whose registration expires on or after December 31, 1989, and prior to December 31, 1990. For each motor vehicle whose registration expires on or after December 31 1990, the surcharge shall not exceed four dollars ($4)~~ *six dollars ($6)*.

(c) After consulting with the Department of Motor Vehicles on the feasibility thereof, the Sacramento district board may provide, in the surcharge adopted pursuant to subdivision (a), to exempt from all or part of the surcharge any category of low-emission motor vehicle.

(d) Funds received by the Sacramento district pursuant to this section shall be used to implement the strategy with respect to the reduction in emissions from vehicular sources, including, but not limited to, a clean fuels program and motor vehicle use reduction measures. Not more than 5 percent of the funds collected pursuant to this section shall be used by the district for administrative expenses.

SEC. 3. Section 44225 of the Health and Safety Code is amended to read:

44225. ~~On and after April 1, 1992, a~~ *A* district may increase the fee established under Section 44223 to up to ~~four~~ *six* dollars ~~($4)~~ *($6)*. A district may increase the fee only if the following conditions are met:

(a) A resolution providing for both the fee increase and a corresponding program for expenditure of the increased fees for the reduction of air pollution from motor vehicles pursuant to, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of, the California Clean Air Act of 1988 is adopted and approved by the governing board of the district.

(b) In districts with nonelected officials on their governing boards, the resolution shall be adopted and approved by both a majority of the governing board and a majority of the board members who are elected officials.

(c) An increase in fees established pursuant to this section shall become effective on either April 1 or October 1, as provided in the resolution adopted by the board pursuant to subdivision (a).

SEC. 4. Section 9250.2 of the Vehicle Code is amended to read:

9250.2. The department ~~shall~~, if requested by the Sacramento Metropolitan Air Quality Management District pursuant to Section 41081 of the Health and Safety Code, *shall* impose and collect a surcharge on the registration fees for every motor vehicle registered in that district, not to exceed ~~either of the following amounts, whichever is applicable~~ *the amount of six dollars ($6)*, as specified by the governing body of that district~~:~~

~~(a) For each motor vehicle registered in that district whose registration expires on or after December 31, 1989, and prior to December 31, 1990, two dollars ($2).~~

~~(b) For each motor vehicle registered in that district whose registration expires on or after December 31, 1990, not to exceed four dollars ($4)~~.

O

AIR POLLUTION: CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM: ELIGIBILITY CRITERIA

SUMMARY:

Would allow local air districts to authorize Carl Moyer funding for new purchases, retrofits, repowers, or add-on equipment for agricultural sources of air pollution required by any law, memoranda of agreement or understanding, or other legally binding document.

Would also authorize in those districts Carl Moyer funding for otherwise qualified projects for agricultural sources of air pollution that the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, even if the change is required by a statute, regulation, or other legally binding document in effect on the date the grant is awarded.

BACKGROUND:

Existing law prohibits the program from funding a new purchase, retrofit, repower, or add-on equipment if it is required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document, but authorizes the funding of an otherwise qualified project that the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, only if the change is not required by a statute, regulation, or other legally binding document in effect as of the date the grant is awarded.

BILL STATUS:

This bill was introduced on February 20, 2004 and has been referred to the Transportation Committee.

SPECIFIC PROVISIONS OF BILL:

Section 44281 of the Health and Safety Code is amended to add that until January 1, 2010, a district that is designated a serious nonattainment area for the federal ambient air quality standard for particulate matter or ozone may

adopt and implement, after a public hearing and workshop, rules and regulations for eligibility criteria that authorizes any new purchase, retrofit, repower, or add-on equipment for agricultural sources of air pollution, as defined in Section 39011.5, to be funded pursuant to this chapter that is also required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document.

An otherwise qualified project for agricultural sources of air pollution may be funded in that district if the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, even if the change is required by a statute, regulation, or other legally binding document in effect on the date the grant is awarded.

OPERATIONAL IMPACT ON AQMD:

No significant impact.

SUPPORT:
None Known

OPPOSITION:
None Known

RECOMMENDED POSITION:
OPPOSE

This would allow equipment already subject to SIP to be exempt and, therefore, eligible for Carl Moyer funding.

Moyer funds are not supposed to fund programs mandated by any rules or regulations. AQMD is currently planning rule to cover agricultural equipment.

APRIL 9, 2004 LEGISLATIVE COMMITTEE
RECOMMENDED POSITION/COMMENTS:
AGREED WITH STAFF'S RECOMMENDATION TO OPPOSE. Board Member Bill Postmus objected.

ASSEMBLY BILL No. 2953

Introduced by Assembly Member Canciamilla

February 20, 2004

An act to amend Section 44281 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2953, as introduced, Canciamilla. Air pollution: Carol Moyer Memorial Air Quality Standards Attainment Program: eligibility criteria.

Existing law, the Carl Moyer Memorial Air Quality Standards Attainment Program, administered by the State Air Resources Board and delegable to air pollution control and air quality management districts, provides grants to offset the incremental costs of eligible projects that reduce emissions of oxides of nitrogen from covered vehicles and covered engines, as defined, in the state. Under existing law, eligible projects include the purchase of new very low or zero-emission covered vehicles or covered engines, emission-reducing retrofit of covered engines, or replacement of old engines powering covered sources with newer, cleaner engines, purchase and use of emission-reducing add-on equipment for covered vehicles, and development and demonstration of practical, low-emission retrofit technologies, repower options, and advanced technologies for covered engines and vehicles with very low emissions of oxides of nitrogen. Existing law prohibits the program from funding a new purchase, retrofit, repower, or add-on equipment if it is required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document, but authorizes the

funding of an otherwise qualified project that the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, only if the change is not required by a statute, regulation, or other legally binding document in effect as of the date the grant is awarded.

This bill would authorize, until January 1, 2010, notwithstanding that prohibition, any district that is designated a serious nonattainment area for the federal ambient air quality standard for particulate matter or ozone to adopt and implement, after a public hearing and workshop, rules and regulations for eligibility criteria that authorizes the funding through the program of a new purchase, retrofit, repower, or add-on equipment for agricultural sources of air pollution that is also required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document. The bill would authorize in those districts the funding under the program of an otherwise qualified project for agricultural sources of air pollution that the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, even if the change is required by a statute, regulation, or other legally binding document in effect on the date the grant is awarded.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

SECTION 1. Section 44281 of the Health and Safety Code is amended to read:

44281. (a) Eligible projects are any of the following:

(1) Purchase of new very low or zero-emission covered vehicles or covered engines.

(2) Emission-reducing retrofit of covered engines, or replacement of old engines powering covered sources with newer engines certified to more stringent emissions standards than the engine being replaced, or with electric motors or drives.

(3) Purchase and use of emission-reducing add-on equipment for covered vehicles.

(4) Development and demonstration of practical, low-emission retrofit technologies, repower options, and advanced technologies for covered engines and vehicles with very low emissions of oxides of nitrogen.

(b) *(1)* No new purchase, retrofit, repower, or add-on equipment shall be funded under this chapter if it is required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document, except that an otherwise qualified project may be funded even if the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, if the change is not required by a statute, regulation, or other legally binding document in effect as of the date the grant is awarded. No project funded by the program shall be used for credit under any state or federal emissions averaging, banking, or trading program. No emission reduction generated by the program shall be used as marketable emission reduction credits or to offset any emission reduction obligation of any entity. Projects involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to qualify for funding under the program. A purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, shall generate surplus emissions reductions and may be funded by the program.

(2) Notwithstanding paragraph (1), until January 1, 2010, a district that is designated a serious nonattainment area for the federal ambient air quality standard for particulate matter or ozone may adopt and implement, after a public hearing and workshop, rules and regulations for eligibility criteria that authorizes any new purchase, retrofit, repower, or add-on equipment for agricultural sources of air pollution, as defined in Section 39011.5, to be funded pursuant to this chapter that is also required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document. An otherwise qualified project for agricultural sources of air pollution may be funded in that district if the State Implementation Plan assumes that the change in equipment, vehicles, or operations will occur, even if the change is required by a statute, regulation, or other legally binding document in effect on the date the grant is awarded.

(c) The program may also provide funding toward installation of fueling or electrification infrastructure as provided in Section 44284.

(d) Eligible applicants may be any individual, company, or public agency that owns one or more covered vehicles that operate primarily within California or otherwise contribute substantially to the NO_x emissions inventory in California.

(e) It is the intent of the Legislature that all emission reductions generated by this chapter shall contribute to public health by reducing, for the life of the vehicle being funded, the total amount of emissions in California.

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