



South Coast Air Quality Management District



21865 Copley Drive, Diamond Bar, CA 91765-4178
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TO: SCAQMD Legislative Committee
Judith Mitchell, Chair
Joe Buscaino, Vice Chair
Larry McCallon, Shawn Nelson, Dr. Clark E. Parker, Sr., Janice Rutherford

FROM: Derrick Alatorre, Deputy Executive Officer, Legislative, Public Affairs & Media

LEGISLATIVE COMMITTEE MEETING

May 12, 2017 ♦ 9:00 a.m. ♦ Conference Room CC-8
21865 Copley Drive, Diamond Bar, CA 91765

Teleconference Locations

11461 West Sunset Boulevard Brentwood Room 1 Los Angeles, CA 90049	One Gateway Plaza, 12th Floor Vanderbilt Conference Room Los Angeles, CA 90012
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(Public may attend at all locations.)

Call-in for listening purposes only is available by dialing:

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<http://www.aqmd.gov/home/library/webcasts>

AGENDA

INFORMATION/DISCUSSION/ACTION ITEMS:

- 1. Update and Discussion on Federal Legislative Issues**
[Attachment 1 - Written Reports]
Consultants will provide a brief oral report of Federal legislative activities in Washington DC.

*Gary Hoitsma
Carmen Group*

*Amelia Jenkins
Kaleb Froehlich
Cassidy & Associates*

*Mark Kadash
Kadash & Associates, LLC*

2. **Update and Discussion on State Legislative Issues**

[Attachment 2 - Written Reports]

Consultants will provide a brief oral report of State legislative activities in Sacramento.

*Jason Gonsalves
Paul Gonsalves
Joe A. Gonsalves & Son*

*Will Gonzalez
Gonzalez, Quintana, Hunter &
Cruz, LLC*

3. **Recommend Position on State Bills**

[Attachment 3]

This item is to seek approval from the committee on staff's recommendation for position on the following bills:

<u>Bill#</u>	<u>Author</u>	<u>Bill Title</u>	
AB 378	C. Garcia	Greenhouse Gases, Criteria Air Pollutants, and Toxic Air Contaminants	<i>Philip Crabbe Community Relations Manager Legislative, Public Affairs & Media</i>
AB 890	Medina	Local Land Use Initiatives: Environmental Review	<i>Philip Crabbe</i>
AB 1073	E. Garcia	California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program	<i>Monika Kim Legislative Assistant Legislative, Public Affairs & Media</i>
AB 1647	Muratsuchi	Petroleum Refineries: Air Monitoring Systems	<i>Marc Carrel Program Supervisor Legislative, Public Affairs & Media</i>

Report from the SCAQMD Home Rule Advisory Group

4. *[Attachment 4 - Written Report]*

The item provided is the written report of HRAG's updates as input to the Legislative Committee.

5. **Other Business**

Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)

6. Public Comment Period

Members of the public may address this body concerning any agenda item before or during consideration of that item (Govt. Code Section 54954.3(a)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Legislative Committee's authority. Speakers may be limited to three (3) minutes each.

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Legislative Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Jeanette Short at (909) 396-2942 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to jshort1@aqmd.gov.

NOTE: The next scheduled Legislative Committee meeting is on Friday, June 9, 2017.



Carmen Group
I N C O R P O R A T E D

ATTACHMENT 1

MEMORANDUM

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: May 2017

Re: Federal Update -- Executive Branch

EPA Announces Opportunity for DERA Grants: On April 19, the EPA announced the availability of \$11 million in competitive grant funding through the Diesel Emissions Reductions Act (DERA) program for projects that reduce diesel emissions, particularly from fleets operating in areas designated as poor air quality areas. Eligible applicants include regional, state, local or tribal agencies and port authorities with jurisdiction over transportation or air quality. The application deadline is June 20, 2017.

DOT Announces Opportunity for “Low-No” Bus Grants: On April 27, the Department of Transportation announced the availability of up to \$55 million in competitive grant funds through the Federal Transit Administration’s Low or No Emission (Low-No) Bus Program. The program supports projects sponsored by local transit agencies to bring advanced bus vehicle technologies such as battery electric power and hydrogen fuel cells into service nationwide. Eligible grant recipients would include transit agencies, state transportation departments, and Native American tribes. The application deadline is June 26, 2017. Project selections will be announced no later than September 30, 2017.

DOE Announces New National Lab Collaborations with Small Businesses: On April 21, the Department of Energy announced that 38 small businesses had been selected to collaborate with national lab researchers through the Small Business Vouchers (SBV) pilot, bringing the total of such collaborations to 114. SBV facilitates access to the eight DOE national labs for American small businesses, enabling them to tap into the intellectual and technical resources they need to overcome technology challenges for their advanced energy projects. Projects of interest funded in this latest round include the following:

- ✓ Performance and design of low-pressure hydrogen storage systems to power mobile applications of hydrogen fuel cells.
- ✓ Testing a lightweight plug-in hybrid electric vehicle powertrain that will help get the first heavy-duty Class 6 vehicle to the commercial market.
- ✓ Developing technology which will dramatically increase the specific energy of lithium-ion batteries.

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EPA to Reconsider Oil and Gas Rule: On April 19, the EPA announced the agency's intent to grant a reconsideration of the Final Rule, "Oil and Gas Sector: Emission Standards for New, Reconstructed and Modified Sources," published June 3, 2016. EPA Administrator Scott Pruitt said, "American businesses should have the opportunity to review new requirements, assess economic impacts and report back, before new requirements are finalized."

Cabinet Appointments Update: On April 24, the Senate confirmed **Sonny Perdue** as Agriculture Secretary by a vote of 87-11 and **Alex Acosta** as Labor Secretary by a vote of 60-38. As of May 4, only one Trump Cabinet nominee remained unconfirmed: US Trade Representative nominee **Robert Lighthizer**. Meanwhile, no appointment has yet been made for chairman of the Council on Environmental Quality.

Sub-Cabinet Appointments of Note: The following are among recent Trump Administration sub-cabinet appointments of special interest:

- **Dan Brouillette to be Deputy Secretary of Energy:** Brouillette spent the last 11 years as senior vice president at the financial institution USAA. He previously served as a vice president at Ford Motor Co, as chief of staff at the House Energy and Commerce committee, and as DOE assistant secretary for congressional affairs in the George W. Bush administration.
- **Daniel Simmons to be DOE Assistant Secretary for Energy Efficiency and Renewable Energy (EERE):** Simmons previously served as vice president for policy at the Institute for Energy Research, a conservative think tank. He also served with the American Legislative Exchange Council, the Mercatus Center, and as professional staff with the House Committee on Resources.
- **Alex Herrgott to be Associate Director for Infrastructure at the White House Council for Environmental Quality:** Herrgott previously served as professional staff with Sen. James Inhofe (R-OK) and as deputy staff director at the Senate Environment & Public Works Committee.

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To: South Coast Air Quality Management District

From: Cassidy & Associates

Date: May 3, 2017

Re: Federal Update – House of Representatives

Issues of Interest to SCAQMD

The House continues to work on their agenda and process legislation. April was a relatively quiet month as the entire Congress recessed for the two week April recess, which coincided with the Easter Holiday. As of today, May 3, the House has passed the \$1 trillion omnibus spending bill that will stave off a government shutdown and fund the government at new and updated levels through the end of the fiscal year.

Congress passes bill to repeal regional planning rule.

The House voted 417-3 on the measure, S. 496, repealing the regional planning rule, which passed the Senate in early March with unanimous consent. The rule, finalized in December, would have required cities to more closely coordinate with neighbors in planning for roads and public transit by merging metropolitan planning organizations (MPOs) with those in areas that were expected to urbanize within 20 years. Administration originally justified the rule by saying it would make it easier for local planners to ease congestion and improve air quality. Mayors, planners, transit agencies and trade associations lambasted the rule as burdensome.

Congressional Staff Delegation Trip Update:

Cassidy worked with the SCAQMD staff to finalize and execute the Congressional Staff Delegation trip which took place April 19 – 21. We had a great group of bipartisan Congressional staff join us for the trip. The following staff members attended:

- Tre Easton – Office of Senator Patty Murray, Assistant Democratic Leader (D-WA)
- Will Lovell – Office of Senator John Cornyn, Senate Majority Whip (R-TX)
- Kenneth DeGraff – Office of House Democratic Leader, Nancy Pelosi (D-CA)
- Ada Waelder – Senate Committee on Energy and Natural Resources
- Ashok Pinto – Senate Committee on Commerce, Science & Transportation

The trip was a success and has received very high marks and praise from each staff member who attended. This was an important trip to conduct to help SCAQMD broaden their visibility beyond the

California Senate delegation and Southern California House delegation. All of the offices represented are in leadership or key committee positions and by seeing the issues that are faced by South Coast in person, these staff members will be better positioned to help SCAQMD moving forward.

Energy and Commerce Committee: Energy Subcommittee

On May 3, the Energy and Commerce Committee’s subcommittee on energy held a hearing on a range of hydropower legislation (pumped storage, small conduit, non-powered dams) as well as natural gas pipeline permitting. A major focus of the hearing was on the Federal Energy Regulatory Commission’s approval of interstate natural gas pipelines (the house legislation imposes deadlines for FERC to make final permitting decisions) as well as adding generation capacity to existing non-powered dams and canals. We (Cassidy) expect this hearing to be a pre-cursor for the Committee to report out legislation on this topic for inclusion in one of two eventual packages 1) infrastructure package or 2) another attempt at comprehensive energy legislation that would be paired with action in the Senate.

House Republicans to Probe Climate Research

House Natural Resources Committee Chairman Rob Bishop and Oversight and Investigations Chairman Raul Labrador, have asked the Department of the Interior to provide data on its climate science centers. In the letter sent to Secretary Ryan Zinke, the Congressmen indicated that they plan to review the research centers tasked with studying climate change and that they are concerned with the effectiveness, management and levels of oversight of the program. We expect a hearing on this issue in June.

EPA Withdraws Proposed Rules that Accompanied Clean Power Plan:

The Environmental Protection Agency (EPA) withdrew two proposed rules that would have supplemented the Clean Power Plan final rule and provided support for the development of state plans: (i) a rule establishing federal plans and model rules for implementing the GHG emission guidelines for existing power plants, and (ii) a rule concerning details of the Clean Energy Incentive Program (CEIP).

CEQ Withdraws Guidance on NEPA and Climate Change:

The Council on Environmental Quality (CEQ) published a notice in the Federal Register announcing the withdrawal of its Final Guidance on Consideration of Greenhouse Gas Emissions and the Effects of Climate Change in NEPA Reviews.

KADESH & ASSOCIATES, LLC

MEMORANDUM

To: South Coast AQMD Legislative Committee
From: Kadesh & Associates
Date: May 3, 2017
Re: Federal Legislative Update

Omnibus Appropriations Bill

April featured a two-week Easter/Passover/Spring recess for both the House and Senate. Most of the month was consumed with House and Senate Appropriations and Leadership staff working to complete the FY17 Appropriations bill. The Federal Government was operating under a Continuing Resolution through April 28, which was extended for one week.

With the successful completion of an Omnibus Appropriations bill for the remainder of FY17 (through September 30, 2017), the House and Senate are expected to pass the Omnibus before May 6, 2017.

EPA's overall F17 budget suffered a 1% reduction in the House-Senate Omnibus package, far better than the 30% cut suggested by the Trump Administration for FY18 in its so-called "skinny budget" released in mid-March.

Funding for the Diesel Emissions Reduction Act (DERA) program will rise to \$60 million in FY17, an increase of \$10 million from the 2016 figure of \$50 million. The Targeted Airshed Grant Program, which received \$20 million last year, will receive \$30 million.

Note: These two programs rely upon Congressional support from both the House and Senate. In its final budget request released early last year, the Obama White House had planned to slash DERA to \$10 million. Targeted Airshed grants would have been zeroed out. For fiscal 2018, the Trump administration has also proposed to eliminate money for the Targeted Air Shed Grant Program.

In its "skinny" budget request released in March, the White House did not spell out its plan for DERA, but it had earlier triggered alarms with a suggestion that it considers the program obsolete.

Next steps:

- 1- President Trump is expected to sign the 1,700-page Omnibus bill once it reaches his desk.
- 2- The Administration could release its complete budget blueprint for Fiscal Year 2018 later this month, most likely the week of May 21.

3- Division G, Title II of the Omnibus directs: “Within 30 days of enactment of this Act, the Agency [EPA] is directed to submit to the House and Senate Committees on Appropriations its annual operating plan for fiscal year 2017, which shall detail how the Agency plans to allocate funds at the program project level.”

###

ATTACHMENT 2



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

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TO: SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FROM: ANTHONY, JASON, AND PAUL GONSALVES

SUBJECT: MAY LEGISLATIVE UPDATE

DATE: FRIDAY, MAY 12, 2017

As the Legislature returned from Spring Break recess, policy committee hearings started to gear up to hear the 2,652 bills introduced this session. The April 28, 2017 and May 12, 2017 Legislative Deadlines to pass all bills out of their house of origin policy committees to their fiscal committees, has narrowed the field and, in some instances, even eliminated a number of bills. Our firm will continue to monitor and lobby all bills and amendments of interest to the District.

The following will provide you of issues of interest to the District:

- [SB 1 & ACA 5 - Transportation Plan](#)
- [SB 100 \(De Leon\)](#)
- [Legislative Calendar](#)
- [Legislation](#)

TRANSPORTATION PACKAGE

After years of negotiations, the California Legislature adopted SB 1 (Beall), the Road Repair and Accountability Act of 2017 a \$5.2 billion transportation package that invests \$52.4 billion over the next 10 years with the revenues being split equally between state and local investments.

On March 29, 2017, Governor Brown and Legislative Leadership announced a \$5 billion-a-year transportation investment to fix our roads, freeways and bridges, with a deadline of April 6, 2017 to adopt the measure.

On April 6, 2017, the State Senate heard SB 1 on the floor. After lengthy debate, SB 1 passed out of the State Senate on a bare minimum 27-11 vote. The State Assembly then heard SB 1 later that evening, where they passed the bill out on a bare minimum 54-26 vote. SB 1 was signed into law by Governor Brown on April 28, 2017. In addition to SB 1, the Legislature passed and the Governor signed ACA 5, which includes the constitutional protections to protect the transportation funding.

The legislative package will cost most drivers less than \$10 a month and includes strict accountability provisions to ensure the funds can only be spent on transportation. The new funding will allow Caltrans to make major repairs to California's transportation infrastructure including 17,000 miles of pavement, 500 bridges and 55,000 culverts over the next ten years. The package will also fund huge investments in repairing local streets and roads. The package also provides historic levels of public transportation funding, or roughly double what was provided by Proposition 1B in 2006.

The following funds will be split equally between state and local investments over a ten-year horizon:

Fix Local Streets and Transportation Infrastructure (50%):

- \$15 billion in "Fix-It-First" local road repairs, including fixing potholes
- \$7.5 billion to improve local public transportation
- \$2 billion to support local "self-help" communities that are making their own investments in transportation improvements
- \$1 billion to improve infrastructure that promotes walking and bicycling--double the existing funding levels
- \$825 million for the State Transportation Improvement Program local contribution
- \$250 million in local transportation planning grants.

Fix State Highways and Transportation Infrastructure (50%):

- \$15 billion in "Fix-it-First" highway repairs, including smoother pavement
- \$4 billion in bridge and culvert repairs
- \$3 billion to improve trade corridors
- \$2.5 billion to reduce congestion on major commute corridors

- \$1.4 billion in other transportation investments, including \$275 million for highway and intercity-transit improvements.

Ensure Taxpayer Dollars Are Spent Properly with Strong Accountability Measures:

- Constitutional amendment, ACA 5 for voter approval on the June 2018 ballot, to prohibit spending the funds on anything but transportation
- Inspector General to ensure Caltrans and any entities receiving state transportation funds spend taxpayer dollars efficiently, effectively and in compliance with state and federal requirements
- Provision that empowers the California Transportation Commission to hold state and local government accountable for making the transportation improvements they commit to delivering
- Authorization for the California Transportation Commission to review and allocate Caltrans funding and staffing for highway maintenance to ensure those levels are reasonable and responsible
- Authorization for Caltrans to complete earlier mitigation of environmental impacts from construction, a policy that will reduce costs and delays while protecting natural resources.
- Includes provision that provides exemption language for in-use trucks

The transportation investment package is funded over a ten-years by everyone who uses our roads and highways, in the following ways:

- \$7.3 billion by increasing diesel excise tax 20 cents on November 1, 2017
- \$3.5 billion by increasing diesel sales tax to 5.75 percent on November 1, 2017
- \$24.4 billion by increasing gasoline excise tax 12 cents on November 1, 2017
- \$16.3 billion from an annual transportation improvement fee based on a vehicle's value starting January 1, 2018
- \$200 million from an annual \$100 Zero Emission Vehicle fee starting July 1, 2020
- \$706 million in General Fund loan repayments.

As part of the negotiations to garner the necessary 2/3 vote requirement in SB 1, the Legislature adopted and the Governor signed the following bills:

SB 100 (DE LEON)

California already has the most ambitious climate targets in the world and the most aggressive renewable energy targets of any economy of its size. We lead the nation in renewable energy generation, clean tech venture capital investment, patent creation and clean car technology.

In 2015, The Legislature passed SB 350, The Clean Energy and Pollution Reduction Act (De Leon et al), which set a 50% clean energy standard by 2030. That bill also set new requirements for doubling energy efficiency and for wide scale transportation

electrification deployment. Senate Bill 32, the Global Warming Solutions Act of 2016 (Pavley), requires the state to reduce overall greenhouse gas emissions by 40% by 2030.

On Tuesday, May 2, 2017, California Senate President pro Tempore Kevin de León introduced Senate Bill 100, The California Clean Energy Act of 2017, which puts the state on the path to 100% clean, renewable energy by 2045.

SB 100 establishes an overall state target of 100% clean energy for California by 2045 by directing the CA Public Utilities Commission, CA Energy Commission, and Air Resources Board to adopt policies and requirements to achieve total reliance on renewable energy and zero carbon resources by that date.

Further, SB 100 proposes to accelerate SB 350's 50% mandate for clean renewable energy from 2030 to 2026 and establishes a new RPS benchmark of 60% by 2030 to ensure more clean energy in the California grid sooner. In addition, the bill would establish new policies for energy companies to capture uncontrolled methane emissions from dairies, landfills and waste water treatment plants and use these clean renewable fuels to replace natural gas.

Lastly, the bill would authorize investor owned utilities to invest in cleaner transportation fuels such as hydrogen or waste methane gas from dairies for heavy duty trucks to replace dirty diesel fuels, provided there are no other cleaner options such as zero emission vehicles available.

LEGISLATIVE CALENDAR

The following will provide you with the upcoming Legislative deadlines for the 2017-18 legislative session:

April 28, 2017 – Last day for Policy Committees to Hear Fiscal Bills
May 12, 2017 – Last Day for Policy Committees to Hear Non-Fiscal Bills
May 19, 2017 – Last day for Policy Committees to Meet Prior to June 5, 2017
May 26, 2017 – Last Day for Fiscal Committees to Meet.
May 30-June 2, 2017 – Floor Session Only
June 2, 2017 – Last Day to Pass Bills out of Their House of Origin.
June 15, 2017 – Budget Bill Must be Adopted
July 14, 2017 – Last day for Policy Committees to Hear Fiscal Bills
July 21, 2017 – Last day for Policy Committees to Hear Bills.
July 21-August 21, 2017 – Summer Recess
September 1, 2017 – Last Day for Fiscal Committees to Hear Bills
September 5-15, 2017 – Floor Session Only
September 8, 2017 – Last Day to Amend on the Floor

September 15, 2017 – Last Day of Session

LEGISLATION

AB 1082 (Burke)

This bill would require an electrical corporation to file with the PUC, by July 30, 2018, a program proposal for the installation of vehicle charging stations at school facilities. The bill would require the PUC to review and approve, or modify and approve, the program proposal filed by the electrical corporation by December 31, 2018.

The bill would also authorize the use of these charging stations by faculty, students, and parents before, during, and after school hours at those times that the school facilities are operated for purposes of providing education or school-related activities. The bill would require the electrical corporation to install, own, operate, and maintain the charging equipment and would require that the approved program include a reasonable mechanism for cost recovery by the electrical corporation.

Lastly, the bill would require that schools receiving charging stations pursuant to the approved program participate in a time-variant rate approved by the commission.

This bill is double-referred was heard first in the Assembly Communications and Conveyance Committee on April 5, 2017 and passed on a 10-3 vote. The bill was heard next in the Assembly Education Committee on April 26, 2017 and passed on a 6-0 vote. The bill will be heard next in the Assembly Appropriations Committee.

AB 1083 (Burke)

This bill proposes to require electrical corporations to file with, and the California Public Utilities Commission (CPUC) to approve, a program proposal for the installation of electric charging stations at state parks and beaches.

Specifically, the bill would require electrical corporations to file with the CPUC a program proposal for the installation of electrical grid integrated level-two charging stations at state parks and beaches, by September 30, 2018.

Additionally, the electrical corporations would be required to work in consultation with the CPUC, the California Energy Commission, and the California Air Resources Board (CARB), to develop a plan to create a robust charging network at all state parks and beaches within its service territory, by July 31, 2018 with the CPUC to review and approve, or modify and approve, the program by December 31, 2018.

The electrical corporations would be required to install, own, operate, and maintain the electric vehicle charging equipment. The approved program would include a mechanism for reasonable cost recovery by the electrical corporation.

This bill is double-referred was heard first in the Assembly Communications and Conveyance Committee on April 5, 2017 and passed on a 10-3 vote. The bill was then heard in the Assembly Education Committee on April 26, 2017 and passed on a 9-4 vote. The bill will be heard next in the Assembly Appropriations Committee.

AB 1646 (Muratsuchi)

This bill would require the risk management plan of a petroleum refinery to be posted on the Internet Web site of the Office of Emergency Services or on the Internet Web site of the UPA that has jurisdiction over the petroleum refinery.

In addition to existing requirements for the contents of a risk management plan, the bill would require the plan to provide for a system of automatic notification for residents who live within a 5-mile radius of the petroleum refinery, an audible alarm system that can be heard within a 10-mile radius of the petroleum refinery, and an emergency alert system for schools, public facilities, hospitals, and residential care homes located within a 10-mile radius of the petroleum refinery. The bill would require a petroleum refinery to implement those systems on or before January 1, 2019.

This bill was heard in the Assembly Environmental Safety and Toxic Materials Committee on April 25, 2017 and passed on a 4-0 vote. The bill will be heard next in the Assembly Appropriations Committee.

SB 57 (Stern)

This bill would change the law (SB 380) specific to the Aliso Canyon natural gas storage facility to require the third-party root cause analysis of the SS-25 well leak be completed and released to the public prior to the supervisor determining the facility is safe to re-start injections of natural gas. In addition, the bill would require the proceeding initiated by the CPUC to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas facility be completed by December 31, 2017.

SB 57 is an urgency bill, which requires 2/3 vote. The bill was recently amended to add Senator Hertzberg as a principal co-author. In addition, the bill added Assemblymember Costa and Senator's Allen, Wilk and Weiner as co-author's.

The bill was heard in the Senate Energy, Utilities and Communications Committee on April 4, 2017 and passed on a 9-1 vote. The bill has been referred to the Senate Appropriations Committee.



SCAQMD Report
Gonzalez, Quintana, Hunter & Cruz, LLC
May 12, 2017

General Update

For the second half of April, the Legislature and Governor's office have been recovering from the passage of SB 1, the Road Repair and Accountability Act of 2017. As of the beginning of May, however, focus has shifted toward the May Revision of the Budget, an extension of the cap & trade program that is currently set to expire in 2020, and President pro Tem De León's push for a 100% renewable Renewable Portfolio Standard (RPS).

Additionally, May 12th is the deadline for bills to pass out of policy committees. Policy committee hearings can resume on June 5th. Between now and then, only fiscal committees can hear bills.

Cap & Trade

On May 1st, the Senate announced its cap and trade extension plan, SB 775 (Weickowski). This bill, along with the Assembly's cap and trade vehicle, AB 378 (C. Garcia, Holden, E. Garcia), is the second piece of what will ultimately become a three-way cap and trade negotiation between the two houses of the Legislature and the Governor.

This bill:

- Extends cap and trade in the form prescribed by this bill to 2030.
- Requires a 2/3 vote to avoid future legal challenges.
- Will return "climate dividends" to consumers. As drafted, dividends are to be approximately 90% of the revenue generated.
- Eliminates "free" allowances.
- Will establish a price ceiling for allowances of \$30 per ton and floor of \$10 per ton.
- Establishes the "Economic Competitiveness Assurance Program" that will protect CA manufacturers from out-of-state competition.
- Maintains currently capped sources.

Sponsored Legislation

AB 1132 (C. Garcia) Non-vehicular air pollution: order of abatement.

Current law regulates the emission of air pollutants by stationary sources and authorizes the regional air quality management districts and air pollution control districts to enforce those requirements.

Current law authorizes the governing boards and the hearing boards of air districts to issue an order for abatement, after notice and a hearing, whenever they find a violation of those requirements.

This bill would authorize the air pollution control officer, if he or she determines that a person has violated those requirements and the violation presents an imminent and substantial endangerment to the public health or welfare, or the environment, to issue an order for abatement pending a hearing before the hearing board of the air district.

The bill is being opposed by a number of industry groups. We are in ongoing negotiations with them and are hopeful that a compromise can be reached.

The bill passed out of Assembly Natural Resources with a vote of 11-3 and is currently eligible to be taken up on the Assembly Floor.

AB 1274 (O'Donnell) Carl Moyer Memorial Air Quality Standards Attainment Program. Smog Abatement Fee.

This bill would, except as provided, exempt motor vehicles that are 8 or less model-years old from being inspected biennially upon renewal of registration. The bill would assess an annual smog abatement fee of \$24 on motor vehicles that are 7 or 8 model-years old. The bill would require the fee be deposited into the Air Pollution Control Fund and be available for expenditure, upon appropriation by the Legislature, to fund the Carl Moyer Memorial Air Quality Standards Attainment Program.

We are continuing to garner support for this legislation. We continue to have positive negotiations with a few groups concerned about aspects of the bill and are hopeful of coming to a resolution.

This bill requires a 2/3 vote for passage.

This bill passed out of Assembly Transportation Committee with a bipartisan vote of 11-2 and is currently on suspense in Assembly Appropriations.

Assembly Bill 378 (C. Garcia)

Greenhouse gases, criteria air pollutants, and toxic air contaminants.

Summary: This bill would extend the Air Resources Board's (ARB) cap-and-trade authority to 2030, prohibits a facility from increasing its annual greenhouse gas (GHG) emissions compared to the 2014-2016 average, authorizes ARB to adopt "no-trade zones" or facility-specific declining GHG limits, and requires ARB to adopt air pollutant emissions standards that industrial facilities must meet to receive free allowances after 2020.

Background: Existing law requires ARB to adopt a statewide GHG emissions limit equivalent to 1990 levels by 2020 and to adopt rules and regulations to achieve maximum technologically feasible and cost-effective GHG emission reductions. Existing law also requires ARB, in adopting rules and regulations to achieve the maximum technologically feasible and cost-effective GHG emissions reductions, to ensure that statewide GHG emissions are reduced to at least 40% below the 2020 statewide limit no later than December 31, 2030.

Current law requires ARB, when it adopts regulations to achieve GHG emission reductions beyond the 2020 statewide limit, to consider social costs and prioritize direct emission reductions at large stationary, mobile, and other sources.

Current law also authorizes ARB, in furtherance of achieving the 2020 statewide limit, to adopt a regulation that establishes a system of market-based declining annual aggregate emission limits for sources or categories of sources that emit greenhouse gas emissions, applicable from January 1, 2012 to December 31, 2020, to comply with GHG reduction regulations. ARB has adopted a cap-and-trade regulation which applies to large industrial facilities and electricity generators emitting more than 25,000 metric tons of CO₂ equivalent per year, as well as distributors of fuels, including gasoline, diesel, and natural gas.

Status: 4/25/2017 - From Committee on Natural Resources: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 3.) (April 24). Re-referred to Com. on APPR.

Specific Provisions: Specifically, AB 378 would:

- 1) Extend ARB's cap-and-trade authority to 2030;
- 2) Prohibit ARB from permitting a facility to increase its annual GHG emissions compared to the average of emissions reported from 2014 to 2016;
- 3) Authorize ARB to adopt "no-trade zones" or facility-specific declining GHG limits where facilities' emissions contribute to a cumulative pollution burden that creates a significant health impact;
- 4) Require ARB, in consultation with each affected air district, to adopt air pollutant emissions standards for industrial facilities subject to cap-and-trade;

- 5) Require ARB to evaluate the air pollutant emissions of each industrial facility, based on the following factors:
 - a) Permitted and actual emissions of criteria air pollutants and toxic air contaminants;
 - b) Date of the most recent new source review conducted pursuant to the federal Clean Air Act for each emission unit;
 - c) Emissions control measures for each criteria air pollutant and toxic air contaminant, including, but not limited to, emissions control technology for each emission unit;
 - d) Whether each emission unit meets "best available control technology" or "best available retrofit control technology," as applicable;
 - e) The performance of similar industrial facilities; and,
 - f) District records of complaints, enforcement actions, and penalties.

- 6) Prohibit ARB, after 2020, from allocating allowances pursuant to cap-and-trade to an industrial facility that does not meet the air pollutant emissions standards.

Impacts on SCAQMD's Mission, Operations or Initiatives: Generally, this bill is in line with the District's policy priorities regarding reducing GHG, criteria pollutant and toxic emissions within the South Coast region. However, the SCAQMD has concerns about the bill as recently amended. There is costly duplication of effort created by the bill, between ARB and local air districts in terms of regulating local criteria pollutant and toxic emissions pollution sources. Expertise for regulating these types of local stationary sources of pollution resides with the local air districts, plus ARB does not have the staff or resources to do such a duplicative effort. Although GHG and criteria pollutants emission reductions are often linked and money should be best spent to enhance co-benefits and reduce both simultaneously, there is also a concern that this bill too closely intertwines the cap and trade system with criteria pollutant and toxic emissions regulation.

Additional Proposal: GHG auction proceeds should be spent in areas of the state that are designated, based on the most recent standards, as severe or extreme nonattainment for ozone. Thus, require at least 20% of total allocated annual Greenhouse Gas Reduction Fund (GGRF) monies to be distributed in areas of the state that are designated, based on the most recent standards, as severe or extreme nonattainment for ozone. This allocation would be in addition to any other funding required by AB 1550 (25% in disadvantaged communities (DACs), 5% in low-income communities near DACs, and 5% in low-income communities anywhere in the state). This allocation of GGRF monies is to be used in a way that maximizes criteria and toxics emission reduction co-benefits, including to support the development and deployment of near-zero and zero-emission heavy-duty vehicles, off-road equipment, and federal sources (e.g. freight locomotives and ocean-going vessels), and to address air quality and public health impacts, along with simultaneous reductions in GHG emissions. A priority would be given to spending funding in DACs.

Recommended Position: WORK WITH AUTHOR

AMENDED IN ASSEMBLY APRIL 18, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 378

Introduced by Assembly Members Cristina Garcia, Holden, and Eduardo Garcia
(Coauthors: Assembly Members Bloom, Bonta, Eggman, Friedman, Gomez, Jones-Sawyer, Kalra, McCarty, Reyes, Mark Stone, Thurmond, and Ting)

February 9, 2017

An act to amend Section 38562.5 of, and to add ~~Section~~ *Sections 38562.6 and 38567* to, the Health and Safety Code, relating to ~~greenhouse gases: air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 378, as amended, Cristina Garcia. ~~California Global Warming Solutions Act of 2006: regulations. Greenhouse gases, criteria air pollutants, and toxic air contaminants.~~

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. The act requires the state board to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030.

The act requires the state board, when adopting rules and regulations to achieve greenhouse gas emissions reductions beyond the statewide greenhouse gas emissions limit and to protect the state's most impacted

and disadvantaged communities, to follow specified requirements, consider the social costs of the emissions of greenhouse gases, and prioritize specified emission reduction rules and regulations.

This bill would additionally require the state board to consider and account for the social costs of the emissions and greenhouse gases when adopting those rules and regulations. The bill would authorize the state board to adopt or ~~subsequently revise new~~ *amend* regulations that establish a market-based compliance mechanism, applicable from January 1, 2021, to December 31, 2030, to complement direct emissions reduction measures in ensuring that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. *The bill would prohibit the state board from permitting a facility to increase its annual emissions of greenhouse gases compared to the annual average of emissions of greenhouse gases reported during specified years. The bill would authorize the state board to adopt no-trade zones or facility-specific declining greenhouse gas emissions limits where facilities' emissions contribute to a cumulative pollution burden that creates a significant health impact.*

This bill would require the state board, in consultation with affected air pollution control and air quality management districts, to adopt air pollutant emissions standards for emissions of criteria air pollutants and toxic air contaminants at industrial facilities that are subject to a market-based compliance mechanism. The bill would prohibit the state board from allocating allowances as part of a market-based compliance mechanism to industrial facilities that do not meet the air pollutant emissions standards for criteria air pollutants and toxic air contaminants.

This bill would require the state board, in ensuring that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030, to adopt the most effective and equitable mix of emissions reduction measures and ensure that emissions reduction measures collectively and individually support achieving air quality and other environmental and public health goals.

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. The Legislature finds and declares all of the
- 2 following:

1 (a) It is a primary objective of the state to reduce greenhouse
2 gas emissions, which is critical for the protection of all areas of
3 the state but especially for the state’s most disadvantaged
4 communities, which will be disproportionately impacted by climate
5 change and emissions from sources of greenhouse gases, including
6 short-lived climate pollutants, as well as criteria pollutants and
7 toxic air contaminants.

8 (b) While low-income communities and communities of color
9 in the state suffer from some of the worst air quality in the nation,
10 the state has been and must continue to be a leader in making
11 investments in historically disadvantaged communities.

12 (c) Achieving the state’s climate and air quality goals in an
13 equitable and effective manner will require a mix of direct
14 regulations and incentives that hold major emitters accountable
15 for the social costs of their emissions, protect the state’s economy,
16 and direct investments to communities across the state.

17 SEC. 2. Section 38562.5 of the Health and Safety Code is
18 amended to read:

19 38562.5. (a) When adopting rules and regulations pursuant to
20 this division to achieve emissions reductions beyond the statewide
21 greenhouse gas emissions limit and to protect the state’s most
22 impacted and disadvantaged communities, the state board shall
23 follow the requirements in subdivision (b) of Section 38562,
24 consider and account for the social costs of the emissions of
25 greenhouse gases, and prioritize both of the following:

26 (1) Emission reduction rules and regulations that result in direct
27 emission reductions at large stationary sources of greenhouse gas
28 emissions and direct emission reductions from mobile sources.

29 (2) Emission reduction rules and regulations that result in direct
30 emission reductions from sources other than those specified in
31 paragraph (1).

32 ~~(b) The state board may adopt or subsequently revise new~~
33 ~~regulations that establish a market-based compliance mechanism~~
34 ~~developed pursuant to Part 5 (commencing with Section 38570),~~
35 ~~applicable from January 1, 2021, to December 31, 2030, to~~ *To*
36 *complement direct emissions reduction measures in ensuring the*
37 *reductions in greenhouse gas emissions required pursuant to*
38 *Section 38566. 38566, the state board may adopt or amend*
39 *regulations that establish a system of market-based declining*
40 *annual aggregate emissions limits for sources or categories of*

1 sources that emit greenhouse gases, applicable from January 1,
2 2021, to December 31, 2030, inclusive, that the state board
3 determines will achieve the maximum technologically feasible and
4 cost-effective reductions in the emissions of greenhouse gases, in
5 the aggregate, from sources or categories of sources.

6 (c) The state board shall not permit a facility to increase its
7 annual emissions of greenhouse gases compared to the annual
8 average of emissions of greenhouse gases reported from 2014 to
9 2016, inclusive.

10 (d) The state board may adopt no-trade zones or facility-specific
11 declining greenhouse gas emissions limits where facilities'
12 emissions contribute to a cumulative pollution burden that creates
13 a significant health impact.

14 SEC. 3. Section 38562.6 is added to the Health and Safety
15 Code, to read:

16 38562.6. (a) For purposes of this section, "district" has the
17 same meaning as set forth in Section 39025.

18 (b) (1) On or before January 1, 2019, the state board, in
19 consultation with each affected district, shall adopt air pollutant
20 emissions standards applicable to industrial facilities subject to
21 a regulation adopted pursuant to subdivision (b) of Section 38562.5
22 or Part 5 (commencing with Section 38570).

23 (2) In adopting the air pollutant emissions standards pursuant
24 to this subdivision, the state board shall evaluate the air pollutant
25 emissions of each industrial facility subject to the regulation
26 adopted pursuant to subdivision (c) of Section 38562. The state
27 board's evaluation shall be based on the most recent available
28 data on industrial facilities gathered from districts, facility
29 operators, public comments, and other research as necessary, and
30 shall examine all of the following:

31 (A) Permitted and actual emissions of criteria air pollutants
32 and toxic air contaminants.

33 (B) Date of the most recent new source review conducted
34 pursuant to the federal Clean Air Act (42 U.S.C. Sec. 7401, et seq.)
35 for each emission unit.

36 (C) Emissions control measures for each criteria air pollutant
37 and toxic air contaminant, including, but not limited to, emissions
38 control technology for each emission unit.

1 (D) Whether each emission unit meets best available control
2 technology, as defined in Section 40405, or best available retrofit
3 control technology, as defined in Section 40406, as applicable.

4 (E) The performance of similar industrial facilities.

5 (F) District records of complaints, enforcement actions, and
6 penalties.

7 (c) On and after January 1, 2021, the state board shall not
8 allocate allowances pursuant to a regulation adopted pursuant to
9 subdivision (b) of Section 38652.5 or Part 5 (commencing with
10 Section 38570) to an industrial facility that does not meet the air
11 pollutant emissions standards for criteria air pollutants and toxic
12 air contaminants adopted pursuant to subdivision (b).

13 ~~SEC. 3.~~

14 SEC. 4. Section 38567 is added to the Health and Safety Code,
15 to read:

16 38567. In furtherance of ensuring the reductions in greenhouse
17 gas emissions required pursuant to Section 38566 and consistent
18 with this division, the state board shall do all of the following:

19 (a) Adopt the most effective and equitable mix of emissions
20 reduction measures to achieve the 2030 goal.

21 (b) Ensure that emissions reduction measures collectively and
22 individually support achieving air quality and other environmental
23 and public health goals.

AB 890 (Medina)

Local land use initiatives: environmental review

Summary: This bill would require projects proposed by local initiative to be reviewed pursuant to the California Environmental Quality Act (CEQA). Only projects that are exempt from CEQA, or eligible for a negative declaration because there is no substantial evidence that the project may have a significant effect on the environment, may be approved by local initiative.

Background: Existing law provides that initiative powers may be exercised by the electors of each city or county under procedures that the Legislature shall provide.

Existing law makes discretionary projects that are proposed to be carried out or approved by public agencies subject to CEQA, with certain exceptions. Requires the lead agency with the principal responsibility for carrying out or approving a proposed discretionary project, with respect to a project that is subject to CEQA, to determine whether the project may have a significant effect on the environment. Requires the lead agency to do the following, depending on the determination it makes regarding the project:

- a) Adopt a negative declaration, if it determines that there is no substantial evidence, in light of the record before the agency, that the project may have a significant effect on the environment;
- b) Adopt a mitigated negative declaration, if it determines that the project will have potentially significant effects to the environment, but revisions in the project plans or proposals made by, or agreed to by, the applicant would avoid the effects or mitigate the effects to a point where clearly no significant effect on the environment would occur, and there is no substantial evidence in light of the whole record before the public agency that the project, as revised, may have a significant effect on the environment; or,
- c) Prepare an EIR for the project, if it determines that there is substantial evidence, in light of the whole record before the lead agency, that the project may have a significant effect on the environment.

Status: 4/25/2017 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 2.) (April 24). Re-referred to Com. on APPR.

Specific Provisions – Specifically, this bill would:

- Require the proponent of a proposed local initiative measure to request an environmental review of the measure to be conducted, as specified, at the time that the measure is submitted to the local elections official for the preparation of a ballot title and summary. Requires the elections official to immediately transmit a copy of

the measure to the planning department for the jurisdiction, which conducts the environmental review.

- Require the planning department of the local jurisdiction in which the measure is proposed to determine if the activity proposed by the measure is subject to CEQA within 30 days after the measure is filed. Requires the following actions to occur, depending on the result of the environmental review:
 - a) If the activity proposed by the measure is not subject to CEQA, the initiative measure may proceed;
 - b) If the activity proposed by the measure is subject to CEQA, and the planning department determines that there is no substantial evidence, in light of the whole record, that the activity proposed by the measure may have a significant effect on the environment, then the governmental body shall prepare a negative declaration within 180 days;
 - c) If the activity proposed by the measure is subject to CEQA, and the planning department determines that there is substantial evidence, in light of the whole record, that the activity proposed by the measure may have a significant effect on the environment, then the governmental body shall notify the proponents within 30 days after the measure is filed that the measure cannot be adopted by the initiative process, but can receive a public hearing if a sufficient number of signatures are collected.

Impacts on SCAQMD’s mission, operations or initiatives: The author states that CEQA is California's signature environmental protection statute that helps identify and feasibly mitigate significant environmental impacts of land use developments. Unfortunately, the CEQA review process has been increasingly undermined by California's initiative process, a once highly regarded vital check on corporate influences over our government. Some developers are avoiding CEQA and other public review for proposed projects by qualifying a local measure for approval. Without a proper environmental review or mitigation plan, this results in significant, lasting negative impacts on communities.

The author states that this bill doesn't change the definition of a project subject to CEQA. The majority of projects subject to CEQA are approved via negative declaration. This bill seeks to strengthen local control with an understanding of cities tight budgets, their need for development, and desire not to see their air quality, public resources, and environment used in way that allows for only a certain set of developers to build and avoid environmental review and public scrutiny.

This bill could help protect public health within the South Coast region by reducing the number of developments that are detrimental to air quality, that seek and obtain CEQA exemptions.

Recommended Position: SUPPORT

Support

State Building and Construction Trades Council (Sponsor)
Association of Environmental Professionals
CalBike
California Environmental Justice Alliance
California Labor Federation
California League of Conservation Voters
Coalition for Clean Air
Environmental California
Environmental Protection Information Center
National Parks Conservation Association
Sierra Club California

Opposition

African American Farmers of California
Associated Builders and Contractors of California
California Association of Realtors
California Building Industry Association
California Business Properties Association
California Chamber of Commerce
California Citrus Mutual
California Dairies, Inc.
California Fresh Fruit Association
California Independent Petroleum Association
California State Association of Counties
California Strawberry Commission
California Taxpayers Association
City of Indian Wells
City of Riverside
City of Thousand Oaks
Far West Equipment Dealers Association
Greater San Fernando Valley Chamber of Commerce
League of California Cities
Nisei Farmers League
National Federal of Independent Business
Rural County Representatives of California
Santa Maria Valley Chamber of Commerce
Southwest California Legislative Council
West Coast Lumber & Building Material Association
Western Electrical Contractors Association

AMENDED IN ASSEMBLY MAY 10, 2017

AMENDED IN ASSEMBLY APRIL 18, 2017

AMENDED IN ASSEMBLY MARCH 28, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 890

Introduced by Assembly Member Medina

February 16, 2017

An act to amend Sections 9105, 9108, 9110, 9116, 9118, 9203, 9207, 9208, 9214, 9215, 9301, 9305, 9310, ~~9311, and 9312~~ *and 9311* of, and to add Sections 9117, ~~9219, 9227, and 9318~~ *and 9227* to, the Elections Code, to amend Section 65867.5 of the Government Code, and to amend Sections 21065 and 21152 of the Public Resources Code, relating to initiatives.

LEGISLATIVE COUNSEL'S DIGEST

AB 890, as amended, Medina. Local land use initiatives: environmental review.

The California Constitution authorizes the electors of each city and county to exercise the powers of initiative and referendum under procedures provided by the Legislature. Pursuant to that authority, existing law authorizes a proposed ordinance to be submitted to the appropriate elections official and requires the elections official to forward the proposed ordinance to appropriate counsel for preparation of a ballot title and summary. Existing law requires the elections official to provide the ballot title and summary to proponents of the proposed measure and the proponents are required to include the ballot title and summary upon each section of the petition used to gather the required number of signatures. Under existing law, if an initiative petition is

signed by not less than a specified number of voters and filed with the elections official, that elections official must submit the proposed ordinance to the county board of supervisors, legislative body of a city, or governing board of a district. Existing law requires the governing body to (1) adopt the ordinance without alteration, (2) call an election or special election in certain instances, at which the ordinance, without alteration, would be submitted to a vote of the voters of the jurisdiction, or (3) for cities and counties, order a report on the ordinance and then adopt the ordinance or submit it to the voters.

~~This bill would require a proponent of a proposed initiative ordinance, at the time he or she files a copy of the proposed initiative ordinance for preparation of a ballot title and summary with the appropriate elections official, to also request that an environmental review of the proposed initiative ordinance be conducted by the appropriate planning department, as specified. The bill would require the elections official to notify the proponent of the result of the environmental review. The bill would require the county board of supervisors, legislative body of a city, or governing board of a district, if the initiative ordinance proposes an activity that may have a significant effect on the environment, as specified, to order that an environmental impact report or mitigated negative declaration of the proposed ordinance be prepared. Once the environmental impact report or mitigated negative declaration has been prepared, the bill would require the governing body to hold a public hearing and either approve or deny the proposed ordinance, instead of allowing the proposed ordinance to be submitted to the voters.~~

This bill would require the city attorney or county counsel to determine, within 15 days after a proposed initiative measure is filed, to determine whether the measure constitutes a project proposing specific activity that would eliminate discretionary land use approval for future development. If the city attorney or county counsel makes the determination that the measure constitutes such a project, the bill would require the city or county, to comply with the requirements of the California Environmental Quality Act (“CEQA”). Within 5 days of completing the CEQA process, the bill would require the elections official to furnish to the proponents of the proposed measure an environmental summary of the measure. The bill would establish that the provision of the environmental summary to the proponent of the proposed measure constitutes approval of the project for purposes of CEQA, except as specified. The bill would authorize the city or county to charge and collect a reasonable fee from the proponent in order to

recover the estimated costs to prepare an environmental document prepared in compliance with CEQA. Notwithstanding existing law, the bill would require the governing body to submit the proposed ordinance, without alteration, to the voters at a special election.

By requiring local officials to provide a higher level of service, this bill would impose a state-mandated local program.

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, 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 the statutory provisions noted above.

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

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

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

3 ~~(a) Local land use initiative measures are matters in which there~~
4 ~~is a statewide interest because they have effects beyond the~~
5 ~~jurisdictional limits of a local agency, and thus are not matters of~~
6 ~~purely local concern.~~

7 ~~(b) Local land use initiative measures may affect the health,~~
8 ~~safety, and general welfare of residents within and outside the~~
9 ~~jurisdictional limits of a local agency.~~

10 ~~(c)~~

11 (a) Local land use initiative measures may impact the
12 environment, which is an asset of all the people of California and
13 is a matter of statewide concern, consistent with the legislative
14 intent expressed in Chapter 1 (commencing with Section 21000)
15 of Division 13 of the Public Resources Code.

16 ~~(d)~~

17 (b) A thorough environmental review of local land use projects
18 is necessary to safeguard the environment and to inform the public
19 of the projects' possible consequences. This environmental review
20 must occur at the earliest possible time.

21 ~~(e)~~

1 (c) Voters, like legislators, should have access to information
 2 about a local land use initiative measure’s environmental impacts.

3 ~~(f) Approving local land use initiative measures that have the
 4 potential to cause significant environmental impacts is
 5 fundamentally incompatible with California’s substantive
 6 environmental mandate, as set forth in Section 21002 of the Public
 7 Resources Code, which states that projects are not to be approved
 8 “if there are feasible alternatives or feasible mitigation measures
 9 available which would substantially lessen the significant
 10 environmental effects of such projects.”~~

11 (d) *It is the intent of the Legislature to prevent a project
 12 applicant from avoiding enforceable environmental review by
 13 using the initiative process to remove the local government’s
 14 discretionary authority over the project.*

15 ~~(g) Development~~

16 (e) *It is the intent of the Legislature to clarify that development
 17 agreements, which are negotiated contractual agreements between
 18 a legislative body and an individual or entity, are unsuitable for
 19 the initiative process.*

20 SEC. 2. Section 9105 of the Elections Code is amended to read:

21 9105. (a) The county elections official shall immediately
 22 transmit a copy of any proposed measure to the county counsel.
 23 Within 15 days after the proposed measure is filed, the county
 24 counsel shall provide and return to the county elections official a
 25 ballot title and summary for the proposed measure. The ballot title
 26 may differ from any other title of the proposed measure and shall
 27 express in 500 words or less the purpose of the proposed measure.
 28 In providing the ballot title, the county counsel shall give a true
 29 and impartial statement of the purpose of the proposed measure
 30 in such language that the ballot title shall neither be an argument,
 31 nor be likely to create prejudice, for or against the proposed
 32 measure.

33 (b) The county elections official shall furnish a copy of the
 34 ballot title and summary to the proponents of the proposed measure.
 35 The proponents shall, before the circulation of the petition, publish
 36 the Notice of Intention, and the ballot title and summary of the
 37 proposed measure in a newspaper of general circulation published
 38 in that county, and file proof of publication with the county
 39 elections official.

1 (c) The ballot title and summary prepared by the county counsel
2 shall appear upon each section of the petition, above the text of
3 the proposed measure and across the top of each page of the
4 petition on which signatures are to appear, in roman boldface type
5 not smaller than 12 point. The ballot title and summary shall be
6 clearly separated from the text of the measure. The text of the
7 measure shall be printed in type not smaller than 8 point.

8 The heading of the proposed measure shall be in substantially
9 the following form:

10

11 Initiative Measure to be Submitted Directly to the Voters

12

13 The county counsel has prepared the following title and summary
14 of the chief purpose and points of the proposed measure:

15 (Here set forth the title and summary prepared by the county
16 counsel. This title and summary must also be printed across the
17 top of each page of the petition whereon signatures are to appear.)

18 ~~(d) (1) Any proponent of a proposed measure shall file a copy
19 of the proposed measure with the elections official with a request
20 that an environmental review of the proposed measure be
21 conducted. The elections official shall immediately transmit a copy
22 of the proposed measure to the county planning department. Within
23 30 15 days after the proposed measure is filed, the county planning
24 department counsel shall determine if the activity proposed by the
25 measure is subject to the California Environmental Quality Act
26 (Division 13 (commencing with Section 21000) of the Public
27 Resources Code.) If the activity proposed by the measure is subject
28 to the California Environmental Quality Act and no exemption
29 applies, the county planning department shall determine if the
30 activity proposed by the measure may have a significant effect on
31 the environment, as defined by Section 21068 of the Public
32 Resources Code. If there is no substantial evidence, in light of the
33 whole record before the department, that the project may have a
34 significant effect on the environment, the county shall prepare a
35 negative declaration within 180 days. If there is substantial
36 evidence, in light of the whole record before the department, that
37 the project may have a significant effect on the environment, the
38 county shall notify the proponent, within 30 days after the proposed
39 measure is filed, that the proposed measure cannot be adopted by
40 the initiative process but can receive a public hearing pursuant to~~

1 ~~Section 9117 if a sufficient number of signatures are collected.~~
 2 *proposed measure constitutes a project pursuant to subdivision*
 3 *(d) of Section 21065 of the Public Resources Code. If the proposed*
 4 *measure constitutes a project pursuant to subdivision (d) of Section*
 5 *21065 of the Public Resources Code, the county shall comply with*
 6 *the requirements of the California Environmental Quality Act*
 7 *(Division 13 (commencing with Section 21000) of the Public*
 8 *Resources Code) which include preparing an environmental*
 9 *document, ensuring that any significant impacts are avoided or*
 10 *mitigated, if feasible, and making any required findings prior to*
 11 *providing the environmental summary. The county's provision of*
 12 *the environmental summary to the proponent for circulation shall*
 13 *constitute approval of the project for purposes of the California*
 14 *Environmental Quality Act, with the exception of Section 21152*
 15 *of the Public Resources Code. The county may charge and collect*
 16 *a reasonable fee from a proponent in order to recover the estimated*
 17 *cost to prepare an environmental document prepared in compliance*
 18 *with the California Environmental Quality Act, pursuant to Section*
 19 *21089 of the Public Resources Code.*

20 ~~(2) The elections official shall furnish a copy of the negative~~
 21 ~~declaration or any other environmental determination to the person~~
 22 ~~filing the proposed measure. Any negative declaration or any other~~
 23 ~~environmental determination shall be included with each section~~
 24 ~~of the petition.~~

25 *(2) If the proposed measure constitutes a project pursuant to*
 26 *subdivision (d) of Section 21065 of the Public Resources Code,*
 27 *within five days of completing the California Environmental*
 28 *Quality Act process, the elections official shall furnish to the*
 29 *proponents of the measure an environmental summary of the*
 30 *measure of less than 500 words, which shall provide an overview*
 31 *of any document prepared, any findings made, and where the*
 32 *document can be found.*

33 SEC. 3. Section 9108 of the Elections Code is amended to read:
 34 9108. The proponents may commence to circulate the petitions
 35 among the voters of the county for signatures by any registered
 36 voter of the county after publication of the title and summary
 37 prepared by the county counsel, and ~~after receiving a negative~~
 38 ~~declaration or other environmental determination from the county~~
 39 ~~planning department.~~ *if the proposed measure constitutes a project*
 40 *pursuant to subdivision (d) of Section 21065 of the Public*

1 *Resources Code, after receipt of the environmental summary.* Each
2 section of the petition shall bear a copy of the notice of intention,
3 and the title and summary prepared by the county counsel, and
4 ~~any negative declaration or other environmental determination~~
5 *environmental summary* prepared for the measure.

6 SEC. 4. Section 9110 of the Elections Code is amended to read:

7 9110. Signatures shall be secured and the petition shall be
8 presented to the county elections official for filing within 180 days
9 from the date of receipt of the title and ~~summary, and negative~~
10 ~~declaration or other environmental determination, summary or~~
11 *after receipt of the environmental summary, if applicable,* or after
12 termination of any action for a writ of mandate pursuant to Section
13 9106 and, if applicable, after receipt of an amended title or
14 summary, or both, whichever occurs later.

15 SEC. 5. Section 9116 of the Elections Code is amended to read:

16 9116. If the initiative petition is signed by voters not less in
17 number than 20 percent of the entire vote cast within the county
18 for all candidates for Governor at the last gubernatorial election
19 preceding the publication of the notice of intention to circulate an
20 initiative petition, and contains a request that the ordinance be
21 submitted immediately to a vote of the people at a special election,
22 the board of supervisors shall ~~consider certifying the petition at~~
23 ~~the next regular meeting after any required public review and~~
24 ~~comment period. If the initiative petition proposes an activity for~~
25 ~~which there is substantial evidence, in light of the whole record~~
26 ~~before the county, that the activity may have a significant effect~~
27 ~~on the environment, as defined by Section 21068 of the Public~~
28 ~~Resources Code, the legislative body shall declare that the initiative~~
29 ~~petition proposes an activity that is unsuitable for the initiative~~
30 ~~process and proceed pursuant to Section 9117. If a negative~~
31 ~~declaration was prepared for the petition, the negative declaration~~
32 ~~shall be circulated for public review and comment for at least 20~~
33 ~~days before the meeting at which the legislative body will consider~~
34 ~~certifying the petition, and the legislative body shall consider any~~
35 ~~public comments raised. At the meeting where the legislative body~~
36 ~~will consider certifying the petition, the legislative body shall do~~
37 one of the following:

38 (a) Adopt the ordinance without alteration, ~~unless a negative~~
39 ~~declaration was prepared for the petition, in which case only~~
40 ~~subdivision (b) applies.~~ *alteration at the regular meeting at which*

1 *the certification of the petition is presented or within 10 days after*
2 *it is presented.*

3 (b) Immediately call a special election pursuant to subdivision
4 (a) of Section 1405, at which the ordinance, without alteration,
5 shall be submitted to a vote of the voters of the county.

6 (c) Order a report pursuant to Section 9111. When the report is
7 presented to the board of supervisors, it shall either adopt the
8 ordinance within 10 days or order an election pursuant to
9 subdivision (b).

10 (d) *Notwithstanding subdivisions (a) and (c), if the proposed*
11 *measure constitutes a project pursuant to subdivision (d) of Section*
12 *21065 of the Public Resources Code, the board of supervisors*
13 *shall submit the ordinance, without alteration, to the voters*
14 *pursuant to subdivision (b). This subdivision shall not limit the*
15 *board’s discretion to order a report pursuant to Section 9111.*

16 ~~SEC. 6. Section 9117 is added to the Elections Code, to read:~~

17 ~~9117. If an initiative petition is signed by not less than the~~
18 ~~number of voters specified in Section 9118, and there is substantial~~
19 ~~evidence, in light of the whole record before the county, that the~~
20 ~~activity proposed by the initiative petition may have a significant~~
21 ~~effect on the environment, as defined by Section 21068 of the~~
22 ~~Public Resources Code, or a reasonably foreseeable indirect~~
23 ~~physical change in the environment, the legislative body shall~~
24 ~~require that an environmental impact report or mitigated negative~~
25 ~~declaration be prepared to analyze the impacts of the activity~~
26 ~~proposed by the initiative petition. Once the environmental~~
27 ~~document is complete, the legislative body shall hold a public~~
28 ~~hearing to either approve or deny the proposal.~~

29 ~~SEC. 7.~~

30 ~~SEC. 6. Section 9118 of the Elections Code is amended to read:~~

31 ~~9118. If the initiative petition is signed by voters not less in~~
32 ~~number than 10 percent of the entire vote cast in the county for all~~
33 ~~candidates for Governor at the last gubernatorial election preceding~~
34 ~~the publication of the notice of intention to circulate an initiative~~
35 ~~petition, the board of supervisors shall consider certifying the~~
36 ~~petition at the next regular meeting after any required public review~~
37 ~~and comment period. If the initiative petition proposes an activity~~
38 ~~for which there is substantial evidence, in light of the whole record~~
39 ~~before the county, that the activity may have a significant effect~~
40 ~~on the environment, as defined by Section 21068 of the Public~~

1 Resources Code, the legislative body shall declare that the initiative
 2 petition proposes an activity that is unsuitable for the initiative
 3 process and proceed pursuant to Section 9117. If a negative
 4 declaration was prepared for the petition, the negative declaration
 5 shall be circulated for public review and comment for at least 20
 6 days before the meeting at which the legislative body will consider
 7 certifying the petition, and the legislative body shall consider any
 8 public comments raised. At the meeting where the legislative body
 9 will consider certifying the petition, the legislative body shall do
 10 one of the following:

11 (a) Adopt the ordinance without alteration, unless a negative
 12 declaration was prepared for the petition, in which case only
 13 subdivision (b) applies. *alteration at the regular meeting at which*
 14 *the certification of the petition is presented or within 10 days after*
 15 *it is presented.*

16 (b) Submit the ordinance, without alteration, to the voters
 17 pursuant to subdivision (b) of Section 1405, unless the ordinance
 18 petitioned for is required to be, or for some reason is, submitted
 19 to the voters at a special election pursuant to subdivision (a) of
 20 Section 1405.

21 (c) Order a report pursuant to Section 9111. When the report is
 22 presented to the board of supervisors, it shall either adopt the
 23 ordinance within 10 days or order an election pursuant to
 24 subdivision (b).

25 (d) *Notwithstanding subdivision (a) and (c), if the proposed*
 26 *measure constitutes a project pursuant to subdivision (d) of Section*
 27 *21065 of the Public Resources Code, the board of supervisors*
 28 *shall submit the ordinance, without alteration, to the voters*
 29 *pursuant to subdivision (b). This subdivision shall not limit the*
 30 *board's discretion to order a report pursuant to Section 9111.*

31 ~~SEC. 8.~~

32 SEC. 7. Section 9203 of the Elections Code is amended to read:

33 9203. (a) ~~Any proponent of a person who is interested in any~~
 34 proposed measure shall file a copy of the proposed measure with
 35 the elections official with a request that a ballot title and summary
 36 be prepared. This request shall be accompanied by the address of
 37 the person proposing the measure. The elections official shall
 38 immediately transmit a copy of the proposed measure to the city
 39 attorney. Within 15 days after the proposed measure is filed, the
 40 city attorney shall provide and return to the city elections official

1 a ballot title for and summary of the proposed measure. The ballot
 2 title may differ from any other title of the proposed measure and
 3 shall express in 500 words or less the purpose of the proposed
 4 measure. In providing the ballot title, the city attorney shall give
 5 a true and impartial statement of the purpose of the proposed
 6 measure in such language that the ballot title shall neither be an
 7 argument, nor be likely to create prejudice, for or against the
 8 proposed measure.

9 (b) The elections official shall furnish a copy of the ballot title
 10 and summary to the person filing the proposed measure. The person
 11 proposing the measure shall, before its circulation, place upon each
 12 section of the petition, above the text of the proposed measure and
 13 across the top of each page of the petition on which signatures are
 14 to appear, in roman boldface type not smaller than 12 point, the
 15 ballot title prepared by the city attorney. The text of the measure
 16 shall be printed in type not smaller than 8 point.

17 The heading of the proposed measure shall be in substantially
 18 the following form:

19
 20 Initiative Measure to be Submitted Directly to the Voters
 21

22 The city attorney has prepared the following title and summary
 23 of the chief purpose and points of the proposed measure:

24 (Here set forth the title and summary prepared by the city
 25 attorney. This title and summary must also be printed across the
 26 top of each page of the petition whereon signatures are to appear.)

27 ~~(c) (1) Any proponent of a proposed measure shall file a copy~~
 28 ~~of the proposed measure with the elections official with a request~~
 29 ~~that an environmental review of the proposed measure be~~
 30 ~~conducted. The elections official shall immediately transmit a copy~~
 31 ~~of the proposed measure to the city planning department. Within~~
 32 ~~30 15 days after the proposed measure is filed, the city planning~~
 33 ~~department attorney shall determine if the activity proposed by~~
 34 ~~the measure is subject to the California Environmental Quality~~
 35 ~~Act (Division 13 (commencing with Section 21000) of the Public~~
 36 ~~Resources Code.) If the activity proposed by the measure is subject~~
 37 ~~to the California Environmental Quality Act and no exemption~~
 38 ~~applies, the city planning department shall determine if the activity~~
 39 ~~proposed by the measure may have a significant effect on the~~
 40 ~~environment, as defined by Section 21068 of the Public Resources~~

1 Code. If there is no substantial evidence, in light of the whole
2 record before the department, that the project may have a
3 significant effect on the environment, the city shall prepare a
4 negative declaration within 180 days. If there is substantial
5 evidence, in light of the whole record before the department, that
6 the project may have a significant effect on the environment, the
7 city shall notify the proponent, within 30 days after the proposed
8 measure is filed, that the proposed measure cannot be adopted by
9 the initiative process but can receive a public hearing pursuant to
10 Section 9219 if a sufficient number of signatures are collected.
11 *proposed measure constitutes a project pursuant to subdivision*
12 *(d) of Section 21065 of the Public Resources Code. If the proposed*
13 *measure constitutes a project pursuant to subdivision (d) of Section*
14 *21065 of the Public Resources Code, the city shall comply with*
15 *the requirements of the California Environmental Quality Act*
16 *(Division 13 (commencing with Section 21000) of the Public*
17 *Resources Code) which include preparing an environmental*
18 *document, ensuring that any significant impacts are avoided or*
19 *mitigated, if feasible, and making any required findings prior to*
20 *providing the environmental summary to the proponent. The city's*
21 *provision of the environmental summary to the proponent for*
22 *circulation shall constitute approval of the project for purposes*
23 *of the California Environmental Quality Act, with the exception*
24 *of Section 21152 of the Public Resources Code. The city may*
25 *charge and collect a reasonable fee from a proponent in order to*
26 *recover the estimated cost to prepare an environmental document*
27 *prepared in compliance with the California Environmental Quality*
28 *Act pursuant to Section 21089 of the Public Resources Code.*

29 ~~(2) The elections official shall furnish a copy of the negative~~
30 ~~declaration or any other environmental determination to the person~~
31 ~~filing the proposed measure. Any negative declaration or any other~~
32 ~~environmental determination shall be included with each section~~
33 ~~of the petition.~~

34 (2) *If the proposed measure constitutes a project pursuant to*
35 *subdivision (d) of Section 21065 of the Public Resources Code,*
36 *within five days of completing the California Environmental*
37 *Quality Act process, the elections official shall furnish to the*
38 *proponents of the proposed measure an environmental summary*
39 *of the measure of less than 500 words, which must provide an*

1 *overview of any document prepared, any findings made, and where*
 2 *the document can be found.*

3 ~~SEC. 9.~~

4 *SEC. 8.* Section 9207 of the Elections Code is amended to read:

5 9207. The proponents may commence to circulate the petitions
 6 among the voters of the city for signatures by any registered voter
 7 of the city after publication or posting, or both, as required by
 8 Section 9205, of the title and summary prepared by the city
 9 attorney, and *if the proposed measure constitutes a project pursuant*
 10 *to subdivision (d) of Section 21065 of the Public Resources Code,*
 11 ~~after receiving a negative declaration or other environmental~~
 12 ~~determination from the city planning department.~~ *receipt of the*
 13 *environmental summary.* Each section of the petition shall bear a
 14 copy of the notice of intention and the title and summary prepared
 15 by the city attorney, and any ~~negative declaration or other~~
 16 ~~environmental determination~~ *environmental summary* prepared
 17 for the measure.

18 ~~SEC. 10.~~

19 *SEC. 9.* Section 9208 of the Elections Code is amended to read:

20 9208. Signatures upon petitions and sections of petitions shall
 21 be secured, and the petition, together with all sections of the
 22 petition, shall be filed within 180 days from the date of receipt of
 23 the title and summary ~~and the negative declaration or other~~
 24 ~~environmental determination,~~ *or after receipt of the environmental*
 25 *summary, if applicable,* or after termination of any action for a
 26 writ of mandate pursuant to Section 9204, and, if applicable, after
 27 receipt of an amended title or summary, or both, whichever occurs
 28 later. Petitions and sections of petitions shall be filed in the office
 29 of the elections official during normal office hours as posted. If
 30 the petitions are not filed within the time permitted by this section,
 31 the petitions shall be void for all purposes.

32 ~~SEC. 11.~~

33 *SEC. 10.* Section 9214 of the Elections Code is amended to
 34 read:

35 9214. If the initiative petition is signed by not less than 15
 36 percent of the voters of the city according to the last report of
 37 registration by the county elections official to the Secretary of
 38 State pursuant to Section 2187, effective at the time the notice
 39 specified in Section 9202 was published, or, in a city with 1,000
 40 or less registered voters, by 25 percent of the voters or 100 voters

1 of the city, whichever is the lesser number, and contains a request
2 that the ordinance be submitted immediately to a vote of the people
3 at a special election, the legislative body shall ~~consider certifying~~
4 ~~the petition at the next regular meeting after any required public~~
5 ~~review and comment period. If the initiative petition proposes an~~
6 ~~activity for which there is substantial evidence, in light of the whole~~
7 ~~record before the city, that the activity may have a significant effect~~
8 ~~on the environment, as defined by Section 21068 of the Public~~
9 ~~Resources Code, the legislative body shall declare that the initiative~~
10 ~~petition proposes an activity that is unsuitable for the initiative~~
11 ~~process and proceed pursuant to Section 9219. If a negative~~
12 ~~declaration was prepared for the petition, the negative declaration~~
13 ~~shall be circulated for public review and comment for at least 20~~
14 ~~days before the meeting at which the legislative body will consider~~
15 ~~certifying the petition, and the legislative body shall consider any~~
16 ~~public comments raised. At the meeting where the legislative body~~
17 ~~will consider certifying the petition, the legislative body shall do~~
18 one of the following:

19 (a) Adopt the ordinance, without alteration, ~~unless a negative~~
20 ~~declaration was prepared for the petition, in which case only~~
21 ~~subdivision (b) applies. at the regular meeting at which the~~
22 ~~certification of the petition is presented, or within 10 days after it~~
23 ~~is presented.~~

24 (b) Immediately order a special election, to be held pursuant to
25 subdivision (a) of Section 1405, at which the ordinance, without
26 alteration, shall be submitted to a vote of the voters of the city.

27 (c) Order a report pursuant to Section 9212. When the report is
28 presented to the legislative body, the legislative body shall either
29 adopt the ordinance within 10 days or order an election pursuant
30 to subdivision (b).

31 (d) *Notwithstanding subdivisions (a) and (c), if the proposed*
32 *measure constitutes a project pursuant to subdivision (d) of Section*
33 *21065 of the Public Resources Code, the legislative body shall*
34 *submit the ordinance, without alteration, to the voters pursuant*
35 *to subdivision (b). This subdivision shall not limit the legislative*
36 *body's discretion to order a report pursuant to Section 9212.*

37 ~~SEC. 12.~~

38 *SEC. 11.* Section 9215 of the Elections Code is amended to
39 read:

1 9215. If the initiative petition is signed by not less than 10
2 percent of the voters of the city, according to the last report of
3 registration by the county elections official to the Secretary of
4 State pursuant to Section 2187, effective at the time the notice
5 specified in Section 9202 was published, or, in a city with 1,000
6 or less registered voters, by 25 percent of the voters or 100 voters
7 of the city, whichever is the lesser number, the legislative body
8 shall ~~consider certifying the petition at the next regular meeting~~
9 ~~after any required public review and comment period. If the~~
10 ~~initiative petition proposes an activity for which there is substantial~~
11 ~~evidence, in light of the whole record before the city, that the~~
12 ~~activity may have a significant effect on the environment, as~~
13 ~~defined by Section 21068 of the Public Resources Code, legislative~~
14 ~~body shall declare that the initiative petition proposes an activity~~
15 ~~that is unsuitable for the initiative process and proceed pursuant~~
16 ~~to Section 9219. If a negative declaration was prepared for the~~
17 ~~petition, the negative declaration shall be circulated for public~~
18 ~~review and comment for at least 20 days before the meeting at~~
19 ~~which the legislative body will consider certifying the petition,~~
20 ~~and the legislative body shall consider any public comments raised.~~
21 ~~At the meeting where the legislative body will consider certifying~~
22 ~~the petition, the legislative body shall do one of the following:~~

23 (a) Adopt the ordinance, without alteration, ~~unless a negative~~
24 ~~declaration was prepared for the petition, in which case only~~
25 ~~subdivision (b) applies. at the regular meeting at which the~~
26 ~~certification of the petition is presented or within 10 days after it~~
27 ~~is presented.~~

28 (b) Submit the ordinance, without alteration, to the voters
29 pursuant to subdivision (b) of Section 1405, unless the ordinance
30 petitioned for is required to be, or for some reason is, submitted
31 to the voters at a special election pursuant to subdivision (a) of
32 Section 1405.

33 (c) Order a report pursuant to Section 9212. When the report is
34 presented to the legislative body, the legislative body shall either
35 adopt the ordinance within 10 days or order an election pursuant
36 to subdivision (b).

37 (d) *Notwithstanding subdivisions (a) and (c), if the proposed*
38 *measure constitutes a project pursuant to subdivision (d) of Section*
39 *21065 of the Public Resources Code, the legislative body shall*
40 *submit the ordinance, without alteration, to the voters pursuant*

1 *to subdivision (b). This subdivision shall not limit the legislative*
2 *body's discretion to order a report pursuant to Section 9212.*

3 ~~SEC. 13.~~ Section 9219 is added to the Elections Code, to read:

4 ~~9219. If an initiative petition is signed by not less than the~~
5 ~~number of voters specified in Section 9215, and there is substantial~~
6 ~~evidence, in light of the whole record before the city, that the~~
7 ~~activity proposed by the initiative petition may have a significant~~
8 ~~effect on the environment, as defined by Section 21068 of the~~
9 ~~Public Resources Code, the legislative body shall require that an~~
10 ~~environmental impact report or mitigated negative declaration be~~
11 ~~prepared to analyze the impacts of the activity proposed by the~~
12 ~~initiative petition. Once the environmental document is complete,~~
13 ~~the legislative body shall hold a public hearing to either approve~~
14 ~~or deny the proposal.~~

15 ~~SEC. 14.~~

16 *SEC. 12.* Section 9227 is added to the Elections Code, to read:

17 *9227. The initiative process in a city charter shall not be written*
18 *or interpreted in a way that precludes environmental review of an*
19 *initiative under state law. if the proposed measure constitutes a*
20 *project pursuant to subdivision (d) of Section 21065 of the Public*
21 *Resources Code.*

22 ~~SEC. 15.~~

23 *SEC. 13.* Section 9301 of the Elections Code is amended to
24 read:

25 *9301. Any proposed ordinance may be submitted to the*
26 *governing board of the district by an initiative petition filed with*
27 *the district elections official. Signatures to these petitions shall be*
28 *obtained in the same manner as set forth in Section 9020. Affidavits*
29 *shall be attached to each petition section in the form and in the*
30 *manner set forth in Section 9022. An environmental review of the*
31 *activity proposed by the initiative petition shall be conducted in*
32 *the manner set forth in subdivision (c) of Section 9203.*

33 ~~SEC. 16.~~

34 *SEC. 14.* Section 9305 of the Elections Code is amended to
35 read:

36 *9305. After filing a copy of the notice of intention, statement*
37 *of the reasons for the proposed petition, written text of the*
38 *initiative, ~~negative declaration or other environmental~~*
39 *determination, and affidavit of publication or posting with the*
40 *district elections official pursuant to Section 9304, and if the*

1 *proposed measure constitutes a project pursuant to subdivision*
 2 *(d) of Section 21065 of the Public Resources Code, after receipt*
 3 *of the environmental summary, the petition may be circulated*
 4 *among the voters of the district for signatures by any person who*
 5 *meets the requirements of Section 102. Each section of the petition*
 6 *shall bear a copy of the notice of intention and ~~statement.~~ statement*
 7 *and a copy of the environmental summary, if applicable.*

8 ~~SEC. 17.~~

9 *SEC. 15.* Section 9310 of the Elections Code is amended to
 10 read:

11 9310. (a) If the initiative petition is signed by voters not less
 12 in number than 10 percent of the voters in the district, where the
 13 total number of registered voters is less than 500,000, or not less
 14 in number than 5 percent of the voters in the district, where the
 15 total number of registered voters is 500,000 or more, and the
 16 petition contains a request that the ordinance be submitted
 17 immediately to a vote of the people at a special election, the district
 18 board shall ~~consider certifying the petition at the next regular~~
 19 ~~meeting after any required public review and comment period. If~~
 20 ~~the initiative petition proposes an activity for which there is~~
 21 ~~substantial evidence, in light of the whole record before the district,~~
 22 ~~that the activity may have a significant effect on the environment,~~
 23 ~~as defined by Section 21068 of the Public Resources Code, the~~
 24 ~~district board shall declare that the initiative petition proposes an~~
 25 ~~activity that is unsuitable for the initiative process and proceed~~
 26 ~~pursuant to Section 9318. If a negative declaration was prepared~~
 27 ~~for the petition, the negative declaration shall be circulated for~~
 28 ~~public review and comment for at least 20 days before the meeting~~
 29 ~~at which the district board will consider certifying the petition,~~
 30 ~~and the district board shall consider any public comments raised.~~
 31 ~~At the meeting where the district board will consider certifying~~
 32 ~~the petition, the board shall do either of the following:~~

33 (1) Adopt the ordinance, without alteration, ~~unless a negative~~
 34 ~~declaration was prepared for the petition, in which case only~~
 35 ~~paragraph (2) applies. at the regular meeting at which the~~
 36 ~~certification of the petition is presented, or within 10 days after it~~
 37 ~~is presented.~~

38 (2) Immediately order that the ordinance be submitted to the
 39 voters, without alteration, pursuant to subdivision (a) of Section
 40 1405.

1 (b) The number of registered voters referred to in subdivision
2 (a) shall be calculated as of the time of the last report of registration
3 by the county elections official to the Secretary of State made
4 before publication or posting of the notice of intention to circulate
5 the initiative petition.

6 (c) *Notwithstanding subdivision (a), if the proposed measure*
7 *constitutes a project pursuant to subdivision (d) of Section 21065*
8 *of the Public Resources Code, the district board shall submit the*
9 *ordinance, without alteration, to the voters pursuant to paragraph*
10 *(2) of subdivision (a).*

11 ~~SEC. 18.~~

12 *SEC. 16.* Section 9311 of the Elections Code is amended to
13 read:

14 9311. If the initiative petition does not request a special
15 election, the district board shall ~~consider certifying the petition at~~
16 ~~the next regular meeting after any required public review and~~
17 ~~comment period. If the initiative petition proposes an activity for~~
18 ~~which there is substantial evidence, in light of the whole record~~
19 ~~before the district, that the activity may have a significant effect~~
20 ~~on the environment, as defined by Section 21068 of the Public~~
21 ~~Resources Code, the district board shall declare that the initiative~~
22 ~~petition proposes an activity that is unsuitable for the initiative~~
23 ~~process and proceed pursuant to Section 9318. If a negative~~
24 ~~declaration was prepared for the petition, the negative declaration~~
25 ~~shall be circulated for public review and comment for at least 20~~
26 ~~days before the meeting at which the district board will consider~~
27 ~~certifying the petition, and the district board shall consider any~~
28 ~~public comments raised. At the meeting where the district board~~
29 ~~will consider certifying the petition, the board shall do either of~~
30 ~~the following:~~

31 (a) Adopt the ordinance, without alteration, ~~unless a negative~~
32 ~~declaration was prepared for the petition, in which case only~~
33 ~~subdivision (b) applies. at the regular meeting at which the~~
34 ~~certification of the petition is presented, or within 10 days after it~~
35 ~~is presented.~~

36 (b) Submit the ordinance to the voters, without alteration,
37 pursuant to subdivision (b) of Section 1405, unless the ordinance
38 petitioned for is required to be, or for some reason is, submitted
39 to the voters at a special election pursuant to subdivision (a) of
40 Section 1405.

1 (c) Notwithstanding subdivision (a), if the proposed measure
 2 constitutes a project pursuant to subdivision (d) of Section 21065
 3 of the Public Resources Code, the district board shall submit the
 4 ordinance, without alteration, to the voters pursuant to subdivision
 5 (b).

6 ~~SEC. 19.~~ Section 9312 of the Elections Code is amended to
 7 read:

8 9312. Whenever an ordinance is required by this article to be
 9 submitted to the voters of a district at an election, the district
 10 elections official shall cause the ordinance to be printed. A copy
 11 of the ordinance shall be made available to any voter upon request.

12 ~~The district elections official shall mail with the voter~~
 13 ~~information guide to each voter the following notice printed in no~~
 14 ~~less than 10-point type:~~

15 “If you desire a copy of the proposed ordinance, please call the
 16 district elections official’s office at (insert telephone number) and
 17 a copy will be mailed at no cost to you.”

18 ~~If a negative declaration was prepared for the ordinance, the~~
 19 ~~district elections official shall print a copy of the negative~~
 20 ~~declaration and similarly notify the public that it is available by~~
 21 ~~request.~~

22 ~~SEC. 20.~~ Section 9318 is added to the Elections Code, to read:

23 9318. If an initiative petition is signed by not less than the
 24 number of voters specified in Section 9310, and there is substantial
 25 evidence, in light of the whole record before the district that the
 26 activity proposed by the initiative petition may have a significant
 27 effect on the environment, as defined by Section 21068 of the
 28 Public Resources Code, or a reasonably foreseeable indirect
 29 physical change in the environment, the district board shall require
 30 that an environmental impact report or mitigated negative
 31 declaration be prepared to analyze the impacts of the activity
 32 proposed by the initiative petition. Once the environmental
 33 document is complete, the district board shall hold a public hearing
 34 to either approve or deny the proposal.

35 ~~SEC. 21.~~

36 ~~SEC. 17.~~ Section 65867.5 of the Government Code is amended
 37 to read:

38 65867.5. (a) A development agreement is a legislative act that
 39 shall be approved by ordinance and is subject to referendum.

1 (b) A development agreement cannot be approved by an
2 ordinance adopted through the initiative process.

3 (c) A development agreement shall not be approved unless the
4 legislative body finds that the agreement is consistent with the
5 general plan and any applicable specific plan.

6 (d) A development agreement that includes a subdivision, as
7 defined in Section 66473.7, shall not be approved unless the
8 agreement provides that any tentative map prepared for the
9 subdivision will comply with Section 66473.7.

10 ~~SEC. 22.~~

11 *SEC. 18.* Section 21065 of the Public Resources Code is
12 amended to read:

13 21065. "Project" means an activity which may cause either a
14 direct physical change in the environment, or a reasonably
15 foreseeable indirect physical change in the environment, and which
16 is any of the following:

17 (a) An activity directly undertaken by any public agency.

18 (b) An activity undertaken by a person which is supported, in
19 whole or in part, through contracts, grants, subsidies, loans, or
20 other forms of assistance from one or more public agencies.

21 (c) An activity that involves the issuance to a person of a lease,
22 permit, license, certificate, or other entitlement for use by one or
23 more public agencies.

24 (d) An activity ~~that is~~ proposed by a local initiative measure
25 ~~that, if passed or adopted, would be implemented by a public~~
26 ~~agency.~~ *that amends a public agency's zoning ordinance, general*
27 *plan, specific plan, or similar document or creates new ordinances,*
28 *regulations or planning documents, and that activity eliminates*
29 *discretionary land use approval for future development.*

30 ~~SEC. 23.~~

31 *SEC. 19.* Section 21152 of the Public Resources Code is
32 amended to read:

33 21152. (a) If a local agency approves or determines to carry
34 out a project that is subject to this division, the local agency shall
35 file notice of the approval or the determination within five working
36 days after the approval or determination becomes final, with the
37 county clerk of each county in which the project will be located.
38 The notice shall identify the person or persons in subdivision (b)
39 or (c) of Section 21065, as reflected in the agency's record of
40 proceedings, and indicate the determination of the local agency

1 whether the project will, or will not, have a significant effect on
2 the environment and shall indicate whether an environmental
3 impact report has been prepared pursuant to this division. The
4 notice shall also include certification that the final environmental
5 impact report, if one was prepared, together with comments and
6 responses, is available to the general public.

7 (b) If a local agency determines that a project is not subject to
8 this division pursuant to subdivision (b) of Section 21080, and the
9 local agency approves or determines to carry out the project, the
10 local agency or the person specified in subdivision (b) or (c) of
11 Section 21065 may file a notice of the determination with the
12 county clerk of each county in which the project will be located.
13 A notice filed pursuant to this subdivision shall identify the person
14 or persons in subdivision (b) or (c) of Section 21065, as reflected
15 in the agency’s record of proceedings. A notice filed pursuant to
16 this subdivision by a person specified in subdivision (b) or (c) of
17 Section 21065 shall have a certificate of determination attached
18 to it issued by the local agency responsible for making the
19 determination that the project is not subject to this division pursuant
20 to subdivision (b) of Section 21080. The certificate of
21 determination may be in the form of a certified copy of an existing
22 document or record of the local agency.

23 (c) A notice filed pursuant to this section shall be available for
24 public inspection, and shall be posted within 24 hours of receipt
25 in the office of the county clerk. A notice shall remain posted for
26 a period of 30 days. Thereafter, the clerk shall return the notice to
27 the local agency with a notation of the period it was posted. The
28 local agency shall retain the notice for not less than 12 months.

29 (d) For a project submitted through the initiative process, a
30 notice filed pursuant to this section shall not be filed until five
31 working days after the ~~initiative petition is adopted or~~ election
32 results approving the initiative are certified.

33 ~~SEC. 24.~~

34 *SEC. 20.* If the Commission on State Mandates determines that
35 this act contains costs mandated by the state, reimbursement to
36 local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

O

Assembly Bill 1073 (E. Garcia)

California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program

Summary: AB 1073 would extend the deadline from January 1, 2018 to January 1, 2023 requiring the California Air Resources Board (CARB) to allocate no less than 20% of available funding of the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program to support the early commercial deployment or existing zero- and near-zero-emission heavy-duty truck technology

Background: The California Global Warming Solutions Act of 2006 designates ARB with monitoring and regulating sources of emissions of greenhouse gases, and to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by CARB as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund.

The California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, upon appropriation from the Greenhouse Gas Reduction Fund, funds zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related projects, as specified. Existing law requires ARB, when funding a specified class of projects, to allocate, until January 1, 2018, no less than 20% of that available funding to support the early commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology. The program allocates approximately \$20 million on an annual basis.

Status: 4/25/2017 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 10. Noes 0.) (April 24). Re-referred to Com. on APPR.

Specific Provisions: AB 1073 would require CARB, when funding a specified class of projects, to allocate, until January 1, 2023, no less than 20% of that available funding to support the early commercial deployment or existing zero- and near-zero-emission heavy-duty truck technology.

Impacts on SCAQMD's Mission, Operations or Initiatives: According to the author, trucking is vital to California's economy but is also the single largest source of pollution for the San Joaquin and South Coast Air Basins. This bill allows the trucking and bus industry to continue work uninterrupted yet become cleaner, offering the greatest opportunity to improve air quality.

AB 1073 is consistent with SCAQMD's efforts to reduce emissions from heavy-duty vehicles by supporting the early commercial deployment or existing zero- and near-zero-emission technology.

Recommended Position: SUPPORT

ASSEMBLY BILL

No. 1073

Introduced by Assembly Member Eduardo Garcia

February 16, 2017

An act to amend Section 39719.2 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 1073, as introduced, Eduardo Garcia. California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with 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 as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.

The California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, upon appropriation from the Greenhouse Gas Reduction Fund, funds zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related projects, as specified. Existing law requires the state board, when funding a specified class of projects, to allocate, until January 1, 2018, no less than 20% of that available funding to support the early commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology.

This bill instead would require the state board, when funding a specified class of projects, to allocate, until January 1, 2023, no less than 20% of that available funding to support the early commercial deployment or existing zero- and near-zero-emission heavy-duty truck technology .

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 39719.2 of the Health and Safety Code
 2 is amended to read:
 3 39719.2. (a) The California Clean Truck, Bus, and Off-Road
 4 Vehicle and Equipment Technology Program is hereby created,
 5 to be administered by the state board in conjunction with the State
 6 Energy Resources Conservation and Development Commission.
 7 The program, from moneys appropriated from the fund for *the*
 8 purposes of the program, shall fund development, demonstration,
 9 precommercial pilot, and early commercial deployment of zero-
 10 and ~~near-zero-emission~~ *near-zero-emission* truck, bus, and off-road
 11 vehicle and equipment technologies. Priority shall be given to
 12 projects benefiting disadvantaged communities pursuant to the
 13 requirements of Sections 39711 and 39713.
 14 (b) Projects eligible for funding pursuant to this section include,
 15 but are not limited to, the following:
 16 (1) Technology development, demonstration, precommercial
 17 pilots, and early commercial deployments of zero- and ~~near-zero~~
 18 ~~emission~~ *near-zero-emission* medium- and heavy-duty truck
 19 technology, including projects that help to facilitate clean
 20 goods-movement corridors. Until January 1, ~~2018,~~ 2023, no less
 21 than 20 percent of funding made available for purposes of this
 22 paragraph shall support early commercial deployment of existing
 23 zero- and ~~near-zero-emission~~ *near-zero-emission* heavy-duty truck
 24 technology.
 25 (2) Zero- and ~~near-zero-emission~~ *near-zero-emission* bus
 26 technology development, demonstration, precommercial pilots,
 27 and early commercial deployments, including pilots of multiple
 28 vehicles at one site or region.
 29 (3) Zero- and ~~near-zero-emission~~ *near-zero-emission* off-road
 30 vehicle and equipment technology development, demonstration,

1 precommercial pilots, and early commercial deployments, including
2 vehicles and equipment in the port, ~~agriculture~~, *agricultural*,
3 marine, construction, and rail sectors.

4 (4) Purchase incentives, which may include point-of-sale, for
5 commercially available zero- and ~~near-zero~~ *emission*
6 *near-zero-emission* truck, bus, and off-road vehicle and equipment
7 technologies and fueling infrastructure to support early market
8 deployments of alternative technologies and to increase
9 manufacturer volumes and accelerate market acceptance.

10 (5) Projects that support greater commercial motor vehicle and
11 equipment freight efficiency and greenhouse gas emissions
12 reductions, including, but not limited to, advanced intelligent
13 transportation systems, autonomous vehicles, and other freight
14 information and operations technologies.

15 (c) The state board, in consultation with the State Energy
16 Resources Conservation and Development Commission, shall
17 develop guidance through the existing Air Quality Improvement
18 Program funding plan process for the implementation of this
19 section that is consistent with the California Global Warming
20 Solutions Act of 2006 (Division 25.5 (commencing with Section
21 38500)) and this chapter.

22 (d) The guidance developed pursuant to subdivision (c) shall
23 do all of the following:

24 (1) Outline performance criteria and metrics for deployment
25 incentives. The goal shall be to design a simple and predictable
26 structure that provides incentives for truck, bus, and off-road
27 vehicle and equipment technologies that provide significant
28 greenhouse gas reduction and air quality benefits.

29 (2) Ensure that program investments are coordinated with
30 funding programs developed pursuant to the California Alternative
31 and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon
32 Reduction Act of 2007 (Chapter 8.9 (commencing with Section
33 44270) of Part 5).

34 (3) Promote projects that assist the state in reaching its climate
35 goals beyond 2020, consistent with Sections 38550 and 38551.

36 (4) Promote investments in medium- and heavy-duty trucking,
37 including, but not limited to, vocational trucks, short-haul and
38 long-haul trucks, buses, and off-road vehicles and equipment,
39 including, but not limited to, port equipment, agricultural
40 equipment, marine equipment, and rail equipment.

1 (5) Implement purchase incentives for eligible technologies to
2 increase *the* use of the cleanest vehicles in disadvantaged
3 communities.

4 (6) Allow for remanufactured and retrofitted vehicles to qualify
5 for purchase incentives if those vehicles meet warranty and
6 emissions requirements, as determined by the state board.

7 (7) Establish a competitive process for the allocation of moneys
8 for projects funded pursuant to this section.

9 (8) Leverage, to the maximum extent feasible, federal or private
10 funding.

11 (9) Ensure that the results of emissions reductions or benefits
12 can be measured or quantified.

13 (10) Ensure that activities undertaken pursuant to this section
14 complement, and do not interfere with, efforts to achieve and
15 maintain federal and state ambient air quality standards and to
16 reduce toxic air contaminants.

17 (e) In evaluating potential projects to be funded pursuant to this
18 section, the state board shall give priority to projects that
19 demonstrate one or more of the following characteristics:

20 (1) Benefit to disadvantaged communities pursuant to Sections
21 39711 and 39713.

22 (2) The ability to leverage additional public and private funding.

23 (3) The potential for cobenefits or multiple-benefit attributes.

24 (4) The potential for the project to be replicated.

25 (5) Regional benefit, with focus on collaboration between
26 multiple entities.

27 (6) Support for technologies with broad market and emissions
28 reduction potential.

29 (7) Support for projects addressing technology and market
30 barriers not addressed by other programs.

31 (8) Support for enabling technologies that benefit multiple
32 technology pathways.

33 (f) ~~To assist in~~ *In* the implementation of this section, the state
34 board, in consultation with the State Energy Resources
35 Conservation and Development Commission, shall create an annual
36 framework and plan. The framework and plan shall be developed
37 with public input and may utilize existing investment plan
38 processes and workshops as well as existing state and third-party
39 research and technology roadmaps. The framework and plan shall
40 do all of the following:

1 (1) Articulate an overarching vision for technology development,
2 demonstration, precommercial pilot, and early commercial
3 deployments, with a focus on moving technologies through the
4 commercialization process.

5 (2) Outline technology categories and performance criteria for
6 technologies and applications that may be considered for funding
7 pursuant to this section. This shall include technologies for
8 medium- and heavy-duty trucking, including, but not limited to,
9 vocational trucks, short-haul and long-haul trucks, buses, and
10 off-road vehicles and equipment, including, but not limited to, port
11 equipment, agricultural equipment, construction equipment, marine
12 equipment, and rail equipment.

13 (3) Describe the roles of the relevant agencies and the process
14 for coordination.

15 (g) For purposes of this section, “~~zero- and near-zero emission~~”
16 *near-zero-emission*” means vehicles, fuels, and related technologies
17 that reduce greenhouse gas emissions and improve air quality when
18 compared with conventional or fully commercialized alternatives,
19 as defined by the state board in consultation with the State Energy
20 Resources Conservation and Development Commission. “~~Zero-~~
21 ~~and near-zero emission~~” *near-zero-emission*” may include, but is
22 not limited to, zero-emission technology, enabling technologies
23 that provide a pathway to emissions reductions, advanced or
24 alternative fuel engines for long-haul trucks, and hybrid or
25 alternative fuel technologies for trucks and off-road equipment.

AB 1647 (Muratsuchi) **Petroleum refineries: air monitoring systems.**

Summary: This bill requires an air district to require a petroleum refinery owner or operator to install the following monitoring systems, and operate and maintain them in accordance with the district-approved regional air monitoring plan:

- 1) A community air monitoring system, installed on or before January 1, 2020, including equipment capable of measuring compounds resulting from refinery processes that are likely to impact communities; and
- 2) A fence-line monitoring system, installed on or before January 1, 2019, as required by district guidance taking into account technological capabilities and incorporating input from affected parties.

Additionally, this bill requires a petroleum refinery owner or operator to collect real-time data, maintain records, and make it available to the public in an accessible format.

Background: Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law authorizes the State Air Resources Board or the air district to require the owner or the operator of an air pollution emission source to take any action that the state board or the air district determines to be reasonable for the determination of the amount of air pollution emissions from that source.

Status: 4/18/2017 - Re-referred to Com. on NAT. RES. From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 2.) (April 17). Re-referred to Com. on APPR.

Specific Provisions – Specifically, this bill would:

- Require an air district to require a petroleum refinery owner or operator to install the following monitoring systems, and operate and maintain them in accordance with the district-approved regional air monitoring plan:
 - 1) A community air monitoring system, installed on or before January 1, 2020, including equipment capable of measuring compounds resulting from refinery processes that are likely to impact communities; and
 - 2) A fence-line monitoring system, installed on or before January 1, 2019, as required by district guidance taking into account technological capabilities and incorporating input from affected parties.
- Require the owner or operator of a refinery to collect real-time data from these monitoring systems, to make that data available to the public at the time of collection in a publicly accessible format, and to maintain records of that data.
- “Community air monitoring system” means equipment that measures and records air pollutant concentrations in the ambient air at or near sensitive receptor locations near a

petroleum refinery and that may be useful for estimating associated pollutant exposures and health risks and in determining trends in air pollutant levels over time.

- “Fence-line monitoring system” means equipment that measures and records air pollutant concentrations along the property boundary of a petroleum refinery and that may be useful for detecting or estimating the quantity of fugitive emissions, gas leaks, and other air emissions from the refinery.

Impacts on SCAQMD’s mission, operations or initiatives: This bill is focused on addressing emissions from petroleum refineries that can have harmful impacts on the surrounding communities, including those within the South Coast region. Recent developments in technology have shown that emissions from such refineries may be exceeding that which is currently being reported by existing methods. Thus, this bill may help reduce harmful toxic emissions which disproportionately impact the areas neighboring those facilities. In particular, this bill could help protect public health within many disadvantaged communities throughout the South Coast.

However, SCAQMD rulemaking on the issue addressed by this bill is already underway and there are concerns in terms of making sure that the local public stakeholder process is preserved. Further, the bill’s terminology about operation and maintenance in accordance with a district-approved regional air monitoring plan seems ambiguous and needs clarification. SCAQMD would like to work with the author to address these and any other concerns that may come up during the legislative process for this bill.

Recommended Position: WORK WITH AUTHOR

AMENDED IN ASSEMBLY APRIL 17, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1647

Introduced by Assembly Member Muratsuchi

February 17, 2017

An act to add Section 42705.5 to the Health and Safety Code, relating to nonvehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 1647, as amended, Muratsuchi. Petroleum refineries: air monitoring systems.

Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law authorizes the State Air Resources Board or the air district to require the owner or the operator of an air pollution emission source to take any action that the state board or the air district determines to be reasonable for the determination of the amount of air pollution emissions from that source.

This bill would require an air district to require the owner or operator of a petroleum refinery to install a community air monitoring system, as defined, on or before January 1, 2020, *as specified*, and to install a fence-line monitoring system, as defined, on or before January 1, 2019. ~~By adding to the duties of air districts, this bill would impose a state-mandated local program. 2019, as specified.~~ The bill would require the owner or operator of a refinery to collect real-time data from these monitoring systems, to make that data available to the public at the time of collection in a publicly accessible format, and to maintain records

of that data. *By adding to the duties of air districts, this bill would impose a state-mandated local program.*

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:

1 SECTION 1. Section 42705.5 is added to the Health and Safety
2 Code, to read:

3 42705.5. (a) For purposes of this section, the following
4 definitions apply:

5 (1) “Community air monitoring system” means equipment that
6 measures and records air pollutant concentrations in the ambient
7 air at or near sensitive receptor locations near a petroleum refinery
8 and that may be useful for estimating associated pollutant
9 exposures and health risks and in determining trends in air pollutant
10 levels over time.

11 (2) “Fence-line monitoring system” means equipment that
12 measures and records air pollutant concentrations along the
13 property boundary of a petroleum refinery and that may be useful
14 for detecting or estimating the quantity of fugitive emissions, gas
15 leaks, and other air emissions from the refinery.

16 (b) Notwithstanding Section 42708, a district shall require the
17 owner or operator of a petroleum refinery to install the following
18 monitoring systems, which shall be operated and maintained in
19 accordance with the regional air monitoring plan approved by the
20 district:

21 (1) A community air monitoring system, installed on or before
22 January 1, ~~2020~~ 2020, *based on the federal Environmental*
23 *Protection Agency’s monitoring siting requirements and guidance.*
24 *The community air monitoring system shall include equipment*
25 *capable of measuring compounds resulting from refinery processes*
26 *that are likely to impact communities.*

27 (2) A fence-line monitoring system, installed on or before
28 January 1, ~~2019~~ 2019, *as required by guidance developed by the*

1 *appropriate district. The guidance developed by the district shall*
2 *take into account technological capabilities and incorporate input*
3 *from affected parties.*

4 (c) The owner or operator of a petroleum refinery shall collect
5 real-time data from the community air monitoring system and the
6 fence-line monitoring system and shall maintain records of that
7 data. This data shall be available to the public at the time of
8 collection in a publicly accessible format.

9 SEC. 2. No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution because
11 a local agency or school district has the authority to levy service
12 charges, fees, or assessments sufficient to pay for the program or
13 level of service mandated by this act, within the meaning of Section
14 17556 of the Government Code.

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ATTACHMENT 4



**South Coast
Air Quality Management District**
21865 Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • www.aqmd.gov

HOME RULE ADVISORY GROUP

Wednesday, March 15, 2017

MEETING MINUTES

CHAIR:

Dr. Joseph Lyou, Governing Board member

MEMBERS PRESENT:

Curt Coleman (Southern California Air Quality Alliance); Bill LaMarr (California Small Business Alliance); Art Montez (AMA International); Noel Muyco (Southern California Gas); Penny Newman (Center for Community Action and Environmental Justice); Terry Roberts (American Lung Association of California); David Rothbart (Los Angeles County Sanitation District); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Chris Gallenstein (CARB); Rongsheng Luo (SCAG); Bill Quinn (California Council for Environmental & Economic Balance); and Larry Rubio (Riverside Transit Agency).

MEMBERS ABSENT:

Micah Ali (Compton Unified School District Board of Trustees); Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy); Jaclyn Ferlita (Air Quality Consultants); Jayne Joy (Eastern Municipal Water District); Mark Olson (Gerdau Rancho Cucamonga Mill); Patty Senecal (Western States Petroleum Association); Larry Smith (Cal Portland Cement); Morgan Wyenn (Natural Resources Defense Council) and Amy Zimpfer (EPA)

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Frank Caponi (Los Angeles County Sanitation District) and Rita Loof (Radtech)

AQMD STAFF:

Wayne Nastri	Executive Officer
Philip Fine	Deputy Executive Officer
Susan Nakamura	Acting Deputy Executive Officer
William Wong	Principal Deputy District Counsel
Philip Crabbe	Community Relations Manager
Ann Scagliola	Administrative Secretary

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman).

APPROVAL OF JANUARY 11, 2017 MEETING MINUTES

Dr. Lyou asked for comments on the January 11, 2017 meeting minutes. Hearing none, the minutes were approved.

CARB REGULATORY ACTIVITIES

Chris Gallenstein reported on the following items to be discussed at the March 2017 CARB Board Meeting and other important items.

- Consider approval of the 2016 Ozone State Implementation Plan for San Diego County.
- Consider approval of the 2016 Ozone and PM2.5 State Implementation Plan for the South Coast Air Quality Management District's Air Quality Management Plan and the Coachella Valley.
- Consider approval of the State Strategy for the State Implementation Plan.
- Hear proposed updates to SB 375 greenhouse gas emission reduction targets.
- Consider the approval of proposed regulations for greenhouse gas emissions standards for crude oil and natural gas facilities.
- Consider proposed final greenhouse gas emission standards for crude oil and natural gas facilities, natural gas processing plants, natural gas gathering, boosting, and transmission compressor stations, and underground natural gas storage facilities.
- Consider approval of the Short-Lived Climate Pollutant Reduction Strategy.
- Hear update on first Draft Volkswagen Zero Emission Vehicles Investment Plan.

Discussion

Bill LaMarr inquired if CARB's Board can approve, disapprove and/or request changes to SCAQMD's SIP. Chris Gallenstein indicated that the CARB Board can approve, disapprove or request additional changes or review. SCAQMD staff further clarified that there is an established process to follow, if the SIP is not approved by the CARB Governing Board.

David Rothbart inquired if the staff report on CARB's review of the 2016 Air Quality Management Plan was corrected, specifically the language on the zero emission vehicles. Bill Quinn commented that he spoke with Scott King that morning and CARB will prepare an errata sheet to reflect the corrected language within their staff report.

LEGISLATIVE UPDATE

Philip Crabbe provided a report on the February and March 2017 Legislative Committee meetings.

Federal Legislative Issues (February)

Attorney General Jeff Sessions, Secretary of Health and Human Services Tom Price, and Secretary of Education Betsey DeVos were officially appointed to President Donald Trump's cabinet. President Trump's two-for-one executive order, which would require federal agencies to revoke two regulations for every rule passed, faced lawsuits from various groups. In addition, the fuel economy standards midterm review could potentially be rolled back through a funding limitation on the appropriations bills.

President Trump's 2018 fiscal budget process is expected to be completed by early June. The fiscal year 2018 appropriations bill will likely have a late congressional appropriations process and be condensed, as the federal fiscal year begins on October 1. The fiscal year 2017 appropriations bills are operating under a current continuing resolution which expires at the end of April and Congress and will continue to use the 2016 levels.

State Legislative Issues (February)

February 17th was the deadline for bill introductions and approximately 2,600 to 2,700 bills were introduced in the state legislature for 2017. Mr. Crabbe provided a summary of the following two bills:

- AB 378 (C. Garcia), a cap and trade reauthorization; and
- SB 57 (Stern), addresses Aliso Canyon and the goal of determining the root cause of the natural gas leak there.

The Committee considered two infrastructure funding bills for possible position; AB 1 (Frazier) and SB 1 (Beall). Staff recommended working with the authors on AB 1 and SB 1 to secure amendments to provide funding for projects that will reduce air pollution and promote the development of zero and near-zero emission transportation technology and increasing funding for clean goods movement through region. The recommendations were accepted by the Legislative Committee. The Committee also considered the following bills for position:

- AB 193 (Cervantes), a bill creating the Clean Re-used Vehicle Rebate Project. The Committee accepted staff's recommendation to Support and Work with Author; and
- SB 53 (Hueso), relating to increased federal weight limits for heavy duty natural gas vehicles. The Committee accepted staff's recommendation to Support this bill.

The Legislative Committee approved proposed legislation for an SCAQMD sponsored bill, AB 1132 (C. Garcia). This bill would allow the executive officer to issue an order for abatement to stop toxic emissions if they are an imminent and substantial endangerment to public health or the environment, pending a hearing by the Hearing Board.

A special Legislative Committee meeting was held in February to obtain approval to introduce two additional bill proposals into the Legislature. The first bill proposal AB 1274 (O'Donnell) for an enhanced smog abatement fee, would provide increased funding for the Carl Moyer program. The second bill proposal was related to the creation of a port container cargo fee, which would help generate funding to support the recently passed 2016 AQMP. Both proposed legislations were approved by the Legislative Committee.

Federal Legislative Issues (March)

The Trump Administration has proposed cuts to the U.S. Environmental Protection Agency's budget and other federal agencies, including a zeroing out of the Diesel Emission Reduction Act. These proposed cuts would need the approval of Congress and are currently being tracked by SCAQMD.

The Committee also considered the following bills for position:

- AB 582 (C. Garcia), which would address the Volkswagen cheat scandal. The Committee accepted staff's recommended position of Support with Amendments for this bill;
- AB 615 (Cooper), which would remove the sunset on provisions relating to the Clean Vehicle Rebate Project that secured more funding for and limited eligibility to lower income individuals. The Committee accepted staff's recommended position of Support for this bill;
- AB 1081 (Burke), which would provide a sales tax incentive to buy clean vehicles. The Committee recommended a position of Support with Amendments for this bill;
- AB 1083 (Burke), which would promote electric vehicle charging at state parks and beaches. The Committee accepted staff's recommended position of Support for this bill; and

- SB 174 (Lara), which deals with heavy duty diesel vehicle registrations. The Committee accepted staff's recommended position of Support with Amendments for this bill.

Mr. Crabbe summarized the policy principles proposed by staff to the Legislative Committee for adoption. These policy principles focused on the Cap-and-Trade or Greenhouse Gas Reduction Fund (GGRF) bills, which would allow for an annual allocation of 20 percent of GGRF monies to go to severe and extreme non-attainment areas for ozone with a focus on reducing air pollution and deployment of zero-emission and near-zero emission heavy duty vehicles for the benefit of air quality and public health impacts. The Committee approved these policy principles.

Discussion

Art Montez inquired about CARB's Cap-and-Trade Program auction proceeds and the money the State Governor borrowed from distressed communities. Dr. Lyou indicated that the State can borrow the money for an indefinite period of time, and CARB's website provides information about the money collected.

Art Montez inquired of current legislation that offers incentive funding on energy efficient air conditioner units for buildings. Staff indicated that the California Energy Commission (CEC) might have funds available through local utilities.

***ACTION ITEM** – Art Montez requested information on specific CEC programs that have incentive funding for air conditioning units.*

Art Montez expressed concern about the future tracking of pollution from the Ports and rail systems, due to EPA budget cuts. Dr. Lyou indicated that EPA's emissions inventory data reflects information provided by SCAQMD and the Ports. Staff commented that the emissions reporting would continue, regardless of future EPA cutbacks.

Art Montez inquired about the various proceeds collected from the Carl Moyer Program, port fees, and other such programs, for disadvantaged communities and how a community could access these funds for purchasing school buses. Dr. Lyou indicated there are funds still available in the Carl Moyer Program and that data for investment funds are available on CARB's website. Staff commented that a draft report is now available, along with an interactive map.

***ACTION ITEM** – Dr. Lyou requested for staff to provide a link to CARB's Greenhouse Gas Reduction Fund report.*

Bill LaMarr inquired if AB 1132 is for toxic pollutants only or does it also pertain to other pollutants. Staff indicated that it applies to any imminent and substantial endangerment (ISE) to the public health or welfare or the environment.

Bill LaMarr indicated that he was under the impression that anything involving taxes and fees had to go to the public for a vote. Staff indicated it generally takes a 2/3 vote of legislature or of the public (ballot initiative).

David Rothbart inquired about AB 1132 and if the Hearing Board is obligated to hear a case quicker, since a business has only a few days to comply. Staff indicated that the bill language specifies the hearing must be held as soon as possible or practical, and no later than within 30 days.

Dr. Lyou inquired if an abatement order can be withdrawn if a business reacts quickly and an ISE no longer exists. Staff indicated that an order can be withdrawn, if the problem causing the ISE was shown to be permanently corrected.

Dr. Lyou commented on SB 174 which would deny truck owners the ability to submit a DMV vehicle registration or transfer of ownership without a confirmation of compliance with CARB's regulations, and the estimation of 30% of the trucks currently on the road in California are in non-compliance. Staff indicated that the CARB's replacement or retrofit schedule starts with the older trucks first, and the youngest truck affected by this regulation is 14 years old.

Dr. Lyou inquired about SB 638, a similar bill which requires a smog-check for heavy duty vehicles. Staff indicated that this bill could be a spot bill and they could review this bill.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong commented that there was one update to add to the litigation status report provided.

- A complaint was filed by Aerocraft, which indicated they are seeking relief from prior curtailments and challenging the District's exceedance data.

UPDATE ON EFFORTS IN PARAMOUNT TO ADDRESS HEXAVALENT CHROMIUM

Susan Nakamura provided an overview of SCAQMD's efforts in the city of Paramount regarding monitoring, identification of sources, and the reduction of hexavalent chromium.

Discussion

Art Montez commented that we should be able to know what health impact and learning disabilities are attributed to environmental sources. Dr. Lyou explained the difficulty of conducting health studies and making specific conclusions, and emphasized that it is more effective to focus on reducing the pollution at the source to reduce overall health risk.

Art Montez inquired about the impacts of exposure. Staff indicated that hexavalent chromium is a known carcinogen and the main exposure risk is cancer, primarily lung cancer.

Dr. Philip Fine explained how this is an unprecedented example of inter-agency coordination, not only at the local level but also at the State and Federal levels. This advisory group also deals with multiple levels of government, and we wanted to provide this update as an example of how our agency through weekly telephone calls coordinates with various agencies at all levels. One of the agencies that we coordinate with is the Los Angeles County Public Health. They have reviewed our communications and risk evaluations data and they have concurred with the findings.

Art Montez inquired if SCAQMD has meet with the local schools and health clinics to inquire if there are chronic breathing issues, or other health related issues. Staff indicated that we are coordinating with the school districts and they are part of our weekly telephone updates, and Los Angeles County Public Health could possibly provide information on long term health impacts.

TyRon Turner inquired if facilities are aware of the air sample schedule. Staff indicated they might, but there are off-schedule sample days to ensure that facilities are not coordinating activities based on the schedule.

TyRon Turner asked if there are monitors in areas other than near schools. Staff replied yes.

Tyron Turner inquired who is monitoring the water. Dr. Lyou indicated the Los Angeles Regional Water Quality Control Board. Staff commented that the Department of Toxics Substance Control is monitoring the soil.

David Rothbart asked questions regarding the type of sampler and the filter. Staff explained the details of the type of sampler and the challenges with analyzing hexavalent chromium.

David Rothbart asked about the sampling techniques being used. Staff explained the details of the type of sampler and the challenges with analyzing hexavalent chromium.

Bill LaMarr indicated that he is encouraged by the monitoring and studies being conducted, and acknowledged the fear and vulnerability experienced by the community and businesses too. Mr. LaMarr expressed his concern about future rulemaking, the importance of working with the stakeholders, and imposing regulations that could put this type of industry out of business. He also noted that many business owners live near and in the communities where they operate their businesses. Dr. Lyou asked Mr. LaMarr how he liked the development of Rule 1430 and indicated that staff has demonstrated that they can approach rulemaking in a systematic and fair approach. Wayne Natri indicated that we understand the concerns and we are sensitive to the impacts on businesses, and in the rulemaking process we are also looking at technology advancement for these types of facilities. Staff commented the reason we are going back to look at these rules is because new information has come forward, that no one was aware of before for hexavalent chromium, and the gaps in the rules must be addressed.

CONSENSUS BUILDING

There was no report.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

There was no report.

B. Small Business Considerations (Bill LaMarr)

There was no report.

C. Environmental Justice (Curt Coleman)

Curt Coleman mentioned the upcoming OEHHA Children's Environmental Health Symposium on April 26, 2017 in Sacramento.

D. Climate Change (David Rothbart)

Frank Caponi provided updates on future changes and legislative bills going forward in 2017.

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

Dr. Philip Fine reported on the following items for the March 2017 meeting.

- Report on advanced remote sensing technologies to measure emissions from refineries and other sources.
- Update on Proposed Amended Rules 219 and 222.

Discussion

Art Montez inquired if there is consideration to protect the workers of regulated businesses, and during rulemaking is there an effort made to keep companies from shutting down. Dr. Lyou indicated that Cal/OSHA oversees worker health conditions. He further explained that during the rulemaking process, we work with other regulatory agencies and impact analyses are conducted. Staff added that SCAQMD works with facilities through our engineer and inspector teams to identify potential sources and encourage them to work with us, to reduce the risks to their employees and the communities.

OTHER BUSINESS

TyRon Turner commented how he had recently attended a Neighborhood Council community meeting and was surprised that many city officials did not know the role of the SCAQMD. He was asked to inquire how often SCAQMD attends community relations events and if staff could attend future meetings. Staff indicated that LPA staff regularly attend monthly Council of Government and City Manager meetings. Staff further explained how SCAQMD is working to enhance communications by reaching out to city officials when a Notice of Violation is issued to a facility within their jurisdiction, so that City Councils are not surprised if extended monitoring or enforcement action is needed.

ACTION ITEM – Dr. Lyou requested that LPA staff follow-up with TyRon Turner for future meetings, and Dr. Philip Fine requested an LPA presentation on their outreach efforts with businesses, local government and communities.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

The meeting was adjourned at 12:15 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on May 10, 2017, and will be held at SCAQMD in Conference Room CC-8.