BOARD MEETING DATE: February 4, 2022

AGENDA NO. 19

REPORT: Legislative Committee

SYNOPSIS:The Legislative Committee held a meeting remotely on Friday,
January 14, 2022. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file this report and approve agenda items as specified in this letter.

Michael A. Cacciotti, Chair Legislative Committee

DJA:LTO:PFC:DPG:ar

Committee Members

Present:	Mayor Michael A. Cacciotti, Chair
	Council Member Joe Buscaino, Vice Chair
	Board Member Veronica Padilla-Campos
	Senator Vanessa Delgado (Ret.)
	Supervisor V. Manuel Perez
	Supervisor Janice Rutherford

Absent: None

Call to Order

Chair Michael Cacciotti called the meeting to order at 9:00 a.m.

DISCUSSION ITEMS:

1. Update on South Coast AQMD Board membership legislation

Derrick Alatorre, Deputy Executive Officer/Legislative, Public Affairs & Media, provided an update regarding SB 342 (Gonzalez). This bill would increase the South Coast AQMD Governing Board from 13 to 15 members, by adding two environmental justice (EJ) appointees. South Coast AQMD has a "Work with Author" position on this 2-year bill which must pass out of the Senate by the end of January to remain viable. Senator Lena Gonzalez informed staff that the bill is supported by numerous environmental and EJ groups, and is opposed by labor, business and the oil industry.

Supervisor Rutherford inquired about the meeting with Senator Gonzalez. Mr. Alatorre responded that staff received an update on the status of the bill. Supervisor Rutherford, Council Member Buscaino and Senator Delgado expressed strong concerns about SB 342.

Chair Cacciotti directed staff to agendize this bill for the next meeting.

There was no public comment.

2. Update and Discussion on Federal Legislative Issues

South Coast AQMD's federal legislative consultants (Carmen Group, Cassidy & Associates, and Kadesh & Associates) provided written reports on key Washington, D.C. issues.

Gary Hoistma, Carmen Group, reported that Congress is back in session with several issues outstanding. Fiscal Year 2022 Appropriations are pending with the current continuing resolution expiring on February 18. The Build Back Better bill (Reconciliation) does not have enough votes to pass in the Senate. The Bipartisan Infrastructure Investment and Jobs Act, signed by President Biden on November 15, 2020, is beginning to be implemented by the Department of Transportation and other agencies.

Chair Cacciotti inquired about the Department of Energy's new program. Mr. Hoitsma explained that the program is in the formative stages and more details, including potential grant opportunities, will be provided in the future.

Jed Dearborn, Cassidy & Associates, reported that the next Congress will be impacted by retirements with potential changes in leadership. Twenty six members will not seek re-election including Representative Peter DeFazio, Chair of Transportation & Infrastructure. Other retirements include six Representatives on the House Energy & Commerce Committee and the Chair and Ranking Member of the Senate Appropriations Committee.

Mark Kadesh, Kadesh & Associates, reported that the California delegation is losing a seat which will decrease representation in the House from 53 to 52 members. Three Members of Congress have announced they will not be seeking reelection including Representatives Karen Bass, Alan Lowenthal and Lucille Roybal-Allard. Redistricting has impacted districts currently held by Representatives Michelle Steele, Katie Porter, Mike Levin and Mike Garcia.

There was no public comment.

3. Update and Discussion on State Legislative Issues

South Coast AQMD's state legislative consultants (Resolute, California Advisors, LLC, and Joe A. Gonsalves & Son) provided written reports on key issues in Sacramento.

David Quintana, Resolute, reported that Assembly Member Lorena Gonzalez has resigned, and that various state legislators will not be running for re-election including Assembly Members Chad Mayes, Jordan Cunningham, and Patrick O'Donnell, as well as Senators Sydney Kamlager and Andreas Borgeas. On February 15, two special elections will take place, one to replace former Assembly Member David Chiu, and the other to replace former Assembly Member Ed Chau.

Ross Buckley, California Advisors, LLC, reported that the Governor presented his 2022-23 budget on January 10, which totals \$286.4 billion. There is an estimated surplus of \$45.7 billion, of which \$20.6 billion is available for discretionary spending. The budget includes:

- \$6.1 billion over the next five years for zero-emission (ZE) vehicle adoption, including \$935 million for 1,000 ZE short-haul drayage trucks and 1,700 ZE transit buses, as well as \$400 million for port electrification;
- \$240 million for the AB 617 program, including \$180 million for incentives, \$50 million for implementation and \$10 million for technical assistance to community groups;
- \$30 million for local, real-time air pollution monitoring in disadvantaged communities;
- \$350,000 for targeted biomonitoring in AB 617 communities;
- \$1.8 million to establish a CARB Office of Racial Equity; and
- \$1.2 billion for port-related projects to increase goods movement on rail and roadways serving the ports.

The Legislature will start reviewing the Governor's proposed budget through the Subcommittee process which will commence in February.

Paul Gonsalves, Joe A. Gonsalves & Son, provided an overview of CARB's new heavy-duty vehicle inspection and maintenance program. The program requires smog checks for medium- and heavy-duty trucks and buses weighing greater than 14,000 pounds. CARB will implement the program to control emissions more effectively from non-gasoline on-road heavy-duty vehicles. As with passenger cars and light-duty trucks, California registration of these heavier vehicles will require passing this inspection.

Changes to Committee leadership were announced, with Assembly Member Chris Holden appointed Chair of Appropriations; Assembly Member Eduardo Garcia appointed Chair of Utilities and Energy; and Assembly Member Rebecca Bauer-Kahan appointed Chair of Water, Parks and Wildlife.

COVID-19 continues to impact the Legislature, resulting in limitations such as one staff person in an office per day and restrictions on other in-person activities.

Chair Cacciotti expressed concern regarding the effectiveness of the new SB 210 heavy-duty vehicle smog check program, as fraud and enforcement could present challenges.

There was no public comment.

OTHER MATTERS:

4. Other Business

There was no other business to report.

5. Public Comment Period

There was no public comment.

6. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, Feburary 11, 2022 at 9:00 a.m.

Adjournment

The meeting adjourned at 9:42 a.m.

Attachments

- 1. Attendance Record
- 2. Update on Federal Legislative Issues Written Reports
- 3. Update on State Legislative Issues Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING (VIA HYBRID) ATTENDANCE RECORD – January 14, 2022

Board Member Veronica Padilla-Campos Council Member Joe Buscaino Mayor Michael Cacciotti Senator Vanessa Delgado Supervisor V. Manuel Perez Supervisor Janice Rutherford	South Coast AQMD Board Member South Coast AQMD Board Member South Coast AQMD Board Member South Coast AQMD Board Member
Jacob Haik Debra Mendelsohn Mark Taylor Amy Wong Ben Wong	Board Consultant (Rutherford) Board Consultant (Rutherford) Board Consultant (Padilla-Campos
Ross Buckley Jed Dearborn Paul Gonsalves Gary Hoitsma Mark Kadesh David Quintana	Cassidy & Associates Joe A. Gonsalves & Son Carmen Group, Inc. Kadesh & Associates
Mark Abramowitz Alan Caldwell Nick Chiappe Kris Flaig Jason Henderson Francis Keeler Matt Klink Bill LaMarr Zachary Leary Karin Manwaring Erick Martell Max Reyes David Rothbart Harry Semerdjian Patty Senecal Mike West Janet Whittick Peter Whittingham Sarah Wiltfong	California Small Business Alliance

Derrick Alatorre	South Coast AOMD Staff
Debra Ashby	-
Jason Aspell	
Barbara Baird	-
Cindy Bustillos	-
Philip Crabbe	-
Sindy Enriquez	-
Anissa Cessa Heard-Johnson	
Mark Henninger	-
Aaron Katzenstein	
Jason Low	-
Ian MacMillian	South Coast AQMD Staff
Matt Miyasato	South Coast AQMD Staff
Ron Moskowitz	
Susan Nakamura	South Coast AQMD Staff
Wayne Nastri	South Coast AQMD Staff
Denise Peralta Gailey	
Sarah Rees	South Coast AQMD Staff
Aisha Reyes	South Coast AQMD Staff
Lisa Tanaka O'Malley	
Anthony Tang	South Coast AQMD Staff
Hoan Thai	South Coast AQMD Staff
Vicki White	South Coast AQMD Staff
Jill Whynot	South Coast AQMD Staff
Paul Wright	South Coast AQMD Staff
Rainbow Yeung	South Coast AQMD Staff
Victor Yip	



То:	South Coast AQMD Legislative Committee
From:	Carmen Group
Date:	December 29, 2021
Re:	Federal Update Executive Branch

<u>**CR, Debt Limit, Reconciliation:</u>** In December, Congress approved a two-month Continuing Resolution (CR), effectively kicking the FY22 appropriations process endgame to the new deadline of February 18. Meanwhile, Democrats in Congress were able to clear the debit limit hurdle without any Republican votes, though 19 Republicans in the Senate did assist by joining Democrats there in first approving a carve-out process to let it happen with just 51 votes instead of the normal 60. And finally, just before Christmas, President Biden's \$1.7-plus trillion Build Back Better reconciliation bill effectively died with Democratic Senator Sen. Joe Manchin's announcement that he had decided to join all 50 Senate Republicans in voting "no." An actual roll call vote on the Senate floor may – or may not – happen in early January. Then focus will turn early in the New Year to expected Democratic efforts to try to resurrect the bill in smaller pieces that by themselves might be able to win majority support.</u>

<u>Ultra-Low NOx Update</u>: On December 2, Executive Officer Wayne Nastri delivered opening remarks at the national Ultra-Low NOx Webinar sponsored by the Alliance for Vehicle Efficiency (AVE) and CALSTART, with nearly 100 attendees from across the country. At the meeting, a representative from the EPA announced that the agency's long-awaited proposed rulemaking for heavy-duty trucks was on schedule to be released sometime in January and finalized by the end of 2022.

Infrastructure Law Implementation: On November 15, 2021, President Biden signed into law the Bipartisan Infrastructure Law (BIL), otherwise was known as the Infrastructure Investment and Jobs Act (IIJA), which includes a full five-year surface transportation reauthorization. The law also includes a number of provisions of special interest to South Coast AQMD, including most notably the EV Charging and Fueling Infrastructure provisions to be implemented by the Department of Transportation (DOT) and the Federal Highway Administration (FHWA); the Clean School Bus Program to be implemented by the Environmental Protection Agency (EPA); the EV Battery Supply Chain, Clean Energy, and Clean Hydrogen provisions to be implemented by the Department of Energy (DOE); and the Wildfire Mitigation provisions to be implemented by the Department of Agriculture (USDA), the Department of the Interior (DOI) and the Federal Emergency Management Agency (FEMA). From these federal agencies, here are some recent Infrastructure Law implementation announcements and actions of note:

- DOE/DOT Joint Office of Energy and Transportation: In December, Energy Secretary Jennifer Granholm and Transportation Secretary Pete Buttigieg signed a memorandum of understanding to create a Joint Office of Energy and Transportation to support the deployment of \$7.5 billion from the Infrastructure Law to build out a national vehicle charging network to "accelerate the adoption of electric vehicles." See promotional videos: Secretaries Buttigieg and Granholm <u>https://youtu.be/K3NFGIgceMg</u> Electric Trucker Driver <u>https://youtu.be/zJceJ_yjui8</u>
- FHWA RFI on EV Charging Infrastructure Deployment: In December, the Federal Highway Administration published a formal Request for Information (RFI), seeking public and stakeholder comments on the implementation of the Infrastructure Law's new programs for national EV Charging and Charging/Fueling Infrastructure. Comments are due by January 28, 2022. https://www.govinfo.gov/content/pkg/FR-2021-11-29/pdf/2021-25868.pdf
- DOT Infrastructure Law Benefits for California https://www.transportation.gov/sites/dot.gov/files/2021-11/Bipartisan_Infrastructure_Law_California.pdf
- FHWA Highway Program Funding Table FY22 Apportionments by State https://www.fhwa.dot.gov/legsregs/directives/notices/n4510858/n4510858_t1.cfm
- FHWA -- RFI on Infrastructure Law Implementation https://www.govinfo.gov/content/pkg/FR-2021-12-01/pdf/2021-26145.pdf
- EPA Clean School Bus Program Webinar: On December 15, Carmen Group attended EPA's live webinar on the Infrastructure Law's new Clean School Bus Program (\$5 billion over five years), formatted as a listening session for EPA to gather stakeholder questions, viewpoints and suggestions regarding the program's implementation. Participating stakeholders included several local government officials and an array of environmental, climate and EJ groups. A considerable majority of the 20 or so speakers urged EPA to focus the program on zero-emission EVs and to de-emphasize the law's allowance for up to half of the money to go to low-emission alternative fuel vehicles. Only one speaker, a local official, expressed strong reservations about this approach, saying his district's experience with EV buses was "mixed," and included problems related to cold-weather reliability and range limitations.
- DOE Office of Clean Energy Demonstrations: In December, the Department of Energy announced the establishment of the new Office of Clean Energy Demonstrations, as part of the Infrastructure Law's multibillion dollar support of clean energy technology demonstration projects including clean hydrogen, carbon capture, energy storage and more, designed to spark critical innovations and follow-on private investments on a path to the Administration's goal of net-zero emissions by 2050. The office will oversee more than \$20 billion in federal clean

energy investment, including \$8 billion for clean hydrogen which DOE says, "will turbo-charge our progress toward heavy trucking and industrial sectors that run without producing carbon pollution." In addition, \$500 million is targeted for "demonstration projects in economically hard-hit communities."

- **DOE Notable Energy Manufacturing Investments:** The Department of Energy in November highlighted several important investments the Infrastructure Law will make available in clean energy manufacturing supply chains. These include \$7.5 billion in the supply chain for batteries; \$1.5 billion for clean hydrogen manufacturing and advancing recycling RD&D; and expanding DOE's Loan Program Office to include zero-emission technologies for medium- and heavy-duty trucks, trains, aircraft and marine transportation.
- **DOE RFI on Critical Climate Investments:** In December, the Department of Energy published a formal Request for Information (RFI) on technologies ready to be demonstrated that reduce carbon emissions and remove carbon dioxide from the atmosphere. Comments will help guide DOE in its implementation of the Infrastructure Law. Comments are due by January 24, 2022.
- USDA/DOI/FEMA Wildland Fire Mitigation and Management Commission: Fulfilling a key provision of the Infrastructure Law, a new Wildland Fire Mitigation and Management Commission was formally established in December in a joint announcement of the Department of Agriculture, the Department of the Interior and the Federal Emergency Management Agency. The Commission will include representation from federal, state, Tribal, county and municipal governments as well as non-governmental stakeholders from private industry and will deliver a report to Congress with policy recommendations within one year of its first meeting.

Department of Transportation

Top FRA Official Visits Ports of Los Angeles and Long Beach: On December 8, Federal Railroad Administration (FRA) Deputy Administrator Amit Bose visited the Ports of Los Angeles and Long Beach to discuss progress in tackling supply chain issues. He was joined by representatives of the ports, rail carriers and labor organizations.

DOT Announces Grants for U.S. Ports: In December, the Department of Transportation announced more than \$241 million in discretionary grant funding for 25 projects to improve port facilities in 19 states through the Maritime Administration's (MARAD) Port Infrastructure Development Program. Among the award recipients were the Port of Long Beach which received \$52,300,000 for its Pier B Early Rail Enhancement Project and the Port of Oakland which received \$5,200,000 for its Powering the Future Project.

DOT Secretary Buttigieg Remarks to IMO Assembly: On December 6, Secretary Buttigieg spoke to the International Maritime Organization Assembly meeting in London. Here is a brief excerpt: *"Greenhouse gas emissions from the maritime industry contribute significantly to climate change - and measures taken to date have not yet been enough to*

stop their growth. That's why the U.S. is pressing for the IMO to adopt a goal of zero emissions from international shipping by 2050, along with accelerated actions and standards to get us there."

<u>NHTSA Reverses Course by Reinstating the California Waiver</u>: In December, as expected, the National Highway Traffic Safety Administration (NHTSA) finalized the Biden Administration's rule to undo Part I of the Trump Administration's SAFE rule which sought to preempt states, including California, from issuing in their own GHG standards and vehicle emissions mandates.

Environmental Protection Agency

EPA Finalizes New GHG Standards for Cars and Light Trucks: In December, the EPA finalized ambitious new GHG standards for passenger cars and light trucks for MY 2023-2026, completely undoing the Trump Administration's SAFE rule which followed a much different approach. The new Biden Rule seeks to aggressively push toward a zeroemission future, arguing that its much stricter standards over four years will lead to EV and plug-in hybrids growing from about 7 percent of market share in MY 2023 to about 17 percent of market share in MY 2026.

EPA Announces Funding Availability for Air Pollution Monitoring Grants: In December, the EPA announced the availability of \$20 million in competitive grants to enhance ambient air quality monitoring in communities across the country, "especially in underserved and overburdened communities." Community-based nonprofit organizations, Tribes, states and local governments may apply. Informational webinar scheduled January 11, 2022. Application period closes February 25, 2022.

EPA Announces Environmental Justice Grants: In December, the EPA announced \$14.1 million to 133 Environmental Justice grants across the country from funds appropriated through the American Rescue Plan (COVID Relief) bill. Among the grants awarded were ten projects in California, including one in Long Beach targeting households adversely impacted by pollution from the Port of Long Beach and local refineries.

EPA Awards \$8 Million for DERA Grants in California: In December, EPA announced over \$14 million in DERA grants across the country for projects that reduce diesel emissions. Of this, over \$8 million was awarded to five projects in California, including \$2,349,995 for South Coast AQMD.

Notable Appointment:

Martha Guzman, EPA Regional Administrator for Region 9 CPUC Commissioner; CA Gov. Brown staff; CA Rural Legal Asst. Found.; UFW

Outreach: Contacts included the Alliance for Vehicle Efficiency on the AVE/CALSTART Ultra-Low NOx rulemaking; and the Department of Transportation on port air quality issues.



- To: South Coast Air Quality Management District
- From: Cassidy & Associates
- Date: December 29, 2021
- Re: December Report

HOUSE/SENATE

The few weeks of December saw a flurry of action so Congress could get out of town before the holidays. Prior to the previous continuing resolution's (CR) expiration deadline at midnight on December 3, a new CR was finalized and passed by both the House and the Senate with a new expiration date of February 18. The National Defense Appropriations Act (NDAA) was also passed, as well as a bill that raised the debt ceiling by \$2 trillion.

We anticipate the House and Senate will take up the FY 2022 spending bills shortly after the holiday break. However, South Coast AQMD should plan on a CR through March given ongoing negotiations over the Build Back Better Act (BBB, also known as reconciliation).

The House-passed BBB legislation is still stalled in the Senate. They hope to restart negotiations in the new year.

EPA:

Earlier in December, the EPA opened up \$20 million for a competitive grants for community air pollution monitoring through the American Rescue Plan (ARP). The purpose is to enhance ambient air quality monitoring in communities across America, especially underserved and overburdened communities. The EPA will award funds to support community and local efforts to monitor air quality and to promote air quality monitoring partnerships between communities and Tribal, state, and local governments.

Community-based nonprofit organizations, Tribes, states, and local governments may apply for the grants. The application period closes February 25, 2022, and the EPA will be offering an informational webinar about the grants on January 11, 2022. More information can be found <u>here and here</u>.

Cassidy and Associates support in December:

- Streamed Capitol Hill intelligence to SCAQMD related to Build Back Better and implementation of the infrastructure legislation
- Began initial conversations with staff on planning to apply for infrastructure funding for SCAQMD priorities
- Reported efforts of regional entities related to funding that might benefit SCAQMD

IMPORTANT LEGISLATIVE DATES

December 31, 2021

Expiration of:

- Expansions of earned income tax, child tax, and child and dependent care tax credits
- Employee retention credit
- Medicare sequestration
- Several tax extenders, including for energy and mortgage insurance premiums

February 18, 2022

Expiration of the current CR

PANDEMIC RESPONSE PROGRAMS AND AUTHORITIES

On December 3, the FDA expanded authorization of two monoclonal antibodies for treatment and post-exposure prevention of COVID-19 to younger pediatric patients, including newborns. The Emergency Use Authorization (EUA) for bamlanivimab and etesevimab was revised to additionally authorize the treatments to be administered together for the treatment of mild to moderate COVID-19 in all younger pediatric patients, including newborns, who have a positive COVID-19 test and are at high risk for progression to severe COVID-19, including hospitalization or death.

The FDA also authorized new long-acting monoclonal antibodies for pre-exposure prevention of COVID-19 in certain adults and pediatric individuals (12 years of age and older weighing at least 40 kilograms). The product is only authorized for those individuals who are not currently

infected with the SARS-CoV-2 virus and who have not recently been exposed to an individual infected with SARS-CoV-2. The authorization also requires that individuals either have:

- moderate to severely compromised immune systems due to a medical condition or due to taking immunosuppressive medications or treatments and may not mount an adequate immune response to COVID-19 vaccination (examples of such medical conditions or treatments can be found in the fact sheet for health care providers) or;
- a history of severe adverse reactions to a COVID-19 vaccine and/or component(s) of those vaccines, therefore vaccination with an available COVID-19 vaccine, according to the approved or authorized schedule, is not recommended.

The Pfizer-Biontech COVID-19 Vaccine booster does was expanded to now include individuals aged 16 and 17 years old. On November 19, the Pfizer-Biontech booster was authorized for all individuals over the age of 18.

On December 22, the FDA authorized its first oral antiviral for the treatment of COVID-19. Pfizer's Paxlovid is for the treatment of mild to moderate COVID-19 in adults and pediatric patients with positive COVID-19 results, and for those who are at high risk for progression to severe COVID-19, including hospitalization or death. Paxlovid is available by prescription only and should be initiated as soon as possible after diagnosis and within five days of symptom onset.

End Date/Program

March 27, 2025

Special inspector General for Pandemic Recovery

Sept. 30, 2025

Pandemic Response Accountability Committee, Congressional Oversight Commission

AGENCY RESOURCES

USA.gov is cataloging all U.S. government activities related to coronavirus. From actions on health and safety to travel, immigration, and transportation to education, find pertinent actions <u>here</u>. Each Federal Agency has also established a dedicated coronavirus website, where you can find important information and guidance. They include: Health and Human Services (<u>HHS</u>), Centers of Medicare and Medicaid (<u>CMS</u>), Food and Drug Administration (<u>FDA</u>), Department of Education (<u>DoED</u>), Department of Agriculture (<u>USDA</u>), Small Business Administration (<u>SBA</u>), Department of Labor (<u>DOL</u>), Department of Homeland Security (<u>DHS</u>), Department of State (<u>DOS</u>), Department of Veterans Affairs (<u>VA</u>), Environmental Protection Agency (<u>EPA</u>),

Department of the Interior (<u>DOI</u>), Department of Energy (<u>DOE</u>), Department of Commerce (<u>DOC</u>), Department of Justice (<u>DOJ</u>), Department of Housing and Urban Development (<u>HUD</u>), Department of the Treasury (<u>USDT</u>), Office of the Director of National Intelligence (<u>ODNI</u>), and U.S. Election Assistance Commission (<u>EAC</u>).

Helpful Agency Contact Information:

U.S. Department of Health and Human Services – Darcie Johnston (Office – 202-853-0582 / Cell – 202-690-1058 / Email – <u>darcie.johnston@hhs.gov</u>)

U.S. Department of Homeland Security – Cherie Short (Office – 202-441-3103 / Cell – 202-893-2941 / Email – <u>Cherie.short@hq.dhs.gov</u>)

U.S. Department of State – Bill Killion (Office – 202-647-7595 / Cell – 202-294-2605 / Email – <u>killionw@state.gov</u>)

U.S. Department of Transportation – Sean Poole (Office – 202-597-5109 / Cell – 202-366-3132 / Email – <u>sean.poole@dot.gov</u>)

KADESH & ASSOCIATES

South Coast AQMD Report for the November 2021 Legislative Meeting covering October 2021 Kadesh & Associates

In November, Congress made several breakthroughs in the effort to advance the major legislative items that make up President Biden's agenda.

Late in the evening of November 5, the Infrastructure Investment and Jobs Act (IIJA) was approved by the House. The bill was approved in a bipartisan 228-206 vote, after several procedural hurdles and delays, including intense negotiations involving President Biden and Speaker Pelosi with moderate and progressive Democrats. All in all, the final vote on the bill was held for six weeks after the House first debated it, and after two short-term highway and transit extensions in the past two months. It was signed into law by President Biden on November 15.

This new infrastructure law includes \$550 billion in new funding, and \$1.2 trillion in total, for infrastructure investment, including for roads and bridges, rail systems, drinking water and clean water, the electric grid, and other programs. As discussed in earlier reports, the law will provide significant funding for several South Coast AQMD priorities. For example, the Port Truck Emissions Reduction Program will provide \$400 million to reduce air emissions from trucks idling at port facilities. The legislation also includes a version of the Clean Corridors program that South Coast AQMD has supported; under the new law's formula, about \$384 million will be delivered to California to support the expansion of an EV charging network, which is in addition to a separate \$2.5 billion grant program for the same purpose. Other funding in the new law will also help to improve air quality, such as the Carbon Reduction Program, which is focused on reducing transportation emissions.

Once the IIJA was approved by the House, the path toward a House vote on the Build Back Better Act (BBBA) opened up as well. The several moderate House Democrats who had raised cost concerns about the bill were reassured by the Congressional Budget Office's evaluation of the legislation, and the House approved the BBBA by a party-line vote of 220 – 213 on November 19.

Despite a number of technical changes since last month's report, the version of the legislation delivered to the Senate still includes \$100 million to cover mitigation efforts at the Salton Sea and other similarly situated water bodies, \$5 billion to convert Class 6 and 7 vehicles to EV technologies, \$3.5 billion for zero-emission equipment and technology at ports with a 25% set-aside for nonattainment areas, another \$600 million for port infrastructure and supply chain resilience, \$60 million for DERA projects, and \$230.5 million for air quality monitoring, grants, and other activities authorized under CAA sections 102, 103, and 105. The Senate process for this bill will begin soon, and it is likely to include many intra-party negotiations, especially with Senators Manchin and Sinema.

KADESH & ASSOCIATES

We have also continued working with the California congressional delegation to bring increased federal attention to clean air attainment deadlines. In particular, at our request, Senator Padilla has recently contacted senior EPA officials to make the case that federal mobile source regulations need to be updated to help South Coast AQMD and other air quality districts meet attainment. Following up on this high-level engagement, this month we also convened a briefing for the Senator's staff about the air quality impacts of supply chain issues in the South Coast basin. The briefing was conducted by South Coast AQMD's Executive Officer and other senior staff, and demonstrated the high priority placed on air quality by the Senator's office.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD to advocate for priority items to remain in BBBA, including incentives for medium- and heavy-duty trucks, air monitoring, DERA, Salton Sea, and other issues.

-Engaged with delegation offices to monitor and report on IIJA and BBBA negotiations. -Worked with South Coast AQMD staff on strategy to address nonattainment deadlines.

Contacts:

Contacts included staff and House Members throughout the CA delegation, especially the authors of priority legislation, members of the South Coast House delegation, and members of key committees. We have also been in touch with administration staff.

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South Coast Air Quality Management District Legislative and Regulatory Update – December 2021

✤ Important Dates

Jan. 1	_	Statutes passed in the previous Legislative session take effect.
Jan. 3	_	Legislature reconvenes.
Jan. 10	_	Budget must be submitted by Governor.
Jan. 14	_	Last day for policy committees to hear and report to fiscal committees the fiscal bills
		introduced in their house in the previous Session.
Jan. 21	_	Last day for any committee to hear and report to the floor bills introduced in that
		house in the previous Session.
Jan. 21	_	Last day to submit bill requests to the Office of Legislative Counsel.
Jan. 31	_	Last day for each house to pass bills introduced in that house in the previous Session.
Feb. 18	_	Last day for bills to be introduced.
Feb. 20	_	Last day for the state and legislative maps drawn by the California Redistricting
		Commission to be challenged in court.

- RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana, Jarrell Cook, and Alfredo Arredondo continued their representation of South Coast AQMD before the State's Legislative and Executive branches. Selected highlights of our recent advocacy include:
 - Submitted a letter on behalf of South Coast AQMD to the Assembly Transportation Committee registering South Coast AQMD's opposition to AB 220 (Voepel), which would exempt from the smog check program all motor vehicles manufactured after the 1976 model year but prior to the 1983 model year if the owner submits proof that the motor vehicle is insured as a collector motor vehicle.
 - Coordinated and finalized gathering of legislators' signatures in support of the letter authored by Assemblymember Eduardo Garcia on behalf of South Coast AQMD regarding its classification as an "independent special district" for purposes of COVID-19 Fiscal Relief.
 - Set up a briefing of Senator Gonzalez by South Coast AQMD staff—tentatively set for mid-January—to discuss South Coast AQMD's priorities for 2022 and how the Senator can help the South Coast region.
- The California Citizen's Redistricting Commission Released Final Draft of District Maps. On Monday December 20, the state's independent Redistricting Commission submitted its final drafts for the state and federal legislative electoral maps to the Secretary of State. The Secretary of State will now submit these maps to the State Legislature and each of the state's 58 counties to redraw precincts within the new district lines.

Democrats remain heavily favored in the newly drawn lines and are expected to maintain their supermajority in the Legislature. The new lines have created some head-to-head matchups between sitting Democrats:

• AD 44—Assemblymembers Adrin Nazarian, Laura Friedman, and Jesse Gabriel all occupy the same district. Friedman and Nazarian have both announced their intention to run for the seat.

- AD 58—Assemblymembers Sabrina Cervantes and Eloise Gomez Reyes have been placed in the same district as retiring Assemblymember Jose Medina.
- AD 79—Assemblymember Lorena Gonzalez' home has been drawn out of AD 80 and into a district currently represented by relative newcomer Assemblymember Dr. Akilah Weber. Gonzalez has not announced whether she will move into the *new* and vacant AD 80 or run against Weber; however, recently, the California Labor Federation voted to establish her as its next executive when its current leader retires, without announcing when or how that transition could occur.
- SD 14/17—Senator Anna Caballero's home is now in the district currently represented by Senator John Laird. The rest of Caballero's district is now part of SD 14, currently represented by Senator Melissa Hurtado. Caballero recently purchased a home in Merced and announced that she would be running in SD 14.
- SD 22—Senator Connie Leyva's home is now in the same district as Senator Susan Rubio, while the rest of Leyva's district is now in the new SD 29. Leyva has announced that she will not be running for re-election in SD 22. Leyva also announced that she plans to run for state superintendent of education in 2026.
- SD 37—Senator Josh Newman and Senator David Min are now competing in the same Orange County district.

The following members of the Legislature will be retiring, termed out, or seeking new office in 2022:

- Assemblymember Bill Quirk (D)—Retiring
- Assemblymember Jim Frazier (D)—Retiring
- Assemblymember Jose Medina (D)—Retiring
- Assemblymember Kevin Mullin (D)—Running for Congress (CD14)
- Assemblymember Rudy Salas (D)—Running for Congress (CD21)
- Assemblymember Cristina Garcia (D)—Running for Congress (CD42)
- Assemblymember Marc Levine (D)—Running for Insurance Commissioner
- Assemblymember Richard Bloom (D)—Running for LA County Supervisor
- Senator Jim Nielsen (R)—Termed out in 2022
- Senator Richard Pan (D)—Termed out in 2022
- Senator Bob Wieckowski (D)—Termed out in 2022
- Senator Bob Hertzberg (D)—Termed out in 2022
- Senator Melissa Melendez (R)—Termed out in 2022
- Senator Pat Bates (R)—Termed out in 2022
- Senator Ben Hueso (D)—Termed out in 2022
- Senator Sydney Kamlager (D)—Running for Congress (CD37)
- Senator Henry Stern (D)—Running for LA County Supervisor; if he loses, he will continue his term until he is up for re-election in 2024.
- Speaker Rendon Announces Changes to Committees. Speaker Anthony Rendon sent a memo to his colleagues announcing changes to the Assembly committees for the 2021-22 Regular Session:
 - Leadership
 - Isaac Bryan has been removed as Assistant Majority Whip.
 - Arts, Entertainment, Sports, Tourism and Internet Media
 - Tasha Boerner Horvath replaces Assemblymember Sharon Quirk-Silva as Chair of the Committee.

- Quirk-Silva has been removed from the Committee. One seat remains vacant.
- Budget
 - Buffy Wicks has been appointed to the Budget Committee and to Budget Subcommittee No. 4 on State Administration.
- Business and Professions
 - Mia Bonta has been appointed to the Committee
 - Alex Lee has been appointed to the Committee.
- Communications and Conveyance
 - Mia Bonta has been appointed to the Committee.
 - Brian Maienschein has been appointed to the Committee.
 - Isaac Bryan has been removed from the Committee.
- Education
 - Megan Dahle replaces Kevin Kiley as Vice Chair of the Committee.
 - Phillip Chen has been appointed to the Committee.
 - Kevin Kiley has been removed from the Committee.
- Elections
 - Isaac Bryan replaces Marc Berman as Chair of the Committee.
 - Berman has been removed from the Committee.
- Housing and Community Development
 - Christopher Ward has been appointed to the Committee.
 - Wendy Carrillo has been appointed to the Committee.
 - Brian Maienschein has been removed from the Committee.
- Human Services
 - Mia Bonta has been appointed to the Committee.
 - Christopher Ward has been removed from the Committee.
- Jobs, Economic Development, and the Economy
 - Tasha Boerner Horvath has been removed from the Committee. Two seats remain vacant.
- Privacy and Consumer Protection
 - Wendy Carrillo has been removed from the Committee. Three seats remain vacant.
- Public Safety
 - Mia Bonta has been appointed to the Committee.
 - Isaac Bryan has been appointed to the Committee.
 - Alex Lee has been removed from the Committee.
 - Buffy Wicks has been removed from the Committee.
- Rules
 - Mia Bonta has been appointed to the Committee.
 - Dr. Akilah Weber has been removed from the Committee.
- Special Committee on Legislative Ethics
 - Akilah Weber replaces Buffy Wicks as Co-Chair of the Committee.
 - Buffy Wicks has been removed from the Committee

• Joint Committee on the Arts

- Tasha Boerner Horvath replaces Sharon Quirk-Silva as Vice Chair of the Joint Committee.
- Quirk-Silva has been removed from the Committee.

The chairs and composition of the Assembly Committees on Transportation and Natural Resources remain the same.

CA Attorney General Bonta Releases a Statement in Support of Higher GHG Standards for Light Duty Vehicles. The office of Attorney General Bonta and the California Air Resources Board released a joint statement on December 20 in support of the Federal Environmental Protection Agency's adoption of a rule that would establish more stringent standards for light duty cars and trucks.

Bonta led a multistate coalition of 22 attorneys general in support of the EPA's rulemaking. In <u>their letter</u> submitted in September, the coalition argued:

- "More stringent standards advance the objective of Section 202(A) of the Clean Air Act, which requires the EPA to reduce threats to public health and welfare from harmful air pollution;
- Automakers are well-positioned to meet the more stringent standards, as early as model year 2023, and the lead time is more than ample; and
- The EPA's analysis, and the full record, supports the finalization of more stringent standards."

This action follows recent activity by the AG's office related to climate change and emissions. Over the past year, Bonta and CARB Chair Liane Randolph advocated for the EPA to restore California's waiver for vehicle emission standards under the Clean Air Act; the AG and CARB also led a coalition urging the National Highway Traffic Safety Administration to repeal the "Preemption Rule" over California's GHG and zero-emission-vehicle standards.

Assembly Budget Chair Releases 2022 Budget Blueprint. Assembly Budget Chair Phil Ting and the Assembly Budget Committee released their budget blueprint for the 2022 Legislative Session, 'Delivering Prosperity & Strengthening the Future.'



The blueprint identifies the following priorities for 'bold investment' of an estimated \$31.2 billion surplus:

- COVID Response & Healthcare
 - Improve public health infrastructure to address COVID
 - Increase access to health and human services programs like Medi-Cal, CalFresh, and CalWORKs through program simplification and expanded eligibility
 - Devote more resources to violence and suicide prevention
- Education & Youth Services
 - Increase school funding, especially to address students facing learning loss and mental health issues
 - Implement universal transitional kindergarten
 - Fund child welfare and foster care
 - Bolster multi-year enrollment growth at the University of California and California State University
- Employment & Economic Development (EDD)
 - Develop a 'strike team' to improve EDD
 - Create 'living wage jobs'
 - Fund broadband access to rural communities
 - \$10 billion for school facilities and additional investments for university and community college facilities
 - \$10 billion for transportation projects statewide, including transit infrastructure
 - Attract new workers to health care, education, and childcare occupations
 - Focus on creating second chances for formerly incarcerated Californians
- Housing
 - Fund more permanent and temporary housing
 - Monitor rent relief funds
 - Create ongoing funding stream for supportive housing of indigent adults
- Natural Resources
 - Fund wildfire prevention and programs to address climate change
 - Drought response and water resilience
- President Biden Appoints CPUC's Martha Aceves to the EPA. Commissioner Martha Guzman Aceves, who has served on the California Public Utilities Commission for five years, has been appointed by President Biden to serve as the Region 9 Administrator for the U.S. Environmental Protection Agency. Region 9 has jurisdiction over the implementation and enforcement of Federal environmental laws in California, Arizona, Hawaii, Nevada, the Pacific Islands, and 148 tribal nations in the Pacific Southwest.
- Ballot Initiative to Phase Out Fossil Fuels Seeking Signatures. A private citizen, Kamyar Feiz, has launched an initiative, 'Prohibits Fracking And Phases Out Use Of Oil, Natural Gas, And Coal,' that would ban hydraulic fracturing by May 2023, prohibit the permitting of new wells after 2025, and phase out well extraction completely by 2045. The Secretary of State analysis indicates that the measure would likely decrease state tax and fee revenues by hundreds of millions of dollars annually.

<u>Initiative #21-0028</u> was launched without the funding or organization of the state's major green groups or the support of sitting legislators that have previously pursued fracking bans. The initiative needs 623,212 signatures by June 6 to qualify for the 2022 ballot.



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report California Advisors, LLC January 14, 2022 Legislative Committee Hearing

Legislative Update

Senate President pro Tempore Toni Atkins recently formed the Senate Climate Working Group for 2022, consisting of State Senators John Laird (Chair), Ben Allen, Josh Becker, Anna Caballero, Maria Elena Durazo, Lena Gonzalez, Bob Hertzberg, Sydney Kamlager, Monique Limon, Mike McGuire, Henry Stern, and Bob Wieckowski. The core pillars that the group is focusing on include transitioning away from fossil fuels, labor and career training, greening the energy grid, and adaptation and resiliency. Like the previous working groups the Senate has created before, such as the ones on wildfires or Public Safety Power Shutoffs (PSPS), this group will take the lead on crafting a plan to tackle these complicated issues.

Budget Update

The Department of Finance released their most recent economic update with November's cash report. The preliminary numbers show that for the first five months of the 2021-22 fiscal year the state brought in over \$13.378 billion above estimates. The month of November alone saw the state collect over \$2.183 billion above the monthly forecast. The main driver of the strong economic position remains personal income tax receipts which were \$9.434 billion above forecast over the first five months of the fiscal year. As the Governor prepares to release his proposed 2022-23 budget in early January, he can include these revised numbers into his spending plan.

On December 9, Assembly Budget Chair Phil Ting released his budget blueprint. The plan emphasizes ensuring that the state's economic recovery is more inclusive. In addition to expanding prosperity, the Assembly Budget Blueprint devotes one-time funds to infrastructure projects to complement federal funds and prepares the state for the years ahead. Other key areas for the Assembly will be climate resiliency, mental health needs, housing and homelessness, and transportation/transit for the state.

Similarly, Senate President pro Tempore Toni Atkins and Senator Nancy Skinner, Chair of the Senate Budget and Fiscal Review Committee, released their "key values" which will guide them as they craft this year's budget. From their press release, "The Senate budget values include maintaining the state's historic reserves to protect the progress we are making from future downturns; aligning new commitments with Gann Limit requirements such as maximizing infrastructure investments — including for schools and higher education — and strengthening targeted tax relief programs; and building a more equitable economy through investments that

will help get California back to work, strengthen the middle class, assist struggling families and aging Californians, address housing challenges and homelessness, and improve and broaden access to quality education."

Cap-and-Trade Update

The California Air Resources Board, in conjunction with the government of Quebec, hosted their final Cap-and-Trade auction of 2021 on November 17. As we reported last month, the auction sold out of allowances and now the final numbers have been reported. The auction raised \$1,293,418,042.97 dollars for the Greenhouse Gas Reduction Fund (GGRF), which was over \$100 million more than the auction in August generated. To date, the cap-and-trade program has raised over \$18 billion dollars for California.

Political Update

The independent redistricting commission approved final maps on December 20 for the Board of Equalization, Congress, State Senate and Assembly to be posted and to receive public comment. The Commission had to wait for a 3-day period and then took their final vote on December 26 to send these maps to the Secretary of State. These maps will govern state politics for the next 10 years. According to the Sacramento Bee newspaper, these maps will better reflect the growing Latino population in the state. Twenty-two of the 80 Assembly districts have a Latino citizen voting age population greater than 50%, as do 11 of the 40 Senate districts and 16 of the 52 Congressional districts. We previously reported on several legislators who have announced their retirements or intentions to run for a different seat. However, we are starting to see party-on-party races that could turn very contentious in 2022.



TO:	South Coast Air Quality Management District
FROM:	Anthony, Jason & Paul Gonsalves
SUBJECT:	Legislative Update – December 2021
DATE:	Monday, December 27, 2021

The month of December was extremely quiet in Sacramento due to the Legislature being in recess and the Holidays. Legislative and executive offices spent the month transitioning to their temporary "swing space" while the Capitol Annex is being remodeled. Legislative and executive employees are being temporarily located in the newly built building at 10th and O, until the Capitol annex renovation's projected completion in 3 years.

In the meantime, legislators are back in their districts during the legislative interim until the start of the 2022 legislative session on January 3, 2022.

The following will provide you with updates of interest to the District:

GOVERNOR'S ACTIONS TO PROTECT CALIFORNIANS FROM COVID-19

On December 22, 2021, Governor Gavin Newsom announced new booster requirements and testing measures to better protect all Californians as the Omicron variant becomes the dominant COVID-19 strain in the nation.

The COVID-19 booster requirement for health care workers will mitigate potential staffing shortages while helping to safeguard the state's hospital capacity and protect the health and safety of Californians. Combined with the new federal policies announced, these actions will help ensure everyone in California has access to testing throughout the holiday season and that K-12 public school students can return to school safely.

By February 1, 2022, health care workers and all employees in high-risk congregate settings, including nursing homes, will be required to get their booster. In the interim, all health care staff that have not received their booster must test for COVID-19 twice weekly until they are up to date on their vaccines.

To help mitigate the spread of COVID-19 in our schools, the state is also increasing the availability of at-home COVID-19 tests across California so K-12 public-school students can be tested as they return to school from winter break. In early December, the California Department of Public Health (CDPH) distributed approximately 2 million tests to schools for this purpose. CDPH will expand those efforts by providing 1-2 rapid tests for every student. CDPH will work with local education and health partners to distribute those test kits as quickly and efficiently as possible.

To ensure every Californian has access to testing, the state will also be expanding antigen test availability and expanding hours of operation at state-sponsored OptumServe sites that are already at capacity. Today, 90% of the population lives within a 30-minute driving distance of a site. Over the course of the pandemic, the state has established 6,288 testing sites statewide, comprising 31% of the nation's testing sites. In support of this effort, since August, the state has purchased over 12 million over-the-counter tests. CDPH is distributing an additional 6 million tests to community partners serving disproportionately impacted Californians and 4 million to local health jurisdictions.

California has led the nation's fight against COVID-19, implementing the most robust vaccination and testing programs in the country. To date, California has administered over 64 million vaccination doses and over 116 million tests, with an average turnaround of just 48 hours. In recent months, Governor Newsom implemented a series of measures to slow the spread of COVID-19, including first-in-the-nation vaccine and masking measures requiring that workers in health care settings be fully vaccinated, announcing plans to add the COVID-19 vaccine to the list of vaccinations required to attend school in-person when fully approved, requiring masking in schools and implementing a standard that all school staff and all state workers either show proof of full vaccination or be tested. These decisive actions have resulted in California being labeled the safest state to live in during COVID-19 and a national leader in preventing school closures.

LEGISLATIVE MUSICAL CHAIRS

Assemblymember Ed Chau

On November 29, 2021, Governor Newsom appointed Assemblymember Ed Chau as a Judge in the Los Angeles County Superior Court. Assemblymember Chau has served in the State Legislature representing the 49th Assembly District since 2012. He was a Sole Practitioner from 1994 to 2012 and served as a Montebello Unified School District Board Member from 2000 to 2012. Assemblymember Chau earned a Juris Doctor degree from Southwestern University School of Law. He fills the vacancy created by the

retirement of Judge Robert J. Perry. This appointment will require Assemblymember Chau to vacate his Assembly seat.

On December 10, 2021 Governor Newsom issued a proclamation declaring a special election for the 49th Assembly District of the State of California on April 19, 2022. The primary for the special election will be held on February 15, 2022.

Assemblymember Bill Quirk

On December 9, 2021, Assemblymember Bill Quirk announced his retirement from the 20th Assembly District. Assemblymember Quirk chose not to seek a 6th term in the Assembly for the 2023-24 session. He will finish his current term, thus there will not be a need for a special election.

Assemblymember Jose Medina

On December 10, 2021, Assemblymember Jose Medina announced his retirement from the 61st Assembly District. Assemblymember Medina chose not to seek a 6th term in the Assembly for the 2023-24 session. He will finish his current term, thus there will not be a need for a special election.

CARB'S SMOG CHECK FOR HEAVY DUTY TRUCKS AND BUSES

On December 9, 2021, the California Air Resources Board approved a 'smog check' regulation for medium- and heavy-duty trucks and buses. While these heavy-duty vehicles with a gross vehicle weight rating (GVWR) greater than 14,000 pounds comprise only 3% of all vehicles on California roads, they are responsible for more than 50% of nitrogen oxides and fine particle diesel pollution from all mobile sources in the state.

The action taken by CARB will cover roughly 1 million heavy-duty trucks and buses operating in California. The twice-a-year inspections will ensure that the emissions control systems maintain the same efficiency as the vehicle ages. By 2037, the program is estimated to deliver reductions of 82 tons per day of NO_x and fine particle diesel pollution. The Board also directed a four-times per year testing frequency for trucks with on-board diagnostics to be phased in over time.

The new program is expected to yield \$75 billion in health benefits, prevent 7,500 airquality related deaths and 6,000 hospitalizations and emergency room visits from 2023 to 2050. These benefits are 18 times the estimated cost of the program at \$4 billion. The program is designed to provide a convenient approach for compliance to businesses and vehicle owners, prevent highly polluting trucks and buses from being registered, and will result in the rapid repair of malfunctioning emissions control equipment when it breaks.

The new program implements SB 210, authored by Senator and ex-officio Board member Connie Leyva in 2019, which directs CARB to develop and implement a new,

comprehensive Heavy-Duty Inspection and Maintenance program to control emissions more effectively from non-gasoline on-road heavy-duty vehicles. It will also include independent owner/operators who were exempt from the current program of periodic smoke inspections.

The Heavy-Duty Inspection and Maintenance program will roll out a statewide network of roadside emission monitors to screen for high emitting trucks, starting with the San Joaquin Valley and South Coast and expanding over time. It will also require vehicles with a GVWR greater than 14,000 pounds operating in California to perform periodic testing and submit the data to CARB. As with passenger cars and light-duty trucks, California registration of these heavier vehicles will require passing the inspection. Unlike light-duty smog checks, however, there is no requirement to go to a 'brick and mortar' heavy-duty smog check station. Heavy-duty vehicle owners will be able to complete the required test and deliver the information remotely without having to travel to designated testing locations. For telematics users, an onboard diagnostics (OBD) inspection can be utilized that draws emissions control performance data from the vehicle's internal computer. An inspection can be completed automatically without taking the vehicle out of operation. OBD systems have been required by CARB on heavy-duty vehicles since 2013. Older heavy-duty vehicles without on-board diagnostic systems would continue the current opacity testing requirements with an added visual testing component, twice each year.

The Heavy-Duty Vehicle Inspection Program will continue to augment the new testing requirements with inspections and testing randomly carried out at border crossings, California Highway Patrol weigh stations, fleet facilities and randomly selected roadside locations.

2022 LEGISLATIVE DEADLINES

January 1: Statutes take effect.

January 3: Legislature reconvenes.

January 10: Budget must be submitted by Governor.

<u>January 14:</u> Last day for policy committees to hear and report to fiscal committees' fiscal bills introduced in their house in the odd-numbered year.

<u>January 21:</u> Last day for any committee to hear and report to the floor bills introduced in that house in the odd-numbered year. Last day to submit bill requests to the Office of Legislative Counsel.

January 31: Last day for each house to pass bills introduced in that house in the oddnumbered year.

February 18: Last day for bills to be introduced.