



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

HYBRID LEGISLATIVE COMMITTEE MEETING

Committee Members

Councilmember Michael A. Cacciotti, Chair
Mayor Patricia Lock Dawson
Supervisor Curt Hagman
Supervisor V. Manuel Perez
Councilmember Nithya Raman
Mayor José Luis Solache

April 12, 2024 ♦ 9:00 a.m.

TELECONFERENCE LOCATION

Lynwood City Hall 11350 Bullis Road Annex Conference Room Lynwood, CA 90262	Office of Supervisor V. Manuel Perez 78015 Main Street Suite 205 La Quinta, CA 92253
Los Angeles City Hall 200 N. Spring Street Room 415 Los Angeles, CA 90012	Riverside City Hall 3900 Main Street 7th Floor Conference Room Riverside, CA 92522
Office of Supervisor Curt Hagman 14010 City Center Drive Chino Hills, CA 91709	

A meeting of the South Coast Air Quality Management District Legislative Committee will be held at 9:00 a.m. on Friday, April 12, 2024, through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD’s website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA

Join Zoom Webinar Meeting - from PC or Laptop
<https://scaqmd.zoom.us/j/99574050701>

Zoom Webinar ID: 995 7405 0701 (applies to all)

Teleconference Dial In

+1 669 900 6833

One tap mobile

+16699006833,, 99574050701#

Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.

PUBLIC COMMENT WILL STILL BE TAKEN

AGENDA

Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.

CALL TO ORDER

ROLL CALL

ACTION/DISCUSSION ITEMS (Items 1 through 2):

**1. Update on 2024 South Coast AQMD-Sponsored State Bills
(No Motion Required)**

Staff will present an update to the Committee regarding recently introduced 2024 South Coast AQMD-sponsored state bills.

[Attachment 1a-1c]

*Derrick Alatorre
Deputy Executive Officer
Legislative, Public Affairs &
Media*

- 1. AB 2522 (W. Carrillo) - South Coast Air Quality Management District: district board: compensation*
- 2. AB 2958 (Calderon) - State Air Resources Board: board members: compensation*
- 3. SB 1158 (Archuleta) - Carl Moyer Memorial Air Quality Standards Attainment Program*

2. **Recommend Position on State Bill**

(Motion Requested)

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

[Attachment 2a-2h]

<u>Bill#</u>	<u>Author</u>	<u>Bill Title</u>	
AB 1857	Jackson	State Air Resources Board: air quality regulation: valleys.	<i>Philip Crabbe III Senior Public Affairs Manager Legislative, Public Affairs & Media</i>
AB 2561	Mckinnor	Local public employees: vacant positions.	<i>Denise Peralta Gailey Public Affairs Manager Legislative, Public Affairs & Media</i>
SB 1095	Becker	Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.	<i>Philip Crabbe III</i>
SB 1193	Menjivar	Airports: leaded aviation gasoline.	<i>Denise Peralta Gailey</i>

DISCUSSION ITEMS (Items 3 through 4):

3. **Update and Discussion on Federal Legislative Issues**

(No Motion Required)

Consultants will provide a brief oral report of Federal legislative activities in Washington D.C.

[Attachment 3a-3c - Written Reports]

*Jed Dearborn
Cassidy & Associates*

*Mark Kadash
Kadash & Associates, LLC*

*Gary Hoitsma
Carmen Group*

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

(No Motion Required)

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

[Attachment 4a-4c - Written Reports]

*Ross Buckley
California Advisors, LLC*

*Paul Gonsalves
Joe A. Gonsalves & Son*

*David Quintana
Resolute*

OTHER MATTERS:

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

At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Legislative Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes each.

7. **Next Meeting Date** – Thursday, May 9, 2024 at 10:00 a.m. at the Westin Rancho Mirage, 71333 Dinah Shore Drive, Rancho Mirage

ADJOURNMENT

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 by contacting Aisha Reyes at (909) 396-3074 or send the request to areyes2@aqmd.gov.

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Legislative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to South Coast AQMD. Please contact Aisha Reyes at (909) 396-3074 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to areyes2@aqmd.gov.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

Please note: During the meeting, all participants will be placed on mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.

Directions for Video ZOOM on a DESKTOP/LAPTOP:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for Video Zoom on a SMARTPHONE:

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions for TELEPHONE line only:

- If you would like to make public comment, please **dial *9** on your keypad to signal that you would like to comment.

ASSEMBLY BILL**No. 2522**

Introduced by Assembly Member Wendy CarrilloFebruary 13, 2024

An act to amend Section 40426 of the Health and Safety Code, relating to air districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2522, as introduced, Wendy Carrillo. South Coast Air Quality Management District: district board: compensation.

Existing law provides for the creation of the South Coast Air Quality Management District in those portions of the Counties of Los Angeles, Orange, Riverside, and San Bernardino included within the area of the South Coast Air Basin, as specified. Existing law provides that the south coast district is governed by a district board consisting of 13 members and that each member of the board shall receive compensation of \$100 for each day, or portion thereof, but not to exceed \$1,000 per month, while attending meetings of the board or any committee thereof or, upon authorization of the board, while on official business of the district, and the actual and necessary expenses incurred in performing the member's official duties.

This bill would provide that each member of the board shall receive compensation of \$200 for each day, or portion thereof, but not to exceed \$2,000 per month, while attending meetings of the board or any committee thereof or, upon authorization of the board, while on official business of the district, and the actual and necessary expenses incurred in performing the member's official duties. The bill would provide that the compensation of each member of the board may be increased beyond this amount by the board, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the board.

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

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

1 SECTION 1. Section 40426 of the Health and Safety Code is
2 amended to read:

3 40426. (a) Each member of the south coast district board shall
4 receive compensation of ~~one~~ *two* hundred dollars ~~(\$100)~~ *(\$200)*
5 for each day, or portion thereof, but not to exceed ~~one~~ *two* thousand
6 dollars ~~(\$1,000)~~ *(\$2,000)* per month, while attending meetings of
7 the south coast district board or any committee thereof or, upon
8 authorization of the south coast district board, while on official
9 business of the south coast district, and the actual and necessary
10 expenses incurred in performing the member’s official duties.

11 (b) *The compensation of each member of the south coast district*
12 *board may be increased beyond the amount provided in this section*
13 *by the south coast district board, but the amount of the increase*
14 *shall not exceed the greater of either of the following:*

15 (1) *An amount equal to 5 percent for each calendar year from*
16 *the operative date of the last adjustment of the compensation.*

17 (2) *Beginning January 1, 2025, an amount not exceeding 10*
18 *percent for each calendar year that is equal to the annual change*
19 *in inflation as determined by the California Consumer Price Index.*

20 SEC. 2. The Legislature finds and declares that a special statute
21 is necessary and that a general statute cannot be made applicable
22 within the meaning of Section 16 of Article IV of the California
23 Constitution because of the need to modernize the decades old
24 nominal compensation structure unique to the south coast district
25 board to ensure board members are adequately compensated for
26 the important public service they perform.

AB 2958 - (A) Amends the Law

SECTION 1.

Section 39512.5 of the Health and Safety Code is amended to read:

39512.5.

(a) With respect to the members appointed pursuant to subdivision (d) of Section 39510, those members shall ~~serve without compensation but shall~~ be reimbursed for actual and necessary expenses incurred in the performance of their duties to the extent that reimbursement for expenses is not otherwise provided or payable by another public agency or agencies. ~~Each elected public official member of the state board shall receive one hundred dollars (\$100) for each day, or portion thereof, but not to exceed one thousand dollars (\$1,000) in any month, attending meetings of the state board or committees thereof, or upon authorization of the state board while on official business of the state board.~~

(b) Reimbursements made pursuant to subdivision (a) shall be made as follows:

(1) A member appointed from a district that is specifically named in subdivision (d) of Section 39510 shall be reimbursed by the district from which the person qualified for membership.

(2) The member appointed as a board member of a district that is not specifically named in subdivision (d) of Section 39510 shall be reimbursed by the state board.

(c) Each member described in subdivision (a) shall receive the salary specified in Section 11564 of the Government Code to be paid by the state board.

Introduced by Senator ArchuletaFebruary 14, 2024

An act to amend Sections 44287, 44299.1, and 44299.2 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 1158, as introduced, Archuleta. Carl Moyer Memorial Air Quality Standards Attainment Program.

Existing law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), which is administered by the State Air Resources Board, to provide grants to offset the incremental cost of eligible projects that reduce emissions of air pollutants from sources in the state and for funding a fueling infrastructure demonstration program and technology development efforts. Existing law requires that funds be allocated under the program to local air districts for liquidation in accordance with grant criteria and guidelines adopted by the state board. Existing law provides that any funds reserved for a local air district by the state board are available for disbursement to the district for a period of not more than 2 years from the time of reservation. Existing law requires funds not liquidated by a district by June 30 of the 4th calendar year following the date of the reservation to be returned to the state board within 90 days for future allocation under the program. Beginning January 1, 2034, existing law reduces the deadline for that period of liquidation to June 30 of the 2nd calendar year following the date of reservation.

This bill would extend the deadline for the period of liquidation to June 30 of the 6th calendar year following the date of disbursement and would make other conforming changes.

Under the Carl Moyer Program, existing law limits the amount of moneys that a local air district may use from its allocation for indirect costs of implementation of the program. Under existing law, that limit is 6.25% of the allocated moneys for a district with a population of 1,000,000 or more and 12.5% of the allocated moneys for a district with a population of less than 1,000,000.

This bill would instead set that limit at 12.5% for all local air districts regardless of population.

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 44287 of the Health and Safety Code, as
2 amended by Section 121 of Chapter 131 of the Statutes of 2023,
3 is amended to read:

4 44287. (a) The state board shall establish grant criteria and
5 guidelines consistent with this chapter for covered vehicle projects
6 as soon as practicable, but not later than January 1, 2000. The
7 adoption of guidelines is exempt from the rulemaking provisions
8 of the Administrative Procedure Act, Chapter 3.5 (commencing
9 with Section 11340) of Part 1 of Division 3 of Title 2 of the
10 Government Code. The state board shall solicit input and comment
11 from the districts during the development of the criteria and
12 guidelines and shall make every effort to develop criteria and
13 guidelines that are compatible with existing district programs that
14 are also consistent with this chapter. Guidelines shall include
15 protocols to calculate project cost-effectiveness. The grant criteria
16 and guidelines shall include safeguards to ensure that the project
17 generates surplus emissions reductions. Guidelines shall enable
18 and encourage districts to cofund projects that provide emissions
19 reductions in more than one district. The state board shall make
20 draft criteria and guidelines available to the public 45 days before
21 final adoption, and shall hold at least one public meeting to
22 consider public comments before final adoption.

23 (b) The state board, in consultation with the participating
24 districts, may propose revisions to the criteria and guidelines
25 established pursuant to subdivision (a) as necessary to improve
26 the ability of the program to achieve its goals. A proposed revision
27 shall be made available to the public 45 days before final adoption

1 of the revision and the state board shall hold at least one public
2 meeting to consider public comments before final adoption of the
3 revision.

4 (c) The state board shall reserve funds for, and disburse funds
5 to, districts from the fund for administration pursuant to this section
6 and Section 44299.1.

7 (d) The state board shall develop guidelines for a district to
8 follow in applying for the reservation of funds, in accordance with
9 this chapter. It is the intent of the Legislature that district
10 administration of any reserved funds be in accordance with the
11 project selection criteria specified in Sections 44281, 44282, and
12 44283 and all other provisions of this chapter. The guidelines shall
13 be established and published by the state board as soon as
14 practicable, but not later than January 1, 2000.

15 (e) Funds shall be reserved by the state board for administration
16 by a district that adopts an eligible program pursuant to this chapter
17 and offers matching funds at a ratio of one dollar (\$1) of matching
18 funds committed by the district or the Mobile Source Air Pollution
19 Reduction Review Committee for every two dollars (\$2) committed
20 from the fund. Funds available to the Mobile Source Air Pollution
21 Reduction Review Committee may be counted as matching funds
22 for projects in the South Coast Air Basin only if the committee
23 approves the use of these funds for matching purposes. Matching
24 funds may be any funds under the district's budget authority that
25 are committed to be expended in accordance with the program.
26 Funds committed by a port authority or a local government, in
27 cooperation with a district, to be expended in accordance with the
28 program may also be counted as district matching funds. Matching
29 funds provided by a port authority or a local government may not
30 exceed 30 percent of the total required matching funds in any
31 district that applies for more than three hundred thousand dollars
32 (\$300,000) of the state board funds. Only a district, or a port
33 authority or a local government teamed with a district, may provide
34 matching funds.

35 (f) The state board may adjust the ratio of matching funds
36 described in subdivision (e), if it determines that an adjustment is
37 necessary in order to maximize the use of, or the air quality benefits
38 provided by, the program, based on a consideration of the financial
39 resources of the district.

1 (g) Notwithstanding subdivision (e), a district need not provide
2 matching funds for state board funds allocated to the district for
3 program outreach activities pursuant to paragraph (2) of subdivision
4 (a) of Section 44299.1.

5 (h) A district may include within its matching funds a reasonable
6 estimate of direct or in-kind costs for assistance in providing
7 program outreach and application evaluation. In-kind and direct
8 matching funds shall not exceed 15 percent of the total matching
9 funds offered by a district. A district may also include within its
10 matching funds any money spent on or after February 25, 1999,
11 that would have qualified as matching funds but were not
12 previously claimed as matching funds.

13 (i) A district desiring a reservation of funds shall apply to the
14 state board following the application guidelines established
15 pursuant to this section. The state board shall approve or disapprove
16 a district application not later than 60 days after receipt. Upon
17 approval of any district application, the state board shall
18 simultaneously approve a reservation of funding for that district
19 to administer. Reserved funds shall be disbursed to the district so
20 that funding of a district-approved project is not impeded.

21 (j) Notwithstanding any other provision of this chapter, districts
22 and the Mobile Source Air Pollution Reduction Review Committee
23 shall not use funds collected pursuant to Section 41081 or Chapter
24 7 (commencing with Section 44220), or pursuant to Section
25 9250.11 of the Vehicle Code, as matching funds to fund a project
26 with stationary or portable engines, locomotives, or marine vessels.

27 (k) Any funds reserved for a district pursuant to this section are
28 available to the district for a period of not more than two years
29 from the time of reservation. Funds not expended by June 30 of
30 ~~the second~~ *sixth* calendar year following the date of ~~the reservation~~
31 *disbursement* shall revert back to the state board as of that June
32 30, and shall be deposited in the fund for use by the program. The
33 funds may then be redirected based on applications to the fund.
34 Regardless of any reversion of funds back to the state board, the
35 district may continue to request other reservations of funds for
36 local administration. Each reservation of funds shall be accounted
37 for separately, and unused funds from each application shall revert
38 back to the state board as specified in this subdivision.

39 (l) The state board shall specify a date each year when district
40 applications are due. If the eligible applications received in any

1 year oversubscribe the available funds, the state board shall reserve
2 funds on an allocation basis, pursuant to subdivision (b) of Section
3 44299.1. The state board may accept a district application after
4 the due date for a period of months specified by the state board.
5 Funds may be reserved in response to those applications, in
6 accordance with this chapter, out of funds remaining after the
7 original reservation of funds for the year.

8 (m) Guidelines for a district application shall require information
9 from an applicant district to the extent necessary to meet the
10 requirements of this chapter, but shall otherwise minimize the
11 information required of a district.

12 (n) A district application shall be reviewed by the state board
13 immediately upon receipt. If the state board determines that an
14 application is incomplete, the applicant shall be notified within 10
15 working days with an explanation of what is missing from the
16 application. A completed application fulfilling the criteria shall be
17 approved as soon as practicable, but not later than 60 working days
18 after receipt.

19 (o) The state board, in consultation with the districts, shall
20 establish project approval criteria and guidelines for infrastructure
21 projects consistent with Section 44284 as soon as practicable, but
22 not later than February 15, 2000. The commission shall make draft
23 criteria and guidelines available to the public 45 days before final
24 adoption, and shall hold at least one public meeting to consider
25 public comments before final adoption.

26 (p) The state board, in consultation with the participating
27 districts, may propose revisions to the criteria and guidelines
28 established pursuant to subdivision (o) as necessary to improve
29 the ability of the program to achieve its goals. A revision may be
30 proposed at any time, or may be proposed in response to a finding
31 made in the annual report on the program published by the state
32 board pursuant to Section 44295. A proposed revision shall be
33 made available to the public 45 days before final adoption of the
34 revision and the commission shall hold at least one public meeting
35 to consider public comments before final adoption of the revision.

36 (q) This section shall become operative on January 1, 2034.

37 SEC. 2. Section 44287 of the Health and Safety Code, as
38 amended by Section 122 of Chapter 131 of the Statutes of 2023,
39 is amended to read:

1 44287. (a) The state board shall establish or update grant
2 criteria and guidelines consistent with this chapter for covered
3 vehicle and infrastructure projects as soon as practicable, but not
4 later than July 1, 2017. The adoption of guidelines is exempt from
5 the rulemaking provisions of the Administrative Procedure Act
6 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
7 Division 3 of Title 2 of the Government Code). The state board
8 shall solicit input and comment from the districts during the
9 development of the criteria and guidelines and shall make every
10 effort to develop criteria and guidelines that are compatible with
11 existing district programs that are also consistent with this chapter.
12 Guidelines shall include protocols to calculate project
13 cost-effectiveness. The grant criteria and guidelines shall include
14 safeguards to ensure that the project generates surplus emissions
15 reductions. Guidelines shall enable and encourage districts to
16 cofund projects that provide emissions reductions in more than
17 one district. The state board shall make draft criteria and guidelines
18 available to the public 45 days before final adoption, and shall
19 hold at least one public meeting to consider public comments
20 before final adoption. The state board may develop separate
21 guidelines and criteria for the different types of eligible projects
22 described in subdivision (a) of Section 44281.

23 (b) The state board, in consultation with the participating
24 districts, may propose revisions to the criteria and guidelines
25 established pursuant to subdivision (a) as necessary to improve
26 the ability of the program to achieve its goals. A proposed revision
27 shall be made available to the public 45 days before final adoption
28 of the revision and the state board shall hold at least one public
29 meeting to consider public comments before final adoption of the
30 revision.

31 (c) The state board shall reserve funds for, and disburse funds
32 to, districts from the fund for administration pursuant to this section
33 and Section 44299.1.

34 (d) The state board shall develop guidelines for a district to
35 follow in applying for the reservation of funds, in accordance with
36 this chapter. It is the intent of the Legislature that district
37 administration of any reserved funds be in accordance with the
38 project selection criteria specified in Sections 44281, 44282, and
39 44283 and all other provisions of this chapter. The guidelines shall

1 be established and published by the state board as soon as
2 practicable, but not later than January 1, 2006.

3 (e) Funds shall be reserved by the state board for administration
4 by a district that adopts an eligible program pursuant to this chapter
5 and offers matching funds at a ratio of one dollar (\$1) of matching
6 funds committed by the district or the Mobile Source Air Pollution
7 Reduction Review Committee for every two dollars (\$2) committed
8 from the fund. Funds available to the Mobile Source Air Pollution
9 Reduction Review Committee may be counted as matching funds
10 for projects in the South Coast Air Basin only if the committee
11 approves the use of these funds for matching purposes. Matching
12 funds may be any funds under the district's budget authority that
13 are committed to be expended in accordance with the program.
14 Funds committed by a port authority or a local government, in
15 cooperation with a district, to be expended in accordance with the
16 program may also be counted as district matching funds. Matching
17 funds provided by a port authority or a local government shall not
18 exceed 30 percent of the total required matching funds in any
19 district that applies for more than three hundred thousand dollars
20 (\$300,000) of the state board funds. Only a district, or a port
21 authority or a local government teamed with a district, may provide
22 matching funds.

23 (f) The state board may adjust the ratio of matching funds
24 described in subdivision (e), if it determines that an adjustment is
25 necessary in order to maximize the use of, or the air quality benefits
26 provided by, the program, based on a consideration of the financial
27 resources of the district.

28 (g) Notwithstanding subdivision (e), a district need not provide
29 matching funds for state board funds allocated to the district for
30 program outreach activities pursuant to paragraph (2) of subdivision
31 (a) of Section 44299.1.

32 (h) A district may include within its matching funds a reasonable
33 estimate of direct or in-kind costs for assistance in providing
34 program outreach and application evaluation. In-kind and direct
35 matching funds shall not exceed 15 percent of the total matching
36 funds offered by a district. A district may also include within its
37 matching funds any money spent on or after February 25, 1999,
38 that would have qualified as matching funds but were not
39 previously claimed as matching funds.

1 (i) A district desiring a reservation of funds shall apply to the
2 state board following the application guidelines established
3 pursuant to this section. The state board shall approve or disapprove
4 a district application not later than 60 days after receipt. Upon
5 approval of any district application, the state board shall
6 simultaneously approve a reservation of funding for that district
7 to administer. Reserved funds shall be disbursed to the district so
8 that funding of a district-approved project is not impeded.

9 (j) Any funds reserved for a district by the state board pursuant
10 to this section are available for disbursement to the district for a
11 period of not more than two years from the time of reservation.
12 Funds not liquidated by a district by June 30 of the ~~fourth~~ *sixth*
13 calendar year following the date of ~~the reservation~~ *disbursement*
14 shall be returned to the state board within 90 days for future
15 allocation pursuant to this chapter. Each reservation of funds shall
16 be accounted for separately, and unused funds from each
17 application shall revert back to the state board for use pursuant to
18 this chapter as specified in this subdivision.

19 (k) The state board shall specify a date each year when district
20 applications are due. If the eligible applications received in any
21 year oversubscribe the available funds, the state board shall reserve
22 funds on an allocation basis, pursuant to Section 44299.2. The
23 state board may accept a district application after the due date for
24 a period of months specified by the state board. Funds may be
25 reserved in response to those applications, in accordance with this
26 chapter, out of funds remaining after the original reservation of
27 funds for the year.

28 (l) Guidelines for a district application shall require information
29 from an applicant district to the extent necessary to meet the
30 requirements of this chapter, but shall otherwise minimize the
31 information required of a district.

32 (m) A district application shall be reviewed by the state board
33 immediately upon receipt. If the state board determines that an
34 application is incomplete, the applicant shall be notified within 10
35 working days with an explanation of what is missing from the
36 application. A completed application fulfilling the criteria shall be
37 approved as soon as practicable, but not later than 60 working days
38 after receipt.

39 (n) The commission, in consultation with the districts, shall
40 establish project approval criteria and guidelines for infrastructure

1 projects consistent with Section 44284 as soon as practicable, but
2 not later than February 15, 2000. The commission shall make draft
3 criteria and guidelines available to the public 45 days before final
4 adoption, and shall hold at least one public meeting to consider
5 public comments before final adoption.

6 (o) The commission, in consultation with the participating
7 districts, may propose revisions to the criteria and guidelines
8 established pursuant to subdivision (n) as necessary to improve
9 the ability of the program to achieve its goals. A revision may be
10 proposed at any time, or may be proposed in response to a finding
11 made in the annual report on the program published by the state
12 board pursuant to Section 44295. A proposed revision shall be
13 made available to the public 45 days before final adoption of the
14 revision and the commission shall hold at least one public meeting
15 to consider public comments before final adoption of the revision.

16 (p) Unclaimed funds will be allocated by the state board in
17 accordance with Section 44299.2.

18 (q) This section shall remain in effect only until January 1, 2034,
19 and as of that date is repealed, unless a later enacted statute, that
20 is enacted before January 1, 2034, deletes or extends that date.

21 SEC. 3. Section 44299.1 of the Health and Safety Code is
22 amended to read:

23 44299.1. (a) To ensure that emission reductions are obtained
24 as needed from pollution sources, any moneys deposited in the
25 fund for use by the program or appropriated to the program shall
26 be segregated and administered as follows:

27 (1) Not more than 2.5 percent of the moneys in the fund for use
28 by the program shall be allocated to program support and outreach
29 costs incurred by the state board and the commission directly
30 associated with implementing the program pursuant to this chapter.
31 These funds shall be allocated to the state board and the
32 commission in proportion to total program funds administered by
33 the state board and the commission.

34 (2) Not more than 2.5 percent of the moneys in the fund for use
35 by the program shall be allocated to direct program outreach
36 activities. The state board may use these funds for program
37 outreach contracts or may allocate outreach funds to participating
38 districts in proportion to each district's allocation from the program
39 moneys in the fund. The state board shall report on the use of

1 outreach funds in their reports to the Legislature pursuant to Section
2 44295.

3 (3) The balance shall be deposited in the fund to be expended
4 to offset added costs of new very low or zero-emission vehicle
5 technologies, and emission reducing repowers, retrofits, and add-on
6 equipment for covered vehicles and engines, and other projects
7 specified in Section 44281.

8 (b) Moneys in the fund shall be allocated to a district that
9 submits an eligible application to the state board pursuant to
10 Section 44287. The state board shall determine the maximum
11 amount of annual funding from the fund for use by the program
12 that each district may receive. This determination shall be based
13 on the population in each district as well as the relative importance
14 of obtaining covered emission reductions in each district,
15 specifically through the program.

16 ~~(e) Not more than 6.25 percent of the moneys allocated pursuant~~
17 ~~to this chapter to a district with a population of one million or more~~
18 ~~may be used by the district for indirect costs of implementation of~~
19 ~~the program, including outreach costs that are subject to the~~
20 ~~limitation in paragraph (2) of subdivision (a).~~

21 ~~(d)~~

22 (c) Not more than 12.5 percent of the moneys allocated pursuant
23 to this chapter to a district ~~with a population of less than one~~
24 ~~million~~ may be used by the district for indirect costs of
25 implementation of the program, including outreach costs that are
26 subject to the limitation in paragraph (2) of subdivision (a).

27 SEC. 4. Section 44299.2 of the Health and Safety Code is
28 amended to read:

29 44299.2. Funds shall be allocated to districts, and shall be
30 subject to administrative terms and conditions as follows:

31 (a) Available funds shall be distributed to districts taking into
32 consideration the population of the area, the severity of the air
33 quality problems experienced by the population, and the historical
34 allocation of the program funds, except that the south coast district
35 shall be allocated a percentage of the total funds available to
36 districts that is proportional to the percentage of the total state
37 population residing within the jurisdictional boundaries of that
38 district. For the purposes of this subdivision, population shall be
39 determined by the state board based on the most recent data
40 provided by the Department of Finance. The allocation to the south

1 coast district shall be subtracted from the total funds available to
2 districts. Each district, except the south coast district, shall be
3 awarded a minimum allocation of two hundred thousand dollars
4 (\$200,000), and the remainder, which shall be known as the
5 “allocation amount,” shall be allocated to all districts as follows:

6 (1) The state board shall distribute 35 percent of the allocation
7 amount to the districts in proportion to the percentage of the total
8 residual state population that resides within each district’s
9 boundaries. For purposes of this paragraph, “total residual state
10 population” means the total state population, less the total
11 population that resides within the south coast district.

12 (2) The state board shall distribute 35 percent of the allocation
13 amount to the districts in proportion to the severity of the air quality
14 problems to which each district’s population is exposed. The
15 severity of the exposure shall be calculated as follows:

16 (A) Each district shall be awarded severity points based on the
17 district’s attainment designation and classification, as most recently
18 promulgated by the federal Environmental Protection Agency for
19 the National Ambient Air Quality Standard for ozone averaged
20 over eight hours, as follows:

21 (i) A district that is designated attainment for the federal
22 eight-hour ozone standard shall be awarded one point.

23 (ii) A district that is designated nonattainment for the federal
24 eight-hour ozone standard shall be awarded severity points based
25 on classification. Two points shall be awarded for transitional,
26 basic, or marginal classifications, three points for moderate
27 classification, four points for serious classification, five points for
28 severe classification, six points for severe-17 classification, and
29 seven points for extreme classification.

30 (B) Each district shall be awarded severity points based on the
31 annual diesel particulate emissions in the air basin, as determined
32 by the state board. One point shall be awarded to the district, in
33 increments, for each 1,000 tons of diesel particulate emissions. In
34 making this determination, 0 to 999 tons shall be awarded no
35 points, 1,000 to 1,999 tons shall be awarded one point, 2,000 to
36 2,999 tons shall be awarded two points, and so forth. If a district
37 encompasses more than one air basin, the air basin with the greatest
38 diesel particulate emissions shall be used to determine the points
39 awarded to the district. The San Diego County Air Pollution
40 Control District and the Imperial County Air Pollution Control

1 District shall be awarded one additional point each to account for
2 annual diesel particulate emissions transported from Mexico.

3 (C) The points awarded under subparagraphs (A) and (B), shall
4 be added together for each district, and the total shall be multiplied
5 by the population residing within the district boundaries, to yield
6 the local air quality exposure index.

7 (D) The local air quality exposure index for each district shall
8 be summed together to yield a total state exposure index. Funds
9 shall be allocated under this paragraph to each district in proportion
10 to its local air quality exposure index divided by the total state
11 exposure index.

12 (3) The state board shall distribute 30 percent of the allocation
13 amount to the districts in proportion to the allocation of funds from
14 the program moneys in the fund, as follows:

15 (A) Because each district is awarded a minimum allocation
16 pursuant to subdivision (a), there shall be no additional minimum
17 allocation from the program historical allocation funds. The total
18 amount allocated in this way shall be subtracted from total funding
19 previously awarded to the district under the program, and the
20 remainder, which shall be known as directed funds, shall be
21 allocated pursuant to subparagraph (B).

22 (B) Each district with a population that is greater than or equal
23 to 1 percent of the state's population shall receive an additional
24 allocation based on the population of the district and the district's
25 relative share of emission reduction commitments in the state
26 implementation plan to attain the National Ambient Air Quality
27 Standard for ozone averaged over one hour. This additional
28 allocation shall be calculated as a percentage share of the directed
29 funds for each district, derived using a ratio of each district's share
30 amount to the base amount, which shall be calculated as follows:

31 (i) The base amount shall be the total program funds allocated
32 by the state board to the districts in the 2002–03 fiscal year, less
33 the total of the funds allocated through the minimum allocation to
34 each district in the 2002–03 fiscal year.

35 (ii) The share amount shall be the allocation that each district
36 received in the 2002–03 fiscal year, not including the minimum
37 allocation. There shall be one share amount for each district.

38 (iii) The percentage share shall be calculated for each district
39 by dividing the district's share amount by the base amount, and

1 multiplying the result by the total directed funds available under
2 this subparagraph.

3 (b) Funds shall be distributed as expeditiously as reasonably
4 practicable, and a report of the distribution shall be made available
5 to the public.

6 (c) All funds allocated pursuant to this section shall be liquidated
7 as provided for in the guidelines adopted pursuant to Section ~~44287~~
8 ~~by June 30 of the fourth year following the year of allocation.~~
9 ~~Funds not liquidated within the four years shall be returned to the~~
10 ~~state board within 90 days for future allocation pursuant to this~~
11 ~~chapter. 44287.~~

O

ASSEMBLY BILL**No. 1857**

Introduced by Assembly Member JacksonJanuary 18, 2024

An act to add and repeal Section 39601.7 of the Health and Safety Code, relating to air quality.

LEGISLATIVE COUNSEL'S DIGEST

AB 1857, as introduced, Jackson. State Air Resources Board: air quality regulation: valleys.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution and 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.

This bill would require the state board to adopt regulations to improve air quality in population centers located in valleys and would require each local air district to implement those regulations with regard to stationary sources located within its jurisdiction. The bill would make those requirements inoperative on January 1, 2029, and would require the state board, on or before January 1, 2030, to submit a report to the Legislature and specified committees of the Legislature describing any air quality improvements resulting from those regulations.

By adding to the duties of local 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, 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. Section 39601.7 is added to the Health and Safety
2 Code, to read:
3 39601.7. (a) The state board shall adopt regulations to improve
4 air quality in population centers located in valleys.
5 (b) Each district shall implement the regulations adopted
6 pursuant to subdivision (a) with regard to stationary sources located
7 within its jurisdiction.
8 (c) Subdivisions (a) and (b) shall become inoperative on January
9 1, 2029.
10 (d) (1) The state board shall submit a report to the Legislature
11 on or before January 1, 2030, summarizing the regulations adopted
12 pursuant to subdivision (a) and describing any air quality
13 improvements resulting from those regulations.
14 (2) The report to be submitted pursuant to paragraph (1) shall
15 be submitted in compliance with Section 9795 of the Government
16 Code.
17 (3) The state board shall also submit the report required pursuant
18 to paragraph (1) to the Assembly Committee on Natural Resources
19 and the Senate Committee on Environmental Quality.
20 (e) For purposes of this section, “valley” means an elongate
21 depression of the earth's surface usually between ranges of hills
22 or mountains.
23 (f) This section shall remain in effect only until January 1, 2034,
24 and as of that date is repealed.
25 SEC. 2. If the Commission on State Mandates determines that
26 this act contains costs mandated by the state, reimbursement to
27 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

O

AB 1857 (Jackson)

State Air Resources Board: air quality regulation: valleys.

Summary: This bill would:

- 1) Require CARB to adopt regulations to improve air quality in population centers located in valleys;
- 2) Require each local air district to implement those regulations with regard to stationary sources located within its jurisdiction; and
- 3) Sunset the above two requirements on January 1, 2029.

Background: Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution and 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.

Status: 3/20/24 – Passed Assembly Natural Resources Committee. Re-referred to Assembly Appropriations Committee.

Specific Provisions: Specifically, this bill would:

- 1) Require CARB to adopt regulations to improve air quality in population centers located in valleys;
- 2) Require each local air district to implement those regulations with regard to stationary sources located within its jurisdiction;
- 3) Sunset the above two requirements on January 1, 2029, and
- 4) Require CARB, on or before January 1, 2030, to submit a report to the Legislature summarizing the regulations adopted and describing any air quality improvements resulting from those regulations.
- 5) For purposes of this section, “valley” means an elongate depression of the earth's surface usually between ranges of hills or mountains.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: This bill would provide arbitrary grounds for increased regulation of air pollution throughout California, utilizing the deciding factor for increased air pollution regulation to be geographical, i.e. in valley areas. This bill fails to consider actual air quality emissions, presence of emissions sources or attainment status of areas to determine where increased air quality regulations should occur.

Additionally, this bill is ambiguous in what types of regulations it requires and could lead to duplicative efforts that overlap with existing state and federal law as well as local air

district, CARB, and U.S. EPA regulations and requirements. This bill is author sponsored. It is unclear why the bill’s specific approach was chosen.

Recommended Position: OPPOSE

Support:

California Environmental Voters
Fractracker Alliance

Opposition:

California Air Pollution Control Officers Association
League of California Cities

AMENDED IN ASSEMBLY MARCH 11, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 2561

Introduced by Assembly Member McKinnor

February 14, 2024

An act to ~~amend Section 11546 of~~ *add Section 3502.3 to the Government Code, relating to state government administration: public employment.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2561, as amended, McKinnor. ~~Department of Technology-Local public employees: vacant positions.~~

Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act prohibits a public agency from, among other things, imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with specified employee rights guaranteed by the act.

This bill would require each public agency with bargaining unit vacancy rates exceeding 10% for more than 90 days within the past 180 days to meet and confer with a representative of the recognized employee organization to produce, publish, and implement a plan consisting of specified components to fill all vacant positions within the subsequent 180 days. The bill would require the public agency to present this plan during a public hearing to the governing legislative body and to publish the plan on its internet website for public review for at least one year. By imposing new duties on local public agencies,

the bill would impose a state-mandated local program. The bill would also include findings that changes proposed by this bill address a matter of statewide concern.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

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 shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

~~Existing law requires the Department of Technology to be responsible for the approval and oversight of information technology projects, including by consulting with agencies during initial project planning to ensure that project proposals are based on well-defined programmatic needs, clearly identifying programmatic benefits, and considering feasible alternatives to address the identified needs and benefits consistent with statewide strategies, policies, and procedures.~~

~~This bill would make nonsubstantive changes to that provision.~~

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

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

- 1 **SECTION 1.** *Section 3502.3 is added to the Government Code,*
- 2 *to read:*
- 3 3502.3. (a) *Each public agency with bargaining unit vacancy*
- 4 *rates exceeding 10 percent for more than 90 days within the past*
- 5 *180 days shall promptly meet and confer with the representative*
- 6 *of the recognized employee organization, as defined in subdivision*
- 7 *(a) of Section 3501, to produce, publish, and implement a plan to*
- 8 *fill all vacant positions within the subsequent 180 days.*

1 (b) The plan shall include an assessment of all the following
2 substantive components:

3 (1) Total number of positions and vacancies for specified job
4 classifications, organized by agency department or division.

5 (2) Applicable compensation rates, including health and welfare
6 benefits and fringe benefits, of similar positions at public and
7 private employers in the surrounding area compared to positions
8 exceeding a 10-percent vacancy rate and their relationship with
9 employee retention.

10 (3) A comparison of noneconomic terms of employment in
11 departments or divisions with vacancy rates exceeding 10 percent,
12 including scheduling flexibility and remote work options.

13 (4) An anonymous survey collected from present employees that
14 assesses workplace climate, culture, bullying, safety, recognition
15 of family responsibilities, remote work flexibilities, and leadership.

16 (5) Descriptions of any obstacles in the hiring process,
17 including, but not limited to, the following:

18 (A) Average length of the hiring process for an applicant.

19 (B) Number of applicants for vacant positions.

20 (C) Qualifications requirements for positions that have remained
21 vacant for more than 180 days.

22 (D) Success or lack of community outreach efforts to recruit
23 more applicants.

24 (E) Availability of multilingual civil service examinations for
25 vacant positions that require such an examination.

26 (F) Availability or lack of training or apprenticeship programs
27 for new hires or for career advancement for current employees.

28 (G) Other barriers to access not listed above.

29 (c) The plan shall address the identified problems in retention
30 and recruitment, as described in subdivision (b), and propose
31 specific, measurable and achievable objectives, including a
32 timeline the public agency will take to make progress toward filling
33 remaining vacancies in the following ways:

34 (1) Develop trainings, mentorship programs, or apprenticeships
35 to increase the pool of qualified applicants for vacant positions.

36 (2) Identify any necessary changes to policies, procedures, and
37 recruitment activities that lead to obstacles in the hiring process
38 described in paragraph (5) of subdivision (b).

39 (3) Identify current permanent and temporary employees who
40 could transition into a role in the bargaining unit described in

1 subdivision (a) and establish a training program to facilitate this
2 practice.

3 (4) Identify opportunities to improve compensation, working
4 conditions, and terms of employment.

5 (5) Partner with unions, community organizations, training and
6 placement programs, and stakeholders to reduce barriers and
7 improve access for applicants. The plan shall include specific
8 outreach activities the department will take to recruit applicants
9 with an equity section on a recruitment plan specific to workers
10 from underrepresented and disadvantaged communities.

11 (d) The public agency shall present this plan during a public
12 hearing to the governing legislative body.

13 (e) The public agency shall implement the plan as required in
14 subdivision (a).

15 (f) The public agency shall publish the plan, including the
16 findings detailed in subdivision (b), on its internet website for
17 public review for at least one year.

18 (g) The provisions of this section are severable. If any provision
19 of this section or its application is held invalid, the invalidity shall
20 not affect other provisions or applications that can be given effect
21 without the invalid provision or application.

22 (h) There is a statewide interest in ensuring that public agency
23 operations are appropriately staffed and that high vacancy rates
24 do not undermine public employee labor relations. The Legislature
25 finds and declares that this section constitutes a matter of statewide
26 concern and shall apply to charter cities and counties. The
27 provisions of this section shall supersede any inconsistent
28 provisions in the charter of any city or county.

29 SEC. 2. The Legislature finds and declares that Section 1 of
30 this act, which adds Section 3502.3 to the Government Code,
31 furthers, within the meaning of paragraph (7) of subdivision (b)
32 of Section 3 of Article I of the California Constitution, the purposes
33 of that constitutional section as it relates to the right of public
34 access to the meetings of local public bodies or the writings of
35 local public officials and local agencies. Pursuant to paragraph
36 (7) of subdivision (b) of Section 3 of Article I of the California
37 Constitution, the Legislature makes the following findings:

38 It is in the public interest, and it furthers the purposes of
39 paragraph (7) of subdivision (b) of Section (3) of Article I of the

1 *California Constitution, to ensure that information concerning*
2 *public agency employment is available to the public.*

3 *SEC. 3. No reimbursement shall be made pursuant to Part 7*
4 *(commencing with Section 17500) of Division 4 of Title 2 of the*
5 *Government Code for costs mandated by the state pursuant to this*
6 *act. It is recognized, however, that a local agency or school district*
7 *may pursue any remedies to obtain reimbursement available to it*
8 *under Part 7 (commencing with Section 17500) and any other law.*

9 ~~SECTION 1. Section 11546 of the Government Code is~~
10 ~~amended to read:~~

11 ~~11546. (a) The Department of Technology shall be responsible~~
12 ~~for the approval and oversight of information technology projects,~~
13 ~~which shall include, but are not limited to, all of the following:~~

14 ~~(1) Establishing and maintaining a framework of policies,~~
15 ~~procedures, and requirements for the initiation, approval,~~
16 ~~implementation, management, oversight, and continuation of~~
17 ~~information technology projects. Unless otherwise required by~~
18 ~~law, a state department shall not procure oversight services of~~
19 ~~information technology projects without the approval of the~~
20 ~~Department of Technology.~~

21 ~~(2) Evaluating information technology projects based on the~~
22 ~~business case justification, resources requirements, proposed~~
23 ~~technical solution, project management, oversight and risk~~
24 ~~mitigation approach, and compliance with statewide strategies,~~
25 ~~policies, and procedures. Projects shall continue to be funded~~
26 ~~through the established Budget Act process.~~

27 ~~(3) Consulting with agencies during initial project planning to~~
28 ~~ensure that project proposals are based on well-defined~~
29 ~~programmatic needs, clearly identifying programmatic benefits,~~
30 ~~and considering feasible alternatives to address the identified needs~~
31 ~~and benefits consistent with statewide strategies, policies, and~~
32 ~~procedures.~~

33 ~~(4) Consulting with agencies prior to project initiation to review~~
34 ~~the project governance and management framework to ensure that~~
35 ~~it is best designed for success and will serve as a resource for~~
36 ~~agencies throughout the project implementation.~~

37 ~~(5) Requiring agencies to provide information on information~~
38 ~~technology projects including, but not limited to, all of the~~
39 ~~following:~~

- 1 ~~(A) The degree to which the project is within approved scope,~~
2 ~~cost, and schedule.~~
- 3 ~~(B) Project issues, risks, and corresponding mitigation efforts.~~
- 4 ~~(C) The current estimated schedule and costs for project~~
5 ~~completion.~~
- 6 ~~(6) Requiring agencies to perform remedial measures to achieve~~
7 ~~compliance with approved project objectives. These remedial~~
8 ~~measures may include, but are not limited to, any of the following:~~
- 9 ~~(A) Independent assessments of project activities, the cost of~~
10 ~~which shall be funded by the agency administering the project.~~
- 11 ~~(B) Establishing remediation plans.~~
- 12 ~~(C) Securing appropriate expertise, the cost of which shall be~~
13 ~~funded by the agency administering the project.~~
- 14 ~~(D) Requiring additional project reporting.~~
- 15 ~~(E) Requiring approval to initiate any action identified in the~~
16 ~~approved project schedule.~~
- 17 ~~(7) Suspending, reinstating, or terminating information~~
18 ~~technology projects. The Department of Technology shall notify~~
19 ~~the Joint Legislative Budget Committee of any project suspension,~~
20 ~~reinstatement, and termination within 30 days of that suspension,~~
21 ~~reinstatement, or termination.~~
- 22 ~~(8) Establishing restrictions or other controls to mitigate~~
23 ~~nonperformance by agencies, including, but not limited to, any of~~
24 ~~the following:~~
- 25 ~~(A) The restriction of future project approvals pending~~
26 ~~demonstration of successful correction of the identified~~
27 ~~performance failure.~~
- 28 ~~(B) The revocation or reduction of authority for state agencies~~
29 ~~to initiate information technology projects or acquire information~~
30 ~~technology or telecommunications goods or services.~~
- 31 ~~(b) The Department of Technology shall have the authority to~~
32 ~~delegate to another agency any authority granted under this section~~
33 ~~based on its assessment of the agency's project management,~~
34 ~~project oversight, and project performance.~~

AB 2561 (McKinnor)
Local public employees: vacant positions.

Summary: This bill would:

- 1) Require each public agency with bargaining unit vacancy rates exceeding 10% for more than 90 days within the past 180 days to produce, publish and implement a plan to reduce the vacancy rate to 0% within the subsequent 180 days.
- 2) Require the public agency to present this plan during a public hearing to the governing legislative body and to publish the plan on its website for public review for at least one year.

Background: The Meyers-Milias Brown Act (MMBA or Act) governs labor management relations in government employment fields, including cities; counties; and most special districts. The Act also serves to promote full communication between public agencies in the state and their employees. Under the MMBA, the governing body of a public agency is required to meet and provide certain things in good faith, including wages, hours, and other employment terms and conditions with representatives of organized employee organizations.

Status: 3/19/24 In Public Employee & Retirement Committee: Hearing postponed by committee.

Specific Provisions: Specifically, this bill would:

- 1) Require each public agency with bargaining unit vacancy rates exceeding 10 percent for more than 90 days within the past 180 days to meet and confer with a representative of the recognized employee organization to produce, publish and implement a plan to fill all vacant positions within the subsequent 180 days.
- 2) Require the public agency to present this plan during a public hearing to the governing legislative body and to publish the plan on its internet website for public review for at least one year.
- 3) The plan shall include an assessment of all the following substantive components:
 - a. Total number of vacancies for specified job classifications, organized by agency department or division.
 - b. Applicable compensation rates, including health and welfare benefits and fringe benefits, or similar positions at public and private employers in the surrounding area compared to positions exceeding a 10-percent vacancy rate.
 - c. A comparison of non-economic terms of employment in departments or divisions with vacancy rates exceeding 10 percent, including scheduling flexibility and remote work options.

- d. An anonymous survey collected from present employees that assess workplace climate, culture, bullying, safety, recognition of family responsibilities, remote work flexibilities, and leadership.
 - e. Descriptions of any obstacles in the hiring process.
- 4) The plan shall address the identified problems in retention and recruitment and propose specific, measurable, and achievable objectives, including a timeline the public agency will take to make progress toward filling remaining vacancies.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: South Coast AQMD’s current vacancy rate is 15.0 percent. Two bargaining units exist within the agency; 1) Teamsters Local 911 representing the office clerical, maintenance and technical enforcement units; and 2) Professional Employees Association representing the professional unit. Recruitment for vacant positions has been a primary focus for South Coast AQMD. An established vacancy rate is adopted by the Governing Board as part of its budget for financial planning purposes. In addition, recruitment for open positions is often complicated as open positions may require specialized education and training in scientific fields, which are not always readily available in the employment pool. This bill imposes a general requirement for hiring without accounting for the many obstacles faced during recruitment for specialized fields, such as job vacancies requiring specific types of environmental training, among other things. This bill would impose an undue burden on South Coast AQMD resources and its hiring processes.

South Coast AQMD Staff Proposed Amendment: Exclude local air districts from the application of this bill.

Recommended Position: OPPOSE UNLESS AMENDED

Support:

AFSCME (Sponsor)
California Labor Federation (Sponsor)
SEIU (Sponsor)

Opposition:

N/A

AMENDED IN SENATE MARCH 21, 2024

SENATE BILL

No. 1095

Introduced by Senator Becker

February 12, 2024

An act to add Section 4737 to the Civil Code, and to amend Sections 17958.8, ~~18007~~, ~~18008~~, 18031.7, and 18031.8 of, to add Section 18031.9 to, the Health and Safety Code, relating to building standards.

LEGISLATIVE COUNSEL'S DIGEST

SB 1095, as amended, Becker. Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.

(1) Existing law, the Manufactured Housing Act of 1980 (the “act”), requires the Department of Housing and Community Development to enforce various laws pertaining to the structural, fire safety, plumbing, heat-producing, or electrical systems and installations or equipment of a manufactured home, mobilehome, commercial coach, or special purpose commercial coach. The act defines “manufactured home” and “mobilehome” to mean a structure that meets specified requirements, including that the structure is transportable in one or more sections and is 8 body feet or more in width, or 40 body feet or more in length, in the traveling mode, or, when erected onsite, is 320 or more square feet, and includes the plumbing, heating, air-conditioning, and electrical systems contained within the structure.

~~This bill would specify that the definitions of “manufactured home” and “mobilehome” also include the plumbing, heating, air-conditioning, and electrical systems contained outside the structure.~~

The act specifies that it does not prohibit the replacement of water heaters or appliances for comfort heating in manufactured homes or mobilehomes with fuel-gas-burning water heaters or fuel-gas appliances

for comfort heating that are not specifically listed for use in a manufactured home or mobilehome, as specified.

This bill would extend those provisions to also apply to electric water heaters and electric appliances for comfort heating that are not specifically listed for use in a manufactured home or mobilehome.

This bill would provide that the act, including any regulation, rule, or bulletin adopted pursuant thereto, does not prohibit the installation of plumbing, heating, or air-conditioning systems for manufactured homes, mobilehomes, or multifamily manufactured homes from being located outside of the home if necessary to replace an existing fuel-gas-burning water heater.

(2) The act requires replacement fuel-gas-burning water heaters to be listed for residential use and installed within the specifications of that listing to include tiedown or bracing to prevent overturning.

This bill would also require replacement electric water heaters to be listed for residential use and installed within the specifications of that listing to include tiedown or bracing to prevent overturning.

The act requires fuel-gas-burning water heater appliances in new manufactured homes or new multifamily manufactured homes to be seismically braced, anchored, or strapped, as specified.

This bill would also require electric water heater appliances in new manufactured homes or new multifamily manufactured homes to be seismically braced, anchored, or strapped, as specified.

The act required the Department of Housing and Community Development, on or before July 1, 2009, to promulgate rules and regulations that include standards for water heater seismic bracing, anchoring, or strapping.

This bill would require the department, on or before August 15, 2025, to promulgate rules and regulations that include standards for electric water heater seismic bracing, anchoring, or strapping, as specified.

This bill would also require the department, if necessary, by December 31, 2025, to update rules and regulations that facilitate the use of electricity-powered space and water heating technologies for manufactured homes, mobilehomes, and multifamily manufactured homes when necessary to replace fuel-burning appliances with electric appliances.

The act provides that any person who knowingly violates any provision of the act or any rule or regulation issued pursuant to the act is guilty of a misdemeanor.

By establishing new standards applicable to the installation and replacement of electric water heaters, the bill would expand the above-mentioned crime and thus impose a state-mandated local program.

(3) The act provides that it does not prohibit the replacement in manufactured homes or mobilehomes of ovens, ranges, or clothes dryers with fuel-gas-burning ovens, ranges, or clothes dryers that are not specifically listed for use in a manufactured home or mobilehome.

This bill would authorize the replacement in manufactured homes or mobilehomes of ovens, ranges, or clothes dryers with electric ovens, ranges, or clothes dryers that are not specifically listed for use in a manufactured home or mobilehome.

The act requires replacement gas-fuel-burning ovens, ranges, or clothes dryers to be listed for residential use and installed in accordance with the specifications of that listing to include tiedown and bracing to prevent displacement.

This bill would require replacement electric ovens, ranges, or clothes dryers to be listed for residential use and installed in accordance with the specifications of that listing to include tiedown and bracing to prevent displacement.

(4) Existing law, the State Housing Law, establishes statewide construction and occupancy standards for buildings used for human habitation. The State Housing Law requires local ordinances or regulations that govern the alteration and repair of existing buildings to permit the replacement, retention, and extension of original materials and the use of original methods of constructions, provided that the portion of the building and structure complies with applicable building code provisions and the building does not become or continue to be a substandard building, as specified.

This bill would provide that the above provision regarding the use of original materials and methods of construction does not prevail over any state or local law that prohibits the use or installation of fuel-gas-burning appliances or that requires the use or installation of electric appliances.

(5) The Davis-Stirling Common Interest Development Act governs the management and operation of common interest developments. Existing law makes void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies that prohibits use of low water-using plants, or prohibits or restricts compliance with water-efficient landscape ordinances or regulations on the use of water, as specified.

This bill would make void and unenforceable any provision of the governing documents or architectural guidelines or policies to the extent that the provision prevents the replacement of a fuel-gas-burning appliance with an electric appliance.

(6) This bill would state that specified provisions of the bill are declaratory of existing law.

(7) 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. This act shall be known, and may be cited, as the
2 Cozy Homes Cleanup Act.

3 SEC. 2. Section 4737 is added to the Civil Code, to read:

4 4737. Notwithstanding any other law, any provision of the
5 governing documents or architectural guidelines or policies shall
6 be void and unenforceable to the extent that the provision prevents
7 the replacement of a fuel-gas-burning appliance with an electric
8 appliance.

9 SEC. 3. Section 17958.8 of the Health and Safety Code is
10 amended to read:

11 17958.8. (a) Local ordinances or regulations governing
12 alterations and repair of existing buildings shall permit the
13 replacement, retention, and extension of original materials and the
14 use of original methods of construction for any building or
15 accessory structure subject to this part, including a hotel,
16 lodginghouse, motel, apartment house, or dwelling, or portions
17 thereof, as long as the portion of the building and structure subject
18 to the replacement, retention, or extension of original materials
19 and the use of original methods of construction complies with the
20 building code provisions governing that portion of the building or
21 accessory structure at the time of construction, and the other rules
22 and regulations of the department or alternative local standards
23 governing that portion at the time of its construction and adopted

1 pursuant to Section 13143.2 and the building or accessory structure
2 does not become or continue to be a substandard building.

3 (b) This section shall not prevail over any other state or local
4 law that prohibits the use or installation of fuel-gas-burning
5 appliances or that requires the use or installation of electric
6 appliances.

7 ~~SEC. 4. Section 18007 of the Health and Safety Code is~~
8 ~~amended to read:~~

9 ~~18007. (a) “Manufactured home,” for the purposes of this part,~~
10 ~~means a structure that was constructed on or after June 15, 1976,~~
11 ~~is transportable in one or more sections, is eight body feet or more~~
12 ~~in width, or 40 body feet or more in length, in the traveling mode,~~
13 ~~or, when erected on site, is 320 or more square feet, is built on a~~
14 ~~permanent chassis and designed to be used as a single-family~~
15 ~~dwelling with or without a foundation when connected to the~~
16 ~~required utilities, and includes the plumbing, heating, air~~
17 ~~conditioning, and electrical systems contained within or outside~~
18 ~~the structure. “Manufactured home” includes any structure that~~
19 ~~meets all the requirements of this paragraph except the size~~
20 ~~requirements and with respect to which the manufacturer~~
21 ~~voluntarily files a certification and complies with the standards~~
22 ~~established under the National Manufactured Housing Construction~~
23 ~~and Safety Act of 1974 (42 U.S.C., Sec. 5401, and following).~~

24 ~~(b) Notwithstanding any other provision of law, if a codified~~
25 ~~provision of state law uses the term “manufactured home,” and it~~
26 ~~clearly appears from the context that the term “manufactured home”~~
27 ~~should apply only to manufactured homes, as defined under~~
28 ~~subdivision (a), the codified provision shall apply only to those~~
29 ~~manufactured homes. If any codified provision of state law, by its~~
30 ~~context, requires that the term applies to manufactured homes or~~
31 ~~mobilehomes without regard to the date of construction, the~~
32 ~~codified provision shall apply to both manufactured homes, as~~
33 ~~defined under subdivision (a), and mobilehomes as defined under~~
34 ~~Section 18008.~~

35 ~~SEC. 5. Section 18008 of the Health and Safety Code is~~
36 ~~amended to read:~~

37 ~~18008. (a) “Mobilehome,” for the purposes of this part, means~~
38 ~~a structure that was constructed prior to June 15, 1976, is~~
39 ~~transportable in one or more sections, is eight body feet or more~~
40 ~~in width, or 40 body feet or more in length, in the traveling mode,~~

1 or, when erected onsite, is 320 or more square feet, is built on a
2 permanent chassis and designed to be used as a single-family
3 dwelling with or without a foundation system when connected to
4 the required utilities, and includes the plumbing, heating, air
5 conditioning, and electrical systems contained within or outside
6 the structure. “Mobilehome” includes any structure that meets all
7 the requirements of this paragraph and complies with the state
8 standards for mobilehomes in effect at the time of construction.
9 “Mobilehome” does not include a commercial modular, as defined
10 in Section 18001.8, factory-built housing, as defined in Section
11 19971, a manufactured home, as defined in Section 18007, a
12 multifamily manufactured home, as defined in Section 18008.7,
13 or a recreational vehicle, as defined in Section 18010.

14 (b) Notwithstanding any other provision of law, if a codified
15 provision of state law uses the term “mobilehome,” and it clearly
16 appears from the context that the term “mobilehome” should apply
17 only to mobilehomes, as defined under subdivision (a), the codified
18 provision shall apply only to those mobilehomes. If any codified
19 provision of state law, by its context, requires that the term applies
20 to mobilehomes or manufactured homes without regard to the date
21 of construction, the codified provision shall apply to both
22 mobilehomes, as defined under subdivision (a), and manufactured
23 homes, as defined under Section 18007.

24 ~~SEC. 6.~~

25 *SEC. 4.* Section 18031.7 of the Health and Safety Code is
26 amended to read:

27 18031.7. (a) (1) Nothing in this part shall prohibit the
28 replacement of water heaters in manufactured homes or
29 mobilehomes with electric or fuel-gas-burning water heaters not
30 specifically listed for use in a manufactured home or mobilehome
31 or from having hot water supplied from an approved source within
32 the manufactured home or mobilehome, or in the garage, in
33 accordance with this part or Part 2.1 (commencing with Section
34 18200).

35 (2) Nothing in this part shall prohibit the replacement of
36 appliances for comfort heating in manufactured homes,
37 mobilehomes, or multifamily manufactured homes with electric
38 or fuel-gas appliances for comfort heating not specifically listed
39 for use in a manufactured home or mobilehome within the
40 manufactured home, mobilehome, or multifamily manufactured

1 home in accordance with this part, Part 2.1 (commencing with
2 Section 18200), or Part 2.3 (commencing with Section 18860).

3 (b) Nothing in this part, nor any regulation, rule, or bulletin
4 adopted pursuant to this part, shall prohibit the installation of
5 plumbing, heating, or air-conditioning systems for manufactured
6 homes, mobilehomes, or multifamily manufactured homes from
7 being located outside of the home if necessary to replace an
8 existing fuel-gas-burning water heater.

9 (c) Replacement electric or fuel-gas-burning water heaters shall
10 be listed for residential use and installed within the specifications
11 of that listing to include tiedown or bracing to prevent overturning.

12 (d) Replacement electric or fuel-gas-burning water heaters
13 installed in accordance with subdivision (c) shall bear a label
14 permanently affixed in a visible location adjacent to the fuel gas
15 inlet or electrical power source which reads, as applicable:

16
17
18 **WARNING**
19 This appliance is approved only for use with natural gas (NG).

20
21 **OR**

22
23
24 **WARNING**
25 This appliance is approved only for use with liquified petroleum gas (LPG).

26
27 **OR**

28
29
30 **WARNING**
31 This appliance is approved only for electrical use.

32
33 Lettering on the label shall be black on a red background and
34 not less than ¼ inch in height except for the word “WARNING”
35 which shall be not less than ½ inch in height.

36 (e) (1) All electric or fuel-gas-burning water heater appliances
37 in new manufactured homes or new multifamily manufactured
38 homes installed in the state shall be seismically braced, anchored,

1 or strapped pursuant to paragraph (3) or (4) and shall be completed
2 before or at the time of installation of the homes.

3 (2) Any replacement electric or fuel-gas-burning water heater
4 appliances installed in existing mobilehomes, existing
5 manufactured homes, or existing multifamily manufactured homes
6 that are offered for sale, rent, or lease shall be seismically braced,
7 anchored, or strapped pursuant to paragraph (3) or (4).

8 (3) On or before July 1, 2009, the department shall promulgate
9 rules and regulations that include standards for water heater seismic
10 bracing, anchoring, or strapping. These standards shall be
11 substantially in accordance with either the guidelines developed
12 pursuant to Section 19215 or the California Plumbing Code (Part
13 5 of Title 24 of the California Code of Regulations), and shall be
14 applicable statewide.

15 (4) On or before August 15, 2025, the department shall
16 promulgate rules and regulations that include standards for electric
17 water heater seismic bracing, anchoring, or strapping. These
18 standards shall be substantially in accordance with either the
19 guidelines developed pursuant to Section 19215 or the California
20 Plumbing Code (Part 5 of Title 24 of the California Code of
21 Regulations), and shall be applicable statewide.

22 (5) The dealer, or manufacturer acting as a dealer, responsible,
23 as part of the purchase contract, for both the sale and installation
24 of any home subject to this subdivision shall ensure all water
25 heaters are seismically braced, anchored, or strapped in compliance
26 with this subdivision prior to completion of installation.

27 (6) In the event of a sale of a home, pursuant to either paragraph
28 (1) of subdivision (e) of Section 18035 or Section 18035.26, the
29 homeowner or contractor responsible for the installation of the
30 home shall ensure all electric or fuel-gas-burning water heater
31 appliances are seismically braced, anchored, or strapped consistent
32 with the requirements of paragraph (3). This requirement shall be
33 satisfied when the homeowner or responsible contractor signs a
34 declaration stating each electric or fuel-gas-burning water heater
35 is secured as required by this section on the date the declaration
36 is signed.

37 (f) All used mobilehomes, used manufactured homes, and used
38 multifamily manufactured homes that are sold shall, on or before
39 the date of transfer of title, have the electric or fuel-gas-burning
40 water heater appliance or appliances seismically braced, anchored,

1 or strapped consistent with the requirements of paragraph (3) or
2 (4) of subdivision (e). This requirement shall be satisfied if, within
3 45 days prior to the transfer of title, the transferor signs a
4 declaration stating that each water heater appliance in the used
5 mobilehome, used manufactured home, or used multifamily
6 manufactured home is secured pursuant to paragraph (3) or (4) of
7 subdivision (e) on the date the declaration is signed.

8 (g) For sales of manufactured homes or mobilehomes installed
9 on real property pursuant to subdivision (a) of Section 18551, as
10 to real estate agents licensed pursuant to Division 4 (commencing
11 with Section 10000) of the Business and Professions Code, the
12 real estate licensee duty provisions of Section 8897.5 of the
13 Government Code shall apply to this section.

14 ~~SEC. 7:~~

15 *SEC. 5.* Section 18031.8 of the Health and Safety Code is
16 amended to read:

17 18031.8. (a) Nothing in this part or the regulations promulgated
18 thereunder shall prohibit the replacement in manufactured homes
19 or mobilehomes of ovens, ranges, or clothes dryers with electric
20 or fuel gas burning ovens, ranges, or clothes dryers not specifically
21 listed for use in a manufactured home or mobilehome.

22 (b) Replacement electric or fuel gas burning ovens, ranges, or
23 clothes dryers shall be listed for residential use and installed in
24 accordance with the specifications of that listing to include tiedown
25 and bracing to prevent displacement.

26 (c) Replacement electric or fuel gas burning ovens, ranges, or
27 clothes dryers installed in accordance with subdivision (b) shall
28 bear a label in compliance with subdivision (c) of Section 18031.7.

29 ~~SEC. 8:~~

30 *SEC. 6.* Section 18031.9 is added to the Health and Safety
31 Code, to read:

32 18031.9. The department shall, if necessary, by December 31,
33 2025, update existing rules and regulations that facilitate the use
34 of electricity-powered space and water heating technologies for
35 manufactured homes, mobilehomes, and multifamily manufactured
36 homes when necessary to replace fuel-burning appliances with
37 electric appliances.

38 ~~SEC. 9:~~

39 *SEC. 7.* The amendments to ~~Sections 17958.8, 18007, and~~
40 ~~18008~~ *Section 17958.8* of the Health and Safety Code made by

1 this act do not constitute a change in, but are declaratory of,
2 existing law.

3 ~~SEC. 10.~~

4 *SEC. 8.* No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 the only costs that may be incurred by a local agency or school
7 district will be incurred because this act creates a new crime or
8 infraction, eliminates a crime or infraction, or changes the penalty
9 for a crime or infraction, within the meaning of Section 17556 of
10 the Government Code, or changes the definition of a crime within
11 the meaning of Section 6 of Article XIII B of the California
12 Constitution.

SB 1095 (Becker)

Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.

Summary: This bill would update ambiguities in existing law to ensure that individuals can switch from gas to electric appliances, thereby allowing Californians to opt for healthier zero-emission homes. The bill would:

- 1) Establish the Cozy Homes Clean-up Act, which clarifies the authority of individuals in mobilehomes, manufactured homes, and common interest developments (CIDs) to possess and use electric appliances, in addition to gas appliances, and
- 2) Require the Department of Housing and Community Development (HCD) to regulate electric appliances.

Background: According to the author: “Despite California’s ambitious greenhouse gas reduction targets and incentives to convert to more climate-friendly appliances, local agencies and non-profit organizations at the forefront of electric appliance installations have raised concerns about outdated health and safety codes that could prevent or discourage individuals from making the switch from gas to electric appliances. Issues such as legal ambiguities or delays in approval of installation from a homeowner association (HOA) can potentially add time or costs to the process of allowing residents to make the switch. This is particularly burdensome in cases of changes of appliances at the ‘end of life,’ where a family cannot and will not wait 3-6 months for their HOA to approve replacement water heater installation. These outdated regulations could preemptively increase building electrification barriers and costs, particularly for installations of heat pumps on the exteriors of homes, or for replacements in mobile and multi-family homes. SB 1095 will help preemptively remove potential barriers that could frustrate Californians trying to make the switch to electric appliances so that all Californians can have cozier, healthier zero-emission homes.”

CIDs are a type of housing with separate ownership of housing units that also share common areas and amenities. There are a variety of different types of CIDs including condominium complexes, planned unit developments, and resident-owned mobilehome parks. In recent years, CIDs have represented a growing share of California’s housing stock. In 2019 there were an estimated 54,065 CIDs in the state which contain 5 million housing units, or about 35% of the state’s total housing stock. CIDs and their governing documents are regulated under the Davis-Stirling Act. CIDs can also have Covenants, Conditions, and Restrictions (CC&Rs) which are filed with the county recorder at the time they are established. Owners in a CID are contractually obligated to abide by the CC&Rs and the governing documents of a CID, which specify rules, such as how an owner can modify their home. Additionally, CIDs include HOAs which are run by an elected board of directors.

Status: 3/26/24 - Set for hearing in Senate Judiciary Committee on April 2, 2024.

Specific Provisions: Specifically, this bill would:

- 1) Void, within the Davis Sterling Act, any governing document or architectural guidelines or policies within CIDs that prevent the replacement of a fuel-gas-burning appliance with an electric appliance;
- 2) Add that nothing shall prohibit the replacement of fuel-gas-burning water heaters with electric appliances in manufactured homes or mobilehomes;
- 3) Provide that nothing shall prohibit the installation of plumbing, heating, or air-conditioning systems for manufactured homes, mobilehomes, or multifamily manufactured homes from being located outside the home if necessary to replace an existing fuel-gas-burning water heater;
- 4) Require HCD, by August 15, 2025, to issue regulations that include standards for electric water heater seismic bracing, anchoring, and strapping to be applicable statewide in manufactured homes and mobilehomes. Requires new relevant appliances to adhere to these standards; and
- 5) Require HCD to by December 31, 2025, update existing regulations regarding the facilitation of electric appliance replacement in manufactured homes and mobilehomes.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: According to the CARB 2018 GHG Inventory, commercial and residential buildings are responsible for approximately 12% each of all greenhouse gas (GHG) emissions, and space and water heating make up nearly 75% of all building-related fuel consumption. To date, electric appliances have been key in helping fulfill California’s zero emissions goals. Because of the impacts to the environment, CARB is considering a regulation requiring any newly purchased heater to be a zero-emission space or water heater as an important part of their effort to decrease GHG emissions to help meet the state’s climate goals of achieving carbon neutrality by 2045 or earlier. Similarly, the sponsor of this bill, the Bay Area AQMD, is considering amending their Regulation 9, Rules 4 and 6 to reduce emissions of nitrogen oxides from residential and commercial furnaces and water heaters via replacement or upgrade to zero emission electric appliances. These Bay Area AQMD amendments would bring the Bay Area into line with air districts in the Southern California and Central Valley regions, which are developing programs to help residents facilitate the transition to zero-emission electric appliances. These changes in regulation are examples of a trend to electrification to reduce GHG and air pollutant emissions.

This bill is consistent with South Coast AQMD’s policy priorities to promote zero emission technology, reduce emissions and protect public health within the South Coast region.

Recommended Position: SUPPORT

Support:

Bay Area Air Quality Management District (Sponsor)
ACT Now Bay Area
Acterra: Action for A Healthy Planet
Building Decarbonization Coalition
California Air Pollution Control Officers Association
California Environmental Voters
Carbon Free Palo Alto
Carbon Free Silicon Valley
Center for Biological Diversity
EarthJustice
Institute for Market Transformation
Natural Resources Defense Council (NRDC)
Physicians for Social Responsibility - San Francisco Bay Area Chapter
Rewiring America
RMI
Sierra Club California
SPUR
US Green Building Council

Opposition:

California Manufactured Housing Institute
Western Manufactured Housing Communities Association

SENATE BILL**No. 1193**

**Introduced by Senator Menjivar
(Principal coauthor: Senator Stern)**

February 14, 2024

An act to add Chapter 8 (commencing with Section 21710) to Part 1 of Division 9 of the Public Utilities Code, relating to aviation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1193, as introduced, Menjivar. Airports: leaded aviation gasoline.

Existing law, the State Aeronautics Act, governs various matters relative to aviation in the state, and authorizes the Department of Transportation to adopt, administer, and enforce rules and regulations for the administration of the act. Under existing law, a violation of the State Aeronautics Act is a crime.

This bill would prohibit an airport operator or aviation retail establishment, as defined, from selling, distributing, or otherwise making available leaded aviation gasoline to consumers, consistent with a specified timeline, as provided.

This bill would require the department, in consultation with the State Department of Public Health and the California Environmental Protection Agency, to identify best management practices for reducing public health and environmental exposures to lead associated with airport operations. The bill would require the department, on or before July 1, 2025, to publish on its internet website initial guidance for airport operators regarding best airport operating practices to minimize environmental and public health impacts of lead exposure. The bill would require the department to publish updated guidance on or before July 1, 2026, as specified.

This bill would require each airport operator, on or before November 1, 2025, to submit to the department, and begin implementing, a plan

to implement the best practices identified by the department to minimize environmental impacts and public health risks associated with leaded aviation gasoline use at airports. The bill would require each airport operator, by December 1, 2026, and each December 1 thereafter, to provide a status report to the department regarding its implementation of the plan, including the status of planning and investments to facilitate the supply of unleaded aviation gasoline at the airport, except as specified. The bill would require the department, in consultation with the State Department of Public Health and the California Environmental Protection Agency, to offer technical assistance to each airport operator that has not submitted a plan, or that does not implement the plan submitted to the department in the manner described in the plan.

This bill would provide that a person in violation of the prohibition on selling, distributing, or otherwise making available leaded aviation gasoline to consumers is subject to a civil penalty of up to \$1,000 per day that leaded aviation gasoline was sold, distributed, or supplied. The bill would provide that a person who remains in violation of the requirements to submit a plan or status report to the department 30 days after the offer of technical assistance by the department is subject to a civil penalty of up to \$1,000 per day of continued noncompliance. The bill would also make its provisions severable.

Because the above provisions would be a part of the State Aeronautics Act, the 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. Chapter 8 (commencing with Section 21710) is
2 added to Part 1 of Division 9 of the Public Utilities Code, to read:

3

4 CHAPTER 8. LEADED AVIATION GASOLINE

5

6 21710. (a) An airport operator or aviation retail establishment
7 shall not sell, distribute, or otherwise make available leaded

1 aviation gasoline to consumers consistent with the following
2 timeline:

3 (1) Beginning January 1, 2026, for airports and aviation retail
4 establishments located in or adjacent to either of the following:

5 (A) A disadvantaged community, as identified pursuant to
6 Section 39711 of the Health and Safety Code.

7 (B) A city with a population of at least 700,000 as of January
8 1, 2024, as determined using the latest official estimate published
9 by the Department of Finance.

10 (2) Beginning January 1, 2028, for airports and aviation retail
11 establishments located in or immediately adjacent to an urban
12 growth boundary.

13 (3) Beginning January 1, 2030, for all other airports and aviation
14 retail establishments.

15 (b) For purposes of this section, “aviation retail establishment”
16 means any public or private entity that sells aviation gasoline, or
17 offers or otherwise makes available aviation gasoline to a customer,
18 including other businesses or government entities, for use in this
19 state.

20 21711. (a) The department, in consultation with the State
21 Department of Public Health and the California Environmental
22 Protection Agency, and using all available information, shall
23 identify best management practices for reducing public health and
24 environmental exposures to lead associated with airport operations.

25 (b) On or before July 1, 2025, the department shall publish on
26 its internet website initial guidance for airport operators regarding
27 best airport operating practices to minimize environmental and
28 public health impacts of lead exposure. The department shall
29 publish updated guidance on or before July 1, 2026, and may
30 periodically review and update its guidance thereafter.

31 (c) In developing the guidance pursuant to subdivision (b), the
32 department shall consider including measures to address all of the
33 following:

34 (1) Managing runup practices, including by increasing the
35 distance between runup areas and public areas on or off the airport,
36 or increasing the size of runup areas.

37 (2) Eliminating the castoff of leaded aviation gasoline, and
38 minimizing and mitigating other spills and releases of unexpended
39 leaded aviation gasoline.

40 (3) Minimizing airport employee exposures.

1 (4) Minimizing releases of leaded aviation gasoline caused by
2 refueling and maintenance activities at the airport, including
3 processes used to store and dispense aviation gasoline at the airport.

4 (5) Minimizing idle time and engine runup time.

5 (6) Educating and financially incentivizing consumers that have
6 the option to purchase and use unleaded aviation gasoline at the
7 airport to do so.

8 (d) The department may adopt rules and regulations to
9 implement, administer, and enforce the requirements of this
10 chapter.

11 21712. (a) On or before November 1, 2025, each airport
12 operator shall submit to the department, and begin implementing,
13 a plan to implement the best practices identified by the department
14 pursuant to Section 21711 designed to minimize environmental
15 impacts and public health risks associated with leaded aviation
16 gasoline use at airports.

17 (b) Each airport operator shall update its plan by the November
18 1 following an updated publication of the guidance issued by the
19 department pursuant to subdivision (b) of Section 21711.

20 (c) At minimum, each airport operator shall include in its plan
21 both of the following:

22 (1) A description of how the airport operator plans to implement
23 the operational and logistical recommendations contained in the
24 guidance issued pursuant to subdivision (b) of Section 21711.

25 (2) A plan and budget for the financing of any needed fueling
26 infrastructure improvements at the airport to enable the airport to
27 begin supplying unleaded aviation gasoline by the timelines
28 established in Section 21710.

29 (d) By December 1, 2026, and each December 1 thereafter, each
30 airport operator shall provide a status report to the department
31 regarding its implementation of the plan submitted pursuant to
32 subdivision (a), including the status of planning and investments
33 to facilitate the supply of unleaded aviation gasoline at the airport.

34 (e) The department, in consultation with the State Department
35 of Public Health and the California Environmental Protection
36 Agency, shall offer technical assistance to each airport operator
37 that has not submitted a plan pursuant to subdivision (a), or that
38 does not implement the plan submitted to the department in the
39 manner described in the plan.

1 (f) This section does not apply to the operator of an airport at
2 which leaded aviation gasoline is not sold, distributed, or otherwise
3 made available. When an airport ceases to sell, distribute, or
4 otherwise make available leaded aviation gasoline, the airport
5 operator shall notify the department within 30 days of the cessation
6 of the use of leaded aviation gasoline at the airport.

7 21713. (a) A person in violation of the requirements of Section
8 21710 is subject to a civil penalty of up to one thousand dollars
9 (\$1,000) per day that leaded aviation gasoline was sold, distributed,
10 or supplied.

11 (b) A person who remains in violation of the requirements of
12 Section 21712 30 days after the offer of technical assistance under
13 subdivision (e) of Section 21712 is subject to a civil penalty of up
14 to one thousand dollars (\$1,000) per day of continued
15 noncompliance.

16 21714. (a) If the provisions of this section are in conflict with
17 federal grant assurances in effect on or before January 1, 2025,
18 those provisions of this section shall apply to an airport operator
19 upon the expiration of those grant assurances.

20 (b) The provisions of this chapter are severable. If any provision
21 of this chapter or its application is held invalid, that invalidity shall
22 not affect other provisions or applications that can be given effect
23 without the invalid provision or application.

24 SEC. 2. No reimbursement is required by this act pursuant to
25 Section 6 of Article XIII B of the California Constitution because
26 the only costs that may be incurred by a local agency or school
27 district will be incurred because this act creates a new crime or
28 infraction, eliminates a crime or infraction, or changes the penalty
29 for a crime or infraction, within the meaning of Section 17556 of
30 the Government Code, or changes the definition of a crime within
31 the meaning of Section 6 of Article XIII B of the California
32 Constitution.

SB 1193 (Menjivar)
Airports: leaded aviation gasoline.

Summary: This bill phases out the sale of leaded airplane fuel (known as avgas) and institutes measures to mitigate lead exposure for airport employees and the public.

Background: Leaded aviation fuel is most commonly used in small, piston-engine aircrafts – it is not used for commercial flights. Aircraft that operate on leaded aviation gasoline are typically small piston-engine aircraft that carry 2-10 passengers. These aircraft are approximately 45 to 47 years old, on average, depending on the type of aircraft. Jet aircraft used for commercial transport, on the other hand, do not operate on leaded fuel. Levels of airborne lead in the United States have declined 99% since 1980, but emissions from aircraft that operate on leaded fuel may still pose risks to nearby communities, including those with environmental justice concerns.

In 2023, the U.S. EPA determined that lead emissions from aircraft engines cause or contribute to air pollution which may reasonably be anticipated to endanger public health and welfare under the Clean Air Act. U.S. EPA is now obligated, to propose and promulgate regulatory standards for lead emissions from certain aircraft engines. Under its own statutes, the Federal Aviation Administration (FAA) must develop standards that address the composition, chemical, or physical properties of an aircraft fuel or fuel additive to control or eliminate aircraft lead emissions.

Santa Clara County has already banned the sale of leaded aviation fuel.

Status: 3/6/24 Set for hearing April 9 in Senate Transportation Committee.

Specific Provisions: Specifically, this bill would:

- 1) Prohibit an airport operator or aviation retail establishment from selling, distributing, or making leaded aviation gasoline to consumers by January 1, 2030.
- 2) Require the California Department of Transportation (DOT), in consultation with the State Department of Public Health and CalEPA, to identify best management practices for reducing public health and environmental exposures to lead associated with airport operations.
- 3) On or before July 1, 2025, require the DOT to publish on its internet website initial guidance for airport operators regarding best airport operating practices to minimize environmental and public health impacts of lead exposure and publish updated guidance on or before July 1, 2026.
- 4) On or before November 1, 2025, require each airport operator to submit to DOT, and begin implementing, a plan to minimize environmental impacts and public health risks associated with leaded aviation gasoline use at airports.

- 5) On or before December 1, 2026, and each December 1 thereafter, require each airport operator to provide a status report to DOT regarding its implementation of the plan.
- 6) Require the DOT, in consultation with the State Department of Public Health and the CalEPA, to offer technical assistance to each airport operator that has not submitted a plan, or that does not implement the plan submitted.
- 7) Provide that a person in violation of the prohibition on selling, distributing, or otherwise making available leaded aviation gasoline to consumers is subject to a civil penalty of up to \$1,000 per day that leaded aviation gasoline was sold, distributed, or supplied.
- 8) Provide that a person who remains in violation of the requirements to submit a plan or status report to DOT 30 days after the offer of technical assistance by DOT is subject to a civil penalty of up to \$1,000 per day of continued noncompliance.

Impacts on South Coast AQMD’s Mission, Operations or Initiatives: Emissions from aircraft that operate on leaded fuel cause or contribute to air pollution and are harmful to human health. Lead exposure can negatively affect cognitive function, including reduced IQ, decreased academic performance, as well as increased risk for additional health concerns. There is no evidence of a threshold below which there are no harmful effects on cognition from lead exposure. This bill, which is author-sponsored, aligns with South Coast AQMD’s goal of reducing harmful emissions and protecting public health within the South Coast region.

Recommended Position: SUPPORT

Support:

Santa Clara County (sponsor)
Coalition for Clean Air (sponsor)
Western Center on Law and Poverty (sponsor)
Bay Area AQMD
CA League of United Latin American Citizens (LULAC)
CA Teamsters Public Affairs Council
City of Palo Alto
Climate Reality Project, Los Angeles Chapter
Climate Reality San Fernando Valley
The Salvador E. Alvarez Institute of Non-Violence

Opposition:

N/A



To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: March 28, 2024
Re: March Report

HOUSE/SENATE

Congress

The House and Senate are in recess for the next two weeks. The Senate is scheduled to return on April 8, and the House is scheduled to return on April 9. Before leaving town, Congress came to an agreement on the six final appropriations bills for Fiscal Year 2024, averting a partial government shutdown. Shortly after the House passed the appropriations package, House Appropriations Chairwoman Kay Granger announced she would be stepping down as Chair. When Congress returns, the House will need to select a new Chair and continue negotiations over funding for Ukraine.

EPA

On February 29, the Environmental Protection Agency (EPA) announced two funding opportunities under the Clean Ports Program to fund zero-emission equipment, infrastructure, and climate planning at U.S. ports. The Zero-Emission Technology Deployment Competition will award \$2.28 billion to directly fund zero-emission port equipment and infrastructure to reduce mobile source emissions at U.S. ports. The Climate and Air Quality Planning Competition will award \$150 million to climate and air quality planning activities at U.S. ports. The funding will reduce diesel pollution from U.S. ports, advancing environmental justice in surrounding communities and creating good-paying jobs. Read more [here](#).

On March 14, the Environmental Protection Agency (EPA) announced final rules to reduce toxic air pollution from gasoline distribution facilities, including storage tanks, loading operations, and equipment leaks. Gasoline distribution facilities emit toxic air pollutants such as benzene, hexane, toluene, xylene, and ethylbenzene that can cause adverse health effects. The rules are expected to reduce toxic emissions by 2,220 tons per year. The EPA is also finalizing New Source Performance Standards for Bulk Gasoline Terminals for emissions reduction for loading operations and equipment leaks. Read more [here](#).

On March 14, the EPA announced a final amendment to the air toxic standards for ethylene oxide (EtO) commercial sterilization facilities. The final rule will reduce 90% of EtO emissions at nearly 90 facilities and reduce lifetime cancer risks for people living near the facilities. EtO is one of the most potent cancer-causing chemicals, and the rule will build on the Biden Administration's commitment to ending cancer as part of the Cancer Moonshot. The rule will establish standards for currently unregulated emissions, strengthen standards for other sources, and require continuous emissions monitoring for commercial sterilizers. Read more [here](#).

On March 18, the EPA announced the availability of \$24 million through two Notice of Funding Opportunities (NOFO) to support states, U.S. territories, and Tribes in providing technical assistance to businesses to develop and adopt pollution prevention practices. EPA's Pollution Prevention program aims to reduce, eliminate, and prevent pollution at its source prior to recycling, treatment or disposal. The grants will target at least one National Emphasis Area (NEA): food and beverage manufacturing, chemical manufacturing, automotive manufacturing, aerospace manufacturing, metal manufacturing or supporting pollution prevention in Indian Country and Alaska Native Villages. Read more [here](#).

On March 18, the EPA announced a final rule to prohibit the use of chrysotile asbestos, the last known form of asbestos used in the United States. Asbestos is linked to more than 40,000 deaths in the U.S. each year and is currently found in products including asbestos diaphragms, sheet gaskets, brake blocks, and vehicle friction products. The rule is the first to be finalized under the 2016 amendments to the Toxic Substances Control Act (TSCA). The rule requires an immediate ban on importing asbestos and requires facilities to transition away from using asbestos within five years. Read more [here](#).

On March 20, the EPA announced final national pollution standards for passenger cars, light-duty trucks, and medium-duty vehicles beginning in 2027. The standards are expected to avoid more than 7 billion tons of carbon emissions and provide \$13 billion of annual public health benefits due to improved air quality. The standards represent a 50% reduction in projected fleet average greenhouse gas emissions levels for light duty vehicles and 44% reduction for medium-duty

vehicles, while reducing emissions of fine particulate matter from gasoline-powered vehicles by over 95%. Read more [here](#).

Cassidy and Associates support in March:

- Assisted SCAQMD staff with grant submissions.
- Assisted SCAQMD to prepare for upcoming appropriations cycle by sharing submission dates and exploring opportunities to influence policy through report language.
- Provided updates on status for FY2024 spending bills

IMPORTANT LEGISLATIVE DATES

May 10, 2024: Deadline for the Federal Aviation Administration reauthorization.

September 30, 2024: Reauthorization deadline for the Farm Bill, an omnibus package of legislation that supports US agriculture and food industries; the bill is reauthorized on a five-year cycle. The Congressional Budget Office (CBO) projects a combined budget of \$648 billion for the 2023 Farm Bill.

December 31, 2024: Expiration of the National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

KADESH & ASSOCIATES

South Coast AQMD Report for the April 2024
Legislative Meeting covering March 2024
Kadesh & Associates

Six months into the 2024 fiscal year (FY), Congress finally completed its work on the last of the appropriations bills. Earlier this month, the first FY24 appropriations package was approved and signed into law; this first set of six bills included the Interior-Environment, Energy & Water, and Transportation appropriations bills. The second “minibus,” representing the remainder of the appropriations bills for the year, was approved late on the night of March 22, and signed by the President thereafter, conclusively averting the last of the FY24 shutdown threats.

As with other major bills in recent months, the House was only able to pass these large spending bills due to overwhelming Democratic support and by a decision by Speaker Mike Johnson to bypass the typical Rules Committee process. In fact, the second minibus received votes from less than half of the Republicans present, which immediately raised questions about whether the hardline members of the conference would continue to support Speaker Johnson. Representative Marjorie Taylor Greene quickly filed a motion to depose Johnson, although the House does not need to act on it immediately. (She described the move as a “warning.”)

While the FY24 process dragged out, work has already started on FY25 process. The President released his FY25 budget request on March 11. The \$7.3 trillion request will serve as a blueprint for budget negotiations that will unfold later this year. Clean air highlights include:

- \$100M requested for EPA’s DERA program. (Same as FY23; FY24 was \$90m)
- \$69,9M requested for EPA’s Targeted Airshed Grants. (Same as FY23; FY24 was \$67M)
- \$400M requested for Clean Air Act Section 103/105 programs (FY24: \$235.9M)
- \$600M for charging and fueling infrastructure at DOT

Congress will return from its two-week district work period on April 9, and it is clear that the House will only be increasingly difficult for Speaker Mike Johnson to manage over the rest of the year. In addition to the “warning” motion to vacate the Speakership, Representative Mike Gallagher (R-WI) announced that he will be leaving Congress on April 19. He is the second early departure in recent weeks, following Representative Ken Buck (R-CO) who left this month as well. This will mean the Republican majority sits at just 217-213, and it is worth remembering that a tie vote in the House is a failed vote.

Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on whole-of-government efforts to address air quality through BIL and IRA funding programs and EPA’s proposed disapproval of plan for 1997 8-hour ozone standard. Contacts included staff and Members throughout the CA delegation, Senate offices, and members of key committees. We have also been in touch with administration staff.

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

To: South Coast AQMD Legislative Committee
From: Carmen Group
Date: March 28, 2024
Re: Federal Update -- Executive Branch

FY24 Appropriations: In March, Congress finally wrapped up federal appropriations for Fiscal Year 2024 (which began on Oct. 1, 2023). This included the passage two large “minibus” packages, each separately covering six of the twelve annual appropriations bills. The first was passed and signed into law on March 8th and the second on March 23rd. Among key programs of interest to South Coast AQMD: DERA-\$90 million (10% below FY23); Targeted Airshed Grants-\$67 million (4% below FY23); 103/105-\$235.9 million (5% below FY23); Port Infrastructure Development Program (PIDP) -\$120 million (13% below FY23).

Environmental Protection Agency

EPA Finalizes Major Car and Truck Emissions Rule: On March 20, the Environmental Protection Agency announced its final rule setting tailpipe pollution standards for passenger cars and light trucks for model years 2027-2032 and beyond. The rule envisions the strongest-ever emissions requirements covering both greenhouse gases and criteria pollutants in the automotive sector. This action is widely seen as the most significant step so far in advancing the administration’s long-term goal of inducing a broad societal and U.S. manufacturing transition to zero-emission vehicles.

EPA Announces Funds Available for Clean Ports Program Grants: In late February, the EPA announced the launch of the \$3 billion Clean Ports Program created under the Inflation Reduction Act. Grants under this program are designed to help ports across the country to transition to fully-zero emission operations and spur similar changes across the nation’s entire freight sector. Eligible uses will cover cargo-handling equipment, harbor craft and other vessels, electric charging and hydrogen-fueling infrastructure among other clean energy technology investments. Applications due May 28, 2024.

EPA Finalizes Air Toxics and EtO Rules: In March, EPA announced two additional significant emissions control final rules: The Air Toxics Rule will reduce toxic air pollution from gasoline distribution facilities, including storage tanks, loading operations and equipment leaks. The Ethylene Oxide (EtO) Rule will reduce emissions of one of the most potent cancer-causing chemicals.

EPA Announces Receipt of CPRG Climate Action Plans from States: In March, the EPA announced that 45 states plus large metro areas across the country have submitted

Proven Process. Proven Results.™

Climate Action Plans, reaching a key (planning phase) milestone of the \$5 billion Climate Pollution Reduction Grants (CPRG) program, created by the Inflation Reduction Act. Meanwhile as part of the next phase, applications for CPRG implementation grants were coming due on April 1, 2024.

Department of Transportation

MARAD Announces Funds Available for Port Grants: In March, the Maritime Administration (MARAD) announced the availability of \$450 million in FY 2024 funding for grants under the Port Infrastructure Development Program (PIDP) to address critical port- and freight-related infrastructure and transportation needs. Applications due May 10, 2024.

FHWA Announces Funds Available for Clean Construction Equipment: In March, the Federal Highway Administration (FHWA) announced the launch of the Low Carbon Transportation Materials Program, making \$1.2 billion from the Inflation Reduction Act available to states and other entities for reimbursement or to incentivize the use of clean construction equipment, materials and products used in transportation. Applications due June 10, 2024.

DOT Announces “Reconnecting” Grant Awards: In March, the Department of Transportation announced 132 grant awards in 44 states totaling \$3.3 billion that were selected under the Reconnecting Communities Pilot and Neighborhood Access and Equity discretionary grant programs. According to DOT, the funding is aimed at reconnecting communities that were cut off by transportation infrastructure decades ago. California received 17 grants, seven of which were located in the South Coast region.

Department of Energy

DOE Releases Strategy to Accelerate Clean Freight Truck Infrastructure: In March, the Department of Energy (DOE) and the Office of Energy and Transportation – in collaboration with the Federal Highway Administration and the Environmental Protection Agency – released the “National Zero-Emission Freight Corridor Strategy.” The strategy will guide the deployment of zero-emission medium- and heavy-duty vehicle (ZE-MHDV) charging and hydrogen fueling infrastructure from 2024 to 2040. (See [here](#)).

Funds Available for Clean Energy Projects in Small and EJ Communities: In March, the Department of Energy announced the availability of \$18 million under the Communities Sparking Investments in Transformative Energy (C-SITE) opportunity within the DOE’s Local Government Energy Program. The funds will enable municipally-led clean energy projects in disadvantaged communities. Applications due May 31, 2024.

DOE Announces Funds for Hydrogen Industry Project Selections: In March, DOE announced \$750 million to support up to 52 projects across 24 states to accelerate breakthroughs in clean hydrogen technologies for many purposes, including, for example, fuel cells to power long-haul trucks.

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CALIFORNIA ADVISORS, LLC

South Coast AQMD Report

California Advisors, LLC

April 12, 2024, Legislative Committee Hearing

Legislative Update

In Sacramento, the legislative agenda for this year’s session is starting to become clear as hundreds of “spot bills” were amended with substantive language prior to the legislative spring recess. During the month of April, policy committees will ramp up as deadlines approach in late April and early May for bills to advance. Specifically, April 26 is the deadline to move bills tagged with a fiscal cost to their respective appropriations committee. Further, May 3 marks the final day for policy committees to move non-fiscal bills directly to the Assembly or Senate floor for a vote.

Governor Newsom announced that he would give the State of the State address on March 13. However, he later announced that he would be delaying his remarks to the following week on the 18th. Governor Newsom then postponed his State of the State address due to uncertainty surrounding a key mental health proposal and the state's budget deficit. Newsom's office announced the delay, stating the need for more clarity on significant issues like homelessness, mental health, and the budget before delivering the address.

Budget Update

On March 14 the Senate leadership announced their early action budget plan that will “shrink the shortfall”. Their plan contained over \$17 billion in cuts, delays, and fund transfers that they are hoping to move in April as an early budget package before the May Revise. Their hope is that after these actions they will have a more manageable deficit of \$9 to \$24 billion to deal with. This will also enable their final budget negotiations later in the year to focus on closing the remaining gap while working to protect the state’s core programs that have been enacted in recent years.

On March 20, Governor Gavin Newsom, Senate President pro Tempore Mike McGuire (D-North Coast), and Assembly Speaker Robert Rivas (D-Salinas) issued statements on agreeing to budget solutions worth \$12 to \$18 billion to address the shortfall. The plan is to move this agreement when they return from their Spring Recess in April.

Recently, the Department of Finance (DOF) published its *March 2024 Finance Bulletin*, which provides an economic update and cash report. The bulletin states that preliminary General Fund agency cash receipts were \$288 million, or 3 percent above the Governor’s Budget forecast for February, and were \$5.6 billion, or 4.3 percent below the 2024-25 Governor’s Budget fiscal year-to-date forecast of \$131.1 billion.

The Governor's budget forecast was completed toward the end of November; therefore, the fiscal year-to-date variances in this report reflect variance since November. The primary driver of the cumulative shortfall was personal income tax estimated payments, which were \$4.7 billion below forecast fiscal year-to-date through February, indicating weakness in receipts relating to tax year 2023. Personal income tax withholding, which is more indicative of current activity in tax year 2024, were \$670 million above the fiscal year-to-date forecast. Additionally, fiscal year-to-date corporate tax cash receipts were \$1.1 billion below forecast due to \$970 million in higher corporate refunds.

Interestingly, California's personal income taxes exceeded the administration's budget estimates in February. According to the Finance Bulletin, personal income tax cash receipts were \$579 million above forecast in February due to withholding exceeding the forecast by \$1.2 billion.

Election Update

On March 5, California held its Presidential Primary Election. The California ballot included the presidential primary, top-two US Senate primary, federal and state legislative races, and Proposition 1, as well as many contested local contests.

On March 1, Secretary of State Dr. Shirley Weber released the latest Report of Registration, which stated that as of February 20th, there were 22,077,333 registered voters. Also, since the last 15-Day Report of Registration for a Primary in a Presidential election year (February 18, 2020), the total voter registration in the state increased from 20,660,465 to 22,077,333. The percentage of eligible Californians who are registered to vote increased from 81.82% to 82.88%.

However, voter apathy and turnout continue to be an issue in California. As highlighted above, 22 million Californians are registered to vote. This year's voter turnout is currently sitting at only 34% statewide. On March 28, there were only about 19,500 ballots in the entire state left to count. Many races across the state are coming down to the final counts in terms of who will advance to the November General Election. The Secretary of State must certify all the results on April 12, 2024.



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TO: South Coast Air Quality Management District
FROM: Anthony, Jason & Paul Gonsalves
SUBJECT: Legislative Update – March, 2024
DATE: Thursday, March 28, 2024

On March 21, the Legislature left Sacramento for its week-long Spring Recess. They will return to a busy capitol on April 1. April is typically one of the busiest times of the year in the Legislature. Most of the several thousand bills introduced at the beginning of the year have not been heard in policy committee by the start of April. As such, the month is packed full of hearings and meetings as legislators attempt to sort through the mountains of bills and lobbyists seek to meet with them in advance of those hearings. Most of the bills this year will result in net costs to the state if passed and signed into law. Any bill with state costs must be heard and passed out of policy committee by April 26 to stay alive.

The following will provide you an update of interest to the District:

Budget Update

As previously reported, California is facing a significant budget deficit. The highly respected non-partisan Legislative Analyst's Office (LAO) previously projected a \$58 billion deficit based on the Governor's revenue projections. However, the Governor's January budget proposal projected a \$38 billion deficit.

In early February, the LAO released an update that predicts that by the time the Governor releases his May Revision to the budget, the state's deficit is projected to be \$15 billion higher, ballooning to \$73 billion. On the other hand, State revenues came in \$1.16 billion higher than projected for the month of February, mainly from personal income taxes and corporation taxes. Even with slightly higher projections, the Governor and Legislature have their work cut out for them to balance the state's budget.

Last week, Senate Democrats unveiled their plan to take early action to address the state's budget deficit. It is labeled as the "Shrink the Shortfall" plan, and it is the first step of an ongoing process to address the state's budget deficit. Senator Wiener, Chair of the Senate Budget Committee, said that the second step of the budget strategy will be unveiled later this spring, likely after Gov. Gavin Newsom unveils his revised budget in May.



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The Senate's plan seeks to address between \$12-\$17 billion of the State's budget shortfall while saving the more challenging fiscal decisions for later this spring when lawmakers have a more complete budget picture.

The plan calls for \$3.3 billion in spending reductions over the next 2 years. Additionally, the plan also calls for \$4.7 billion in borrowing for those two fiscal years, \$3.9 billion in fund shifts, \$3.2 billion in delayed funding and \$2.1 billion in deferrals, for a total of \$17.1 billion in savings.

If the "Shrink the Shortfall" solutions are adopted, and the Gov uses about \$12.2 billion from the state Rainy Day Fund, Senate Democrats estimate the remaining deficit to be anywhere from \$8.6 billion to \$23.6 billion.

Stellantis Partners with California on Clean Car Standards

On March 19, the fourth-largest automaker in the world, Stellantis, partnered with California to get more clean cars on the road and cut pollution. The agreement will cut greenhouse gas emissions, align with California's ZEV goals, and invest \$10 million in charging infrastructure.

Stellantis, whose brands include Chrysler, Dodge, Jeep, Ram and more, has agreed to a series of initiatives that will reduce pollution and ramp up clean vehicles on the roads. This follows the agreements that other top automakers have already signed on to with California.

Under the agreement, Stellantis will avoid up to 12 million additional metric tons of greenhouse gas emissions through the 2026 model year, which is equivalent to the emissions from more than 2.3 million vehicles driven in an entire year. Furthermore, Stellantis will comply with California's zero-emissions light-duty vehicle sales requirements through 2030 even if CARB is unable to enforce its standards as a result of judicial or federal action. Stellantis has also committed to support California's authority under the Clean Air Act for its greenhouse gas emissions and zero-emission vehicle standards.

Stellantis will invest \$4 million to deploy public charging infrastructure in California's rural areas and in federal, state, and county parks, plus an additional \$6 million in other states that have chosen to adopt California's greenhouse gas emissions standards. Stellantis will undertake additional actions to support ZEV adoption, including discounts on new cars for car-share programs in disadvantaged communities, financial support of



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brand-neutral ZEV public awareness campaigns, ride-n-drive events, and dealership actions to ensure availability of ZEVs.

CARB emission violations cases

Yanmar Power

On March 4, CARB reached a settlement agreement with Yanmar Power Technology Co. of Osaka, Japan, for \$16,196,120 for violating regulations aimed at reducing nitrogen oxides from off-road compression-ignition engines. The primary regulation implicated in this case was the Off-Road Compression-Ignition Engines and Equipment Regulation.

CARB identified three emissions violations: incomplete reporting of an auxiliary emission control device; use of incorrect test procedures not applicable to the engine type; and production of large spark-ignition engines not included in CARB's certification authorizing sale of the engines in the state. The violations involved nearly 20,000 engines manufactured by Yanmar for use primarily in transportation refrigeration units. To address the violation involving the incomplete reporting of an auxiliary emission control device, the company made modifications that allowed it to comply with CARB's certification requirements moving forward.

Transport refrigeration units (TRUs) provide either cooling or heating for perishable products that are transported in various containers, including truck vans, semi-truck trailers, shipping containers, and railcars. Yanmar produces diesel engines used to power TRUs. Although TRU engines are relatively small, ranging from 9 to 36 horsepower, significant numbers of these engines congregate at distribution centers, truck stops, and other facilities, resulting in potential health risks to those who live and work nearby.

Cummins

On March 15, CARB and California Department of Justice (DOJ) announced a \$46 million settlement with engine manufacturer Cummins Inc. The settlement resolves DOJ and CARB's claims for violations of California engine emissions control and certification requirements. Cummins made undisclosed changes to approximately 120,000 engines in California after CARB had certified the engines for sale. In addition, roughly 2,000 Cummins engines had undisclosed auxiliary emission control devices that altered the emissions control system and resulted in emissions that exceeded regulatory limits.



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Of the \$46 million in payments required under the settlement, approximately \$42 million will be paid to CARB: \$32 million for penalties and about \$9.8 million for mitigation of the full amount of excess nitrogen oxide emissions created by the non-compliant engines. The settlement monies will go to the Air Pollution Control Fund to support CARB's mobile source emissions control program and other CARB activities related to the control of air pollution. The California Attorney General's Office also entered into a settlement with Cummins, subject to court approval, for \$4 million for unfair business practices and public nuisance claims and secured injunctive relief prohibiting Cummins from engaging in similar violations in the future.

The violations were discovered through a combination of CARB's investigation methods and protocols, and Cummins' continued commitment to reporting emissions-related concerns as the company discovered them, while also enhancing its internal compliance efforts.

The company fully cooperated with CARB's investigation and will conduct an emissions recall for about 2,000 affected engines to correct the violations at no cost to owners. Cummins has the option to offset a portion of the CARB penalty amount with a project that will increase heavy-duty zero-emissions charging infrastructure in California

Governor's Legislative Affairs Secretary

On March 4, Governor Newsom announced the appointment of Christine Aurre as Legislative Affairs Secretary in the Office of the Governor, filling the role held by Christy Bouma since March 2022. Christy Bouma will continue to serve the Administration as a member of the State Compensation Insurance Fund.

Christy Bouma, of Sacramento, has been appointed to the State Compensation Insurance Fund. Bouma has served as Legislative Affairs Secretary in the Office of Governor Gavin Newsom since 2022. She was a Principal at Capitol Connection from 2000 to 2022. Bouma was a Teacher for the Hesperia Unified School District from 1989 to 1999. She earned a Bachelor of Arts degree in Computer Science from Point Loma Nazarene College and a Master of Science degree in Computer Science from California State University, Sacramento. This position does not require Senate confirmation and the compensation is \$71,190.

Christine Aurre, of Sacramento, has been appointed Legislative Affairs Secretary in the Office of Governor Gavin Newsom, where she has served as Deputy Legislative Affairs Secretary since 2022. She was Legislative Director in the Office of State Senate Majority Leader Robert Hertzberg from 2019 to 2022. Aurre was Legislative Assistant in



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the Office of State Assemblymember Patrick O'Donnell from 2015 to 2019. She earned a Bachelor of Arts degree in Government from California State University, Sacramento. This position does not require Senate confirmation and the compensation is \$228,492.

Bonds

As we have previously reported, legislators in the Assembly and Senate have introduced “climate” bonds which, as currently written, include billions of dollars in funding for climate projects. They are among many large general obligation bonds currently being considered by the Legislature to fund things like school facilities and housing.

There are real limitations on how much bond funding the Legislature and the Governor can place on the ballot. First and foremost, the state is currently facing a significant state budget deficit and is projected to do so in future years. This makes general obligation bonds both attractive and challenging since they avoid a significant hit to the General Fund in a budget year but result in significant ongoing expenses in future years.

Second, the state must be cautious and ensure that it does not threaten its own creditworthiness by borrowing too much. Finally, and perhaps most importantly, all general obligation bonds must be approved by voters. They may have their own limited appetite for the state taking on additional debt.

For all of these reasons, Governor Newsom insisted that his mental health bond, Proposition 1, appear on the March Primary ballot by itself so that voters weren't tempted to choose one bond while rejecting another.

Nevertheless, the Governor struggled to piece together the votes necessary to pass Proposition 1. While the race has been called and the bond has passed now, in the days and weeks following the election the bond appeared in real jeopardy of failing. So much so that the Governor hastily cancelled his planned state of the state address, unsure of the outcome.

Time will tell, but it is possible Prop. 1's performance will diminish the Legislature and Governor's appetite to place multiple large bonds on the November ballot.

2024 Legislative Deadlines

April 26 Last day for policy committees to hear and report to fiscal committees
fiscal bills introduced in their house



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- May 3 Last day for policy committees to hear and report to the Floor nonfiscal bills introduced in their house.
- May 10 Last day for policy committees to meet prior to May 28.
- May 17 Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to May 28.
- May 20-24 Floor session only. No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
- May 24 Last day for each house to pass bills introduced in that house.
- May 28 Committee meetings may resume
- June 15 Budget Bill must be passed by midnight.
- June 27 Last day for a legislative measure to qualify for the Nov. 5 General Election ballot
- July 3 Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment, provided Budget Bill has been passed.
- August 5 Legislature reconvenes from Summer Recess.
- August 16 Last day for fiscal committees to meet and report bills.
- August 19-31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
- August 23 Last day to amend bills on the Floor.
- August 31 Last day for each house to pass bills. Final Recess begins upon adjournment

RESOLUTE^{*}

South Coast Air Quality Management District Legislative and Regulatory Update –March 2024

❖ Important Upcoming Dates

April 1, 2024 – Legislature Reconvenes from Spring Recess
April 26, 2024 – Last Day for Policy Committees to hear fiscal bills

❖ RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana 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:

- Provided ongoing updates as the Legislature began committee hearings in mid-March and continued staff work on legislation during the legislative spring recess.
- Set and attended meetings with legislative offices regarding bills for the 2024 legislative session, including for South Coast AQMD sponsored legislation.

❖ AB 2522 (W. Carrillo): South Coast AQMD Sponsored Legislation

Summary: the bill states that each member of the board shall receive compensation of \$200 for each day, or portion thereof, but not to exceed \$2,000 per month, while attending meetings of the board or any committee, or on official business of the district. The bill also authorizes increases to the compensation amount pegged to the Consumer Price Index (CPI) with a ceiling of 10 percent per calendar year.

This bill had been set for hearing on April 8th in the Assembly Natural Resources Committee.

❖ AB 2958 (Calderon): South Coast AQMD Sponsored Legislation

Summary: this bill repeals the existing statute prohibiting compensation of CARB Board Members from Air Districts. In doing so, the bill addresses the inequity in compensation among CARB board members.

This bill has been set for hearing on April 8th in the Assembly Natural Resources Committee.

❖ Early Action on Budget Items. On March 20th, legislative leadership and the Governor announced their commitment to take ‘early action’ on budget solutions to begin addressing the 2024 state budget shortfall. This is not a common approach taken during the normal budget process, but it is intended to dispense with a substantial number of the budget cuts, shifts, and delays that are easiest for all parties to agree on. Action on these items is expected sometime in April. These budget solutions are likely to amount to \$12 to \$18 billion. The following statements were issued by the Governor, Pro Tem, and Speaker:

Governor Gavin Newsom: “Thanks to leadership in the Assembly and Senate, California is stepping up with a balanced approach that will take a significant chunk out of the projected shortfall. Despite the uncertainty due to the federal tax deadline delay last year, historic reserves and fiscal responsibility will assure a balanced budget that meets California’s needs.”

Senate President pro Tempore Mike McGuire (D-North Coast): “The deficit is serious and it’s grown by billions since January, which is why we must move with speed to shrink the shortfall immediately. The quicker we make tough decisions, the better prepared we’ll be to continue our work on a comprehensive budget to protect our progress. It’s been an all hands on deck approach with Governor Newsom and Speaker Rivas to move this Early Action Budget Package forward. The Senate stands ready to take votes to get this initial job done, and I’m grateful to Budget Chair Wiener and all Senators for their continued focus on this tough challenge.”

Assembly Speaker Robert Rivas (D-Salinas): “The Assembly is committed to a deliberative, transparent budget process that protects hard-working Californians. I appreciate our partnership with Governor Newsom and Pro Tem McGuire to finalize this preliminary and initial budget package in early April, which is an important first step. But the Assembly’s budget work continues, including more than two dozen budget and oversight hearings scheduled next month. There are tough choices on the horizon, which is why our process is so critical. I extend considerable gratitude to Budget Chair Jesse Gabriel and our subcommittee chairs — and the entire Caucus — for their dedication, collaboration and accountability.”

- ❖ **Legislative Meetings Set in March.** As the legislative hearing process in the capitol picked up pace, South Coast AQMD staff and the Resolute team met with the following offices regarding priority legislation: Asm. Bauer-Kahan, Asm. Muratsuchi, Asm. Wood, Asm. Josh Hoover, Asm. Mathis, Asm. Flora, Asm. Friedman, and Asm. Pellerin.