

AMENDED IN SENATE AUGUST 23, 2004
AMENDED IN SENATE AUGUST 17, 2004
AMENDED IN SENATE AUGUST 5, 2004
AMENDED IN SENATE JUNE 30, 2004
AMENDED IN SENATE MAY 24, 2004
AMENDED IN SENATE JULY 15, 2003
AMENDED IN SENATE JUNE 30, 2003
AMENDED IN ASSEMBLY MAY 14, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1468

Introduced by Assembly Member Kehoe
(Principal coauthor: Assembly Member Pavley)
(Coauthors: Assembly Members Goldberg, Levine, Lieber, and
Oropeza)
(Coauthor: Senator Kuehl)

February 21, 2003

An act to add Section 25370 to the Public Resources Code, relating to motor vehicle fuel conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1468, as amended, Kehoe. California on the Move-Petroleum Demand Reduction Act.

Existing law requires the State Energy Resources Conservation and Development Commission and the State Air Resources Board to

implement and administer various laws governing motor vehicle fuel conservation and emission reduction in this state.

This bill would enact the California on the Move-Petroleum Demand Reduction Act, which would require both the commission and the state board, not later than January 1, 2010, to adopt and implement measures to achieve an interim petroleum demand reduction goal that would limit onroad petroleum fuel demand to a level not exceeding 2004 demand levels, (*adjusted annually to reflect the changes in the state's population*), as provided. The bill would specify that the measures adopted and implemented by the commission and the state board shall not require the imposition by those agencies of any new or additional taxes or fees on motor vehicles, petroleum fuel, or vehicle miles traveled. The bill would require the Department of Finance, if, in consultation with the State Board of Equalization, it determines that petroleum fuel tax revenue declines as a direct result of petroleum fuel consumption reduction achieved pursuant to the bill's requirements, to, in consultation with the commission, the state board, and the Department of Transportation, develop and submit to the Legislative Analyst's Office and specified legislative committees, alternative revenue recommendations to compensate for that decline in revenue. The bill would authorize the commission and the state board to work with other states, members of the United States Congress, and other federal agencies that are responsible for the administration and implementation of federal laws governing vehicle fuel economy to assist in the development of new standards and regulations designed to increase onroad light-duty vehicle fuel economy for new vehicles. The bill would require the commission in consultation and coordination with the state board, not later than January 1, 2008, to prepare and include in a specified report a report containing specified information on the progress achieved in meeting the petroleum demand reduction goals prescribed in the act.

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 25370 is added to the Public Resources
- 2 Code, to read:
- 3 25370. (a) This section shall be known, and may be cited, as
- 4 the California on the Move-Petroleum Demand Reduction Act.



1 (b) The Legislature finds and declares all of the following:

2 (1) California’s gasoline and diesel fuel prices have historically
3 far exceeded the national average and, with the exception of
4 Hawaii, have been the highest in the nation. This trend is expected
5 to continue as, among other influences, a combination of limited
6 supply, growing demand, and global conditions work to increase
7 petroleum costs.

8 (2) California’s forecasted demand for gasoline and diesel to
9 fuel cars and trucks far exceeds California’s refinery capacity.

10 (3) Unless the demand trend changes, California may continue
11 to experience periodic onroad fuel spikes, which subjects the
12 state’s economy and business climate to instability as a result of
13 those spikes.

14 (4) Cost-effective options exist today that can lessen the
15 economic instability caused by high fuel prices and price spikes,
16 reduce environmental degradation caused by increased petroleum
17 fuel use, and reduce dependence on petroleum fuels by lowering
18 overall onroad demand for gasoline and diesel, and increasing fuel
19 diversity.

20 (5) Significantly reducing onroad petroleum fuel demand
21 through the year 2020 is feasible.

22 (c) (1) It is the intent of the Legislature to enact measures with
23 the goal of reducing California’s onroad petroleum fuel demand by
24 15 percent below 2003 ~~levels~~ *demand levels (adjusted annually to*
25 *reflect the changes in the state’s population)*, by the year 2020.

26 (2) Nothing in the act adding this section is intended to reduce
27 transportation funding. If gasoline tax revenue is reduced because
28 of reduced demand that is achieved as a result of the act adding this
29 section, the Legislature intends to fully maintain transportation
30 funding.

31 (3) *For the purposes of paragraph (1), “demand levels*
32 *(adjusted annually to reflect the changes in the state’s*
33 *population)” means the 2003 per capita demand level ratio*
34 *applied to the state’s population for the year of the adjustment.*

35 (d) (1) Not later than January 1, 2010, the commission shall,
36 in the course of its authorized activities and rulemaking, adopt and
37 implement measures to achieve an interim petroleum demand
38 reduction goal that would limit onroad petroleum fuel demand to
39 a level not exceeding 2004 demand levels *(adjusted annually to*
40 *reflect the changes in the state’s population)*.



1 (2) Not later than January 1, 2010, the State Air Resources
2 Board shall, in the course of its air pollution regulation and other
3 authorized activities, adopt and implement measures to achieve an
4 interim petroleum demand reduction goal that would limit onroad
5 petroleum fuel demand to a level not exceeding 2004 demand
6 ~~levels.~~ *levels (adjusted annually to reflect the changes in the state's*
7 *population).*

8 (3) *For purposes of this subdivision, "demand levels (adjusted*
9 *annually to reflect the changes in the state's population)" means*
10 *the 2004 per capita demand level ratio applied to the state's*
11 *population for the year of the adjustment.*

12 (e) The measures adopted and implemented by the commission
13 and the State Air Resources Board pursuant to subdivision (d) shall
14 not require the imposition by those agencies of any new or
15 additional taxes or fees on motor vehicles, petroleum fuel, or
16 vehicle miles traveled.

17 (f) If the Department of Finance, in consultation with the State
18 Board of Equalization, determines that there is a decline in
19 petroleum fuel tax revenue that has occurred as a direct result of
20 reduced petroleum fuel consumption achieved pursuant to the act
21 adding this section, the Department of Finance, in consultation
22 with the commission, the State Air Resources Board, and the
23 Department of Transportation, shall develop alternative revenue
24 recommendations to compensate for that decline in revenue, and
25 submit those recommendations to the Legislative Analyst's Office
26 and the appropriate budget, fiscal, and policy committees of the
27 Legislature.

28 (g) The commission and the State Air Resources Board may
29 work with vehicle manufactures, representatives of the oil
30 industry, other states, and the United States Congress to increase
31 awareness of the increased petroleum dependence and economic
32 burdens imposed in California by lax federal fuel economy
33 requirements including, but not limited to, fuel price instability.

34 (h) The commission and the State Air Resources Board may
35 work with other states, Members of the United States Congress and
36 other federal agencies responsible for the administration and
37 implementation of federal laws governing vehicle fuel economy,
38 to assist in the development of new standards and regulations
39 designed to increase onroad light-duty vehicle fuel economy for
40 new vehicles.



1 SEC. 2. Not later than January 1, 2008, the State Energy
2 Resources Conservation and Development Commission, in
3 consultation and coordination with the State Air Resources Board,
4 shall prepare and include in the integrated energy policy report that
5 the commission is required to adopt pursuant to Section 25302, a
6 report on all of the following:

7 (a) Progress achieved toward meeting the petroleum reduction
8 goals established pursuant to Section 25370 of the Public
9 Resources Code.

10 (b) Other efforts necessary to maintain or further reduce
11 California's petroleum fuel demand.

12 (c) Any state or federal statutory or administrative limitations
13 that impede the ability of the commission or the state board to
14 achieve the goals of Section 25370 of the Public Resources Code.

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