

ASSEMBLY BILL

No. 1212

Introduced by Assembly Member Ruskin

February 27, 2009

An act to add Article 3 (commencing with Section 43300) to Chapter 2 of Part 5 of Division 26 of the Health and Safety Code, relating to vehicle emissions.

LEGISLATIVE COUNSEL'S DIGEST

AB 1212, as introduced, Ruskin. Air resources: clean vehicle incentive program.

Existing law designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution and as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases that cause global warming in order to reduce emissions of greenhouse gases. Existing law establishes the Air Pollution Control Fund. Moneys in the fund are available, upon appropriation by the Legislature, to the state board to carry out its duties and functions.

Existing law requires the state board, no later than January 1, 2005, to develop and adopt regulations that achieve the maximum feasible and cost-effective reduction of greenhouse gas emissions from motor vehicles. Existing law provides that if regulations adopted pursuant to these provisions do not remain in effect, the state board is required to implement alternative regulations to control mobile sources of greenhouse gas emissions to achieve equivalent or greater reductions.

Under existing law, the California Global Warming Solutions Act of 2006, the state board is also required to adopt a statewide greenhouse

gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020.

This bill would authorize the state board to adopt and implement a clean vehicle incentive, or feebate, program consisting of one-time rebates and one-time surcharges on the sale of new passenger motor vehicles. The bill would require the state board to establish the program only if the state board determines that it would be beneficial to achieving the greenhouse gas emission goals of the California Global Warming Solutions Act of 2006.

The bill would require the state board to adopt and implement a clean vehicle incentive program to achieve equivalent or greater emission reductions of greenhouse gases from mobile sources if the state board determines that the above provisions of existing law requiring the state board to develop and adopt regulations to reduce greenhouse gas emissions from motor vehicles by January 1, 2005, do not remain in effect or are substantially delayed.

This bill would also require any revenues collected under the program to be deposited into the Air Pollution Control Fund and, upon appropriation by the Legislature, to only be expended by the state board to implement these provisions.

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. Article 3 (commencing with Section 43300) is
2 added to Chapter 2 of Part 5 of Division 26 of the Health and Safety
3 Code, to read:

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5 Article 3. Clean Vehicle Incentive Program

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7 43300. The Legislature finds and declares all of the following:
8 (a) According to the state board and the State Energy Resources
9 Conservation and Development Commission, the transportation
10 sector is the largest source of greenhouse gas emissions in
11 California.

12 (b) Multiple independent economic studies indicate that
13 undertaking action to reduce greenhouse gas emissions will likely
14 create long-term economic benefits to the state's economy.

1 (c) Market-based incentives can augment existing state vehicle
2 emissions standards by encouraging automobile buyers to purchase
3 cleaner vehicles and by encouraging manufacturers to offer more
4 low-emitting vehicle choices to California consumers.

5 (d) One-time rebates for the purchase of new motor vehicles
6 that emit low amounts of greenhouse gases are a reasonable and
7 appropriate method to provide incentives for the purchase of these
8 vehicles.

9 (e) One-time surcharges on new motor vehicles sold in
10 California that emit high amounts of greenhouse gases are a
11 reasonable and appropriate method to provide disincentives to the
12 purchase of these vehicles and to shift the environmental costs
13 normally borne by the public to the purchasers of these vehicles.

14 (f) The creation of a clean vehicle incentive, or feebate, program
15 to reduce greenhouse gas emissions from motor vehicles is a
16 market-based mechanism that does not create any new regulatory
17 standard under the law.

18 (g) The state board, in adopting its Climate Change Scoping
19 Plan, indicated that it plans to pursue a “feebate” program as a
20 backstop to the state’s greenhouse gas vehicle emission regulations
21 if those regulations cannot be implemented.

22 43301. (a) The state board may adopt and implement a clean
23 vehicle incentive, or feebate, program consisting of one-time
24 rebates and one-time surcharges on the sale of new passenger
25 motor vehicles, to mitigate against emissions of greenhouse gases
26 from motor vehicles. The state board shall establish this program
27 only if it finds that the implementation of the program would be
28 beneficial to achieving the greenhouse gas emissions reduction
29 goals of the California Global Warming Solutions Act of 2006
30 (Division 25.5 (commencing with Section 38500)).

31 (b) The state board, pursuant to Section 38590, shall adopt and
32 implement a clean vehicle incentive program in order to achieve
33 equivalent or greater emission reductions of greenhouse gases
34 from mobile sources if the state board determines that the
35 regulations adopted pursuant to Section 43018.5 do not remain in
36 effect or are substantially delayed.

37 (c) Any program established pursuant to subdivision (a) or (b)
38 shall, to the extent possible, be self-financing.

39 (d) Revenues collected pursuant to this section shall be deposited
40 into the Air Pollution Control Fund, established pursuant to Section

1 43015, and, upon appropriation by the Legislature, may only be
2 expended by the state board to implement this article.

3 (e) The state board shall implement this section in a manner
4 that does not result in the levying of a tax within the meaning of
5 Article XIII A of the California Constitution in that the nature of
6 the fee has a fair and reasonable relationship to the environmental,
7 public health, and societal burdens imposed by the motor vehicles
8 subjected to the fee, and there is a sufficient nexus between the
9 fees imposed and the use of those fees to support the clean vehicle
10 incentive program that helps to redress the impacts caused by
11 higher-emitting vehicles as determined by the state board.