

Introduced by Senator Padilla

February 21, 2012

An act to amend Section 26011.8 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1128, as introduced, Padilla. Energy: alternative energy financing. Existing law authorizes the California Alternative Energy and Advanced Transportation Financing Authority, until January 1, 2021, to provide financial assistance in the form of the sales and use tax exclusion for a project to promote California-based manufacturing, California-based jobs, the reduction of greenhouse gases, or the reduction in air and water pollution or energy consumption.

This bill would additionally authorize the authority to grant the above financial assistance to projects that promote the utilization of advanced manufacturing, as defined.

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 26011.8 of the Public Resources Code
2 is amended to read:
3 26011.8. (a) The purpose of this section is to promote the
4 creation of California-based manufacturing, California-based jobs,
5 *advanced manufacturing*, the reduction of greenhouse gases, or
6 reductions in air and water pollution or energy consumption. In
7 furtherance of this purpose, the authority may approve a project
8 for financial assistance in the form of the sales and use tax

1 exclusion established in Section 6010.8 of the Revenue and
2 Taxation Code.

3 (b) ~~(1)~~ For purposes of this section, “~~project~~” means a project
4 as defined in paragraph (2) of subdivision (g) of Section 26003.
5 *the following terms have the following meanings:*

6 (1) “Advanced manufacturing” means any of the following:

7 (A) *The implementation of process improvements, increasing*
8 *quality controls, and installing advanced technologies, as defined*
9 *by the authority, and other intelligent production systems, as*
10 *defined by the authority.*

11 (B) *The use of a highly skilled and highly compensated*
12 *workforce.*

13 (C) *The rapid transfer and adoption of newly researched and*
14 *developed manufacturing technologies into the manufacturing*
15 *process.*

16 (2) “Alternative source,” in addition to as provided pursuant
17 to subdivision (c) of Section 26003, includes advanced electric
18 distributive generation technology as defined in Section 379.8 of
19 the Public Utilities Code or energy storage technologies and their
20 component materials.

21 (3) “Project” means a project as defined in paragraph (2) of
22 subdivision (g) of Section 26003.

23 ~~(2) For purposes of this section, “alternative sources” also~~
24 ~~includes advanced electric distributive generation technology as~~
25 ~~defined in Section 379.8 of the Public Utilities Code or energy~~
26 ~~storage technologies and their component materials.~~

27 (c) The authority shall publish notice of the availability of
28 project applications and deadlines for submission of project
29 applications to the authority.

30 (d) The authority shall evaluate project applications based upon
31 all of the following criteria:

32 (1) The extent to which the project develops manufacturing
33 facilities, or purchases equipment for manufacturing facilities,
34 located in California.

35 (2) The extent to which the anticipated benefit to the state from
36 the project equals or exceeds the projected benefit to the
37 participating party from the sales and use tax exclusion.

38 (3) The extent to which the project will create new, permanent
39 jobs in California.

1 (4) *The extent to which the project utilizes advanced*
2 *manufacturing.*

3 ~~(4)~~

4 (5) To the extent feasible, the extent to which the project, or the
5 product produced by the project, results in a reduction of
6 greenhouse gases, a reduction in air or water pollution, an increase
7 in energy efficiency, or a reduction in energy consumption, beyond
8 what is required by any federal or state law or regulation.

9 ~~(5)~~

10 (6) The extent of unemployment in the area in which the project
11 is proposed to be located.

12 ~~(6)~~

13 (7) Any other factors the authority deems appropriate in
14 accordance with this section.

15 (e) At a duly noticed public hearing, the authority shall approve,
16 by resolution, project applications for financial assistance.

17 (f) Notwithstanding subdivision (j), and without regard to the
18 actual date of any transaction between a participating party and
19 the authority, any project as defined in subdivision (g) of Section
20 26003 approved by the authority by resolution for the sales and
21 use tax exclusion pursuant to Section 6010.8 of the Revenue and
22 Taxation Code prior to the effective date of this section, shall not
23 be subject to this section.

24 (g) The Legislative Analyst's Office shall report to the Joint
25 Legislative Budget Committee on the effectiveness of this program,
26 on or before January 1, 2019, by evaluating factors, including, but
27 not limited to, the following:

28 (1) The number of jobs created by the program in California.

29 (2) The number of businesses that have remained in California
30 or relocated to California as a result of this program.

31 (3) The amount of state and local revenue and economic activity
32 generated by the program.

33 (4) *The types of advanced manufacturing utilized.*

34 ~~(4)~~

35 (5) The amount of reduction in greenhouse gases, air pollution,
36 water pollution, or energy consumption.

37 (h) Once the exclusions granted pursuant to Section 6010.8 of
38 the Revenue and Taxation Code for projects approved by the
39 authority pursuant to this section exceed one hundred million
40 dollars (\$100,000,000) annually, the authority shall provide a

1 20-day notice to the Legislature prior to making additional
2 approvals pursuant to this section.

3 (i) The authority shall make every effort to expedite the
4 operation of this section, and shall adopt regulations for purposes
5 of implementing the section as emergency regulations in
6 accordance with Chapter 3.5 (commencing with Section 11340)
7 of Part 1 of Division 3 of Title 2 of the Government Code. For
8 purposes of that Chapter 3.5, including Section 11349.6 of the
9 Government Code, the adoption of the regulations shall be
10 considered by the Office of Administrative Law to be necessary
11 for the immediate preservation of the public peace, health and
12 safety, and general welfare.

13 (j) This section shall remain in effect only until January 1, 2021,
14 and as of that date is repealed. The sale or purchase of tangible
15 personal property of a project approved prior to January 1, 2021,
16 shall continue to be excluded from sales and use taxes pursuant to
17 Section 6010.8 of the Revenue and Taxation Code for the period
18 of time set forth in the authority’s resolution approving the project
19 pursuant to this section.

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22 **CORRECTIONS:**

23 **Text—Page 2.**

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