

AMENDED IN SENATE SEPTEMBER 10, 2015

AMENDED IN ASSEMBLY AUGUST 25, 2015

AMENDED IN ASSEMBLY AUGUST 18, 2015

AMENDED IN ASSEMBLY JUNE 9, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 199**

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**Introduced by Assembly Member Eggman**  
**(Coauthors: Assembly Members Dahle, Hadley, Harper, Rendon,**  
**Williams, and Wood)**

January 29, 2015

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An act to amend Sections 26003 and 26011.8 of the Public Resources Code, relating to alternative energy, and declaring the urgency thereof, to take effect immediately.

### LEGISLATIVE COUNSEL'S DIGEST

AB 199, as amended, Eggman. Alternative energy: recycled feedstock.

Existing law establishes the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance for projects that promote the use of alternative energies. Existing law, until January 1, 2021, authorizes the authority to approve a project for financial assistance in the form of a sales and use tax exclusion. Existing law prohibits the authority from granting sales and use tax exclusions that exceed \$100,000,000 for each calendar year.

This bill would expand projects eligible for the sales and use tax exclusion to include projects that process or utilize recycled feedstock,

but would not include a project that processes or utilizes recycled feedstock in a manner that constitutes disposal.

*This bill would incorporate additional changes to Sections 26003 and 26011.8 of the Public Resources Code proposed by AB 1269 that would become operative only if this bill and AB 1269 are chaptered and become effective on or before January 1, 2016, and this bill is chaptered last.*

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . 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 26003 of the Public Resources Code, as  
2     amended by Section 1 of Chapter 540 of the Statutes of 2013, is  
3     amended to read:  
4     26003. (a) As used in this division, unless the context  
5     otherwise requires:  
6     (1) (A) “Advanced manufacturing” means manufacturing  
7     processes that improve existing or create entirely new materials,  
8     products, and processes through the use of science, engineering,  
9     or information technologies, high-precision tools and methods, a  
10    high-performance workforce, and innovative business or  
11    organizational models utilizing any of the following technology  
12    areas:  
13    (i) Microelectronics and nanoelectronics, including  
14    semiconductors.  
15    (ii) Advanced materials.  
16    (iii) Integrated computational materials engineering.  
17    (iv) Nanotechnology.  
18    (v) Additive manufacturing.  
19    (vi) Industrial biotechnology.  
20    (B) “Advanced manufacturing” includes any of the following:  
21    (i) Systems that result from substantive advancement, whether  
22    incremental or breakthrough, beyond the current industry standard,  
23    in the production of materials and products. These advancements  
24    include improvements in manufacturing processes and systems  
25    that are often referred to as “smart” or “intelligent” manufacturing

1 systems, which integrate computational predictability and  
2 operational efficiency.

3 (ii) (I) Sustainable manufacturing systems and manufacturing  
4 technologies that minimize the use of resources while maintaining  
5 or improving cost and performance.

6 (II) Sustainable manufacturing systems and manufacturing  
7 technologies do not include those required to be undertaken  
8 pursuant to state or federal law or regulations, air district rules or  
9 regulations, memoranda of understanding with a governmental  
10 entity, or legally binding agreements or documents. The State Air  
11 Resources Board shall advise the authority to ensure that the  
12 requirements of this clause are met.

13 (2) (A) “Advanced transportation technologies” means  
14 emerging commercially competitive transportation-related  
15 technologies identified by the authority as capable of creating  
16 long-term, high value-added jobs for Californians while enhancing  
17 the state’s commitment to energy conservation, pollution and  
18 greenhouse gas emissions reduction, and transportation efficiency.

19 (B) “Advanced transportation technologies” does not include  
20 those projects required to be undertaken pursuant to state or federal  
21 law or regulations, air district rules or regulations, memoranda of  
22 understanding with a governmental entity, or legally binding  
23 agreements or documents. The State Air Resources Board shall  
24 advise the authority regarding projects that are excluded pursuant  
25 to this subparagraph.

26 (3) (A) “Alternative sources” means devices or technologies  
27 used for a renewable electrical generation facility, as defined in  
28 paragraph (1) of subdivision (a) of Section 25741, a combined  
29 heat and power system, as defined in Section 2840.2 of the Public  
30 Utilities Code, distributed generation and energy storage  
31 technologies eligible under the self-generation incentive program  
32 pursuant to Section 379.6 of the Public Utilities Code, as  
33 determined by the Public Utilities Commission, or a facility  
34 designed for the production of renewable fuels, the efficient use  
35 of which reduce the use of fossil or nuclear fuels, and energy  
36 efficiency devices or technologies that reduce the need for new  
37 electric generation and reduce emissions of toxic and criteria  
38 pollutants and greenhouse gases.

39 (B) “Alternative sources” does not include a hydroelectric  
40 facility that does not meet state laws pertaining to the control,

1 appropriation, use, and distribution of water, including, but not  
2 limited to, the obtaining of applicable licenses and permits.

3 (4) “Authority” means the California Alternative Energy and  
4 Advanced Transportation Financing Authority established pursuant  
5 to Section 26004, and any board, commission, department, or  
6 officer succeeding to the functions of the authority, or to which  
7 the powers conferred upon the authority by this division shall be  
8 given.

9 (5) “Cost” as applied to a project or portion of the project  
10 financed under this division means all or part of the cost of  
11 construction and acquisition of all lands, structures, real or personal  
12 property or an interest in the real or personal property, rights,  
13 rights-of-way, franchises, easements, and interests acquired or  
14 used for a project; the cost of demolishing or removing any  
15 buildings or structures on land so acquired, including the cost of  
16 acquiring any lands to which those buildings or structures may be  
17 moved; the cost of all machinery, equipment, and furnishings,  
18 financing charges, interest prior to, during, and for a period after,  
19 completion of construction as determined by the authority;  
20 provisions for working capital; reserves for principal and interest  
21 and for extensions, enlargements, additions, replacements,  
22 renovations, and improvements; the cost of architectural,  
23 engineering, financial, accounting, auditing and legal services,  
24 plans, specifications, estimates, administrative expenses, and other  
25 expenses necessary or incidental to determining the feasibility of  
26 constructing any project or incidental to the construction,  
27 acquisition, or financing of a project.

28 (6) “Financial assistance” includes, but is not limited to, loans,  
29 loan loss reserves, interest rate reductions, proceeds of bonds issued  
30 by the authority, bond insurance, loan guarantees or other credit  
31 enhancements or liquidity facilities, contributions of money, or a  
32 combination thereof, as determined by, and approved by the  
33 resolution of, the board.

34 (7) (A) “Participating party” means a person, federal or state  
35 agency, department, board, authority, or commission, state or  
36 community college, or university, or a city or county, regional  
37 agency, public district, school district, or other political entity  
38 engaged in the business or operations in the state, whether  
39 organized for profit or not for profit, that applies for financial

1 assistance from the authority for the purpose of implementing a  
2 project.

3 (B) (i) For purposes of Section 6010.8 of the Revenue and  
4 Taxation Code, “participating party” means an entity specified in  
5 subparagraph (A) that seeks financial assistance pursuant to Section  
6 26011.8.

7 (ii) For purposes of Section 6010.8 of the Revenue and Taxation  
8 Code, an entity located outside of the state, including an entity  
9 located overseas, is considered to be a participating party and is  
10 eligible to apply for financial assistance pursuant to Section  
11 26011.8 if the participating party commits to, and demonstrates  
12 that, the party will be opening a manufacturing facility in the state.

13 (iii) It is the intent of the Legislature by adding clause (ii) to  
14 clarify existing law and ensure that an out-of-state entity or  
15 overseas entity is eligible to apply for financial assistance pursuant  
16 to Section 26011.8.

17 (8) (A) “Project” means a land, building, improvement to the  
18 land or building, rehabilitation, work, property, or structure, real  
19 or personal, stationary or mobile, including, but not limited to,  
20 machinery and equipment utilized in the state, whether or not in  
21 existence or under construction, that utilizes, or is designed to  
22 utilize, an alternative source, or that is utilized for the design,  
23 technology transfer, manufacture, production, assembly,  
24 distribution, or service of advanced transportation technologies or  
25 alternative source components.

26 (B) “Project,” for purposes of Section 26011.8 and Section  
27 6010.8 of the Revenue and Taxation Code, is defined in Section  
28 26011.8.

29 (9) “Revenue” means all rents, receipts, purchase payments,  
30 loan repayments, and all other income or receipts derived by the  
31 authority from a project, or the sale, lease, or other disposition of  
32 alternative source or advanced transportation technology facilities,  
33 or the making of loans to finance alternative source or advanced  
34 transportation technology facilities, and any income or revenue  
35 derived from the investment of money in any fund or account of  
36 the authority.

37 (b) This section shall become inoperative on July 1, 2016, and,  
38 as of January 1, 2017, is repealed, unless a later enacted statute,  
39 that becomes operative on or before January 1, 2017, deletes or  
40 extends the dates on which it becomes inoperative and is repealed.

1     *SEC. 1.5. Section 26003 of the Public Resources Code, as*  
2     *amended by Section 1 of Chapter 540 of the Statutes of 2013, is*  
3     *amended to read:*

4     26003. (a) As used in this division, unless the context  
5     otherwise requires:

6     (1) (A) “Advanced manufacturing” means manufacturing  
7     processes that improve existing or create entirely new materials,  
8     products, and processes through the use of science, engineering,  
9     or information technologies, high-precision tools and methods, a  
10    high-performance workforce, and innovative business or  
11    organizational models utilizing any of the following technology  
12    areas:

13    (i) Microelectronics and nanoelectronics, including  
14    semiconductors.

15    (ii) Advanced materials.

16    (iii) Integrated computational materials engineering.

17    (iv) Nanotechnology.

18    (v) Additive manufacturing.

19    (vi) Industrial biotechnology.

20    (B) “Advanced manufacturing” includes any of the following:

21    (i) Systems that result from substantive advancement, whether  
22    incremental or breakthrough, beyond the current industry standard,  
23    in the production of materials and products. These advancements  
24    include improvements in manufacturing processes and systems  
25    that are often referred to as “smart” or “intelligent” manufacturing  
26    systems, which integrate computational predictability and  
27    operational efficiency.

28    (ii) (I) Sustainable manufacturing systems and manufacturing  
29    technologies that minimize the use of resources while maintaining  
30    or improving cost and performance.

31    (II) Sustainable manufacturing systems and manufacturing  
32    technologies do not include those required to be undertaken  
33    pursuant to state or federal law or regulations, air district rules or  
34    regulations, memoranda of understanding with a governmental  
35    entity, or legally binding agreements or documents. The State Air  
36    Resources Board shall advise the authority to ensure that the  
37    requirements of this clause are met.

38    (2) (A) “Advanced transportation technologies” means  
39    emerging commercially competitive transportation-related  
40    technologies identified by the authority as capable of creating

1 long-term, high value-added jobs for Californians while enhancing  
2 the state's commitment to energy conservation, pollution and  
3 greenhouse gas emissions reduction, and transportation efficiency.

4 (B) "Advanced transportation technologies" does not include  
5 those projects required to be undertaken pursuant to state or federal  
6 law or regulations, air district rules or regulations, memoranda of  
7 understanding with a governmental entity, or legally binding  
8 agreements or documents. The State Air Resources Board shall  
9 advise the authority regarding projects that are excluded pursuant  
10 to this subparagraph.

11 (3) (A) "Alternative sources" means devices or technologies  
12 used for a renewable electrical generation facility, as defined in  
13 paragraph (1) of subdivision (a) of Section 25741, a combined  
14 heat and power system, as defined in Section 2840.2 of the Public  
15 Utilities Code, distributed generation and energy storage  
16 technologies eligible under the self-generation incentive program  
17 pursuant to Section 379.6 of the Public Utilities Code, as  
18 determined by the Public Utilities Commission, or a facility  
19 designed for the production of renewable fuels, the efficient use  
20 of which reduce the use of fossil or nuclear fuels, and energy  
21 efficiency devices or technologies that reduce the need for new  
22 electric generation and reduce emissions of toxic and criteria  
23 pollutants and greenhouse gases.

24 (B) "Alternative sources" does not include a hydroelectric  
25 facility that does not meet state laws pertaining to the control,  
26 appropriation, use, and distribution of water, including, but not  
27 limited to, the obtaining of applicable licenses and permits.

28 (4) "Authority" means the California Alternative Energy and  
29 Advanced Transportation Financing Authority established pursuant  
30 to Section 26004, and any board, commission, department, or  
31 officer succeeding to the functions of the authority, or to which  
32 the powers conferred upon the authority by this division shall be  
33 given.

34 (5) "Cost" as applied to a project or portion of the project  
35 financed under this division means all or part of the cost of  
36 construction and acquisition of all lands, structures, real or personal  
37 property or an interest in the real or personal property, rights,  
38 rights-of-way, franchises, easements, and interests acquired or  
39 used for a project; the cost of demolishing or removing any  
40 buildings or structures on land so acquired, including the cost of

1 acquiring any lands to which those buildings or structures may be  
2 moved; the cost of all machinery, equipment, and furnishings,  
3 financing charges, interest prior to, during, and for a period after,  
4 completion of construction as determined by the authority;  
5 provisions for working capital; reserves for principal and interest  
6 and for extensions, enlargements, additions, replacements,  
7 renovations, and improvements; the cost of architectural,  
8 engineering, financial, accounting, auditing and legal services,  
9 plans, specifications, estimates, administrative expenses, and other  
10 expenses necessary or ~~incident~~ *incidental* to determining the  
11 feasibility of constructing any project or ~~incident~~ *incidental* to the  
12 construction, acquisition, or financing of a project.

13 (6) “Financial assistance” includes, but is not limited to, loans,  
14 loan loss reserves, interest rate reductions, proceeds of bonds issued  
15 by the authority, bond insurance, loan guarantees or other credit  
16 enhancements or liquidity facilities, contributions of money, or a  
17 combination thereof, as determined by, and approved by the  
18 resolution of, the board.

19 (7) (A) “Participating party” means a person, federal or state  
20 agency, department, board, authority, or commission, state or  
21 community college, or university, or a city or county, regional  
22 agency, public district, school district, or other political entity  
23 engaged in the business or operations in the state, whether  
24 organized for profit or not for profit, that applies for financial  
25 assistance from the authority for the purpose of implementing a  
26 project.

27 (B) (i) For purposes of Section 6010.8 of the Revenue and  
28 Taxation Code, “participating party” means an entity specified in  
29 subparagraph (A) that seeks financial assistance pursuant to Section  
30 26011.8.

31 (ii) For purposes of Section 6010.8 of the Revenue and Taxation  
32 Code, an entity located outside of the state, including an entity  
33 located overseas, is considered to be a participating party and is  
34 eligible to apply for financial assistance pursuant to Section  
35 26011.8 if the participating party commits to, and demonstrates  
36 that, the party will be opening a manufacturing facility in the state.

37 (iii) It is the intent of the Legislature by adding clause (ii) to  
38 clarify existing law and ensure that an out-of-state entity or  
39 overseas entity is eligible to apply for financial assistance pursuant  
40 to Section 26011.8.



1 (8) (A) “Project” means a land, building, improvement to the  
2 land or building, rehabilitation, work, property, or structure, real  
3 or personal, stationary or mobile, including, but not limited to,  
4 machinery and equipment utilized in the state, whether or not in  
5 existence or under construction, that utilizes, or is designed to  
6 utilize, an alternative source, or that is utilized for the design,  
7 technology transfer, manufacture, production, assembly,  
8 distribution, or service of advanced transportation technologies or  
9 alternative source components.

10 (B) “Project,” for purposes of Section 26011.8 and Section  
11 6010.8 of the Revenue and Taxation Code, ~~means tangible personal~~  
12 ~~property that is utilized in the state for the design, manufacture,~~  
13 ~~production, or assembly of advanced manufacturing, advanced~~  
14 ~~transportation technologies, or alternative source products,~~  
15 ~~components, or systems. is defined in Section 26011.8.~~

16 (9) “Revenue” means all rents, receipts, purchase payments,  
17 loan repayments, and all other income or receipts derived by the  
18 authority from a project, or the sale, lease, or other disposition of  
19 alternative source or advanced transportation technology facilities,  
20 or the making of loans to finance alternative source or advanced  
21 transportation technology facilities, and any income or revenue  
22 derived from the investment of money in any fund or account of  
23 the authority.

24 (b) This section shall ~~become inoperative on July 1, 2016, and,~~  
25 ~~as of January 1, 2017, remain in effect only until January 1, 2021,~~  
26 ~~and as of that date is repealed, unless a later enacted statute, that~~  
27 ~~becomes operative on or is enacted before January 1, 2017, 2021,~~  
28 ~~deletes or extends the dates on which it becomes inoperative and~~  
29 ~~is repealed. that date.~~

30 SEC. 2. Section 26003 of the Public Resources Code, as  
31 amended by Section 2 of Chapter 540 of the Statutes of 2013, is  
32 amended to read:

33 26003. (a) As used in this division, unless the context  
34 otherwise requires:

35 (1) (A) “Advanced transportation technologies” means  
36 emerging commercially competitive transportation-related  
37 technologies identified by the authority as capable of creating  
38 long-term, high value-added jobs for Californians while enhancing  
39 the state’s commitment to energy conservation, pollution and  
40 greenhouse gas emissions reduction, and transportation efficiency.

1 (B) “Advanced transportation technologies” does not include  
2 those projects required to be undertaken pursuant to state or federal  
3 law or regulations, air district rules or regulations, memoranda of  
4 understanding with a governmental entity, or legally binding  
5 agreements or documents. The State Air Resources Board shall  
6 advise the authority regarding projects that are excluded pursuant  
7 to this subparagraph.

8 (2) (A) “Alternative sources” means devices or technologies  
9 used for a renewable electrical generation facility, as defined in  
10 paragraph (1) of subdivision (a) of Section 25741, a combined  
11 heat and power system, as defined in Section 2840.2 of the Public  
12 Utilities Code, distributed generation and energy storage  
13 technologies eligible under the self-generation incentive program  
14 pursuant to Section 379.6 of the Public Utilities Code, as  
15 determined by the Public Utilities Commission, or a facility  
16 designed for the production of renewable fuels, the efficient use  
17 of which reduce the use of fossil or nuclear fuels, and energy  
18 efficiency devices or technologies that reduce the need for new  
19 electric generation and reduce emissions of toxic and criteria  
20 pollutants and greenhouse gases.

21 (B) “Alternative sources” does not include a hydroelectric  
22 facility that does not meet state laws pertaining to the control,  
23 appropriation, use, and distribution of water, including, but not  
24 limited to, the obtaining of applicable licenses and permits.

25 (3) “Authority” means the California Alternative Energy and  
26 Advanced Transportation Financing Authority established pursuant  
27 to Section 26004, and any board, commission, department, or  
28 officer succeeding to the functions of the authority, or to which  
29 the powers conferred upon the authority by this division shall be  
30 given.

31 (4) “Cost” as applied to a project or portion of the project  
32 financed under this division means all or part of the cost of  
33 construction and acquisition of all lands, structures, real or personal  
34 property or an interest in the real or personal property, rights,  
35 rights-of-way, franchises, easements, and interests acquired or  
36 used for a project; the cost of demolishing or removing any  
37 buildings or structures on land so acquired, including the cost of  
38 acquiring any lands to which those buildings or structures may be  
39 moved; the cost of all machinery, equipment, and furnishings,  
40 financing charges, interest prior to, during, and for a period after,

1 completion of construction as determined by the authority;  
2 provisions for working capital; reserves for principal and interest  
3 and for extensions, enlargements, additions, replacements,  
4 renovations, and improvements; the cost of architectural,  
5 engineering, financial, accounting, auditing and legal services,  
6 plans, specifications, estimates, administrative expenses, and other  
7 expenses necessary or incidental to determining the feasibility of  
8 constructing any project or incidental to the construction,  
9 acquisition, or financing of a project.

10 (5) "Financial assistance" includes, but is not limited to, loans,  
11 loan loss reserves, interest rate reductions, proceeds of bonds issued  
12 by the authority, bond insurance, loan guarantees or other credit  
13 enhancements or liquidity facilities, contributions of money, or a  
14 combination thereof, as determined by, and approved by the  
15 resolution of, the board.

16 (6) (A) "Participating party" means a person, federal or state  
17 agency, department, board, authority, or commission, state or  
18 community college, or university, or a city or county, regional  
19 agency, public district, school district, or other political entity  
20 engaged in the business or operations in the state, whether  
21 organized for profit or not for profit, that applies for financial  
22 assistance from the authority for the purpose of implementing a  
23 project.

24 (B) (i) For purposes of Section 6010.8 of the Revenue and  
25 Taxation Code, "participating party" means an entity specified in  
26 subparagraph (A) that seeks financial assistance pursuant to Section  
27 26011.8.

28 (ii) For purposes of Section 6010.8 of the Revenue and Taxation  
29 Code, an entity located outside of the state, including an entity  
30 located overseas, is considered to be a participating party and is  
31 eligible to apply for financial assistance pursuant to Section  
32 26011.8 if the participating party commits to, and demonstrates  
33 that, the party will be opening a manufacturing facility in the state.

34 (iii) It is the intent of the Legislature by adding clause (ii) to  
35 clarify existing law and ensure that an out-of-state entity or  
36 overseas entity is eligible to apply for financial assistance pursuant  
37 to Section 26011.8.

38 (7) (A) "Project" means a land, building, improvement to the  
39 land or building, rehabilitation, work, property, or structure, real  
40 or personal, stationary or mobile, including, but not limited to,

1 machinery and equipment utilized in the state, whether or not in  
2 existence or under construction, that utilizes, or is designed to  
3 utilize, an alternative source, or that is utilized for the design,  
4 technology transfer, manufacture, production, assembly,  
5 distribution, or service of advanced transportation technologies or  
6 alternative source components.

7 (B) “Project,” for purposes of Section 26011.8 and Section  
8 6010.8 of the Revenue and Taxation Code, is defined in Section  
9 26011.8.

10 (8) “Revenue” means all rents, receipts, purchase payments,  
11 loan repayments, and all other income or receipts derived by the  
12 authority from a project, or the sale, lease, or other disposition of  
13 alternative source or advanced transportation technology facilities,  
14 or the making of loans to finance alternative source or advanced  
15 transportation technology facilities, and any income or revenue  
16 derived from the investment of money in any fund or account of  
17 the authority.

18 (b) This section shall become operative on July 1, 2016.

19 *SEC. 2.5. Section 26003 of the Public Resources Code, as*  
20 *amended by Section 2 of Chapter 540 of the Statutes of 2013, is*  
21 *amended to read:*

22 26003. (a) As used in this division, unless the context  
23 otherwise requires:

24 (1) (A) “Advanced transportation technologies” means  
25 emerging commercially competitive transportation-related  
26 technologies identified by the authority as capable of creating  
27 long-term, high value-added jobs for Californians while enhancing  
28 the state’s commitment to energy conservation, pollution and  
29 greenhouse gas emissions reduction, and transportation efficiency.

30 (B) “Advanced transportation technologies” does not include  
31 those projects required to be undertaken pursuant to state or federal  
32 law or regulations, air district rules or regulations, memoranda of  
33 understanding with a governmental entity, or legally binding  
34 agreements or documents. The State Air Resources Board shall  
35 advise the authority regarding projects that are excluded pursuant  
36 to this subparagraph.

37 (2) (A) “Alternative sources” means devices or technologies  
38 used for a renewable electrical generation facility, as defined in  
39 paragraph (1) of subdivision (a) of Section 25741, a combined  
40 heat and power system, as defined in Section 2840.2 of the Public

1 Utilities Code, distributed generation and energy storage  
2 technologies eligible under the self-generation incentive program  
3 pursuant to Section 379.6 of the Public Utilities Code, as  
4 determined by the Public Utilities Commission, or a facility  
5 designed for the production of renewable fuels, the efficient use  
6 of which reduce the use of fossil or nuclear fuels, and energy  
7 efficiency devices or technologies that reduce the need for new  
8 electric generation and reduce emissions of toxic and criteria  
9 pollutants and greenhouse gases.

10 (B) "Alternative sources" does not include a hydroelectric  
11 facility that does not meet state laws pertaining to the control,  
12 appropriation, use, and distribution of water, including, but not  
13 limited to, the obtaining of applicable licenses and permits.

14 (3) "Authority" means the California Alternative Energy and  
15 Advanced Transportation Financing Authority established pursuant  
16 to Section 26004, and any board, commission, department, or  
17 officer succeeding to the functions of the authority, or to which  
18 the powers conferred upon the authority by this division shall be  
19 given.

20 (4) "Cost" as applied to a project or portion of the project  
21 financed under this division means all or part of the cost of  
22 construction and acquisition of all lands, structures, real or personal  
23 property or an interest in the real or personal property, rights,  
24 rights-of-way, franchises, easements, and interests acquired or  
25 used for a project; the cost of demolishing or removing any  
26 buildings or structures on land so acquired, including the cost of  
27 acquiring any lands to which those buildings or structures may be  
28 moved; the cost of all machinery, equipment, and furnishings,  
29 financing charges, interest prior to, during, and for a period after,  
30 completion of construction as determined by the authority;  
31 provisions for working capital; reserves for principal and interest  
32 and for extensions, enlargements, additions, replacements,  
33 renovations, and improvements; the cost of architectural,  
34 engineering, financial, accounting, auditing and legal services,  
35 plans, specifications, estimates, administrative expenses, and other  
36 expenses necessary or ~~incident~~ *incidental* to determining the  
37 feasibility of constructing any project or ~~incident~~ *incidental* to the  
38 construction, acquisition, or financing of a project.

39 (5) "Financial assistance" includes, but is not limited to, loans,  
40 loan loss reserves, interest rate reductions, proceeds of bonds issued

1 by the authority, bond insurance, loan guarantees or other credit  
2 enhancements or liquidity facilities, contributions of money, or a  
3 combination thereof, as determined by, and approved by the  
4 resolution of, the board.

5 (6) (A) “Participating party” means a person, federal or state  
6 agency, department, board, authority, or commission, state or  
7 community college, or university, or a city or county, regional  
8 agency, public district, school district, or other political entity  
9 engaged in the business or operations in the state, whether  
10 organized for profit or not for profit, that applies for financial  
11 assistance from the authority for the purpose of implementing a  
12 project.

13 (B) (i) For purposes of Section 6010.8 of the Revenue and  
14 Taxation Code, “participating party” means an entity specified in  
15 subparagraph (A) that seeks financial assistance pursuant to Section  
16 26011.8.

17 (ii) For purposes of Section 6010.8 of the Revenue and Taxation  
18 Code, an entity located outside of the state, including an entity  
19 located overseas, is considered to be a participating party and is  
20 eligible to apply for financial assistance pursuant to Section  
21 26011.8 if the participating party commits to, and demonstrates  
22 that, the party will be opening a manufacturing facility in the state.

23 (iii) It is the intent of the Legislature by adding clause (ii) to  
24 clarify existing law and ensure that an out-of-state entity or  
25 overseas entity is eligible to apply for financial assistance pursuant  
26 to Section 26011.8.

27 (7) (A) “Project” means a land, building, improvement to the  
28 land or building, rehabilitation, work, property, or structure, real  
29 or personal, stationary or mobile, including, but not limited to,  
30 machinery and equipment utilized in the state, whether or not in  
31 existence or under construction, that utilizes, or is designed to  
32 utilize, an alternative source, or that is utilized for the design,  
33 technology transfer, manufacture, production, assembly,  
34 distribution, or service of advanced transportation technologies or  
35 alternative source components.

36 (B) “Project,” for purposes of Section 26011.8 and Section  
37 6010.8 of the Revenue and Taxation Code, ~~means tangible personal~~  
38 ~~property that is utilized in the state for the design, manufacture,~~  
39 ~~production, or assembly of advanced transportation technologies~~

1 ~~or alternative source products, components, or systems. is defined~~  
2 ~~in Section 26011.8.~~

3 (8) “Revenue” means all rents, receipts, purchase payments,  
4 loan repayments, and all other income or receipts derived by the  
5 authority from a project, or the sale, lease, or other disposition of  
6 alternative source or advanced transportation technology facilities,  
7 or the making of loans to finance alternative source or advanced  
8 transportation technology facilities, and any income or revenue  
9 derived from the investment of money in any fund or account of  
10 the authority.

11 (b) This section shall become operative on ~~July~~ January 1, 2016.  
12 2021.

13 SEC. 3. Section 26011.8 of the Public Resources Code, as  
14 amended by Section 3 of Chapter 540 of the Statutes of 2013, is  
15 amended to read:

16 26011.8. (a) The purpose of this section is to promote the  
17 creation of California-based manufacturing, California-based jobs,  
18 advanced manufacturing, the reduction of greenhouse gases, or  
19 reductions in air and water pollution or energy consumption. In  
20 furtherance of this purpose, the authority may approve a project  
21 for financial assistance in the form of the sales and use tax  
22 exclusion established in Section 6010.8 of the Revenue and  
23 Taxation Code.

24 (b) For purposes of this section, the following terms have the  
25 following meanings:

26 (1) “Project” means tangible personal property if at least 50  
27 percent of its use is either to process recycled feedstock that is  
28 intended to be reused in the production of another product or using  
29 recycled feedstock in the production of another product or soil  
30 amendment, or tangible personal property that is used in the state  
31 for the design, manufacture, production, or assembly of advanced  
32 manufacturing, advanced transportation technologies, or alternative  
33 source products, components, or systems, as defined in Section  
34 26003. “Project” does not include tangible personal property that  
35 processes or uses recycled feedstock in a manner that would  
36 constitute disposal as defined in subdivision (b) of Section 40192.

37 (2) “Recycled feedstock” means materials that would otherwise  
38 be destined for disposal, having completed their intended end use  
39 and product lifecycle.

(3) “Soil amendments” may include “compost,” as defined in Section 14525 of the Food and Agricultural Code, “fertilizing material,” as defined in Section 14533 of the Food and Agricultural Code, “gypsum” or “phosphatic sulfate gypsum,” as those terms are defined in Section 14537 of the Food and Agricultural Code, or a substance distributed for the purpose of promoting plant growth or improving the quality of crops by conditioning soils through physical means.

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

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

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

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

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

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

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

(6) Any other factors the authority deems appropriate in accordance with this section.

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

(f) Notwithstanding subdivision (j), and without regard to the actual date of any transaction between a participating party and the authority, any project approved by the authority by resolution for the sales and use tax exclusion pursuant to Section 6010.8 of the Revenue and Taxation Code before March 24, 2010, shall not be subject to this section.

(g) The Legislative Analyst’s Office shall report to the Joint Legislative Budget Committee on the effectiveness of this program,



1 on or before January 1, 2019, by evaluating factors, including, but  
2 not limited to, the following:

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

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

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

8 (4) The types of advanced manufacturing, as defined in  
9 paragraph (1) of subdivision (a) of Section 26003, utilized.

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

12 (h) The exclusions granted pursuant to Section 6010.8 of the  
13 Revenue and Taxation Code for projects approved by the authority  
14 pursuant to this section shall not exceed one hundred million dollars  
15 (\$100,000,000) for each calendar year.

16 (i) (1) The authority shall study the efficacy and cost benefit  
17 of the sales and use tax exemption as it relates to advanced  
18 manufacturing projects. The study shall include the number of jobs  
19 created, the costs of each job, and the annual salary of each job.  
20 The study shall also consider a dynamic analysis of the economic  
21 output to the state that would occur without the sales and use tax  
22 exemption. Before January 1, 2017, the authority shall submit to  
23 the Legislature, consistent with Section 9795 of the Government  
24 Code, the result of the study.

25 (2) Before January 1, 2015, the authority shall, consistent with  
26 Section 9795 of the Government Code, submit to the Legislature  
27 an interim report on the efficacy of the program conducted pursuant  
28 to this section. The study shall include recommendations on  
29 program changes that would increase the program's efficacy in  
30 creating permanent and temporary jobs, and whether eligibility  
31 for the program should be extended or narrowed to other  
32 manufacturing types. The authority may work with the Legislative  
33 Analyst's Office in preparing the report and its recommendations.

34 (j) (1) Except as provided in paragraph (2), this section shall  
35 become inoperative on July 1, 2016, and, as of January 1, 2017,  
36 is repealed, unless a later enacted statute, that becomes operative  
37 on or before January 1, 2017, deletes or extends the dates on which  
38 it becomes inoperative and is repealed. The sale or purchase of  
39 tangible personal property of a project approved before June 30,  
40 2016, shall continue to be excluded from sales and use taxes

1 pursuant to Section 6010.8 of the Revenue and Taxation Code for  
2 the period of time set forth in the authority's resolution approving  
3 the project pursuant to this section.

4 (2) Notwithstanding paragraph (1), the authority's obligation  
5 to submit to the Legislature a report pursuant to paragraph (2) of  
6 subdivision (i) shall remain operative until the submission of the  
7 report.

8 *SEC. 3.5. Section 26011.8 of the Public Resources Code, as*  
9 *amended by Section 3 of Chapter 540 of the Statutes of 2013, is*  
10 *amended to read:*

11 26011.8. (a) The purpose of this section is to promote the  
12 creation of California-based manufacturing, California-based jobs,  
13 advanced manufacturing, the reduction of greenhouse gases, or  
14 reductions in air and water pollution or energy consumption. In  
15 furtherance of this purpose, the authority may approve a project  
16 for financial assistance in the form of the sales and use tax  
17 exclusion established in Section 6010.8 of the Revenue and  
18 Taxation Code.

19 (b) *For purposes of this section, the following terms have the*  
20 *following meanings:*

21 ~~(b)~~

22 ~~(1) For purposes of this section, "project" means a project~~  
23 ~~"Project" means tangible personal property if at least 50 percent~~  
24 ~~of its use is either to process recycled feedstock that is intended~~  
25 ~~to be reused in the production of another product or using recycled~~  
26 ~~feedstock in the production of another product or soil amendment,~~  
27 ~~or tangible personal property that is used in the state for the~~  
28 ~~design, manufacture, production, or assembly of advanced~~  
29 ~~manufacturing, advanced transportation technologies, or~~  
30 ~~alternative source products, components, or systems, as defined~~  
31 ~~in subparagraph (B) of paragraph (8) of subdivision (a) of Section~~  
32 ~~26003. "Project" does not include tangible personal property that~~  
33 ~~processes or uses recycled feedstock in a manner that would~~  
34 ~~constitute disposal as defined in subdivision (b) of Section 40192.~~

35 (2) "Recycled feedstock" means materials that would otherwise  
36 be destined for disposal, having completed their intended end use  
37 and product lifecycle.

38 (3) "Soil amendments" may include "compost," as defined in  
39 Section 14525 of the Food and Agricultural Code, "fertilizing  
40 material," as defined in Section 14533 of the Food and

1 *Agricultural Code, “gypsum” or “phosphatic sulfate gypsum,”*  
2 *as those terms are defined in Section 14537 of the Food and*  
3 *Agricultural Code, or a substance distributed for the purpose of*  
4 *promoting plant growth or improving the quality of crops by*  
5 *conditioning soils through physical means.*

6 (c) The authority shall publish notice of the availability of  
7 project applications and deadlines for submission of project  
8 applications to the authority.

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

11 (1) The extent to which the project develops manufacturing  
12 facilities, or purchases equipment for manufacturing facilities,  
13 located in California.

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

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

19 (4) To the extent feasible, the extent to which the project, or the  
20 product produced by the project, results in a reduction of  
21 greenhouse gases, a reduction in air or water pollution, an increase  
22 in energy efficiency, or a reduction in energy consumption, beyond  
23 what is required by federal or state law or regulation.

24 (5) The extent of unemployment in the area in which the project  
25 is proposed to be located.

26 (6) Any other factors the authority deems appropriate in  
27 accordance with this section.

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

30 (f) Notwithstanding subdivision (j), and without regard to the  
31 actual date of any transaction between a participating party and  
32 the authority, any project approved by the authority by resolution  
33 for the sales and use tax exclusion pursuant to Section 6010.8 of  
34 the Revenue and Taxation Code before March 24, 2010, shall not  
35 be subject to this section.

36 (g) The Legislative Analyst’s Office shall report to the Joint  
37 Legislative Budget Committee on the effectiveness of this program,  
38 on or before January 1, 2019, by evaluating factors, including, but  
39 not limited to, the following:

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

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

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

(4) The types of advanced manufacturing, as defined in paragraph (1) of subdivision (a) of Section 26003, utilized.

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

(h) The exclusions granted pursuant to Section 6010.8 of the Revenue and Taxation Code for projects approved by the authority pursuant to this section shall not exceed one hundred million dollars (\$100,000,000) for each calendar year.

(i) (1) The authority shall study the efficacy and cost benefit of the sales and use tax exemption as it relates to advanced manufacturing projects. The study shall include the number of jobs created, the costs of each job, and the annual salary of each job. The study shall also consider a dynamic analysis of the economic output to the state that would occur without the sales and use tax exemption. Before January 1, 2017, the authority shall submit to the Legislature, consistent with Section 9795 of the Government Code, the result of the study.

(2) Before January 1, 2015, the authority shall, consistent with Section 9795 of the Government Code, submit to the Legislature an interim report on the efficacy of the program conducted pursuant to this section. The study shall include recommendations on program changes that would increase the program's efficacy in creating permanent and temporary jobs, and whether eligibility for the program should be extended or narrowed to other manufacturing types. The authority may work with the Legislative Analyst's Office in preparing the report and its recommendations.

(j) ~~(1) Except as provided in paragraph (2), this section shall become inoperative on July 1, 2016, and, as of January 1, 2017, This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2017, 2021, deletes or extends the dates on which it becomes inoperative and is repealed. that date.~~ The sale or purchase of tangible personal property of a project approved before ~~June 30, 2016, January 1, 2021,~~ shall continue to be excluded from sales and use taxes pursuant to Section 6010.8 of the Revenue and Taxation Code for the period

1 of time set forth in the authority's resolution approving the project  
2 pursuant to this section.

3 ~~(2) Notwithstanding paragraph (1), the authority's obligation~~  
4 ~~to submit to the Legislature a report pursuant to paragraph (2) of~~  
5 ~~subdivision (i) shall remain operative until the submission of the~~  
6 ~~report.~~

7 SEC. 4. Section 26011.8 of the Public Resources Code, as  
8 amended by Section 4 of Chapter 540 of the Statutes of 2013, is  
9 amended to read:

10 26011.8. (a) The purpose of this section is to promote the  
11 creation of California-based manufacturing, California-based jobs,  
12 the reduction of greenhouse gases, or reductions in air and water  
13 pollution or energy consumption. In furtherance of this purpose,  
14 the authority may approve a project for financial assistance in the  
15 form of the sales and use tax exclusion established in Section  
16 6010.8 of the Revenue and Taxation Code.

17 (b) For purposes of this section, the following terms have the  
18 following meanings:

19 (1) "Project" means tangible personal property if at least 50  
20 percent of its use is either to process recycled feedstock that is  
21 intended to be reused in the production of another product or using  
22 recycled feedstock in the production of another product or soil  
23 amendment, or tangible personal property that is used in the state  
24 for the design, manufacture, production, or assembly of advanced  
25 transportation technologies or alternative source products,  
26 components, or systems, as defined in Section 26003. "Project"  
27 does not include tangible personal property that processes or uses  
28 recycled feedstock in a manner that would constitute disposal as  
29 defined in subdivision (b) of Section 40192.

30 (2) "Recycled feedstock" means materials that would otherwise  
31 be destined for disposal, having completed their intended end use  
32 and product lifecycle.

33 (3) "Soil amendments" may include "compost," as defined in  
34 Section 14525 of the Food and Agricultural Code, "fertilizing  
35 material," as defined in Section 14533 of the Food and Agricultural  
36 Code, "gypsum" or "phosphatic sulfate gypsum," as those terms  
37 are defined in Section 14537 of the Food and Agricultural Code,  
38 or a substance distributed for the purpose of promoting plant  
39 growth or improving the quality of crops by conditioning soils  
40 through physical means.

1 (c) The authority shall publish notice of the availability of  
2 project applications and deadlines for submission of project  
3 applications to the authority.

4 (d) The authority shall evaluate project applications based upon  
5 a net benefits test that includes all of the following criteria:

6 (1) The extent to which the project develops manufacturing  
7 facilities, or purchases equipment for manufacturing facilities,  
8 located in California.

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

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

14 (4) To the extent feasible, the extent to which the project, or the  
15 product produced by the project, results in a reduction of  
16 greenhouse gases, a reduction in air or water pollution, an increase  
17 in energy efficiency, or a reduction in energy consumption, beyond  
18 what is required by federal or state law or regulation.

19 (5) The extent of unemployment in the area in which the project  
20 is proposed to be located.

21 (6) Any other factors the authority deems appropriate in  
22 accordance with this section.

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

25 (f) Notwithstanding subdivision (j), and without regard to the  
26 actual date of any transaction between a participating party and  
27 the authority, any project as defined in paragraph (7) of subdivision  
28 (a) of Section 26003 approved by the authority by resolution for  
29 the sales and use tax exclusion pursuant to Section 6010.8 of the  
30 Revenue and Taxation Code before March 24, 2010, shall not be  
31 subject to this section.

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

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

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

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

1 (4) The amount of reduction in greenhouse gases, air pollution,  
2 water pollution, or energy consumption.

3 (h) The exclusions granted pursuant to Section 6010.8 of the  
4 Revenue and Taxation Code for projects approved by the authority  
5 pursuant to this section shall not exceed one hundred million dollars  
6 (\$100,000,000) for each calendar year.

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

17 (j) This section shall become operative on July 1, 2016, and  
18 shall remain in effect only until January 1, 2021, and as of that  
19 date is repealed. The sale or purchase of tangible personal property  
20 of a project approved before January 1, 2021, shall continue to be  
21 excluded from sales and use taxes pursuant to Section 6010.8 of  
22 the Revenue and Taxation Code for the period of time set forth in  
23 the authority's resolution approving the project pursuant to this  
24 section.

25 *SEC. 4.5. Section 26011.8 of the Public Resources Code, as*  
26 *amended by Section 4 of Chapter 540 of the Statutes of 2013, is*  
27 *repealed.*

28 ~~26011.8. (a) The purpose of this section is to promote the~~  
29 ~~creation of California-based manufacturing, California-based jobs,~~  
30 ~~the reduction of greenhouse gases, or reductions in air and water~~  
31 ~~pollution or energy consumption. In furtherance of this purpose,~~  
32 ~~the authority may approve a project for financial assistance in the~~  
33 ~~form of the sales and use tax exclusion established in Section~~  
34 ~~6010.8 of the Revenue and Taxation Code.~~

35 ~~(b) For purposes of this section, "project" means a project as~~  
36 ~~defined in subparagraph (B) of paragraph (7) of subdivision (a) of~~  
37 ~~Section 26003.~~

38 ~~(c) The authority shall publish notice of the availability of~~  
39 ~~project applications and deadlines for submission of project~~  
40 ~~applications to the authority.~~

1     ~~(d) The authority shall evaluate project applications based upon~~  
2     ~~a net benefits test that includes all of the following criteria:~~

3     ~~(1) The extent to which the project develops manufacturing~~  
4     ~~facilities, or purchases equipment for manufacturing facilities,~~  
5     ~~located in California.~~

6     ~~(2) The extent to which the anticipated benefit to the state from~~  
7     ~~the project equals or exceeds the projected benefit to the~~  
8     ~~participating party from the sales and use tax exclusion.~~

9     ~~(3) The extent to which the project will create new, permanent~~  
10    ~~jobs in California.~~

11    ~~(4) To the extent feasible, the extent to which the project, or the~~  
12    ~~product produced by the project, results in a reduction of~~  
13    ~~greenhouse gases, a reduction in air or water pollution, an increase~~  
14    ~~in energy efficiency, or a reduction in energy consumption, beyond~~  
15    ~~what is required by federal or state law or regulation.~~

16    ~~(5) The extent of unemployment in the area in which the project~~  
17    ~~is proposed to be located.~~

18    ~~(6) Any other factors the authority deems appropriate in~~  
19    ~~accordance with this section.~~

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

22    ~~(f) Notwithstanding subdivision (j), and without regard to the~~  
23    ~~actual date of any transaction between a participating party and~~  
24    ~~the authority, any project as defined in paragraph (7) of subdivision~~  
25    ~~(a) of Section 26003 approved by the authority by resolution for~~  
26    ~~the sales and use tax exclusion pursuant to Section 6010.8 of the~~  
27    ~~Revenue and Taxation Code before March 24, 2010, shall not be~~  
28    ~~subject to this section.~~

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

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

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

36    ~~(3) The amount of state and local revenue and economic activity~~  
37    ~~generated by the program.~~

38    ~~(4) The amount of reduction in greenhouse gases, air pollution,~~  
39    ~~water pollution, or energy consumption.~~



1     ~~(h) The exclusions granted pursuant to Section 6010.8 of the~~  
2     ~~Revenue and Taxation Code for projects approved by the authority~~  
3     ~~pursuant to this section shall not exceed one hundred million dollars~~  
4     ~~(\$100,000,000) for each calendar year.~~

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

15    ~~(j) This section shall become operative on July 1, 2016, and~~  
16    ~~shall remain in effect only until January 1, 2021, and as of that~~  
17    ~~date is repealed. The sale or purchase of tangible personal property~~  
18    ~~of a project approved before January 1, 2021, shall continue to be~~  
19    ~~excluded from sales and use taxes pursuant to Section 6010.8 of~~  
20    ~~the Revenue and Taxation Code for the period of time set forth in~~  
21    ~~the authority's resolution approving the project pursuant to this~~  
22    ~~section.~~

23    *SEC. 5. (a) Sections 1.5 and 2.5 of this bill incorporate*  
24    ~~amendments to Section 26003 of the Public Resources Code~~  
25    ~~proposed by both this bill and AB 1269. Sections 1.5 and 2.5 shall~~  
26    ~~only become operative if (1) both bills are enacted and become~~  
27    ~~effective on or before January 1, 2016, but this bill becomes~~  
28    ~~operative first, (2) each bill amends Section 26003 of the Public~~  
29    ~~Resources Code, and (3) this bill is enacted after AB 1269, in~~  
30    ~~which case Section 26003 of the Public Resources Code, as~~  
31    ~~amended by Sections 1 and 2 of this bill, shall remain operative~~  
32    ~~only until the operative date of AB 1269, at which time Sections~~  
33    ~~1.5 and 2.5 of this bill shall become operative.~~

34    ~~(b) Sections 3.5 and 4.5 of this bill incorporate amendments to~~  
35    ~~Section 26011.8 of the Public Resources Code proposed by both~~  
36    ~~this bill and AB 1269. Sections 3.5 and 4.5 shall only become~~  
37    ~~operative if (1) both bills are enacted and become effective on or~~  
38    ~~before January 1, 2016, but this bill becomes operative first, (2)~~  
39    ~~each bill amends Section 26011.8 of the Public Resources Code,~~  
40    ~~and (3) this bill is enacted after AB 1269, in which case Section~~

1 26011.8 of the *Public Resources Code*, as amended by Section 3  
2 and 4 of this bill, shall remain operative only until the operative  
3 date of AB 1269, at which time Section 3.5 and 4.5 of this bill shall  
4 become operative.

5 ~~SEC. 5.~~

6 SEC. 6. This act is an urgency statute necessary for the  
7 immediate preservation of the public peace, health, or safety within  
8 the meaning of Article IV of the Constitution and shall go into  
9 immediate effect. The facts constituting the necessity are:

10 In order to provide incentives for the development of projects  
11 that process or utilize recycled feedstock for the protection of the  
12 public health and environment, it is necessary for this act to take  
13 effect immediately.