

ASSEMBLY BILL

No. 1269

Introduced by Assembly Member Dababneh

February 27, 2015

An act to amend Section 26003 of, and to amend and repeal Section 26011.8 of, the Public Resources Code, and to amend Section 6010.8 of the Revenue and Taxation Code, relating to alternative energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1269, as introduced, Dababneh. Alternative energy.

The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority. The act authorizes, until January 1, 2021, the authority to provide financial assistance in the form of a sales and use tax exclusion for projects, including those that promote California-based manufacturing, California-based jobs, the reduction of greenhouse gases, or the reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions from exceeding \$100,000,000 for each calendar year. The act authorizes the authority, until July 1, 2016, to grant financial assistance in the form of a sales and use tax exclusion for projects that promote the use of advanced manufacturing.

This bill would extend the authorization to grant the above financial assistance to projects that promote the use of advanced manufacturing to January 1, 2021. By extending the eligibility of projects that promote the use of advanced manufacturing for the sales and use tax exclusion, which is limited at \$100,000,000 annually, this bill would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution.

Vote: 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
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

1 Resources Board shall advise the authority to ensure that the
2 requirements of this clause are met.

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

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

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

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

33 (4) “Authority” means the California Alternative Energy and
34 Advanced Transportation Financing Authority established pursuant
35 to Section 26004, and any board, commission, department, or
36 officer succeeding to the functions of the authority, or to which
37 the powers conferred upon the authority by this division shall be
38 given.

39 (5) “Cost” as applied to a project or portion of the project
40 financed under this division means all or part of the cost of

1 construction and acquisition of all lands, structures, real or personal
2 property or an interest in the real or personal property, rights,
3 rights-of-way, franchises, easements, and interests acquired or
4 used for a project; the cost of demolishing or removing any
5 buildings or structures on land so acquired, including the cost of
6 acquiring any lands to which those buildings or structures may be
7 moved; the cost of all machinery, equipment, and furnishings,
8 financing charges, interest prior to, during, and for a period after,
9 completion of construction as determined by the authority;
10 provisions for working capital; reserves for principal and interest
11 and for extensions, enlargements, additions, replacements,
12 renovations, and improvements; the cost of architectural,
13 engineering, financial, accounting, auditing and legal services,
14 plans, specifications, estimates, administrative expenses, and other
15 expenses necessary or incident to determining the feasibility of
16 constructing any project or incident to the construction, acquisition,
17 or financing of a project.

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

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

32 (B) (i) For purposes of Section 6010.8 of the Revenue and
33 Taxation Code, “participating party” means an entity specified in
34 subparagraph (A) that seeks financial assistance pursuant to Section
35 26011.8.

36 (ii) For purposes of Section 6010.8 of the Revenue and Taxation
37 Code, an entity located outside of the state, including an entity
38 located overseas, is considered to be a participating party and is
39 eligible to apply for financial assistance pursuant to Section

1 26011.8 if the participating party commits to, and demonstrates
2 that, the party will be opening a manufacturing facility in the state.

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

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

16 (B) "Project," for purposes of Section 26011.8 and Section
17 6010.8 of the Revenue and Taxation Code, means tangible personal
18 property that is utilized in the state for the design, manufacture,
19 production, or assembly of advanced manufacturing, advanced
20 transportation technologies, or alternative source products,
21 components, or systems.

22 (9) "Revenue" means all rents, receipts, purchase payments,
23 loan repayments, and all other income or receipts derived by the
24 authority from a project, or the sale, lease, or other disposition of
25 alternative source or advanced transportation technology facilities,
26 or the making of loans to finance alternative source or advanced
27 transportation technology facilities, and any income or revenue
28 derived from the investment of money in any fund or account of
29 the authority.

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

34 *(b) This section shall remain in effect only until January 1, 2021,*
35 *and as of that date is repealed, unless a later enacted statute, that*
36 *is enacted before January 1, 2021, deletes or extends that date.*

37 SEC. 2. Section 26003 of the Public Resources Code, as
38 amended by Section 2 of Chapter 540 of the Statutes of 2013, is
39 amended to read:

1 26003. (a) As used in this division, unless the context
2 otherwise requires:

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

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

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

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

33 (3) “Authority” means the California Alternative Energy and
34 Advanced Transportation Financing Authority established pursuant
35 to Section 26004, and any board, commission, department, or
36 officer succeeding to the functions of the authority, or to which
37 the powers conferred upon the authority by this division shall be
38 given.

39 (4) “Cost” as applied to a project or portion of the project
40 financed under this division means all or part of the cost of

1 construction and acquisition of all lands, structures, real or personal
2 property or an interest in the real or personal property, rights,
3 rights-of-way, franchises, easements, and interests acquired or
4 used for a project; the cost of demolishing or removing any
5 buildings or structures on land so acquired, including the cost of
6 acquiring any lands to which those buildings or structures may be
7 moved; the cost of all machinery, equipment, and furnishings,
8 financing charges, interest prior to, during, and for a period after,
9 completion of construction as determined by the authority;
10 provisions for working capital; reserves for principal and interest
11 and for extensions, enlargements, additions, replacements,
12 renovations, and improvements; the cost of architectural,
13 engineering, financial, accounting, auditing and legal services,
14 plans, specifications, estimates, administrative expenses, and other
15 expenses necessary or incident to determining the feasibility of
16 constructing any project or incident to the construction, acquisition,
17 or financing of a project.

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

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

32 (B) (i) For purposes of Section 6010.8 of the Revenue and
33 Taxation Code, “participating party” means an entity specified in
34 subparagraph (A) that seeks financial assistance pursuant to Section
35 26011.8.

36 (ii) For purposes of Section 6010.8 of the Revenue and Taxation
37 Code, an entity located outside of the state, including an entity
38 located overseas, is considered to be a participating party and is
39 eligible to apply for financial assistance pursuant to Section

1 26011.8 if the participating party commits to, and demonstrates
2 that, the party will be opening a manufacturing facility in the state.

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

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

16 (B) “Project,” for purposes of Section 26011.8 and Section
17 6010.8 of the Revenue and Taxation Code, means tangible personal
18 property that is utilized in the state for the design, manufacture,
19 production, or assembly of advanced transportation technologies
20 or alternative source products, components, or systems.

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

29 (b) This section shall become operative on ~~July 1, 2016.~~ *January*
30 *1, 2021.*

31 SEC. 3. Section 26011.8 of the Public Resources Code, as
32 amended by Section 3 of Chapter 540 of the Statutes of 2013, is
33 amended to read:

34 26011.8. (a) The purpose of this section is to promote the
35 creation of California-based manufacturing, California-based jobs,
36 advanced manufacturing, the reduction of greenhouse gases, or
37 reductions in air and water pollution or energy consumption. In
38 furtherance of this purpose, the authority may approve a project
39 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) For purposes of this section, “project” means a project as
4 defined in subparagraph (B) of paragraph (8) of subdivision (a) of
5 Section 26003.

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.

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

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

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

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

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

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

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

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

1 the authority’s resolution approving the project pursuant to this
2 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 repealed.

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, “project” means a project as~~
18 ~~defined in subparagraph (B) of paragraph (7) of subdivision (a) of~~
19 ~~Section 26003.~~

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

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

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

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

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

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

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

- 1 ~~(6) Any other factors the authority deems appropriate in~~
2 ~~accordance with this section.~~
- 3 ~~(e) At a duly noticed public hearing, the authority shall approve,~~
4 ~~by resolution, project applications for financial assistance.~~
- 5 ~~(f) Notwithstanding subdivision (j), and without regard to the~~
6 ~~actual date of any transaction between a participating party and~~
7 ~~the authority, any project as defined in paragraph (7) of subdivision~~
8 ~~(a) of Section 26003 approved by the authority by resolution for~~
9 ~~the sales and use tax exclusion pursuant to Section 6010.8 of the~~
10 ~~Revenue and Taxation Code before March 24, 2010, shall not be~~
11 ~~subject to this section.~~
- 12 ~~(g) The Legislative Analyst's Office shall report to the Joint~~
13 ~~Legislative Budget Committee on the effectiveness of this program,~~
14 ~~on or before January 1, 2019, by evaluating factors, including, but~~
15 ~~not limited to, the following:~~
- 16 ~~(1) The number of jobs created by the program in California.~~
17 ~~(2) The number of businesses that have remained in California~~
18 ~~or relocated to California as a result of this program.~~
- 19 ~~(3) The amount of state and local revenue and economic activity~~
20 ~~generated by the program.~~
- 21 ~~(4) The amount of reduction in greenhouse gases, air pollution,~~
22 ~~water pollution, or energy consumption.~~
- 23 ~~(h) The exclusions granted pursuant to Section 6010.8 of the~~
24 ~~Revenue and Taxation Code for projects approved by the authority~~
25 ~~pursuant to this section shall not exceed one hundred million dollars~~
26 ~~(\$100,000,000) for each calendar year.~~
- 27 ~~(i) The authority shall make every effort to expedite the~~
28 ~~operation of this section, and shall adopt regulations for purposes~~
29 ~~of implementing the section as emergency regulations in~~
30 ~~accordance with Chapter 3.5 (commencing with Section 11340)~~
31 ~~of Part 1 of Division 3 of Title 2 of the Government Code. For~~
32 ~~purposes of that Chapter 3.5, including Section 11349.6 of the~~
33 ~~Government Code, the adoption of the regulations shall be~~
34 ~~considered by the Office of Administrative Law to be necessary~~
35 ~~for the immediate preservation of the public peace, health and~~
36 ~~safety, and general welfare.~~
- 37 ~~(j) This section shall become operative on July 1, 2016, and~~
38 ~~shall remain in effect only until January 1, 2021, and as of that~~
39 ~~date is repealed. The sale or purchase of tangible personal property~~
40 ~~of a project approved before January 1, 2021, shall continue to be~~

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

5 SEC. 5. Section 6010.8 of the Revenue and Taxation Code, as
6 amended by Section 35 of Chapter 677 of the Statutes of 2012, is
7 amended to read:

8 6010.8. (a) "Sale" and "purchase" do not include any lease or
9 transfer of title of tangible personal property constituting any
10 project to any participating party. As used in this section, "project"
11 has the meaning specified in subparagraph (B) of paragraph (8)
12 of subdivision (a) of Section 26003 of the Public Resources Code
13 and "participating party" has the meaning specified in subparagraph
14 (B) of paragraph (7) of subdivision (a) of Section 26003 of the
15 Public Resources Code.

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

20 *(b) This section shall remain in effect only until January 1, 2021,*
21 *and as of that date is repealed, unless a later enacted statute, that*
22 *is enacted before January 1, 2021, deletes or extends that date.*

23 SEC. 6. Section 6010.8 of the Revenue and Taxation Code, as
24 added by Section 36 of Chapter 677 of the Statutes of 2012, is
25 amended to read:

26 6010.8. (a) "Sale" and "purchase" do not include any lease or
27 transfer of title of tangible personal property constituting any
28 project to any participating party. As used in this section, "project"
29 has the meaning specified in subparagraph (B) of paragraph (7)
30 of subdivision (a) of Section 26003 of the Public Resources Code
31 and "participating party" has the meaning specified in subparagraph
32 (B) of paragraph (6) of subdivision (a) of Section 26003 of the
33 Public Resources Code.

34 (b) This section shall become operative on ~~July 1, 2016~~ *January*
35 *1, 2021.*