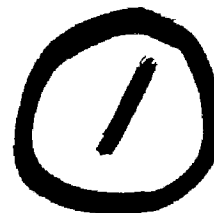


City of Sacramento
State Legislature



BILL REFERRAL

DATE: 5/26/93 COMMITTEE ACTION: _____

TO: _____ DATE: _____

FROM: KENNETH EMANUELS, LEGISLATIVE ADVOCATE

REPLY NO LATER THAN: _____

A.B. 2247 As Amended _____ * Author: Collins and Isenberg

S.B. _____, As Amended _____ * Author: _____

*Date of introduction or latest amendment.

Please review the attached measure to determine its effect upon the City of Sacramento and complete the following questions as appropriate. During your analysis of this measure, if questions arise, please feel free to contact Ken Emanuels at 444-6789, FAX 444-0303 (1400 K Street, Suite 306, Sacramento, CA 95814). This questionnaire should be returned to the City Attorney's office for presentation to the Council Committee on Law and Legislation. PLEASE LEAVE THE BILL ATTACHED TO THIS FORM.

NO RECOMMENDATION. If you think no Committee action on this bill should be taken, either because the bill is not of sufficient importance to the City or for any other reason, please mark here, do not fill out the rest of the form, and return this form to the City Attorney's Office. _____

PLEASE TYPE YOUR RESPONSE

1. Briefly describe the provisions of the bill (attach additional sheets if necessary).

The increase of the \$4.00 DMV vehicle registration fee surcharge collected for the Air District by \$10.00. This increase will be phased in over a 5-year period (i.e., \$2.00 per year increase). This fee increase will be used for the repair or disposal of gross emitting vehicles. In addition, the new fee can be used to provide incentive to use low-emission vehicles, and to enhance or expand mass transit.

2. This measure should be: (Please circle desired position.)

Supported

Opposed

Supported if amended

Placed on Watch List

Other (explain)

3. Please explain your reasons for the above determination, including how this measure affects your Department and the fiscal impact of this measure on the City. Please make your comments in a format that can be used in a letter to State officials. (Continue on next page or attach additional sheets if necessary.)

(Continue answer to Question No. 3 here)

This bill will help the Air District achieve federal and state Clean Air Act standards. This bill will also help the City comply with the recently required Federal Implementation Plan (FIP).

4. Specify the City's legislative policy guideline(s) applicable to this measure (if any).

The bill will support various policy initiatives that the City has or will take as part of other planning efforts (i.e., the Air District's Car Rule, Indirect Source Guideline, FID, Congestion Management Plan).

5. If this measure could be amended to either improve its favorable aspects or to minimize its adverse aspects, which amendments would you propose?

None.

6. List known support or opposition to this measure by groups with which you are familiar and include addresses and phone numbers, if known. League of California Cities position:

**Support: Clean Air Partnership
Sacramento Central City TMA
South Natomas TMA
Association for Commuter Transportation**

Opposition: None identified at present.

7. Does this bill involve a State-mandated local program? If so, does the bill contain a State-mandated waiver, or an appropriation for allocation and disbursement to local agencies pursuant to Revenue and Taxation Code Section 2231?

8. Using a rating scale of 1 to 10 (with 10 as the most important), how important do you think this bill is to the City of Sacramento? 10

FORM COMPLETED BY: Gary Ziegenfuss/Bonnie Williamson DATE: 5/26/93

RECOMMENDATION APPROVED:


DAVID MARTINEZ, Deputy City Manager

AMENDED IN ASSEMBLY MAY 4, 1993

CALIFORNIA LEGISLATURE—1993-94 REGULAR SESSION

ASSEMBLY BILL

No. 2247

Introduced by Assembly Member Collins Members
Collins and Isenberg

March 5, 1993

An act to add Section 41081.5 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2247, as amended, Collins. *Air pollution: Sacramento district: vehicle registration surcharge.*

Existing law authorizes the governing board of the Sacramento Metropolitan Air Quality Management District to impose a \$4 vehicle registration fee *surcharge*, to be collected by the Department of Motor Vehicles, and authorizes the district to use the funds to reduce vehicular emissions.

This bill would authorize the Sacramento district board to increase the surcharge by \$10 in \$2 per year increments, and to use the additional revenues to provide financial incentives for the repair or disposal of motor vehicles for which the cost of bringing the vehicle into compliance under the smog check program exceeds the statutory repair cost ~~limitations~~ *limits*, for financial incentives to replace high-use, high-emission vehicles with low-emission, clean fuel vehicles, and to enhance or expand mass transit.

The bill would require the State Air Resources Board to adopt criteria and guidelines for the expenditure of the additional revenues, would authorize the district to reduce or terminate the surcharge increase under specified conditions, and would authorize the expenditure of prescribed portions of the revenues for the related administrative costs of the

department and the district.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 41081.5 is added to the Health
2 and Safety Code, to read:
3 41081.5. (a) The Sacramento district board may
4 increase the surcharge on motor vehicle registration fees
5 by an amount not to exceed ten dollars (\$10), in
6 increments not to exceed two dollars (\$2) per year.
7 (b) The additional revenues shall be used by the
8 Sacramento district to fund the following programs:
9 (1) Financial incentives for the repair or disposal of
10 motor vehicles for which the cost of bringing the vehicle
11 into compliance with emission requirements under the
12 smog check program exceeds the repair cost ~~limitations~~
13 *limits* provided by statute.
14 (2) Financial incentives to replace high-use,
15 high-emission vehicles with low-emission, clean fuel
16 vehicles by minimizing the price differential between
17 new gasoline powered vehicles and new clean fuel
18 vehicles.
19 (3) To enhance or expand mass transit, including bus
20 and light rail.
21 (c) *The state board shall adopt criteria and guidelines*
22 *for the expenditure of the additional revenues collected*
23 *pursuant to subdivision (a) to ensure that the programs*
24 *which are funded achieve the expected emission*
25 *reductions, that the funds are used prudently to*
26 *minimize any negative impact of emission reduction*
27 *requirements on businesses within the Sacramento*
28 *district, and that the funds are not misused.*
29 (d) *The Sacramento district board may reduce or*
30 *terminate the surcharge increase if the programs funded*
31 *no longer produce the needed emission reductions, or if*
32 *the emission reductions achieved are no longer necessary*
33 *to meet state or federal ambient air quality standards or*
34 *requirements.*

1 *(e) The Department of Motor Vehicles shall deduct its*
2 *administrative costs incurred with regard to the*
3 *collection of the additional revenue pursuant to this*
4 *section and remit the balance to the Sacramento district.*
5 *The Sacramento district may expend an amount not to*
6 *exceed 5 percent of the revenue received from the*
7 *department for the administrative expenses of the*
8 *district in implementing the programs specified in*

April 14, 1993

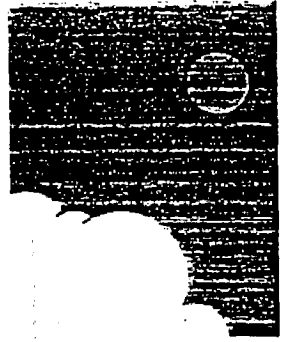
**Sacramento Metropolitan Air Quality Management District
Hearing
Federal Implementation Plan (FIP)**

**Statement for the Cleaner Air Partnership
Suzanne Phinney, D. Env., Steering Committee Chair**

I am Suzanne Phinney, Chair of the Cleaner Air Partnership Steering Committee. The Partnership, which is a joint project of the American Lung Association of Sacramento-Emigrant Trails and the Sacramento Metropolitan Chamber of Commerce, has been working on solutions to our air pollution problems since 1986. The good news is that air quality has improved over the last 7 years, and new control programs are in place. The bad news is that we still have a ways to go and the FIP will impose new control measures. We want to make sure that the most cost-effective and equitable measures are adopted. Strong local participation is needed to ensure that the FIP works for us, not against us, as a community.

Last year, the Cleaner Air Partnership Task Force looked at the gaps in our existing plans. The Task Force focused on broad-based measures which would increase driver responsibility for air pollution and offer drivers more options to using the car for transportation. The recommendations, adopted by our Steering Committee on February 19, were to endorse two new revenue measures to be used for new air quality programs and to increase incentives for clean alternative fuels and vehicles. I have passed out a copy of the adopted resolutions. The first two have been endorsed by both the American Lung Association and the Sacramento Metro Chamber, and the third resolution is before the Chamber on May 4.

Our first recommendation was to impose an emissions-based motor vehicle fee, and to use the revenues from the fee for gross-emitter control programs,



A joint project of the
American Lung Association

AMERICAN LUNG ASSOCIATION
1111 K Street, N.W., Washington, D.C. 20004

and the
Sacramento Metropolitan
Chamber of Commerce



Sponsored by the
Sacramento County
Environmental
Management
Department and the
City of Sacramento

Judith Lamare, Ph.D.
Project Manager

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recycled paper

new incentives for using cleaner fuels, and transit. The motor vehicle registration fee recommended is an average of \$10, with a lower fee for cleaner cars and a higher fee for dirtier cars. AB 2247, introduced by Assemblyman B.T. Collins, to be presented by Assemblyman Phil Isenberg in Assembly Transportation Committee on April 26, is a response to this recommendation. More work needs to be done on this bill, which applies only to Sacramento County motor vehicles, but it is a way to address the urgent need we have to remove the dirtiest cars from the road and to encourage cleaner technologies.

Our second recommendation is more ambitious. It requires Congressional action, and we see it as a direct response to the challenge of the FIP. Our recommendation is to have Congress adopt a special gasoline emission fee for our air basin, to be collected at the pump, and to use the revenues from that source to develop and operate transit services in the region. The Metro Chamber has recommended a broader use of the funds. We anticipate that a 10 to 15 cent per gallon fee (the equivalent of a one-half cent sales tax) will provide the necessary new funding for transit until the year 2000, and may provide funding for other high priority air quality measures as recommended by the Chamber.

We see the region's transit system as significantly underfunded compared with transit in other metropolitan areas of California. This fee would equalize that disparity and do it in a way that puts the burden on those who are contributing the largest part to the air pollution problem. The fee would raise the fuel cost of driving 10 percent, and therefore would also provide some disincentive for unnecessary driving. Since the fee would not apply to clean alternative fuels, it would also act as an incentive for people to use alternative fuels. The gasoline emissions fee is consistent with the proposed County General Plan requirements for expanded transit and with the Labor and Business Alliance report calling for greater emphasis on driver-based measures for air quality control. We have found broad-based support for this concept, including ECOS, the Sierra Club, Building Industry Association, Retailers Association, and Association of Realtors.

We urge you to schedule time to consider these recommendations, to adopt them, and to help us to get them passed by the appropriate legislative bodies.

Thank you for this opportunity to address you today.

**Cleaner Air Partnership Clean Air Plan Task Force Proposed Resolutions
Approved February 9, 1993 for Presentation to the Cleaner Air Partnership Steering Committee
on February 19, 1993**

"In order to broaden the base of pollution clean-up, to better assign costs of clean-up to the cause of the pollution, and to improve the cost-effectiveness of air pollution control in the Sacramento area, the Clean Air Plan Task Force recommends that:

Resolution One

a vehicle emission fee should be levied against noncommercial, and non-regulated fleet vehicles, registered in Sacramento County;
the fee should be graduated so that vehicles in classes that pollute more have higher fees than vehicles in classes that pollute less;
the fee should average at approximately \$10 per vehicle;
the proceeds of the fee should be dedicated to the Sacramento Air Quality Management District for conduct of the most cost-effective programs available to (1) remove or repair gross emitting vehicles from the road; (2) fund transit development and operations; and (3) fund incentives for low emission vehicles and cleaner alternative fuels;
the funds should be divided between the three program areas exclusively.

Resolution Two

a gasoline emission fee should be levied against retail sales of gasoline in the federally designated Sacramento Air Basin;
the emission fee should be levied by Congress in order to implement a federal plan for air pollution control (instead of any proposed EPA developed Federal Implementation Plan [FIP]), apply to all areas within the basin, and be adequate, in conjunction with state and locally required air pollution control measures, to meet the objectives of the proposed FIP;
the emission fees should be dedicated solely to transit development and operations within the basin and be returned to responsible local authorities for allocation to specific transit projects in accordance with state and local law and policy;
the objective be to raise equivalent revenue to expected revenue from a one-half cent sales tax;
intent language should be developed to resolve issues related to meeting state regulations on productivity standards and on farebox recovery ratios and to maintain fiscal responsibility while expanding the systems and its operations.

Resolution Three

additional incentives for the purchase of low emission vehicles and cleaner alternative fuels are needed to accelerate introduction of this technology into the mass market;
incentives should include ramp meter bypass, HOV lane use, parking fee discounts at public lots, electric vehicle charging stations in parking lots, preferential parking location for alternatively fueled vehicles, financial incentives at purchase and the advertisement of incentives.