

AMENDED IN ASSEMBLY MARCH 23, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 241**

**Introduced by Assembly Member Reyes**  
(Principal coauthor: Senator Gonzalez)

January 13, 2023

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~~An act relating to air resources.~~ *An act to amend Sections 44060.5, 44272, 44272.4, and 44274 of, and to add Section 44272.1 to, the Health and Safety Code, and to amend Sections 9250.1, 9261.1, and 9853.6 of the Vehicle Code, relating to air pollution.*

LEGISLATIVE COUNSEL'S DIGEST

AB 241, as amended, Reyes. Clean Transportation ~~Program.~~ *Air Quality Improvement Program: funding.*

*(1) Existing law establishes the Clean Transportation Program, administered by the State Energy Resources Conservation and Development Commission, to provide funding to certain entities to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. Existing law requires the commission to give preference to those projects that maximize the goals of the program based on specified criteria and to fund specified eligible projects, including, among others, alternative and renewable fuel projects to develop and improve alternative and renewable low-carbon fuels. Existing law creates the Alternative and Renewable Fuel and Vehicle Technology Fund, to be administered by the commission, and requires the moneys in the fund, upon appropriation by the Legislature, to be expended by the commission to implement the program.*

*This bill would expand the purpose of the program to include developing and deploying innovative technologies that transform California's fuel and vehicle types to help reduce criteria air pollutants and air toxics. The bill would no longer require the commission to provide certain project preferences. The bill would provide that the goals of the program shall be to advance the state's clean transportation, equity, air quality, and climate emission policies and would require the commission to ensure program investments support specified requirements. The bill would require the commission, on and after January 1, 2025, to expend at least 50% of the moneys appropriated to the program on programs and projects that directly benefit or serve residents of disadvantaged and low-income communities and low-income Californians, and would require at least 50% of funding for tangible location-based investments to be expended in disadvantaged and low-income communities.*

*(2) Existing law establishes the Air Quality Improvement Program under the administration of the State Air Resources Board for the purpose funding air quality improvement projects relating to fuel and vehicle technologies. The primary purpose of the program is to fund projects to reduce criteria air pollutants, improve air quality, and provide funding for research to determine and improve the air quality impacts of alternative transportation fuels and vehicles, vessels, and equipment technologies. Existing law establishes a list of projects eligible for funding under the program. Existing law creates the Air Quality Improvement Fund, and requires the state board to expend the moneys in that fund, upon appropriation by the Legislature, to implement the Air Quality Improvement Program.*

*This bill would instead provide that the purpose of the program is to fund air quality improvement projects relating to zero-emission fuel and vehicle technologies and that the primary purpose of the program is to fund projects to reduce criteria air pollutants in the logistics, trucking, and port sectors, improve air quality in nonattainment basins, and improve the air quality impacts of zero-emission transportation fuels and vehicles, vessels, and equipment technologies. The bill would also revise the list of projects eligible for funding under the program.*

*(3) Existing law, until January 1, 2024, increases vehicle registration fees, vessel registration fees, and specified service fees for identification plates by a specified amount. Existing law requires the revenue generated by the increase in those charges to be deposited in the Alternative and Renewable Fuel and Vehicle Technology Fund and*

*either the Air Quality Improvement Fund or the Enhanced Fleet Modernization Subaccount, as provided.*

*Existing law, until January 1, 2024, imposes on certain vehicles a smog abatement fee of \$20, and requires a specified amount of this charge to be deposited in the Air Quality Improvement Fund and in the Alternative and Renewable Fuel and Vehicle Technology Fund.*

*This bill would extend those charges in the amounts required to make those deposits until January 1, 2035, thereby imposing a tax.*

*(4) This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of <sup>2</sup>/<sub>3</sub> of the membership of each house of the Legislature.*

~~The California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007 creates the Clean Transportation Program, administered by the State Energy Resources Conservation and Development Commission, to provide funding to certain entities to develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies.~~

~~This bill would state the intent of the Legislature to enact future legislation related to the Clean Transportation Program.~~

~~Vote: majority <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.~~

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

- 1     SECTION 1. Section 44060.5 of the Health and Safety Code
- 2     is amended to read:
- 3     44060.5. (a) Beginning July 1, 2008, the smog abatement fee
- 4     described in subparagraph (A) or (C) of paragraph (1) of
- 5     subdivision (d) of Section 44060 shall be increased by eight dollars
- 6     (\$8).
- 7     (b) Revenues generated by the increase described in this section
- 8     shall be distributed as follows:
- 9     (1) The revenues generated by four dollars (\$4) shall be
- 10    deposited in the Air Quality Improvement Fund created by Section
- 11    44274.5.

1 (2) The revenues generated by four dollars (\$4) shall be  
2 deposited in the Alternative and Renewable Fuel and Vehicle  
3 Technology Fund created by Section 44273.

4 (c) This section shall remain in effect only until January 1, ~~2024,~~  
5 2035, and as of that date is ~~repealed, unless a later enacted statute,~~  
6 ~~that is enacted before January 1, 2024, deletes or extends that date.~~  
7 *repealed.*

8 *SEC. 2. Section 44272 of the Health and Safety Code is*  
9 *amended to read:*

10 44272. (a) The Clean Transportation Program is hereby  
11 created. The program shall be administered by the commission.  
12 The commission shall implement the program by regulation  
13 pursuant to the requirements of ~~Chapter the Administrative~~  
14 *Procedure Act (Chapter 3.5* (commencing with Section 11340) of  
15 Part 1 of Division 3 of Title 2 of the Government ~~Code. Code).~~  
16 The program shall provide, upon appropriation by the Legislature,  
17 competitive grants, revolving loans, loan guarantees, loans, or  
18 other appropriate funding measures to public agencies, California  
19 federally recognized tribes, tribal organizations, vehicle and  
20 technology entities, businesses and projects, public-private  
21 partnerships, workforce training partnerships and collaboratives,  
22 fleet owners, consumers, recreational boaters, and academic  
23 institutions to develop and deploy innovative technologies that  
24 transform California's fuel and vehicle types to help *reduce criteria*  
25 *air pollutants and air toxics* and attain the state's climate change  
26 policies. The emphasis of this program shall be to develop and  
27 deploy technology and alternative and renewable fuels in the  
28 marketplace, without adopting any one preferred fuel or  
29 technology.

30 (b) *The goals of the program shall be to advance the state's*  
31 *clean transportation, equity, air quality, and climate emission*  
32 *policies, including, but not limited to, any of the following:*

33 (1) *Section 39719.2.*

34 (2) *Section 39730.5.*

35 (3) *Section 43024.2.*

36 (4) *Section 44124.5.*

37 (5) *Section 44391.2.*

38 (6) *Section 25529 of the Public Resources Code.*

39 (7) *Section 25327 of the Public Resources Code.*

40 (8) *Section 14517 of the Government Code.*

1 (c) On or after January 1, 2025, when developing the investment  
2 plan pursuant to Section 44272.5, the commission shall ensure  
3 program investments support all of the following:

4 (1) Annually increasing deployment of infrastructure and other  
5 projects that advance or support the deployment of medium- and  
6 heavy-duty vehicles to meet the clean transportation, equity, air  
7 quality, and climate emission goals described in subdivision (b).

8 (2) Annually increasing deployment of light-duty vehicle  
9 infrastructure technology to fill deployment gaps identified  
10 pursuant to Sections 25229 and 25231 of the Public Resources  
11 Code and advance the goals identified in Executive Order No.  
12 N-79-20.

13 (d) On and after January 1, 2025, no less than 50 percent of  
14 investments expended pursuant to subdivision (a) shall be expended  
15 in accordance with Section 44272.1.

16 (b)

17 (e) A project that receives more than seventy-five thousand  
18 dollars (\$75,000) in funds from the commission shall be approved  
19 at a noticed public meeting of the commission and shall be  
20 consistent with the priorities established by the investment plan  
21 adopted pursuant to Section 44272.5. Under this article, the  
22 commission may delegate to the commission's executive director,  
23 or the executive director's designee, the authority to approve either  
24 of the following:

25 (1) A contract, grant, loan, or other agreement or award that  
26 receives seventy-five thousand dollars (\$75,000) or less in funds  
27 from the commission.

28 (2) Amendments to a contract, grant, loan, or other agreement  
29 or award as long as the amendments do not increase the amount  
30 of the award, change the scope of the project, or modify the purpose  
31 of the agreement.

32 (e)

33 (f) The commission shall provide preferences to those projects  
34 that maximize the goals of the Clean Transportation Program,  
35 based on the following criteria, as applicable:

36 ~~(1) The project's ability to provide a measurable transition from~~  
37 ~~the nearly exclusive use of petroleum fuels to a diverse portfolio~~  
38 ~~of viable alternative fuels that meet petroleum reduction and~~  
39 ~~alternative fuel use goals.~~

- 1     ~~(2) The project’s consistency with existing and future state~~
- 2 ~~climate change policy and low-carbon fuel standards.~~
- 3     ~~(3)~~
- 4     (1) The project’s ability to reduce criteria air pollutants and air
- 5 toxics and reduce or avoid multimedia environmental impacts.
- 6     ~~(4) The project’s ability to decrease, on a life-cycle basis, the~~
- 7 ~~discharge of water pollutants or any other substances known to~~
- 8 ~~damage human health or the environment, in comparison to the~~
- 9 ~~production and use of California Phase 2 Reformulated Gasoline~~
- 10 ~~or diesel fuel produced and sold pursuant to California diesel fuel~~
- 11 ~~regulations set forth in Article 2 (commencing with Section 2280)~~
- 12 ~~of Chapter 5 of Division 3 of Title 13 of the California Code of~~
- 13 ~~Regulations.~~
- 14     ~~(5)~~
- 15     (2) The project does not adversely impact the sustainability of
- 16 the state’s natural resources, especially state and federal lands.
- 17     ~~(6)~~
- 18     (3) The project provides nonstate matching funds. *funds or the*
- 19 *funding is complementary to state or ratepayer investment.* Costs
- 20 incurred from the date a proposed award is noticed may be counted
- 21 as nonstate matching funds. The commission may adopt further
- 22 requirements for the purposes of this paragraph. The commission
- 23 is not liable for costs incurred pursuant to this paragraph if the
- 24 commission does not give final approval for the project or the
- 25 proposed recipient does not meet requirements adopted by the
- 26 commission pursuant to this paragraph.
- 27     ~~(7)~~
- 28     (4) The project provides economic benefits for California by
- 29 promoting California-based technology firms, jobs, and businesses.
- 30     ~~(8)~~
- 31     (5) The project uses existing or proposed fueling infrastructure
- 32 to maximize the outcome of the project.
- 33     ~~(9) The project’s ability to reduce on a life-cycle assessment~~
- 34 ~~greenhouse gas emissions by at least 10 percent, and higher~~
- 35 ~~percentages in the future, from current reformulated gasoline and~~
- 36 ~~diesel fuel standards established by the state board.~~
- 37     ~~(10) The project’s use of alternative fuel blends of at least 20~~
- 38 ~~percent, and higher blend ratios in the future, with a preference~~
- 39 ~~for projects with higher blends.~~
- 40     ~~(11)~~

1 (6) The project drives new technology advancement for vehicles,  
2 vessels, engines, and other equipment, and promotes the  
3 deployment of that technology in the marketplace.

4 ~~(12)~~

5 (7) The project’s ability to transition workers to, or promote  
6 employment in, the alternative and renewable fuel and vehicle  
7 technology sector.

8 ~~(13)~~

9 (8) The project is in a nonattainment area pursuant to the federal  
10 Clean Air Act (42 U.S.C. Sec. 7401 et seq.), and, if applicable,  
11 preference shall be given to projects in the highest designation of  
12 nonattainment.

13 ~~(14)~~

14 (9) The project advances the comprehensive strategy for vehicles  
15 pursuant to Section 43024.2.

16 ~~(d)~~

17 (g) The commission shall rank applications for projects proposed  
18 for funding awards based on solicitation criteria developed in  
19 accordance with subdivision ~~(e)~~, (f) and shall give additional  
20 preference to funding those projects with higher benefit-cost scores.

21 ~~(e)~~

22 (h) Only the following shall be eligible for funding:

23 (1) Alternative and renewable fuel projects to develop and  
24 improve alternative and renewable low-carbon fuels, including  
25 electricity, ethanol, dimethyl ether, renewable diesel, natural gas,  
26 hydrogen, and biomethane, among others, and their feedstocks  
27 that have high potential for long-term or short-term  
28 commercialization, including projects that lead to sustainable  
29 feedstocks.

30 (2) Demonstration and deployment projects that optimize  
31 alternative and renewable fuels for existing and developing engine  
32 technologies.

33 (3) Projects to produce alternative and renewable low-carbon  
34 fuels in California.

35 (4) Projects to decrease the overall impact of an alternative and  
36 renewable fuel’s life-cycle carbon footprint and increase  
37 sustainability.

38 (5) Alternative and renewable fuel infrastructure, fueling  
39 stations, and equipment. ~~The preference in paragraph (10) of~~  
40 ~~subdivision (e) shall not apply to renewable diesel or biodiesel~~

1 ~~infrastructure, fueling stations, and equipment used solely for~~  
2 ~~renewable diesel or biodiesel fuel.~~

3 (6) Projects to develop and improve light-, medium-, and  
4 heavy-duty vehicle technologies that provide for better fuel  
5 efficiency and lower greenhouse gas emissions, alternative fuel  
6 usage and storage, or emission reductions, including propulsion  
7 systems, advanced internal combustion engines with a 40 percent  
8 or better efficiency level over the current market standard,  
9 lightweight materials, intelligent transportation systems, energy  
10 storage, control systems and system integration, physical  
11 measurement and metering systems and software, development of  
12 design standards and testing and certification protocols, battery  
13 recycling and reuse, engine and fuel optimization electronic and  
14 electrified components, hybrid technology, plug-in hybrid  
15 technology, battery electric vehicle technology, fuel cell  
16 technology, and conversions of hybrid technology to plug-in  
17 technology through the installation of safety certified supplemental  
18 battery modules.

19 (7) Programs and projects that accelerate the commercialization  
20 of vehicles and alternative and renewable fuels, including  
21 buy-down programs through near-market and market-path  
22 deployments, advanced technology warranty or replacement  
23 insurance, development of market niches, supply-chain  
24 development, and research related to the pedestrian safety impacts  
25 of vehicle technologies and alternative and renewable fuels.

26 (8) Programs and projects to retrofit medium- and heavy-duty  
27 on-road and nonroad vehicle fleets with technologies that create  
28 higher fuel efficiencies, including alternative and renewable fuel  
29 vehicles and technologies, idle management technology, and  
30 aerodynamic retrofits that decrease fuel consumption.

31 (9) Infrastructure projects that promote alternative and renewable  
32 fuel infrastructure development connected with existing fleets,  
33 public transit, and existing transportation corridors, including  
34 physical measurement or metering equipment and truck stop  
35 electrification.

36 (10) Workforce training programs related to the development  
37 and deployment of technologies that transform California's fuel  
38 and vehicle types and assist the state in implementing its climate  
39 change policies, including, but not limited to, alternative and  
40 renewable fuel feedstock production and extraction; renewable



1 fuel production, distribution, transport, and storage;  
2 high-performance and low-emission vehicle technology and high  
3 tower electronics; automotive computer systems; mass transit fleet  
4 conversion, servicing, and maintenance; and other sectors or  
5 occupations related to the purposes of this chapter, including  
6 training programs to transition dislocated workers affected by the  
7 state's greenhouse gas emission policies, including those from  
8 fossil fuel sectors, or training programs for low-skilled workers to  
9 enter or continue in a career pathway that leads to middle skill,  
10 industry-recognized credentials or state-approved apprenticeship  
11 opportunities in occupations related to the purposes of this chapter.

12 (11) Block grants or incentive programs administered by public  
13 entities or not-for-profit technology entities for multiple projects,  
14 education and program promotion within California, and  
15 development of alternative and renewable fuel and vehicle  
16 technology centers. The commission may adopt guidelines for  
17 implementing the block grant or incentive program, which shall  
18 be approved at a noticed public meeting of the commission.

19 (12) Life-cycle and multimedia analyses, sustainability and  
20 environmental impact evaluations, and market, financial, and  
21 technology assessments performed by a state agency to determine  
22 the impacts of increasing the use of low-carbon transportation fuels  
23 and technologies, and to assist in the preparation of the investment  
24 plan and program implementation.

25 (13) A program to provide funding for homeowners who  
26 purchase a plug-in electric vehicle to offset costs associated with  
27 modifying electrical sources to include a residential plug-in electric  
28 vehicle charging station. In establishing this program, the  
29 commission shall consider funding criteria to maximize the public  
30 benefit of the program.

31 ~~(f)~~

32 (i) The commission may make a single source or sole source  
33 award pursuant to this section for applied research. The same  
34 requirements set forth in Section 25620.5 of the Public Resources  
35 Code shall apply to awards made on a single source basis or a sole  
36 source basis. This subdivision does not authorize the commission  
37 to make a single source or sole source award for a project or  
38 activity other than for applied research.

39 ~~(g)~~

40 (j) The commission may do all of the following:

1 (1) Contract with the Treasurer to expend funds through  
 2 programs implemented by the Treasurer, if the expenditure is  
 3 consistent with all of the requirements of this article and Article  
 4 1 (commencing with Section 44270).

5 (2) Contract with small business financial development  
 6 corporations established by the Governor’s Office of Business and  
 7 Economic Development to expend funds through the Small  
 8 Business Loan Guarantee Program if the expenditure is consistent  
 9 with all of the requirements of this article and Article 1  
 10 (commencing with Section 44270).

11 (3) Advance funds, pursuant to an agreement with the  
 12 commission, to any of the following:

13 (A) A public entity.

14 (B) A recipient to enable it to make advance payments to a  
 15 public entity that is a subrecipient of the funds and under a binding  
 16 and enforceable subagreement with the recipient.

17 (C) An administrator of a block grant program.

18 ~~(h)~~

19 (k) The commission shall collaborate with entities that have  
 20 expertise in workforce development to implement the workforce  
 21 development components of this section, including, but not limited  
 22 to, the California Workforce Development Board, the Employment  
 23 Training Panel, the Employment Development Department, and  
 24 the Division of Apprenticeship Standards.

25 *SEC. 3. Section 44272.1 is added to the Health and Safety*  
 26 *Code, to read:*

27 *44272.1. (a) On and after January 1, 2025, the commission*  
 28 *shall expend at least 50 percent of the moneys appropriated to the*  
 29 *Clean Transportation Program on programs and projects that*  
 30 *directly benefit or serve residents of disadvantaged and low-income*  
 31 *communities and low-income Californians, and at least 50 percent*  
 32 *of the funds for tangible location-based investments shall be*  
 33 *expended in disadvantaged and low-income communities. Any of*  
 34 *the moneys used for investments that fulfill both criteria shall count*  
 35 *toward both requirements.*

36 *(b) Eligible programs and projects that meet the equity criteria*  
 37 *described in subdivision (a) may include, but are not limited to,*  
 38 *any of the following:*

39 *(1) Programs that fill gaps in the equitable distribution of*  
 40 *light-duty charging infrastructure identified pursuant to Section*

1 25231 of the Public Resources Code, including programs deploying  
2 charging or refueling stations at low-income residential and  
3 multiunit dwelling locations.

4 (2) Programs deploying publicly accessible or shared charging  
5 or refueling stations serving low-income customers who reside in  
6 disadvantaged and low-income communities, including programs  
7 to promote zero-emission car sharing, zero-emission transit, or  
8 vanpooling in those communities.

9 (3) Infrastructure for public transportation and schoolbus  
10 electrification programs.

11 (4) Programs that support the deployment of clean medium-  
12 and heavy-duty vehicles, including infrastructure deployment and  
13 other programs to displace local air pollution that  
14 disproportionately burdens disadvantaged and low-income  
15 communities.

16 (5) Financing assistance and vehicle purchase, charging, or  
17 fueling incentives for customers residing in disadvantaged and  
18 low-income communities.

19 (6) Multilingual marketing, education, and outreach designed  
20 to increase awareness and adoption of clean mobility options.

21 (7) Programs that create high-quality jobs related to supporting  
22 new clean technologies in transportation and reduce household  
23 energy burdens related to vehicle charging.

24 (c) The commission shall consult with the disadvantaged  
25 community advisory group established pursuant to Section 400 of  
26 the Public Utilities Code and the advisory body created pursuant  
27 to Section 44272.5 to ensure that this section is effectively  
28 implemented.

29 SEC. 4. Section 44272.4 of the Health and Safety Code is  
30 amended to read:

31 44272.4. (a) Notwithstanding subdivision (d) of Section  
32 44272.3, on and after June 30, 2013, a biorefiner receiving loan  
33 moneys from the state pursuant to an appropriation made in the  
34 2010–11 or 2011–12 fiscal year shall comply with all conditions  
35 established pursuant to Section 44272.3 and shall demonstrate that  
36 compliance to the commission.

37 (b) On and after July 1, 2013, the eligibility for funding, pursuant  
38 to paragraph (1) of subdivision ~~(e)~~ (h) of Section 44272, of projects  
39 for the production of ethanol is limited to ethanol that is not derived  
40 from corn. This limitation does not apply to ethanol derived from

1 corn stover, leaves, cobs, or other nonedible plant portions of the  
 2 corn.

3 *SEC. 5. Section 44274 of the Health and Safety Code is*  
 4 *amended to read:*

5 44274. (a) The Air Quality Improvement Program is hereby  
 6 created. The program shall be administered by the state board, in  
 7 consultation with the districts. The state board shall develop  
 8 guidelines to implement the program. Prior to the adoption of the  
 9 guidelines, the state board shall hold at least one public hearing.  
 10 In addition, the state board shall hold at least three public  
 11 workshops with at least one workshop in northern California, one  
 12 in the central valley, and one in southern California. The purpose  
 13 of the program shall be to fund, upon appropriation by the  
 14 Legislature, air quality improvement projects relating to  
 15 *zero-emission* fuel and vehicle technologies. The primary purpose  
 16 of the program shall be to fund projects to reduce criteria air  
 17 ~~pollutants~~, *pollutants in the logistics, trucking, and port sectors,*  
 18 ~~improve air quality,~~ *quality in nonattainment basins,* and ~~provide~~  
 19 ~~funding for research to determine~~ and improve the air quality  
 20 impacts of ~~alternative~~ *zero-emission* transportation fuels and  
 21 vehicles, vessels, and equipment technologies.

22 (b) The state board shall provide preference in awarding funding  
 23 ~~to those~~ projects with higher benefit-cost scores that maximize the  
 24 purposes and goals of the Air Quality Improvement Program. The  
 25 state board ~~also~~ may give additional preference based on the  
 26 following criteria, as applicable, in funding awards to projects:

27 (1) Proposed or potential reduction of criteria or toxic air  
 28 pollutants.

29 (2) Contribution to regional air quality improvement.

30 (3) Ability to promote the use of clean alternative fuels and  
 31 vehicle technologies as determined by the state board, in  
 32 coordination with the commission.

33 (4) Ability to achieve climate change benefits in addition to  
 34 criteria pollutant or air toxic emissions reductions.

35 (5) Ability to support market transformation of California's  
 36 vehicle or equipment fleet to utilize ~~low-carbon~~ or zero-emission  
 37 technologies.

38 (6) Ability to leverage private capital investments.

39 (c) The program shall be limited to competitive grants, revolving  
 40 loans, loan guarantees, loans, and other appropriate funding

1 measures that further the purposes of the program. Projects to be  
2 funded shall include only the following:

3 (1) On-road and off-road equipment projects that are cost  
4 effective.

5 (2) Projects that provide mitigation for off-road gasoline exhaust  
6 and evaporative emissions.

7 ~~(3) Projects that provide research to determine the air quality  
8 impacts of alternative fuels and projects that study the life-cycle  
9 impacts of alternative fuels and conventional fuels, the emissions  
10 of biofuel and advanced reformulated gasoline blends, and air  
11 pollution improvements and control technologies for use with  
12 alternative fuels and vehicles.~~

13 ~~(4) Projects that augment the University of California's  
14 agricultural experiment station and cooperative extension programs  
15 for research to increase sustainable biofuels production and  
16 improve the collection of biomass feedstock.~~

17 ~~(5)~~

18 (3) Incentives for small off-road equipment replacement to  
19 encourage consumers to replace internal combustion engine lawn  
20 and garden equipment.

21 ~~(6)~~

22 (4) Incentives for medium- and heavy-duty vehicles and  
23 equipment mitigation, including all of the following:

24 (A) Lower emission schoolbus programs.

25 (B) Electric, hybrid, and plug-in hybrid on-road and off-road  
26 medium- and heavy-duty equipment.

27 (C) Regional air quality improvement and attainment programs  
28 implemented by the state or districts in the most impacted regions  
29 of the state.

30 *(D) Precommercial demonstrations of advanced vehicles,  
31 engines, equipment, and transportation systems.*

32 ~~(7)~~

33 (5) Workforce training initiatives related to advanced energy  
34 technology designed to reduce air pollution, including  
35 state-of-the-art equipment and goods, and new processes and  
36 systems. Workforce training initiatives funded shall be broad-based  
37 partnerships that leverage other public and private job training  
38 programs and resources. These partnerships may include, though  
39 are not limited to, employers, labor unions, labor-management  
40 partnerships, community organizations, workforce investment

1 boards, postsecondary education providers including community  
2 colleges, and economic development agencies.

3 ~~(8)~~

4 (6) Incentives to identify and reduce emissions from  
5 high-emitting light-duty vehicles.

6 (d) (1) Beginning January 1, 2011, the state board shall submit  
7 to the Legislature a biennial report to evaluate the implementation  
8 of the Air Quality Improvement Program established pursuant to  
9 this chapter.

10 (2) The report shall include all of the following:

11 (A) A list of projects funded by the Air Quality Improvement  
12 Account.

13 (B) The expected benefits of the projects in promoting clean,  
14 alternative fuels and vehicle technologies.

15 (C) Improvement in air quality and public health, greenhouse  
16 gas emissions reductions, and the progress made toward achieving  
17 these benefits.

18 (D) The impact of the projects in making progress toward  
19 attainment of state and federal air quality standards.

20 (E) Recommendations for future actions.

21 (3) The state board may include the information required to be  
22 reported pursuant to paragraph (1) in an existing report to the  
23 Legislature as the state board deems appropriate. The state board  
24 may also include in an existing report the description of how grant,  
25 loan, voucher, or other incentive projects that receive moneys from  
26 the Air Quality Improvement Fund are implementing the labor  
27 standards required by Chapter 3.6 (commencing with Section  
28 39680) of Part 2, as applicable.

29 (e) Projects using grants, loans, vouchers, or other incentives  
30 funded in part or whole by the Air Quality Improvement Fund  
31 shall be conditioned on the requirements of Chapter 3.6  
32 (commencing with Section 39680) of Part 2, as applicable.

33 *SEC. 6. Section 9250.1 of the Vehicle Code is amended to read:*

34 9250.1. (a) Beginning July 1, 2008, the fee described in Section  
35 9250 shall be increased by three dollars (\$3).

36 (b) Two dollars (\$2) of the increase shall be deposited into the  
37 Alternative and Renewable Fuel and Vehicle Technology Fund  
38 created by Section 44273 of the Health and Safety Code, and one  
39 dollar (\$1) shall be deposited into the Enhanced Fleet

1 Modernization Subaccount created by Section 44126 of the Health  
2 and Safety Code.

3 (c) This section shall remain in effect only until January 1, ~~2024,~~  
4 ~~2035,~~ and as of that date is ~~repealed, unless a later enacted statute,~~  
5 ~~that is enacted before January 1, 2024, deletes or extends that date.~~  
6 ~~repealed.~~

7 *SEC. 7. Section 9261.1 of the Vehicle Code is amended to read:*

8 9261.1. (a) Beginning July 1, 2008, the fee described in Section  
9 9261, as adjusted pursuant to Section 1678, shall be increased by  
10 five dollars (\$5).

11 (b) Two dollars and fifty cents (\$2.50) of the increase shall be  
12 deposited into the Alternative and Renewable Fuel and Vehicle  
13 Technology Fund created by Section 44273 of the Health and  
14 Safety Code, and two dollars and fifty cents (\$2.50) shall be  
15 deposited into the Air Quality Improvement Fund created by  
16 Section 44274.5 of the Health and Safety Code.

17 (c) This section shall remain in effect only until January 1, ~~2024,~~  
18 ~~2035,~~ and as of that date is ~~repealed, unless a later enacted statute,~~  
19 ~~that is enacted before January 1, 2024, deletes or extends that date.~~  
20 ~~repealed.~~

21 *SEC. 8. Section 9853.6 of the Vehicle Code is amended to read:*

22 9853.6. (a) (1) Beginning July 1, 2008, the fee described in  
23 paragraph (1) of subdivision (b) of Section 9853 shall be increased  
24 by ten dollars (\$10).

25 (2) Five dollars (\$5) of the increase shall be deposited into the  
26 Alternative and Renewable Fuel and Vehicle Technology Fund  
27 created by Section 44273 of the Health and Safety Code and five  
28 dollars (\$5) shall be deposited into the Air Quality Improvement  
29 Fund created by Section 44274.5 of the Health and Safety Code.

30 (b) (1) Beginning July 1, 2008, the fee described in paragraph  
31 (2) of subdivision (b) of Section 9853 shall be increased by twenty  
32 dollars (\$20).

33 (2) Ten dollars (\$10) of the increase shall be deposited into the  
34 Alternative and Renewable Fuel and Vehicle Technology Fund  
35 created by Section 44273 of the Health and Safety Code and ten  
36 dollars (\$10) shall be deposited into the Air Quality Improvement  
37 Fund created by Section 44274.5 of the Health and Safety Code.

38 (c) This section shall remain in effect only until January 1, ~~2024,~~  
39 ~~2035,~~ and as of that date is ~~repealed, unless a later enacted statute,~~

- 1 ~~that is enacted before January 1, 2024, deletes or extends that date.~~
- 2 ~~repealed.~~
- 3 ~~SECTION 1. It is the intent of the Legislature to enact future~~
- 4 ~~legislation related to the Clean Transportation Program.~~

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