

Date of Hearing: April 18, 2022

ASSEMBLY COMMITTEE ON TRANSPORTATION
Laura Friedman, Chair
AB 2836 (Eduardo Garcia) – As Amended March 30, 2022

SUBJECT: Carl Moyer Memorial Air Quality Standards Attainment Program: vehicle registration fees: California tire fee

SUMMARY: Reauthorizes fees that fund the Carl Moyer Air Quality Standards Attainment Program (Carl Moyer) until January 1, 2033. Specifically, **this bill:**

Extends until January 1, 2033:

- 1) Air pollution control and management districts' (air district) authority to increase the \$2 motor vehicle registration fee up to \$6, if specified conditions are met.
- 2) Sacramento air district board's authority to adopt a surcharge on motor vehicle registration fees, not to exceed \$6, to be collected by the Department of Motor Vehicles (DMV).
- 3) San Joaquin Valley air district's authority to increase the motor vehicle registration fee up to \$30.
- 4) The new tire purchase fee of \$1.75 per tire.
- 5) The deposit of \$0.75 per tire to the Air Pollution Control Fund (APCF) by the Board of Equalization.

EXISTING LAW:

Vehicle registration fee and surcharge

- 1) Authorizes the air districts, except Sacramento district, to levy a \$2 fee on motor vehicles registered within the district.
- 2) Until January 1, 2024, authorizes air districts to increase the \$2 motor vehicle registration fee to up to \$6, if specified conditions are met.
- 3) Beginning January 1, 2024, authorizes an air district to increase the \$2 motor vehicle registration fee to up to \$4, if specified conditions are met.

Sacramento air district vehicle registration fee surcharge

- 4) Until January 1, 2024, authorizes the Sacramento air district board to adopt a surcharge on motor vehicle registration fees, not to exceed \$6, to be collected by DMV.
- 5) Requires the first \$4 of the surcharge to be used to implement reductions in emissions from vehicular sources, including a clean fuels program and motor vehicle use reduction measures.
- 6) Requires the next \$2 of the surcharge to be used to implement various programs that achieve emission reductions from vehicular sources and off-road engines, including Carl Moyer.

San Joaquin Valley air district

- 7) Until January 1, 2024, authorizes the San Joaquin Valley air district, in order to provide funding for air pollution control programs needed to achieve and maintain state and federal air quality, to increase certain fees up to \$30 per vehicle per year for the purposes of establishing and implementing incentive-based programs to achieve surplus emissions reductions that the district determines are needed to remediate air pollution harms created by motor vehicles on which the fee is imposed.

Tire fee

- 8) Until January 1, 2024, requires a person who purchases a new tire to pay a fee of \$1.75 per tire.
- 9) Until January 1, 2024, requires the Board of Equalization to deposit \$0.75 per tire to APCF. Requires CARB to expend those moneys, or allocate to the district, to fund programs and projects that mitigate or remediate air pollution caused by tires in the state.
- 10) Beginning January 1, 2024, reduces the new tire fee to \$0.75 per tire.
- 11) Requires the remaining tire fee money (after initial deposit into APCF) to be used to fund the waste tire program. This amounts to \$1.00 per tire before January 1, 2024.

Carl Moyer Program

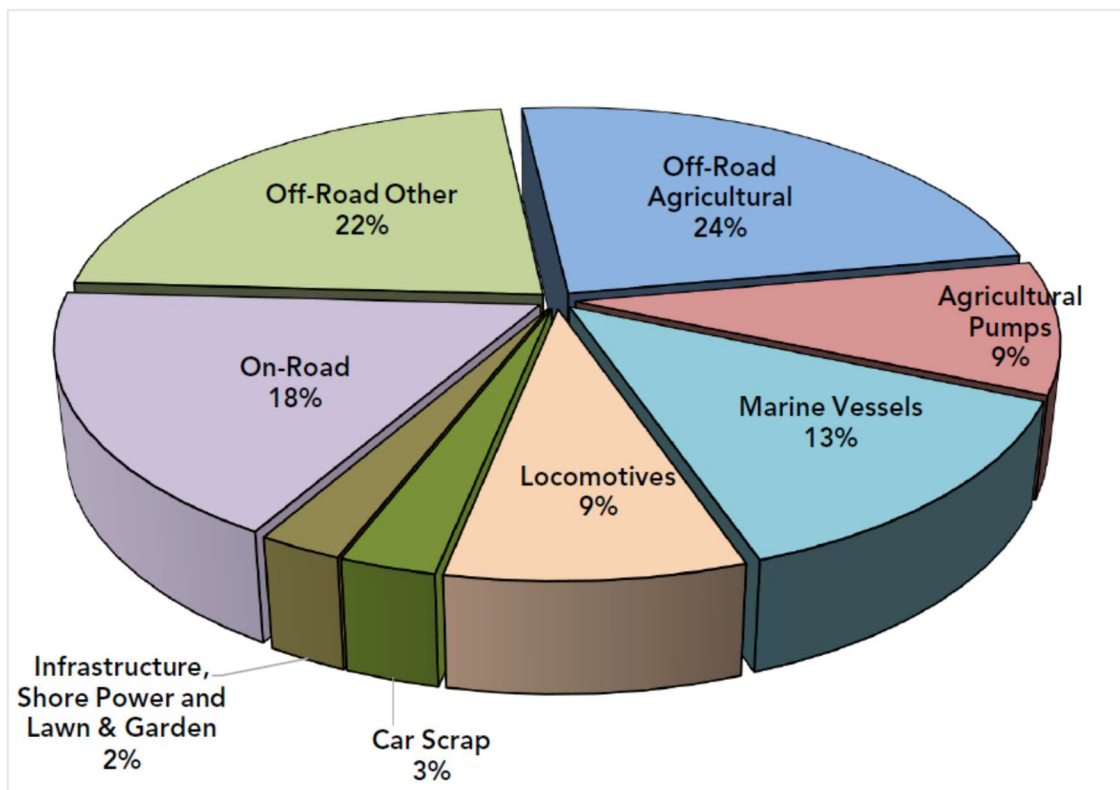
- 12) Creates the Carl Moyer Program which CARB oversees and develops guidelines, protocols, and criteria for covered vehicle projects and requires the state's air districts to select, fund, and monitor specific clean air projects.
- 13) Requires CARB to establish or update grant criteria and guidelines for Carl Moyer and exempts the adoption of guidelines from the rulemaking provisions of the Administrative Procedure Act. Requires CARB to solicit input and comment from the districts during the development of the criteria and guidelines and to make them compatible with existing district programs. Requires CARB to make the draft criteria and guidelines available to the public 45 days before final adoption and hold at least one public meeting to consider public comments before adoption.
- 14) Requires the grant criteria and guidelines to include safeguards to ensure that the projects funded generate surplus emissions reductions.
- 15) Prohibits funding projects after the compliance date required by any local, state, or federal statute, rule, regulation, memoranda of agreement or understanding, or other legally binding document, except that an otherwise qualified project may be funded even if the state implementation plan assumes that the change in equipment, vehicles or operations will occur, if the change is not required by the compliance date of a statute regulation, or other legally binding document in effect as of the date the grant is awarded.
- 16) Requires the purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law, to generate surplus emissions reductions and authorizes that purchase to be funded by the program.

FISCAL EFFECT: Unknown

COMMENTS: Carl Moyer provides monetary grants to private companies and public agencies to clean up their heavy-duty engines beyond that required by law through retrofitting, repowering or replacing their engines with newer and cleaner ones. These grants are issued locally by air pollution control districts and air quality management districts. Carl Moyer's primary objective is to obtain cost-effective and surplus emission reductions to be credited toward California's obligations in the State Implementation Plan (SIP) – California's road map for attaining health-based national ambient air quality standards. Covered pollutants include oxides of nitrogen (NO_x), reactive organic gases (ROG), and particulate matter (PM). Carl Moyer is implemented as a partnership between CARB and California's 35 air districts. CARB works collaboratively with the air districts and other stakeholders to set guidelines and ensure the program reduces pollution and provides cleaner air for Californians.

Carl Moyer was established more than 24 years ago and since then nearly \$1.2 billion has been awarded for projects to replace various types of engines that are estimated to reduce emissions by 198,417 tons of NO_x and ROGs and 7,343 tons of PM as shown in the figures below.

Chart 1. Percent of Funds by Source Category since Inception in 1998¹



¹ CARB. 2020 Carl Moyer Program Statistics.

Table 2. Moyer Funding Years 1022 by General Source Category – Since Inception in 1998²

General Source Category	Count	Life NOx+ROG (tons)	Life PM (tons)	Funds Executed
On-Road	7,894	25,493	680	\$213,087,465
Off-Road other	3,273	41,307	1,441	\$272,454,503
Off-Road Agriculture	4,472	24,619	1,071	\$290,266,921
Agricultural Pumps	7,838	61,685	2,378	\$113,885,117
Marine Vessels	2,189	31,826	1,462	\$160,978,023
Locomotives	232	9,579	277	\$103,081,763
Car Scrap	31,223	3,275	17	\$33,479,337
Lawn and Garden	11,485	69	3	\$1,665,252
Shore Power	7	564	14	\$11,112,779
Infrastructure	84	N/A	N/A	\$16,345,173
Total	66,696	198,417	7,343	\$1,216,356,334

This bill extends various fees that fund Carl Moyer which are set to expire at the end of 2023. These fees include a surcharge on motor vehicle registration fees and a new tire purchase fee.

This bill makes no programmatic changes to Carl Moyer nor to the waste tire program.

According to the author, “The Carl Moyer Memorial Air Quality Standards Attainment Program provides an opportunity for the state to incentivize the purchase of cleaner-than-required engines, equipment, and emission reduction technologies through grants. Extending the Carl Moyer Program to 2033 is necessary in order to continue improving our air quality throughout the state.”

In support, the Bay Area Air Quality Management District writes, “Reauthorizing these two programs, which are efficient, effective, and primarily locally operated and address local conditions and priorities, is essential to meeting California’s clean air goals. They are critical to attaining both health-based National (federal) and California (state) Ambient Air Quality Standards and for cutting emissions of diesel exhaust particulate matter (PM), a toxic air contaminant which causes cancer, respiratory, other health problems, and premature death with children and the elderly being especially vulnerable. Cars, trucks, trains, and other mobile equipment produce more than 70% of California’s air pollution. To meet federal and state clean air standards and protect public health, this pollution must be cut by up to 80% by the mid-2030s. The Carl Moyer Program and the local AB 923 Program are the gold standard of incentive programs in California, with a recent Legislative Analyst’s Office report stating, “*To the extent total near-term reductions in local air pollution are a priority, then heavy-duty retirement and replacement programs such as Carl Moyer and FARMER are most cost-effective.*” If these fiscally sound programs are not extended, substantial opportunities to achieve much needed emission reductions ahead of current regulatory deadlines will be lost and public health will suffer. In order to protect public health, allow for programs to continue seamlessly, help inform State Implementation Plan development and provide business certainty and a clear signal for continued private investment in California’s clean air future, we respectfully urge your support of [this bill] when it come before you for consideration.”

Double referral: This bill will sent to the Assembly Committee on Natural Resources should it pass out of this committee. The Natural Resources Committee's primary jurisdiction includes air quality issues.

Previous legislation: SB 513 (Beall), Chapter 610, Statutes of 2015 updates Carl Moyer Program including recognizing GHG reductions so that funded projects can achieve both criteria pollutant and GHG emissions reductions, adjusting the cost-effectiveness formula, streamlining program administrative requirements.

AB 8 (Perea), Chapter 401, Statutes of 2013 extends Carl Moyer, as amended by AB 923, until January 1, 2024, including the 75-cent per tire fee on tire sales to fund Carl Moyer.

AB 2522 (Arambula), Chapter 677, Statutes of 2008 authorizes the San Joaquin Valley Unified Air Pollution Control District to increase the motor vehicle registration fee surcharge to up to, but not exceeding, \$30 for incentive-based programs to achieve surplus emissions reductions, as specified.

AB 923 (Firebaugh), Chapter 707, Statutes of 2004 expanded Carl Moyer to cover additional pollutants and engines and imposed a 75-cent per tire fee on tire sales to fund Carl Moyer. Its provisions sunset January 1, 2015.

AB 1571 (Villaraigosa), Chapter 923, Statutes of 1999 establishes Carl Moyer through which CARB provides grants to offset the incremental costs of purchasing or retrofitting engines in order to reduce specified air emissions. Carl Moyer originally received General Fund appropriations.

REGISTERED SUPPORT / OPPOSITION:

Support

Bay Area Air Quality Management District (co-sponsor)
California Air Pollution Control Officers Association (co-sponsor)
San Joaquin Valley Air Pollution Control District (co-sponsor)
South Coast Air Quality Management District (co-sponsor)
African American Farmers of California
Almond Alliance of California
American Lung Association in California
American Pistachio Growers
California Agricultural Aircraft Association
California Apple Commission
California Association of Winegrape Growers
California Blueberry Association
California Blueberry Commission
California Business Properties Association
California Business Roundtable
California Citrus Mutual
California Cotton Ginners and Growers Association
California Farm Bureau Federation
California Fresh Fruit Association

California Natural Gas Vehicle Coalition
California Railroads Association
California Trucking Association
California Walnuts
Center for Climate Change & Health
Central California Asthma Collaborative
Clean Energy
Coalition for Clean Air
Construction Industry Air Quality Coalition
Harbor Trucking Association
Inland Empire Economic Partnership (IEEP)
Majestic Realty Co.
Naiop SoCal Chapter
Nisei Farmers League
Olive Growers Council of California
Orange County Business Council
Physicians for Social Responsibility - San Francisco Bay Area Chapter
Public Health Institute
Regional Asthma Management and Prevention (RAMP)
Resource Recovery Coalition of California
San Gabriel Valley Economic Partnership
UPS
Western Agricultural Processors Association
Western Growers Association
Western Plant Health Association
Western States Trucking Association

Opposition

None on file.

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