

# Agenda Report

TO: CITY COUNCIL March 16, 1999

THROUGH: Legislative Committee

FROM: City Manager

SUBJECT: Assembly Bill 38 (Washington) and Senate Bill 98 (Alarcon)  
Support of Air Pollution Reauthorization of Clean Fuels Program Funding

## RECOMMENDATION

It is recommended that the City Council adopt the attached resolution and authorize the Mayor to send a letter to the appropriate officials *supporting* Assembly Bill 38 (Washington) *Vehicle Fees: Pollution Reauthorization of Clean Fuels Program Funding Mechanism* and Senate Bill 98 (Alarcon) *Vehicle Fees: Pollution Reauthorization of Clean Fuels Program Funding Mechanism*, which would continue to provide funding for the Clean Fuels Program through a \$1 vehicle registration fee.

## BACKGROUND

Assembly Bill 38, authored by Assembly Member Washington, and Senate Bill 98, authored by Senator Alarcon, are identical bills which propose an extension of current legislation that funds the Clean Fuels Program with the South Coast Air Quality Management District (SCAQMD) through a \$1 motor vehicle registration fee. The fee is currently scheduled to expire on August 1, 1999. Last year, Assembly Bill 2194 (Washington), designed to attain this same reauthorization, was approved in both the Senate and Assembly receiving bipartisan support, but was vetoed by Governor Wilson. On April 22, 1998, the City Council voted to support AB 2194 and sent letters to various legislators voicing our support.

The Clean Fuels Program finds and nurtures clean fuels technologies and creates public-private partnerships to invest in these research and development projects (matching every \$1 collected from vehicle renewals in the SCAQMD with \$4 from private industry). Although the South Coast Air Basin has made progress in improving air quality, our air exceeds health standards on 1 of every 4 days and has the largest U.S. population exposed to unhealthful air.

Staff recommends supporting both Senate Bill 98 and Assembly Bill 38. This legislation would extend the collection of the \$1 vehicle registration fees in the South Coast District to 2004. This money is needed by the SCAQMD to meet current Environmental Protection Agency EPA health standards for ozone under the Federal Clean Air Act.

According to the SCAQMD, 40% of these mandated emission reductions rely upon advanced technologies which do not exist today. Disruption of this funding source could result in the end of the Clean Fuels Program and an end to the development of these technologies.

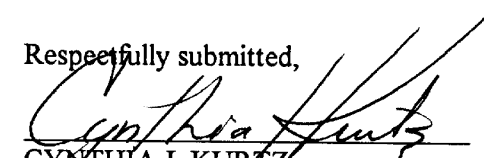
The Clean Fuels Program has 87 public-private partnerships currently developing new technologies to combat air pollution. This program has been instrumental in the development and deployment of low- and zero-emission technologies in critical transportation applications, including advanced electric cars, the world's first fuel cell buses, liquefied natural gas locomotive engines, and other projects. In addition, these projects benefit the Southern California economy.

Assembly Bill 38 and Senate Bill 98 are supported by the South Coast Air Quality Management District and the Independent Cities Association.

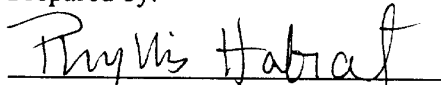
**FISCAL IMPACT**

Passage of Assembly Bill 38 and Senate Bill 98 would mean that the funds currently generated for the Clean Fuels Program would continue to be collected until 2004 through motor vehicle registration fees.

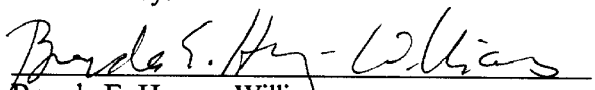
Respectfully submitted,

  
CYNTHIA J. KURTZ  
City Manager

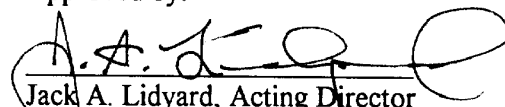
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