

651

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Executive Office

SUBMITTAL DATE: April 29, 2003

SUBJECT: Position on SB 981 by Senator Nell Soto

RECOMMENDED MOTION: That the Board of Supervisors support SB 981 and direct the Executive Office and the Board's Sacramento representative to further the Board's position.

BACKGROUND: This bill would enact the Children's Health and Petroleum Pollution Remediation Act of 2003 and would require that the operator of every refinery pay a \$.30 fee for each barrel of crude oil received at a refinery within the State. The purpose of this bill is to help mitigate the adverse health impacts of motor vehicle emissions. SB 981 specifies that the revenues collected by this fee be divided among three programs: Forty percent (40%) would be deposited in the Carl Moyer Memorial Air Quality Standards Attainment Program for grants to air quality management districts to offset the costs of projects to reduce air emissions; twenty percent (20%) to fund lower emission school bus program; and forty percent (40%) for funding grants for the intervention, treatment, and education of sensitive populations suffering from exposure to petroleum-related air pollution.

According to the author's office, there is clear evidence linking air pollutant exposure and adverse health effects, including, decreased breathing capacity, increased asthma attacks and other respiratory ailments, eye, throat, and nose irritations, and headaches. The revenues generated by this program would fund programs to mitigate the impacts of unhealthy air by providing a stable long term funding source for continuation of these programs.

Gary M. Christmas
Gary M. Christmas, Legislative Manager

Department Recommendation: Policy
Per Executive Office: Policy

 Consent
 Consent

FINANCIAL DATA: N/A
CURRENT YEAR COST \$
NET COUNTY COST \$

ANNUAL COST: \$
IN CURRENT YEAR BUDGET: Yes/ No/
BUDGET ADJUSTMENT FY: Yes/ No/

SOURCE OF FUNDS:

C.E.O. RECOMMENDATION: APPROVE.

County Executive Office Signature *Tony...*

Prev. Agn. ref.

Dist. ALL

AGENDA NO.

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2003
LEGISLATIVE ANALYSIS

BILL NUMBER: Senate Bill 981

AUTHOR: Senator Nell Soto

PRESENT LAW: The Carl Moyer Memorial Air Quality Standards Attainment Program authorizes grants by air quality management districts and air pollution control districts to offset the incremental cost of projects that reduce the emissions of nitrogen oxide from road trucks, off road non-recreational equipment and vehicles, locomotive diesel marine vessels, agricultural engines and other high emission diesel engines.

State law requires that districts with a population of over 1,000,000 or greater to expend 50% or more of the Air Quality Standards Attainment Program revenues to fund the purchase of reduced emission school buses and diesel mitigation programs in a manner that directly reduces air contaminants or the public health risks associated with air contaminants.

Existing state law establishes criteria for low emission school buses

PROPOSED LAW: SB 981 would enact the Children's Health and Petroleum Pollution Remediation Act of 2003. The bill would required the operator of every refinery to pay a \$.30 fee on each barrel of crude oil received at a refinery within the state to the Board of Equalization on a monthly basis based on the number of barrels of crude oil received during the previous month.

SB 981 requires that the revenue collected by this fee be distributed among three programs in the following manner:

Forty percent to the Carl Moyer Memorial Air Quality Standards Attainment Program (approximately \$53.4 million annually);

Twenty percent for the lower emission school bus program (approximately \$26.7 million annually);

Forty percent for a grant program for the intervention, treatment, and education of sensitive populations suffering from exposure to petroleum-related air pollution (approximately \$53.4 million annually).

RECOMMENDATION: Support

BACKGROUND: According to the author's office, while there has been significant progress in reducing air pollution from mobile sources, approximately 90% of airborne carcinogens still come from these sources. The toxic emissions and pollutants from mobile sources are the single largest air quality threat to the public health and the environment. There is clear evidence linking air pollutant exposure and adverse health effects, including: decreased breathing capacity, increased asthma attacks and other respiratory ailments, eye, nose, and throat irritations, headaches, and lung cancer.

Proponents argue that this bill would provide a stable funding source for programs that focus on health programs by funding important emission reduction programs.

The bill specifically declares that refiners should not pass the cost of this mitigation fee to consumers and is not anticipated to impact taxes dedicated to the state's transportation infrastructure.

FISCAL EFFECT: This bill would generate approximately \$133.6 million annually. The South Coast Air Quality Management District would receive grants under all three programs. The district is authorized to provide grants to local agencies to fund eligible projects.

ORGANIZATION POSITIONS:

This bill is sponsored by the South Coast Air Quality Management District and is supported by Allsup

Corporation,,American Lung Association of California, American Lung Association of the Inland Counties, American Lung Association of Los Angeles County, American Lung Association of San Diego and Imperial Counties, Another Cleaners & Laundry, Asthma & Allergy Foundation of America, A-Z Bus Sales, Inc., B'Nai B'rith Southern California, Big Bear City Community Services District , California Air Pollution Control Officers Association, California Communities Against Toxics, California League of Conservation Voters, California League of Conservation Voters Education Fund, California Natural Gas Vehicle Partnership, California Safe Schools Casa De Los Amigos, Chino Valley Unified School District, Coalition for Clean Air, Coast-to-Coast Community Campaign, Clean Power Campaign, Earth Day Los Angeles, E-Tech Environmental, ENRG, Imperial County Air Pollution Control District, International Visitors Council of Los Angeles, King Iron Work, Liberty Hill Foundation, Los Amigos of Orange County, Los Angeles Children's Hospital, Los Angeles County Bicycle Coalition, Los Angeles Term of Azusa Pacific University, New World Auto Collision Repair Inc., Natural Resources Defense Council, North Valley Coalition, MD Environmental, Physicians for Social Responsibility, Ron Lopez and Associates, St. John's Well Child Center, Sierra Club of California, The Family Health Guide, The Los Angeles Interfaith Environmental Council, Tetra Tech, Inc., Westside Residents for Clean Air Now- San Bernardino,

The following organizations oppose SB 981: California Chamber of Commerce, California Independent Petroleum Association, California Trucking Association, California Manufacturing and Technology Association,, Irvine Chamber of Commerce, and the Western States Petroleum Association.