



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

**BOARD OF DIRECTORS
LEGISLATIVE COMMITTEE MEETING**

COMMITTEE MEMBERS

**TOM BATES - CHAIRPERSON
JOHN AVALOS
SCOTT HAGGERTY
KAREN MITCHOFF**

**BRAD WAGENKNECHT - VICE CHAIRPERSON
JOHN GIOIA
DAVID HUDSON**

**THURSDAY
FEBRUARY 26, 2015
10:30 A.M.**

**BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

1. CALL TO ORDER – ROLL CALL

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

2. PUBLIC COMMENT PERIOD

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at Air District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. APPROVAL OF MINUTES OF APRIL 3, 2014

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Legislative Committee meeting of April 3, 2014.

4. REVIEW OF THE 2014 LEGISLATIVE YEAR

**T. Addison/5109
taddison@baaqmd.gov**

The Committee will be briefed on the outcome of air quality legislation in 2014.

5. POTENTIAL LEGISLATIVE AGENDA FOR 2015

**T. Addison/5109
taddison@baaqmd.gov**

The Committee will consider a legislative agenda for the upcoming year.

6. CONSIDERATION OF NEW BILLS

**T. Addison/5109
taddison@baaqmd.gov**

The Committee will discuss and review new bills, and take positions where appropriate.

7. **COMMITTEE MEMBERS' COMMENTS/OTHER BUSINESS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may; ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

8. **TIME AND PLACE OF NEXT MEETING – AT THE CALL OF THE CHAIR**

9. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
939 ELLIS STREET, SAN FRANCISCO, CA 94109
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www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Legislative Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk’s Office should be given in a timely manner, so that arrangements can be made accordingly.

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

FEBRUARY 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	26	9:30 a.m.	Board Room
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Thursday	26	10:30 a.m.	Board Room

MARCH 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	4	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	11	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	16	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	16	10:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of Every Other Month)</i>	Thursday	19	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	26	9:30 a.m.	Board Room

APRIL 2015

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	20	10:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	22	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	Board Room

MV – 2/17/15 (2:15 p.m.)

P/Library/Forms/Calendars/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Tom Bates and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: February 11, 2015

Re: Approval of the Minutes of April 3, 2014

RECOMMENDED ACTION

Approve the attached draft minutes of the Legislative Committee Meeting of April 3, 2014.

DISCUSSION

Attached for your review and approval are the draft minutes of the Legislative Committee Meeting of April 3, 2014.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Legislative Committee Meeting of April 3, 2014

AGENDA 3 – ATTACHMENT

Draft Minutes – Legislative Committee Meeting of April 3, 2014

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Legislative Committee Meeting
Thursday, April 3, 2014

1. Call to Order – Roll Call

Legislative Committee (Committee) Chairperson Tom Bates called the meeting to order at 10:01 a.m.

Present: Committee Chairperson Tom Bates; and Directors Susan Adams, John Avalos, Scott Haggerty, Carol Klatt and Brad Wagenknecht.

Absent: Vice-Chairperson John Gioia; and Directors David Hudson and Ash Kalra.

Also Present: Board of Directors (Board) Chairperson Nate Miley.

2. Public Comment Period: No requests received.

NOTED PRESENT: Board Chairperson Miley and Director Haggerty were each noted present at 10:02 a.m.

3. Approval of Minutes of November 18, 2013

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Klatt made a motion to approve the Minutes of November 18, 2013; Director Haggerty seconded; and the motion carried by the following vote of the Committee:

AYES: Adams, Avalos, Bates, Haggerty, Klatt, Miley and Wagenknecht.

NOES: None.

ABSTAIN: None.

ABSENT: Gioia, Hudson and Kalra.

4. Consideration of New Bills

Thomas Addison, Senior Policy Advisor, delivered the staff report *Consideration of New Bills*, including those deemed by staff to be the most significant to the Air District for Committee consideration, and the Committee and staff discussed the same.

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Adams, to recommend the Board adopt the following positions:

Assembly Bill (AB) 1696 Wieckowski: Support if amended

AB 1907 Ridley-Thomas: Support

AB 2027 Logue: Oppose

AB 2050 Quirk: Support and seek amendments

AB 2202 Logue: Oppose unless amended

Senate Bill (SB) 1125 Pavley: Support

SB 1204 Lara: Support if amended

SB 1371 Leno: Support

The motion carried by the following vote of the Committee:

AYES: Adams, Avalos, Bates, Haggerty, Klatt, Miley and Wagenknecht.

NOES: None.

ABSTAIN: None.

ABSENT: Gioia, Hudson and Kalra.

Director Adams made a motion, seconded by Director Wagenknecht, to recommend the Board adopt a support position relative to SB 1415 Hill and, if passed, refer its implementation to the Committee to formulate guidelines relative to Advisory Council membership.

The motion carried by the following vote of the Committee:

AYES: Adams, Avalos, Bates, Klatt, Miley and Wagenknecht.

NOES: Haggerty.

ABSTAIN: None.

ABSENT: Gioia, Hudson and Kalra.

5. Update on Existing Bills

Mr. Addison delivered the staff report *Update on 2013 Bills*, including SB 792 DeSaulnier, AB 1330 Pérez and SB 691 Hancock, and the Committee and staff discussed the same.

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Adams made a motion, seconded by Director Avalos, to recommend the Board adopt an oppose unless amended position relative to SB 792 DeSaulnier; and the motion carried by the following vote of the Committee:

AYES: Adams, Avalos, Bates, Haggerty, Klatt, Miley and Wagenknecht.

NOES: None.

ABSTAIN: None.

ABSENT: Gioia, Hudson and Kalra.

Director Wagenknecht made a motion, seconded by Director Adams, to recommend the Board adopt an oppose unless amended position relative to AB 1330 Pérez; and the motion carried by the following vote of the Committee:

AYES: Adams, Avalos, Bates, Haggerty, Klatt, Miley and Wagenknecht.

NOES: None.

ABSTAIN: None.

ABSENT: Gioia, Hudson and Kalra.

6. Committee Members' Comments/Other Business:

The Committee and staff discussed the state of negotiations regarding cap and trade revenue; the possibility of another Committee delegation to Sacramento on behalf of the Air District; and the legislative outlook as it affects Committee meeting scheduling.

7. **Time and Place of Next Meeting:** At the call of the Chairperson.
8. **Adjournment:** The meeting adjourned at 10:57 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Tom Bates and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 9, 2015

Re: Review of the 2014 Legislative Year

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Some of the more significant air quality issues for the Air District addressed by the Legislature in 2014 were the distribution of cap-and-trade revenues and Senate Bill (SB) 1415 authored by Senator Jerry Hill. SB 1415 was supported by the Air District and modernized the Air District's Advisory Council. The language establishing the Advisory Council had been largely unchanged since 1955, and Senator Hill's proposal had widespread bipartisan support prior to being signed into law by the Governor. Its new requirements take effect on July 1, 2015.

The issues around distribution of cap-and-trade revenues, and the CalEnviroScreen tool used by CalEPA to identify disadvantaged communities, were discussed at several meetings in 2014 by the Board, as well as a Climate Protection Committee meeting.

As noted in the following table, none of the bills that the Air District opposed in 2014 became law. Thus, air quality interests were successful at blocking the more egregious efforts to weaken air quality statutes. Results were mixed, however, for measures the District supported. Some were chaptered into law, but others failed to make it through the legislative process.

A complete list of bills with air quality significance (far more bills than those with District-adopted positions) is attached to this memorandum.

OUTCOME OF BILLS WITH DISTRICT POSITIONS

BILL AND AUTHOR	SUBJECT	POSITION	OUTCOME
AB 1330 Perez	Double penalty revenues and direct 50% of revenues to Green Zone Trust Fund	Oppose unless amended	Failed passage
AB 1696 Wieckowski	Adds parking spaces with charging stations to the list of advanced technology vehicle benefits to be added to state parking lots	Support if amended	Failed passage
AB 1907 Ridley-Thomas	Requires natural gas sold as a transportation fuel in CA to be measured in gasoline or diesel gallon equivalents	Support	Chaptered
AB 2027 Logue	Prohibits ARB from collecting emissions data from AB 32 sources twice	Oppose	Failed passage
AB 2050 Quirk	Authorizes ARB to establish, with Scoping Plan Advisory Panel, greenhouse gas reduction goals beyond 2020, and extending to 2050	Support and seek amendments	Failed passage
AB 2202 Logue	Exempts fuel marketers from ARB cap-and-trade regulations	Oppose	Failed passage
SB 1125 Pavley	Requires ARB to develop emission reductions targets beyond 2020	Support	Failed passage
AB 1204 Lara	California Clean Truck and Bus Program	Support if amended	Chaptered
SB 792 DeSaulnier	Assigns new tasks to the Joint Policy Committee with respect to ABAG, BAAQMD, BATA, BCDC, and MTC	Oppose unless amended	Failed passage
SB 1371 Leno	Has the PUC establish a Methane Leakage Abatement program	Support	Chaptered
SB 1415 Hill	Modernizes BAAQMD Advisory Council language	Support	Chaptered

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Addison
Reviewed by: Jean Roggenkamp

Attachment: BAAQMD Bill Discussion List – March 2014

BAAQMD BILL DISCUSSION LIST
MARCH 2014

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION
AB 1330	Perez	Doubles environmental penalties and directs 50% of penalty revenue to Green Zone Trust Fund.	Failed passage	Oppose unless amended
AB 1447	Waldron	Allows cap-and-trade revenues to fund traffic signal synchronization.	Chaptered	
AB 1594	Williams	Disallows green material used as landfill daily cover from counting towards 50% solid waste diversion goal.	Chaptered	
AB 1639	Grove	Requires AB 32 revenues, including cap-and-trade funds, to be used to cost-effectively reduce greenhouse gas emissions.	Failed passage	
AB 1696	Wieckoski	Adds parking spaces with charging stations to the list of advanced technology vehicle benefits to be added to state parking lots.	Failed passage	Support if amended
AB 1721	Linder	Would allow HOVs in Riverside HOT lanes to be tolled.	Chaptered	
AB 1811	Buchanan	Changes access rules for HOV-access decal vehicles for Sunol Grade and other HOT lanes in Alameda County.	Chaptered	
AB 1813	Quirk	\$100M of cap-and-trade funds for Fuel Producer Capital Assistance Program.	Failed passage	
AB 1818	Allen	Spot bill on electrical generation and air pollution.	Failed passage	
AB 1857	Frazier	Authorizes Caltrans to purchase vehicles and equipment using 'best value' procurement, which includes environmental benefits.	Chaptered	
AB 1907	Ridley-Thomas	Requires natural gas sold as a transportation fuel in CA to be measured in gasoline or diesel gallon equivalents.	Chaptered	Support
AB 1935	Campos	Defines clean distributed energy technology.	Failed passage	
AB 1970	Gordon	Community Investment and Innovation Program; funded via cap-and-trade.	Failed passage	
AB 2008	Quirk	Adds 'minimizing goods movement impact' to transit village plan.	Chaptered	
AB 2013	Muratsuchi	Increases the number of green-stickered vehicles allowed in HOV lanes.	Chaptered	
AB 2027	Logue	Prohibits ARB from collecting emissions data from AB 32 sources twice.	Failed passage	Oppose
AB 2050	Quirk	Authorizes ARB to establish, with Scoping Plan Advisory Panel, greenhouse gas reduction goals beyond 2020, and extending to 2050.	Failed passage	Support and seek amendments

AB 2090	Fong	Allows VTA to require HOV drivers to have switchable electronic tolling equipment when using HOT lanes.	Chaptered	
AB 2173	Bradford	Allows low-speed electric bikes to use bike lanes.	Chaptered	
AB 2202	Logue	Exempts fuel marketers from ARB cap-and-trade regulations.	Failed passage	Oppose unless amended
AB 2348	Stone	Natural Resources Climate Improvement Program; funded via cap-and-trade.	Failed passage	
SB 605	Lara	Requires comprehensive strategy to cut short-lived climate pollutants.	Chaptered	
SB 691	Hancock	Increases air penalty ceilings for one-day community-disrupting violations.	Failed passage	Sponsor
SB 792	DeSaulnier	Assigns new tasks to the Joint Policy Committee with respect to ABAG, BAAQMD, BATA, BCDC, and MTC.	Failed passage	Oppose unless amended
SB 913	DeSaulnier	Increases numbers of vehicles retired and replaced through the Consumer Assistance Program and the Enhanced Fleet Modernization Program.	Failed passage	
SB 1077	DeSaulnier	Study of road use charges as gas tax alternative.	Chaptered	
SB 1121	DeLeon	Establishes California Green Bank for financing clean energy projects.	Failed passage	
SB 1122	Pavley	Strategic Growth Council to fund Sustainable Communities Implementation, via cap-and-trade.	Failed passage	
SB 1125	Pavley	Requires ARB to develop emission reductions targets beyond 2020.	Failed passage	Support
SB 1132	Mitchell	Prohibits all well stimulation treatments (including hydraulic fracturing) until multiple findings are made and an independent scientific study is completed.	Failed passage	
SB 1156	Steinberg	Removes transportation fuels from cap-and-trade, imposes a tax on said fuels, and distributes proceeds particularly to low and medium-income.	Failed passage	
SB 1184	Hancock	Requires BCDC to prepare a regional resilience strategy for sea level rise.	Failed passage	
SB 1204	Lara	California Clean Truck and Bus Program.	Chaptered	Support if amended
SB 1268	Beall	Natural Resources Climate Improvement Program, funded via cap-and-trade.	Failed passage	
SB 1275	DeLeon	Charge Ahead California Initiative (incentives for increasing clean vehicle use by low-income, and new rebates for transit and car sharing).	Chaptered	
SB 1371	Leno	Has the PUC establish a Methane Leakage Abatement program.	Chaptered	Support
SB 1415	Hill	Modernizes BAAQMD Advisory Council language.	Chaptered	Support

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Tom Bates and Members
of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 9, 2015

Re: Potential Legislative Agenda for 2015

RECOMMENDED ACTION

The Committee will consider recommending a 2015 legislative agenda to the Board of Directors.

DISCUSSION

The majority of the Bay Area's and California's air quality problems continue to come from motor vehicle emissions. Furthermore, a small percentage of vehicles are responsible for a large share of the emissions. While we have made substantial progress at reducing emissions from stationary sources of air pollution, and more recently from heavy-duty diesel vehicles, there have been less concerted efforts to reduce emissions from the on-road light-duty fleet.

Most Californians comply with state laws requiring annual vehicle registration, which in turn requires vehicles to comply with the Smog Check program. Unfortunately, however, a surprising number of motorists in California do not comply with the law. This results in significant public health consequences, but also robs the State and local governments of tens of millions of dollars of revenues needed for such vital purposes as transportation projects, deterring auto theft, enforcing driving under the influence laws, removing abandoned vehicles, funding air quality grant programs, supporting the California Highway Patrol, and many other socially desirable programs. Registration fraud and avoidance also significantly increases insurance costs for law-abiding citizens, since unregistered vehicles are rarely insured. The vehicle license fee is part of the registration payment. Since all of the vehicle license fees go to local cities and counties, these problems also reduce funding to local governments.

Air District staff has met with staff at the California Highway Patrol, Department of Motor Vehicles, the Air Resources Board, the Bureau of Automotive Repair, private foundations working on these issues, environmental organizations, business groups, legislative transportation and the appropriations committees, and academics. There initially appears to be widespread, bipartisan support for legislation in this area. We recommend the Air District work with colleagues in the business and environmental community on legislation designed to cut emissions by increasing the rates of vehicle registration and reducing registration fraud. A paper describing this issue in more detail is attached.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

Attachment: Cutting Registration Fraud and Increasing Registration Rates

Cutting Registration Fraud and Increasing Registration Rates

Registration fraud and avoidance significantly increases air pollution. The majority of California's persistent air quality problems come from our motor vehicles. The primary tool for cutting emissions from the light duty fleet is our Inspection and Maintenance program, commonly referred to as Smog Check. State law requires that California car and truck owners register their vehicles annually with the Department of Motor Vehicles (DMV) which requires compliance with the Smog Check program. Most vehicles are required to pass a Smog Check inspection every other year.

At least four methods are used by unscrupulous vehicle owners to circumvent the legal registration and Smog Check requirements.

- 1) Unregistered vehicles. Drivers fail to register their vehicles yet continue to drive.
- 2) Out-of-state plates. California residents register their vehicles in another state yet live here and drive here.
- 3) False address. Drivers live in one part of the State yet register in another part.
- 4) Dealer plates. Drivers use dealer plates on vehicles that are not actually for sale.

Registration fraud and the resulting Smog Check avoidance has significant public health consequences, and contributes disproportionately to motor vehicle emissions. It also robs the State and local governments of millions of dollars of revenues needed for such vital purposes as transportation projects, supporting the CHP, deterring auto theft, enforcing DUI laws, removing abandoned vehicles, and many other socially desirable programs. Furthermore, it significantly increases insurance costs for law-abiding citizens, since unregistered vehicles are rarely insured. It is not only illegal, it is also simply unfair to the vast majority of Californians who comply with registration requirements.

This paper briefly describes the four schemes mentioned above, and suggests legislative approaches to reduce these illegal behaviors.

1. Unregistered vehicles:

Although registration is required by law, a surprisingly high number of drivers fail to register their vehicles. Many unregistered vehicles operate without an obvious attempt to conceal their registration status. However, some unscrupulous vehicle owners steal DMV stickers (either through the mail or by removing them with a razor blade from legally registered vehicles) and affix these stickers (year and/or month) to their license plates, so that casual observation by law enforcement indicates that the vehicle is registered. Other tactics include stealing front license plates from a vehicle of the same make and model year, and affixing that plate to the unregistered vehicle, or counterfeiting red temporary DMV windshield registration paperwork.

One study¹ found that 1% of the on-road fleet had been unregistered for more than 3 months. An older study in the South Coast found that close to 2% of vehicles on the road had been unregistered for over a year. Another study² found that between 8.5 and 11.7% of vehicles were unregistered. The majority of these vehicles are simply late in getting registered. However, the Air Resources Board in 2000³ estimated that over half of a percent of vehicles on the road had been unregistered for more than two years. The national fatal accident database shows that 6% of fatal accidents in California involve unregistered vehicles. An analysis of this database⁴ shows that half of vehicles are unregistered specifically because of failure to comply with the Smog Check program.

Because California has roughly 34 million registered vehicles of all types, even the lowest unregistration rates from the studies above indicate that hundreds of thousands of vehicles are operating without registration. Unregistered vehicles pollute at very high rates compared to the average vehicle in California, and compared to registered vehicles of the same make and model. (Both random roadside emissions sensing studies and the *Valley Can* program⁵ show this.) Therefore, although unregistered vehicles account for a relatively small portion of the vehicle fleet, they are responsible for a disproportionate share of emissions.

2. Out-of-state plates.

California law requires residents to operate their vehicles with California plates and registration. New residents have 20 days from establishing residence or accepting employment in California to register their cars. However, registration fees are far lower in many other states, and smog requirements are frequently less onerous or non-existent. Therefore, some vehicles owners choose to drive here illegally with out-of-state plates. The study cited in Footnote 1 found that 1.7% of vehicles on the road had out-of-state plates.

3. False address.

Smog Check in California comes in three different flavors, depending on where the vehicle is registered. In the most rural parts of the state, the program requires vehicles to pass a smog inspection only if they are sold (change of ownership). In the rest of the state, however, either a basic or enhanced test is required every other year. Vehicle owners who have tampered with their emissions control equipment or who know that their vehicle will fail Smog Check can avoid the required biennial tests by illegally registering their vehicle at an address in a change-of-ownership area. Avoiding the Smog Check inspection enables the owners to continue to operate their high-polluting vehicles.

4. Dealer plates.

1

http://www.rita.dot.gov/bts/sites/rita.dot.gov.bts/files/publications/journal_of_transportation_and_statistics/volume_07_number_23/html/paper_01/index.html

² L. Hunstad, 1999, Estimating Uninsured Vehicles and Unregistered Vehicle Rates: Sensitivity to Data and Assumptions, CA Dept. of Insurance

³ California Air Resources Board, 2000, Technical Support Document for a Public Meeting to Consider Approval of Revisions to the State's On-Road Motor Vehicle Emissions Inventory, May.

⁴ Matthew Zaragoza-Watkins, UC Berkeley PhD Thesis, Economics Dept.

⁵ <http://valleycan.org/pdfs/titu-bakersfield-final-030610.pdf>

Motor vehicle dealerships use dealer plates on the vehicles in their inventory. These plates are assigned to a dealership, not a specific vehicle. Thus specific vehicles operating with dealer plates can avoid the smog check program entirely. Legally, dealer plate use is limited generally to dealer employees or prospective buyers, but law enforcement officers have few tools to challenge obviously improper use of the plates. They cost \$71 per year, plus whatever standard county registration fee surcharges are in place where they are issued.

Possible Legislative Approaches:

What can be done about these problems? The least aggressive approach would be to simply have a reputable academic institution such as the University of California study the issue, in cooperation with the DMV and CHP providing relevant data, and recommend solutions to the Legislature. While there have been some academic investigations of unregistered vehicles by academics at UC Davis, UC Berkeley, and UC Riverside, many of these studies have been less than comprehensive, in part because of a lack of data availability from state agencies.

But there are a multitude of actions that could be taken to help reduce each of the four problems discussed earlier. Here is a brief list of initial ideas to address each of the schemes.

Unregistered Vehicles:

- Make it harder to steal stickers from license plates by changing the physical design of the stickers
- Incentivize local law enforcement to cite unregistered vehicles by returning the local government share of the vehicle license fee to the jurisdiction that issued the citation for the first year only. (Currently, the local share of the VLF is distributed based not on the registration address of a given vehicle, but rather based on that local jurisdiction's share of the State's population of people, not vehicles. Thus a local jurisdiction today receives only a miniscule amount of funding from each vehicle registered in its jurisdiction. This proposal would not change that fundamental funding distribution, but would only change where the local share of registration money goes for the first year, from vehicles that were previously not contributing at all.)
- Increase the penalties for operating unregistered, and increase publicity of registration requirements and penalties.

Out-of-State Plates:

- Increase funding and thus publicity for CHP's CHEATERS program⁶. This program is specifically targeted at people illegally using out-of-state plates, and relies on the public to report such fraud to the CHP. However, lack of outreach has significantly limited public awareness that the program exists.
- Direct the DMV to work both with other states and other California agencies such as the Franchise Tax Board to crack down on this fraud.
- Allow the use of existing automatic license plate readers (ALPR) to trigger letters to owners of vehicles with out-of-state plates that are routinely operating here. ALPR technology is widely

⁶ http://www.chp.ca.gov/prog/cheaters_2013.cgi

used by government entities such as parking enforcement, law enforcement, and others, as well as by private entities (shopping mall security). One typical use is to identify stolen vehicles. But it could also be used to trigger a letter to an owner of a vehicle with out-of-state plates if, for example, that vehicle was seen 10 or more times in a 6-month period operating in California. Penalties for individuals found to be in violation after receiving such a letter could also be increased.

- Large databases such as CARFAX⁷ include significant records of vehicle repair and maintenance locations. These could potentially be used in investigations by CHP, DMV, or local law enforcement.
- Incentivize local law enforcement to cite out-of-state plates by returning the local government share of the vehicle license fee to the jurisdiction that issued the citation for the first year only, as described above.
- Increase the penalties for operating illegally with out-of-state plates, and increase publicity of registration requirements and penalties.

False address:

- Similar to the proposal for out-of-state plates, allow the use of existing ALPRs to trigger letters to owners of vehicles registered far from where they are routinely operated. For example, if an ALPR detects the same vehicle from a change-of-ownership area in an area with more stringent smog requirements, it could be used to trigger a letter to the owner if, for example, that vehicle was seen 10 or more times in a 6-month period operating in the local jurisdiction. Penalties for individuals found to be in violation after receiving such a letter could also be increased, and DMV registration paperwork could stress that vehicles must be registered where they are primarily used.
- Incentivize local law enforcement to cite false address vehicles by returning the local government share of the vehicle license fee to the jurisdiction that issued the citation for the first year only, as described above.
- Investigate whether there are changes to Smog Check or registration requirements that could help reduce this fraud, including potentially increasing penalties.
- Investigate whether coordination between DMV and other State agencies could increase detection of this fraud.

Dealer Plates:

- Increase penalties for misuse of dealer plates (especially for those who misuse the plates specifically to avoid smog check)
- Work with DMV and CHP to make changes to CCR Article 13, Section 201.

⁷ http://www.carfax.com/phoenix/vehicle_history/SampleReport.cfx?reportName=consumerMobileWeb

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Tom Bates and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 9, 2015

Re: Consideration of New Bills

RECOMMENDED ACTION

The Committee will discuss new bills, and consider recommending positions on them to the Board.

BACKGROUND

2015 marks the first year of a new two-year legislative session. Both the Bay Area and the state as a whole have many newly-elected legislators. February 27, 2015, is the deadline for the 120 members of the Legislature to introduce bills, and as of the date of this writing few significant air quality measures have yet been introduced. Staff will review bills introduced prior to the Committee's meeting, and provide verbal analysis of air quality measures and recommended positions for the Committee's consideration. Generally, bills have to be in print for 30 days before they can have their first hearing, so most bills will have policy committee meetings in April to meet the May 1, 2015, deadline for fiscal bills to have cleared their policy committees.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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