

## LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, \_\_\_\_\_.

General Subject: Greenhouse Gas Reduction Fund.

(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.



The Administrative Procedure Act governs the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law.

This bill would exempt from the provisions of the Administrative Procedure Act guidelines or other standards adopted and used by a state agency in administering an allocation of moneys from the fund.

(2) Existing law requires the state board, in consultation with the Department of Food and Agriculture, to adopt regulations to reduce methane emissions from livestock manure management operations and dairy manure management operations, as specified.

Existing law requires the department, prior to awarding grant funds from moneys from the Greenhouse Gas Reduction Fund, to review the applicant's analysis identifying potential adverse impacts of a proposed project. Existing law prohibits a project from receiving funding from the department unless the applicant has made certain demonstrations to the department. Existing law requires the department to prioritize projects based on the criteria pollutant emission benefits achieved by the project.

This bill would limit the applicability of those restrictions on awarding grant funds from moneys from the fund to projects that reduce methane emissions from livestock manure management operations and dairy manure management operations using digester technology, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



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An act to amend Section 16428.86 of the Government Code, and to add Section 39715.5 to the Health and Safety Code, relating to greenhouse gases.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 16428.86 of the Government Code is amended to read:

16428.86. (a) Prior to awarding grant funds from moneys made available from the ~~Greenhouse Gas Reduction Fund, fund,~~ the Department of Food and Agriculture shall review the applicant's analysis identifying potential adverse impacts of the proposed project, including a net increase in criteria pollutants, toxic air contaminants, and hazardous air pollutants; groundwater and surface water impacts; and truck traffic and odor.

(b) A project shall not receive funding unless the applicant has demonstrated to the Department of Food and Agriculture that the applicant has done all of the following:

(1) Conducted outreach in areas that will potentially be adversely impacted by the project.

(2) Determined potential adverse impacts of the project.

(3) Committed to measures to mitigate impacts.

(c) In making awards, the Department of Food and Agriculture shall prioritize projects based on the criteria pollutant emission benefits achieved by the project.

(d) A project funded by the Department of Food and Agriculture that results in localized impacts in disadvantaged communities shall not be considered to provide a benefit to disadvantaged communities for the purposes of Section 39713 of the Health and Safety Code.

(e) This section shall apply only to grants awarded pursuant to Provision 1 of Item 8570-101-3228 of the Budget Act of 2016, as added by Section 13 of Chapter



370 of the Statutes of 2016, for projects that utilize digester technology as part of livestock manure management operations and dairy manure management operations.

SEC. 2. Section 39715.5 is added to the Health and Safety Code, to read:

39715.5. The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to guidelines or other standards adopted and used by a state agency in administering an allocation of moneys from the fund.

