SECTION 1. Division 47 (commencing with Section 80200) is added to the Public Resources Code, to read:

DIVISION 47. REDUCTION AND MITIGATION OF MAJOR SOURCES OF GREENHOUSE GAS EMISSIONS

CHAPTER 1. Clean Cars and Clean Air Act.

ARTICLE 1. Title, Findings and Declarations, Statement of Purpose.

80200. Title.

This division shall be known and may be cited as the Clean Cars and Clean Air Act.

80201. Findings and Declarations.

The People of the State of California find and declare the following:

(a) Climate change is already having a disruptive impact on California. Our state is increasingly experiencing record-setting wildfires and droughts that ruin our air quality, damage California's iconic natural beauty, destroy property, hurt our state's economy, and cost lives. In order to achieve the state's carbon goals and avoid the worst impacts of climate change, action is needed now regarding two of the largest sources of greenhouse gas ("GHG") emissions in our state: transportation and wildfires.

(b) Transportation remains California's largest source of the GHG emissions that cause climate change. We need to dramatically increase all Californians' access to affordable zero-emission vehicles ("ZEVs") like electric vehicles and the necessary related charging infrastructure in order to meet our climate goals.

(c) Electric vehicles remain too expensive for many Californians who are already dealing with the high cost of living in this state. Existing financial help for consumers has not been enough for low- and middle-income California families or many organizations to be able to purchase or lease an electric vehicle. We need to make electric vehicles more affordable for all Californians so we can significantly reduce GHG emissions from our transportation sector.

(d) California lacks the electric vehicle charging infrastructure needed to ensure Californians with electric vehicles have convenient access to vehicle charging at home, at work,

and everywhere they may travel throughout the state. We need to develop a network of affordable charging stations for homes, workplaces, apartments, and throughout the state so that driving a battery-powered electric vehicle is just as convenient as driving a gas-powered car.

(e) California also needs to lower emissions from medium- and heavy-duty vehicles like buses and big-rig trucks that are the source of significant GHG emissions and pollutants, particularly in low-income and disadvantaged communities. Converting buses and large trucks to electric vehicles will significantly reduce GHG emissions from the transportation sector and will clean up the air we all breathe.

(f) In addition to helping our state reach its GHG reduction goals, investing in electric vehicle charging infrastructure in our state will create thousands of good-paying green jobs for skilled workers.

(g) Climate change and catastrophic wildfires are closely linked: as climate change gets worse, wildfires get worse, which in turn releases more climate-changing carbon emissions into the air. The continued escalation of wildfires in California is thwarting our state's fight against climate change. In 2020 alone, wildfires emitted the same amount of greenhouse gases as over 24 million cars. Wildfires now emit more GHG in California than power plants.

(h) This division dedicates additional resources specifically to preventing future catastrophic wildfires and to putting them out sooner before they do additional damage to our climate goals, our economy, our homes and communities, and the health of our families.

(i) In addition to being primary sources of GHG emissions, transportation and wildfires also directly pollute our air with particulate matter and smoke, worsening our air quality and threatening our health and quality of life. More than 90% of Californians now breathe unhealthy levels of air pollutants at some point during the year. Seven of the 10 smoggiest cities in the United States are in California. The increasing prevalence of catastrophic wildfires, which also destroys lives and property, dramatically worsens air quality throughout the entire state. The number of unhealthy smoke days has increased 230% in Los Angeles and San Diego and 400% in San Jose since just 2016. This wildfire smoke – a complex mixture of air pollutants – is unhealthy to breathe and can be especially dangerous for children, the elderly, pregnant women and people with heart or respiratory conditions. Reducing GHG emissions from transportation and wildfires is particularly important because it has the added benefit of cleaning up our state's air quality.

(j) Our state's future and our ability to meet our climate goals while improving our air quality in the process depends on cleaner transportation and fewer catastrophic wildfires. But not everyone pays their fair share. Wealthy individuals use loopholes in the tax code to avoid paying their fair share for public services in our state, requiring lower- and middle-income Californians to pay more to make up the difference.

(k) This measure requires an equitable contribution from the highest-income earners to fund a generational public investment towards meeting our climate change goals through a cleaner transportation sector and by preventing and suppressing catastrophic wildfires. Specifically, investments in access to electric vehicles and electric vehicle charging infrastructure for all Californians and improvements in the prevention and suppression of catastrophic wildfires will generate unprecedented environmental and economic benefits for our state.

(l) Along with electric vehicles, there are other zero-emission vehicles like hydrogen fuel cell vehicles. These vehicles have applications for both passenger vehicles and medium- and heavy-duty vehicles like buses, garbage trucks, and big-rig trucks. This measure further reduces GHG emissions by providing additional resources to help California residents afford these vehicles and to develop the necessary infrastructure for fueling and charging them.

(m) As California continues on its path to 100 percent clean electricity, the large-scale deployment of electric vehicles and electric vehicle charging infrastructure can lead to a stronger and more reliable electricity grid and lower electricity rates while also reducing GHG emissions. Because electric vehicles can be charged when there is spare capacity on the grid and when there is an abundance of clean electricity, they can improve the utilization and operation of the system, reducing the price of electricity to the benefit of all utility customers. This measure requires state agencies to prioritize grid reliability and resilience.

80202. Statement of Purpose.

The purpose of this division is to reduce emissions from two of the state's primary sources of greenhouse gases--transportation and wildfires--through public investments in electrification of vehicles used in California and improvements in the prevention and suppression of catastrophic wildfires while improving our air quality in the process.

ARTICLE 2. Clean Cars and Clean Air Trust Fund.

80203. Creation of the Clean Cars and Clean Air Trust Fund.

(a) The Clean Cars and Clean Air Trust Fund ("Fund") is hereby established in the State Treasury.

(b) Notwithstanding any other provision of law:

(1) The Fund is a special fund, permanently separate and apart from the General Fund or any other state fund or account.

(2) The Fund, and every sub-fund and account within the Fund, is hereby declared to be a trust fund, trust sub-fund, or trust account.

(c) Except as expressly provided in this division, moneys deposited into, or required to be deposited into, the Fund, and any interest earned thereon, shall not be permanently or temporarily borrowed, loaned, or otherwise transferred to the General Fund or other fund in the State Treasury. Moneys deposited into the Fund, and any sub-fund or account within the Fund, including any interest earned thereon, shall only be used for the specific purposes set forth in this division. No action shall be taken that permanently or temporarily changes the status of the Fund as a trust fund and special fund, or borrows, diverts, or appropriates the moneys in the Fund, or moneys required to be deposited into the Fund, in a manner inconsistent with this division.

80204. Fund Oversight and Accountability.

(a) The People of the State of California hereby declare their unqualified intent for the moneys deposited into the Fund to be used to support the purposes set forth in this division without delay or interruption. The purpose of this section is to provide oversight and accountability mechanisms to guarantee that the People's intent is carried out.

(b)(1) The Attorney General shall expeditiously investigate, and may seek civil or criminal fines and penalties for, any misuse or unauthorized use of moneys deposited into, or allocated from, the Fund or any sub-fund or account within the Fund.

(2) In addition to any other remedy available at law, if any recipient of moneys provided pursuant to this division is determined by final judicial or administrative judgment, settlement, or resolution to have wilfully or knowingly used those moneys in a manner not permitted by this division or the regulations adopted hereunder, that recipient shall be permanently ineligible for receipt of additional moneys provided pursuant to this division. For purposes of this paragraph, "recipient of moneys" shall not include a state agency or department receiving a continuous appropriation pursuant to this division.

(3) Any fines recovered by the Attorney General pursuant to this subdivision shall be retained by the Attorney General.

(c) The nonpartisan California State Auditor shall conduct a biennial independent financial audit of the programs receiving moneys from the Fund. The California State Auditor shall report the findings to the Governor and both houses of the Legislature, and shall make the findings available to the public on its internet website.

(d) Every four years, the Controller shall conduct a performance audit of efforts and programs funded with moneys from the Fund to ensure the moneys are disbursed and expended solely according to this division and shall report the findings to the Governor and both houses of the Legislature, and shall make the findings available to the public on its internet website.

(e)(1) The California State Auditor and Controller shall each be separately reimbursed from moneys in the Fund for actual costs incurred in conducting the financial audit required by subdivision (c) and the performance audit required by subdivision (d), in an amount not to exceed six hundred thousand dollars ($600,000) per audit.

(2) The six hundred thousand dollar ($600,000) per audit maximum limit shall be adjusted decennially to reflect any increase in inflation as measured by the Consumer Price Index for All Urban Consumers (CPI-U). The Treasurer's office shall calculate and publish the adjustments required by this paragraph.

80205. Sub-Funds within the Fund.

After deducting and transferring the necessary moneys pursuant to Section 80204 for the California State Auditor's financial audit and the Controller's performance audit, the Controller shall allocate and transfer the remaining moneys in the Fund to the following sub-funds, in the following amounts:

(a) Thirty-five percent (35%) to the ZEV Infrastructure Investment Plan Sub-Fund, which is hereby created in the Fund.

(b) Forty-five percent (45%) to the ZEV and Clean Mobility Sub-Fund, which is hereby created in the Fund.

(c) Twenty percent (20%) to the Wildfire GHG Emissions Reduction Sub-Fund, which is hereby created in the Fund.

80206. Continuous Appropriation of Moneys in the Fund.

Notwithstanding Section 13340 of the Government Code, and except for payment of tax refunds, all moneys deposited into the sub-funds created within the Fund by Section 80205, together with interest earned thereon, are hereby continuously appropriated, without regard to fiscal years, as follows:

(a) All moneys in the ZEV Infrastructure Investment Plan Sub-Fund to CEC solely for the purposes set forth in Chapter 2.

(b) All moneys in the ZEV and Clean Mobility Sub-Fund to CARB solely for the purposes set forth in Chapter 3.

(c) All moneys in the Wildfire GHG Emissions Reduction Sub-Fund to CAL FIRE solely for the purposes set forth in Chapter 4.

80207. Administration.

(a)(1) CEC, CARB, CAL FIRE, and any other state or local government agency receiving moneys from the Fund, shall use no more than five percent (5%) of the moneys in any sub-fund or account in the Fund, or moneys received from any sub-fund or account in the Fund, for administrative expenses.

(2) For purposes of this subdivision, "administrative expenses" does not include expenses for public outreach.

(b) CEC, CARB, and CAL FIRE shall expend and distribute moneys in the ZEV Infrastructure Investment Plan Sub-Fund, ZEV and Clean Mobility Sub-Fund, and Wildfire GHG Emissions Reduction Sub-Fund, and any accounts therein, on a July 1 to June 30 fiscal year basis. Programs established pursuant to this division shall be budgeted and funded on the same July 1 to June 30 fiscal year basis.

(c) In designing programs and determining funding allocations as required by this division, CEC, CARB, and CAL FIRE shall consult with other appropriate local, regional, state, and federal agencies.

(d) No moneys in the Fund shall be used in a manner that permits public utility electrical corporations to (1) avoid making investments with shareholder dollars they are legally compelled to make; or (2) earn any profit off of the public investments funded by this division which have the effect of making electrical systems safer.

(e) In order to fast-track efforts to reduce GHG emissions from transportation and wildfires, CEC, CARB, and CAL FIRE shall make every effort to commence awarding financial incentives and making expenditures as set forth in this division by no later than the second January 1 occurring after the effective date of this division.

80208. Treatment of Revenues Deposited in and Expended from the Fund.

(a) This section is intended to ensure the greatest public investment in the purpose and subject of this measure, which is to reduce GHG emissions from two of the state's primary sources of greenhouse gases–transportation and wildfires.

(b) Special Trust Fund Revenues.

(1) Notwithstanding any other provision of law to the contrary, the tax imposed by Section 17044 of the Revenue and Taxation Code and the revenue derived therefrom, including interest and penalties but less payment of refunds, are required to be deposited into the Fund, which is a special fund and trust fund permanently and irrevocably separate and apart from the

General Fund. Moneys in the Fund are continuously appropriated without regard to fiscal year for the purposes set forth in this division.

(2) Therefore, notwithstanding any other provision of law to the contrary, the tax and the revenue resulting therefrom described in paragraph (1) shall not be considered to be part of the General Fund, as that term is used in Chapter 1 (commencing with Section 16300) of Part 2 of Division 4 of Title 2 the Government Code, shall not be considered General Fund revenues for purposes of Section 8 of Article XVI of the California Constitution and its implementing statutes, and shall not be considered "General Fund revenues," "state revenues," "moneys," or "General Fund proceeds of taxes" for purposes of subdivisions (a) and (b) of Section 8 of Article XVI of the California Constitution and its implementing statutes.

(c) Appropriations for Qualified Capital Outlay Expenditures and Tax Refunds.

(1) In addition to the appropriations for qualified capital outlay projects described in Section 7914 of the Government Code, an appropriation for a "qualified capital outlay project," as used in subdivision (d) of Section 9 of Article XIII B of the California Constitution, also means an appropriation for any of the following regardless of the asset's useful life or value:

(A) A financial incentive or subsidy of any kind for a zero-emissions vehicle fueling or charging station pursuant to Chapter 2, including construction and deployment thereof.

(B) A financial incentive or subsidy of any kind for purchase of a light-, medium-, or heavy-duty ZEV pursuant to Chapter 3, if the ZEV is purchased by a state or local government agency.

(2)(A) During any fiscal year in which the State receives revenues in excess of the State Appropriations Limit for purposes of Article XIII B of the California Constitution, or in the fiscal year immediately following that occurrence, CEC and CARB may restructure the financial incentives and other subsidies of any kind provided pursuant to Chapter 2 and Chapter 3 to California residents as a tax refund that can only be spent for the purposes set forth in Chapter 2 and Chapter 3.

(B) CEC and CARB shall only restructure financial incentives and other subsidies pursuant to subparagraph (A) upon a written request from the Director of Finance. CEC and CARB shall coordinate with the Department of Finance in implementing this paragraph.

80209. Non-Supplantation.

(a) Except as provided in subdivision (c), moneys in the Fund are intended to be used to increase and enhance the achievement of the purposes and objectives described in this division, and not to replace any other existing revenues for those purposes and objectives.

(b) CEC, CARB, and CAL FIRE shall annually prepare a report detailing whether or not compliance with subdivision (a) is being achieved.

(c) Notwithstanding subdivision (a), reduction or elimination of funding pursuant to the Clean Vehicle Rebate Project authorized by Statutes of 2007, Chapter 750 does not violate this section.

CHAPTER 2. ZEV INFRASTRUCTURE PROGRAM

ARTICLE 1. Purpose of Chapter.

80210. Purpose.

The purpose of this chapter is to reduce GHG emissions from California's transportation sector by:

(a) Making refueling a ZEV more accessible and convenient than refueling a diesel or gasoline-powered vehicle for every Californian regardless of where they live or work.

(b) Closing any ZEV infrastructure or electric grid gaps in the state identified by CEC pursuant to AB 2127 (2018) or another relevant state agency analysis to ensure that California residents can fuel ZEVs where they live, work, and play.

(c) Increasing access for disadvantaged, low-income, and moderate-income communities and consumers to passenger ZEV fueling infrastructure, and to increase the placement of that passenger ZEV infrastructure in those communities and with those consumers in order to lower GHG emissions, enhance the air quality, and promote overall benefits for those communities and consumers.

(d) Ensuring the state's electric grid is prepared for the clean vehicle future accelerated by this division.

(e) Achieving GHG emissions reductions while maximizing domestic manufacturing and high-quality job growth in California.

ARTICLE 2. Implementation by California Energy Commission.

80211. Implementation.

(a) CEC shall use the moneys in the ZEV Infrastructure Investment Plan Sub-Fund, and the accounts established therein, to fund construction, planning, deployment, operation, or maintenance of ZEV fueling stations in this state, certification programs for personnel installing ZEV fueling stations, and public education outreach necessary to ensure California residents are aware of, and educated on, how to use the incentives made available by this chapter. CEC may use moneys in the ZEV Infrastructure Investment Plan Sub-Fund, and the accounts established therein, for direct expenditures, rebates, grants, block grants, or loans.

(b) CEC shall consult and coordinate with the Public Utilities Commission, applicable public utility electrical corporations, and applicable local publicly owned electric utilities to ensure the following so that the purposes of this chapter can be accomplished without delay:

(1) Electric utilities plan, engineer, and construct the necessary infrastructure on the utility side of the meter, and that the work is funded in a timely manner.

(2) None of the activities compromise the reliability of the electric grid.

(c) CEC shall be guided by, but not limited to, the following principles in designing any program utilizing funds under this chapter:

(1) Low Cost to Drivers - Ensure that drivers have the opportunity for ZEV charging at a reasonable cost.

(2) Price Transparency - Strive for transparency of charging or fueling pricing to allow drivers to know what they will be charged for charging or fueling prior to arriving at a ZEV fueling station.

(3) Long-Term Reliability - Ensure that the ZEV charging or fueling infrastructure continues to be well-maintained, operational, and available over the long-term.

(4) Grid Support - Ensure that drivers and fleet operators benefit from charging and load management in a manner that supports operation of the electric grid.

(5) Robust Grid - Ensure that the electric grid can support ZEV charging, remains reliable, and that it can take advantage of the flexible nature of ZEV-related load and energy storage inherent in vehicle batteries, in collaboration with other relevant state agencies.

(6) Equitable Access - Ensuring all California residents can access ZEV fueling.

80212. Accounts.

(a) Moneys in the ZEV Infrastructure Investment Plan Sub-Fund shall be deposited into the following accounts, which are hereby established therein:

(1) Except as provided in subdivision (d), fifty percent (50%) into the Infrastructure Access Account.

(2) After the deposit into the Infrastructure Access Account pursuant to paragraph (1), the remainder shall be deposited into the General Infrastructure Account.

(b) Moneys in the Infrastructure Access Account shall be dedicated solely for projects, activities, and to the benefit of people, in low-income and disadvantaged communities.

(c) For at least the five consecutive fiscal years commencing July 1, 2023, CEC shall ensure that the following spending minimums are met for moneys in both the Infrastructure Access Account and the General Infrastructure Account:

(1) At least twenty percent (20%) shall be spent on programs, projects, or activities authorized by Article 3 of this chapter.

(2) At least ten percent (10%) shall be spent on programs, projects, or activities authorized by Article 4 of this chapter.

(3) At least ten percent (10%) shall be spent on programs, projects, or activities authorized by Article 5 of this chapter.

(4) At least ten percent (10%) shall be spent on programs, projects, or activities authorized by Article 6 of this chapter.

(d)(1) On and after July 1, 2026, the maximum balance in the Infrastructure Access Account shall be two hundred percent (200%) of the average annual amount deposited therein during the immediately prior two fiscal years.

(2) As long as the Infrastructure Access Account is at or above its maximum balance, moneys otherwise required to be deposited into that account shall instead be deposited into the General Infrastructure Account

ARTICLE 3. Multifamily Dwelling ZEV Charging Stations.

80213. Multifamily Dwelling ZEV Charging Stations.

(a) Moneys in the Infrastructure Access Account and General Infrastructure Account shall be used to fund construction, planning, deployment, operation, or maintenance of charging stations at or near multifamily dwelling properties to serve residents of multifamily dwelling properties.

(b) In allocating moneys pursuant to this article, CEC shall consider charging hardware or systems that support the operation and cost-effectiveness of the electric grid.

(c) When awarding moneys directly to third-party providers of charging station construction, planning, equipment, maintenance, operation, or installation, CEC shall award moneys based on a competitive process.

ARTICLE 4. Single-Family Dwelling ZEV Charging Stations.

80214. Single-Family Dwelling ZEV Charging Stations.

(a) Moneys in the Infrastructure Access Account and General Infrastructure Account shall be used to fund charging stations and electrical upgrades at single-family dwelling properties as set forth in this section.

(b)(1) Moneys described in subdivision (a) shall be made available as rebates, block grants, grants, or direct expenditures for electrical work including wiring, conduit, or electric panel upgrades, and purchase or installation of CEC-preapproved L2 hardware or charging systems at single-family dwelling properties.

(2) In allocating moneys under this section, CEC shall consider charging hardware or systems that support the operation and cost-effectiveness of the electric grid.

ARTICLE 5. Passenger ZEV Fast-Fueling Infrastructure.

80215. Funding for Passenger ZEV Fast-Fueling Infrastructure.

(a) Moneys in the Infrastructure Access Account and General Infrastructure Account shall be used to fund deployment of passenger ZEV fast-fueling infrastructure as set forth in this section.

(b)(1) Moneys described in subdivision (a) shall be made available as rebates, block grants, grants, subsidized loans, or direct expenditures for deployment of passenger ZEV fast-fueling infrastructure.

(2) CEC shall prioritize allocations for projects in low-income and disadvantaged communities, locations near multifamily dwelling properties that cannot be served by onsite charging infrastructure, city centers, airports, and other locations that CEC determines are not well-served by passenger ZEV fast-fueling infrastructure. In addition, CEC may prioritize allocations for projects at critical infrastructure locations along emergency egress routes.

(c) The State of California shall prioritize, work with local governments, and fast-track, to the maximum extent possible, permitting and zoning for installation of passenger ZEV fast-fueling infrastructure in order to minimize the time needed to make those fueling stations operational.

(d) When awarding moneys directly to third-party providers of fast-fueling station equipment, maintenance, operation, and installation, CEC shall award moneys based on a competitive process.

(e) The state shall make available state-owned properties as sites for installation of passenger ZEV fast-fueling infrastructure where doing so is feasible, reasonable, cost-effective, and would further the purposes of this division.

ARTICLE 6. Medium- and Heavy-Duty ZEV Fueling Infrastructure.

80216. Funding for Medium- and Heavy-Duty ZEV Fueling Infrastructure.

(a) Moneys in the Infrastructure Access Account and General Infrastructure Account shall be used to fund deployment of medium- and heavy-duty ZEV fueling infrastructure as set forth in this section.

(b)(1) Moneys described in subdivision (a) shall be made available as rebates, block grants, grants, subsidized loans, or direct expenditures for deployment of medium- and heavy-duty ZEV fueling infrastructure.

(2) CEC shall prioritize allocations for projects in locations that CEC determines are not well-served by medium- and heavy-duty ZEV fueling infrastructure.

(c) The State of California shall prioritize, work with local governments, and fast-track, to the maximum extent possible, permitting and zoning for installation of medium- and heavy-duty ZEV fueling infrastructure under this section in order to minimize the time needed to make that fueling infrastructure operational.

(d) When awarding moneys directly to third-party providers of medium- and heavy-duty ZEV fueling infrastructure equipment, maintenance, operation, and installation, CEC shall award moneys based on a competitive process.

(e) The state shall make available state-owned properties as sites for installation of medium- and heavy-duty ZEV fueling infrastructure under this section where doing so is feasible, reasonable, cost-effective, and would further the purposes of this division.

CHAPTER 3. ZEV AFFORDABILITY PROGRAM

ARTICLE 1. Purpose of Chapter.

80217. Purpose.

The purpose of this chapter is to reduce GHG emissions from California's transportation sector by:

(a) Making ZEVs accessible and affordable to all California residents.

(b) Converting passenger vehicles, which are the state's largest single source of GHG emissions, to ZEVs as quickly as possible.

(c) Converting medium-, heavy-duty, and off-road vehicles to ZEVs with a focus on benefitting the air quality in low-income and disadvantaged communities while reducing GHG emissions.

(d) Increasing access to zero-emission clean mobility options that do not require car ownership.

(e) Providing access to, and affordability for, moderate-income, low-income and disadvantaged communities and consumers to ZEVs, to increase the placement of ZEVs in those communities and with those consumers to lower GHG emissions, enhance air quality, and promote overall benefits for those communities and consumers.

(f) Converting passenger vehicles that are used for high-utilization purposes to ZEVs as quickly as possible in order to reduce GHG emissions as quickly as possible.

(g) Maximizing domestic manufacturing and high-quality job growth in California.

ARTICLE 2. Implementation by CARB.

80218. Implementation.

(a) CARB shall use the moneys in the ZEV and Clean Mobility Sub-Fund, and the accounts established therein, to fund rebates, loans, block grants, grants, and other financial incentives for programs authorized under this chapter, and public education outreach necessary to ensure California residents are aware of, and educated on how to utilize, those programs.

(b) Passenger vehicles are the largest single-source of GHG emissions in this state. Therefore, in order to effectively reduce GHG emissions from passenger vehicles, CARB shall ensure that, during at least the five consecutive fiscal years commencing July 1, 2023, at least two-thirds (⅔) of the total moneys deposited in the ZEV and Clean Mobility Sub-Fund shall be allocated to projects, programs, purposes, and activities that support the deployment of passenger ZEVs operated in this state.

80219. Accounts.

(a) Except as provided in subdivision (c), moneys in the ZEV and Clean Mobility Sub-Fund shall be deposited into the following accounts as follows, which are hereby established therein:

(1) Fifty percent (50%) into the ZEV Equity and Air Quality Account.

(2) Fifty percent (50%) into the ZEV General Account.

(b) Moneys in the ZEV Equity and Air Quality Account shall be allocated to fund programs that primarily benefit people who live in low-income and disadvantaged communities. Programs eligible for funding from the ZEV Equity and Air Quality Account include, but are not limited to, the programs described in Article 3.

(c)(1) On and after July 1, 2026, the maximum balance in the ZEV Equity and Air Quality Account shall be two hundred percent (200%) of the average annual amount deposited therein during the immediately prior two fiscal years.

(2) As long as the ZEV Equity and Air Quality Account is at or above its maximum balance, one hundred percent (100%) of the moneys transferred to the ZEV and Clean Mobility Sub-Fund shall be deposited into the ZEV General Account.

ARTICLE 3. GHG Reduction, Affordability, Equity, and Air Quality Programs.

80220. Eligible Programs.

Programs eligible for funding pursuant to this chapter may include, but are not limited to, those that:

(a) Provide block grants, grants, loans, or other incentives for zero-emission school buses so pupils ride to school in ZEVs.

(b) Provide block grants, grants, loans, or other incentives for zero-emission transit buses so people get to where they need to go in ZEVs.

(c) Provide incentives, grants, and block grants for governments and businesses to buy medium-, heavy-duty, and off-road agricultural and construction ZEVs.

(d) Provide financing assistance to help those without access to capital or high credit acquire new and used ZEVs.

(e) Help people retire old polluting vehicles and replace them with new and used ZEVs or other zero-emission mobility options.

(f) Help agricultural workers and others utilize zero-emission vanpools.

(g) Provide local air quality benefits in communities overburdened by diesel pollution, in addition to reducing GHG emissions.

(h) Increase access to clean mobility options, including but not limited to:

(1) Electric bikes.

(2) Bike-sharing.

(3) Protected bike lanes.

(4) Transit passes.

(i) Provide financial incentives pursuant to Article 4.

ARTICLE 4. Factory New Passenger ZEV Incentive Program.

80221. Factory New Passenger ZEV Incentive Program.

(a)(1) CARB shall establish a factory new ZEV incentive program pursuant to this article.

(2) Moneys in the ZEV General Account shall be used to fund rebates, subsidies, grants, and other financial incentives determined by CARB for all California residents to purchase or lease factory new ZEVs, as set forth in this section. Moneys in the ZEV Equity and Air Quality Account may also be used for this purpose.

(b) In dispersing moneys pursuant to this section, CARB shall prioritize applications in the following order:

(1) Applications from California residents described in paragraph (1) of subdivision (c) of Section 80228.

(2) Applications from California residents described in paragraphs (2) and (3) of subdivision (c) of Section 80228 for passenger ZEVs for high-utilization purposes.

(3) Applications from other California residents described in paragraphs (2) and (3) of subdivision (c) of Section 80228.

(c)(1) A California resident described in paragraph (1) of subdivision (c) of Section 80228 shall be eligible for a refundable point-of-sale rebate when purchasing or leasing a factory new ZEV. The rebate shall be transferable to licensed automobile dealers and other financing entities.

(2) Rebate amount and eligibility for California residents described in paragraph (1) of this subdivision shall be determined by CARB. In determining rebate amount and eligibility, CARB shall prioritize maximizing the number of California residents who gain the ability to afford to lease or purchase a factory new ZEV as a result of this section.

(d) California residents described in paragraphs (2) and (3) of subdivision (c) of Section 80228 shall be eligible for a point-of-sale rebate per vehicle purchased to apply toward the purchase or lease of factory new ZEVs for use in California. Rebates provided pursuant to this subdivision shall be funded from the ZEV General Account.

(1) Rebate amount and eligibility for California residents described in paragraphs (2) and (3) of subdivision (c) of Section 80228 shall be determined by CARB. Rebate amounts and allocations shall be consistent with meeting the state's ZEV and climate goals and regulations.

(2) In determining rebate amount and eligibility, CARB shall prioritize achieving the greatest reduction in GHG emissions from California's transportation sector. CARB shall

establish rebate amount and eligibility under this subdivision in a manner that furthers the purposes described in subdivisions (b) and (f) of Section 80217.

(e) CARB may impose a reasonable limit on the number or aggregate value of rebates a California resident may obtain in a single fiscal year, so long as CARB demonstrates by clear and convincing evidence that the limit does not undermine the accomplishment of the purposes described in subdivisions (b) and (f) of Section 80217.

(f) Subject to the priorities listed in subdivision (b), CARB shall make every effort to disburse all moneys in the ZEV General Account for permissible uses under this section by the end of each fiscal year consistent with the purposes set forth in this chapter.

ARTICLE 5. Minimum Ownership or Lease Requirements for Compliance with this Chapter.

80222. Minimum Registration Requirements.

If an incentive is obtained pursuant to this chapter for the purchase or lease of a ZEV, CARB may require the vehicle to be registered with the Department of Motor Vehicles for a specified period of time.

CHAPTER 4. REDUCING WILDFIRE GHG EMISSIONS

ARTICLE 1. Purpose of Chapter.

80223. Purpose.

The purposes of this chapter are as follows:

(a) To ensure the State of California and local governments have sufficient firefighting capacity to reduce the amount of GHG emissions from extreme wildfires, while also reducing the air pollution wildfires produce.

(b) To reduce GHG emissions from extreme fire events in California through improvements in wildfire suppression, prevention, mitigation, resilience, and preparedness, and restoration and maintenance of a more natural, safer fire regime on California's landscapes.

(c) To mitigate, prevent, and suppress impacts, including GHG emissions, of extreme wildfire events upon people, essential infrastructure, and communities.

(d) To advance wildfire prevention implementation activities.

ARTICLE 2. Wildfire Prevention, Mitigation, and Suppression Resources.

80224. Accounts.

(a) Moneys in the Wildfire GHG Emissions Reduction Sub-Fund shall be deposited into the following accounts, where are hereby established therein:

(1) Twenty-five percent (25%) into the State Fire Marshal Prevention and Suppression Account.

(2) Seventy-five percent (75%) into the General Prevention and Suppression Account.

(b) During the six fiscal years commencing July 1, 2024 and ending June 30, 2030, up to twenty-five percent (25%) of the moneys deposited in the General Prevention and Suppression Account shall be used for wildfire prevention and resilience efforts, including efforts described in paragraphs (4) through (6) of subdivision (a) of Section 80226.

80225. Fire Prevention and Suppression Efforts Within the Office of State Fire Marshal.

(a) Moneys in the State Fire Marshal Prevention and Suppression Account shall be available for the exclusive distribution and use by the Office of the State Fire Marshal for wildfire prevention and suppression efforts as set forth in this section.

(b) Fire prevention and suppression efforts funded by the State Fire Marshal Prevention and Suppression Account shall be selected by the Office of the State Fire Marshal in conjunction with a statewide apprenticeship committee established to improve the quality of education and training within the fire service and set professional standards for firefighters in the state.

80226. Additional Fire Prevention and Suppression Resources.

(a) Moneys in the General Prevention and Suppression Account shall be used by CAL FIRE for additional efforts to prevent, manage and suppress wildfires in this state. Moneys may be used for the following:

(1) Retaining, housing, training, and hiring CAL FIRE permanent and seasonal firefighters necessary to prevent and suppress wildfires.

(2) Advanced wildfire detection and monitoring systems, including camera and satellite networks.

(3) Improving fire suppression and safety infrastructure in fire-prone communities.

(4) Improving defensible spaces around homes and communities.

(5) Grants for home-hardening retrofits focused on low-income communities.

(6) Support activities and programs such as forest resilience programs, prescribed burning, watershed restoration and management, and vegetation management.

(b) In expending moneys pursuant to this section, primary priority shall be given to paragraph (1) of subdivision (a).

80227. Non-Supplantation.

(a) Moneys in the Wildfire GHG Emissions Reduction Sub-Fund, and the accounts established therein, shall be used to supplement, and not replace, existing moneys appropriated for the purposes described in this chapter.

(b) The State of California bears the burden of proving by clear and convincing evidence that the moneys in the Wildfire GHG Emissions Reduction Sub-Fund, and the accounts established therein, are not being used to supplant preexisting moneys appropriated for the purposes described in this chapter.

CHAPTER 5. DEFINITIONS

80228. Definitions.

For purposes of this division, as used in both the singular and plural form, the following definitions shall apply:

(a) "California Air Resources Board" or "CARB" means the State Air Resources Board established at Division 26 (commencing with Section 39000) of the Health and Safety Code.

(b) "California Department of Forestry and Fire Protection" or "CAL FIRE" means the Department of Forestry and Fire Protection established at Chapter 2.5 (commencing with Section 700) of Division 1 of the Public Resources Code.

(c) "California resident" means all of the following:

(1) An individual resident of this state.

(2) A legal entity that has employees or owns property in California.

(3) A state or local government agency.

(d) "City center" means an area within an incorporated municipality intended by the city for development of an urban center with higher intensity residential, retail, office, and entertainment uses.

(e) "Electric utility" is either a public utility electrical corporation or local publicly owned electric utility.

(f) "Energy Resources Conservation and Development Commission," "California Energy Commission," or "CEC" means the State Energy Resources Conservation and Development Commission established at Chapter 3 (commencing with Section 25200) of Division 15 of the Public Resources Code.

(g) "Fast-fueling infrastructure" includes, but is not limited to, electric vehicle charging at high power such as 150kW DCFC chargers and hydrogen fueling stations.

(h) "Fund," when used as a proper noun, means the Clean Cars and Clean Air Trust Fund established in Section 80203.

(i) "Greenhouse gas" or "GHG" means carbon dioxide (CO[2]), methane (CH[4]), nitrous oxide (N[2]O), sulfur hexafluoride (SF[6]), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and other fluorinated greenhouse gases as defined in Section 95102 of Title 17 of the California Code of Regulations.

(j) "High-utilization purpose" means a use of a ZEV where the purchaser can provide documentation that such use is likely to result in more than 25,000 miles per year on average.

(k) "Level 2 charging station" means a charging station with a typical Voltage rating of 208-250V, a typical Amperage rating of 15-90 Amperes, and a typical male plug of SAE J1772 to mate or interact with a typical port or inductive charging or other charging system.

(l) "Licensed automobile dealer" means a person or entity licensed by the State of California to engage in the sale of motor vehicles.

(m) "Local publicly owned electric utility" has the same meaning as provided in Section 224.3 of the Public Utilities Code.

(n)(1) "Low-income and disadvantaged community" means any of the following:

(A) A disadvantaged community identified by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code.

(B) A low-income community described in paragraph (2) of subdivision (d) of Section 39713 of the Health and Safety Code.

(2) "Low-income and disadvantaged community" also includes a low-income household, as defined in paragraph (1) of subdivision (d) of Section 39713 of the Health and Safety Code, that is outside of, but within a 1/2 mile of, a community described in subparagraph (A) of paragraph (1) of this subdivision.

(o) "Multifamily dwelling property" means a real property improvement intended for human habitation with more than 4 dwelling units.

(p) "Passenger ZEV" means a passenger vehicle as defined in Section 465 of the Vehicle Code that also meets the definition of a "Zero-emission vehicle."

(q) "Public utility electrical corporation" means an electrical corporation as defined in Section 218 of the Public Utilities Code that also meets the definition of a "public utility" as set forth in Section 216 of the Public Utilities Code.

(r) "Single-family dwelling property" means a real property improvement intended for human habitation with 4 or fewer dwelling units.

(s) "State or local government agency" means the State of California, a city, a county, a city and county, or a special district, or any public authority, public agency, or other political subdivision or public corporation in the State.

(t) "Zero-emission vehicle" or "ZEV" means a vehicle that is eligible to earn compliance credits for zero-emission operations under CARB's ZEV, Advanced Clean Truck, or other relevant regulations, as determined by CARB.

(u) "ZEV fueling" means, but is not limited to, electric vehicle electric battery charging.

CHAPTER 6. REALLOCATION OF MONEYS.

80229. Modification of Percentage Allocations of Moneys.

(a)(1) The percentage allocation of money described in subdivision (c) of Section 80212 may be modified by CEC after June 30, 2028 as set forth in this section.

(2) The percentage allocation of money described in subdivision (b) of Section 80218 may be modified by CARB after June 30, 2028 as set forth in this section.

(b)(1) All modifications to percentage allocations of money described in subdivision (a) shall be accomplished through a public process with at least a 30-day comment period, including at least one stakeholder workshop. The modification shall be consistent with an annual or multi-year investment plan.

(2) When making modifications pursuant to paragraph (1), CEC and CARB shall convene a stakeholder advisory committee to review and provide input into the annual or multi-year investment plan.

(c) CEC and CARB shall not propose a modification to the percentage allocations of money described in subdivision (a) unless and until CEC or CARB, as the case may be:

(1) Determines that another percentage allocation would better serve the purposes of this division.

(2) Publishes a report describing how the modification of the percentage allocation will better serve the purposes of this division.

CHAPTER 7. AMENDMENTS.

80230. Amendment of Division.

(a)(1) Except as provided in paragraph (2), the Legislature may amend this division by a statute passed in each house of the Legislature by rollcall vote entered into the journal, three-fourths of the membership concurring, provided that the statute is consistent with, and furthers the purpose of, this division.

(2) The Legislature may amend subdivision (a) of Section 80207 by a rollcall vote entered into the journal, two-thirds of the membership concurring, provided that the statute is consistent with, and furthers the purpose of, this division.

(b) No statute enacted after October 1, 2021, but prior to the effective date of this division, that would constitute an amendment of this division, shall be operative after the

effective date of this division unless the statute was passed in accordance with the requirements of subdivision (a).

SECTION 2. Section 17044 is hereby added to Chapter 2 (commencing with Section 17041) of Part 10 of Division 2 of the Revenue and Taxation Code, to read:

17044. (a) For each taxable year beginning on or after January 1, 2023, in addition to any other taxes imposed by this part, an additional tax shall be imposed at the rate of 1.75 percent on that portion of a taxpayer's taxable income in excess of two million dollars ($2,000,000).

(b) For purposes of applying Part 10.2 (commencing with Section 18401) of Division 2, the tax imposed under this section shall be treated as if imposed under Section 17041.

(c) The following shall not apply to the tax imposed by this section:

(1) The provisions of Section 17039, relating to the allowance of credits.

(2) The provisions of Section 17041, relating to filing status and recomputation of the income tax brackets.

(3) The provisions of Section 17045, relating to joint returns.

(d) The revenues generated from the tax imposed by this section shall be deposited into the Clean Cars and Clean Air Trust Fund established by Section 80203 of the Public Resources Code.

SECTION 3. Sunset.

(a) Except as provided in subdivision (b), the provisions of this Act shall become inoperative as follows:

(1) The following section shall become inoperative on January 1, 2043:

(A) Section 2, adding Section 17044 to the Revenue and Taxation Code.

(2) The following sections shall become inoperative on June 30, 2043:

(A) Section 1, adding Division 47 to the Public Resources Code.

(b)(1) Notwithstanding subdivision (a), if for three consecutive calendar years on or after January 1, 2030 the statewide greenhouse gas emissions are at least 80 percent below the statewide 1990 level of greenhouse gas emissions as reported in the greenhouse gas inventory

required under Section 39607.4 of the Health and Safety Code, then the provisions of this Act shall become inoperative as set forth in this subdivision:

(2) The section of this Act described in subparagraph (A) of paragraph (1) of subdivision (a) shall become inoperative on the January 1 following the calendar year in which the condition set forth in paragraph (1) is satisfied.

(3) The section of this Act described in subparagraph (A) of paragraph (2) of subdivision (a) shall become inoperative on the next June 30 following the end of the calendar year in which the condition set forth in paragraph (1) is satisfied.

(c) Any moneys remaining in the Clean Cars and Clean Air Trust Fund after Division 47 of the Public Resources Code becomes inoperative shall be appropriated by the Legislature to further the purposes of this Act.

(d) Any section of this Act that becomes inoperative pursuant to this section is hereby repealed one year after the date the section becomes inoperative.

SECTION 4. Severability.

The provisions of this Act are severable. If any portion, section, subdivision, paragraph, subparagraph, clause, sentence, phrase, word, or application of this Act is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this Act. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivision, paragraph, subparagraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional without regard to whether any part of this Act or application thereof would be subsequently declared invalid.

SECTION 5. Conflicting and Non-Conflicting Initiative Measures.

The People of the State of California hereby find and declare:

(a) Conflicting Initiative Measures.

In the event that this initiative measure and another initiative measure or measures that raises state revenues to fund reductions in GHG emissions from transportation and wildfires

appear on the same statewide election ballot, the other initiative measure or measures shall be deemed to be in conflict with this measure. In the event that this initiative measure receives a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other initiative measure or measures shall be null and void.

(b) Non-conflicting Initiative Measures.

(1) This initiative measure is an exercise of the statewide voters' initiative power pursuant to Section 1 of Article IV, and Section 8 of Article II, of the California Constitution.

(2)(A) Other initiative measures that deal with the procedures for the adoption of taxes, fees, and charges by the state Legislature, local legislative bodies, and local voters deal with separate and distinct constitutional powers from the constitutional powers described in paragraph (1). These initiatives include, but are not necessarily limited to, the initiatives initially designated by the Attorney General as Initiative No. 21-0026 and Initiative No. 21-0042.

(B) Other initiative measures that increase taxes on personal incomes to fund programs or efforts not including reductions in GHG emissions from transportation and wildfires deal with separate and distinct subjects. These initiatives include, but are not necessarily limited to, the initiative initially designated by the Attorney General as Initiative No. 21-0022.

(3) For purposes of subdivision (b) of Section 10 of Article II of the California Constitution, because they deal with separate and distinct constitutional powers and separate and distinct subjects, this initiative measure does not conflict with any initiative measure described in paragraph (2). The voters hereby declare that this initiative measure and the initiative measures described in paragraph (2) are *not* competing all-or-nothing alternatives. The voters hereby freely and unequivocally express their intent that if this initiative measure and any of the initiative measures described in paragraph (2) are approved at the same election, that both this initiative measure and the other initiative measure(s) should both be given full force and effect.

(c) If this initiative measure is approved by the voters but superseded in whole or in part by any other conflicting initiative measure approved by the voters at the same election, and such conflicting measure is later held invalid, this measure shall be self-executing and given full force and effect.

SECTION 6. Liberal Construction.

This Act is an exercise of the initiative power of the people of the State of California pursuant to Article II and Article IV of the Constitution, and shall be liberally construed to effectuate the purposes set forth in this Act.

SECTION 7. Standing.

Notwithstanding any other provision of law, if the state or any of its officials fail to defend the constitutionality of this act, following its approval by the voters, any other state or local government agency of this state shall have the authority to intervene on behalf of the State of California in any court action challenging the constitutionality of this act for the purpose of defending its constitutionality, whether that action is in state or federal trial court, on appeal, or on discretionary review by the Supreme Court of California or the Supreme Court of the United States. The reasonable fees and costs of defending the action shall be a charge on funds appropriated to the Department of Justice, which shall be satisfied promptly.