

REQUEST FOR EARLY EFFECTIVE DATE

AMENDMENTS TO THE CALIFORNIA CLEAN AIR ACT NONVEHICULAR SOURCE FEE REGULATIONS

Pursuant to Government Code section 11343.4, the Air Resources Board (ARB) requests that the adoption of sections 90800.75, 90800.9, 90804, and the amendments to sections 90800.8, 90801, 90802, and 90803, title 17, California Code of Regulations (CCR), become effective upon filing with the Secretary of State. Good cause for this request exists.

Since 1989, the ARB has collected \$3 million in fees each year from nonvehicular sources in California (e.g., facilities such as oil refineries and power plants). The fees are used by the ARB to recover the cost of State programs related to nonvehicular sources. In 2003 the Legislature enacted Assembly Bill (AB)10X (Stats. 2003, ch. 1X), which authorizes the ARB to collect additional fees from facilities, and also authorizes the ARB for the first time to collect fees from manufacturers of consumer products and architectural coatings. The final Budget Act of 2003 (Stats. 2003, ch. 157) authorizes the ARB to collect a total of \$17.4 million from these sources for fiscal year 2003-2004, an increase of \$14.4 million from the \$3 million that has been collected annually in previous fiscal years. The fiscal year 2003-2004 budget also decreases the ARB's General Fund allocation by \$14.4 million to offset the increase in fee revenues that will be collected pursuant to AB 10X.

The amendments to the ARB's existing fee regulation create a mechanism to assess and collect the fees authorized by AB 10X. Because of the normal delays associated with the regulatory adoption process, the amendments are not yet legally operative and the ARB has not collected any fees. We are now well into the 2003-2004 fiscal year, and the ARB needs the \$14.4 million in fees as soon as possible to avoid disruption in our programs. Moreover, the ARB cannot send out a formal fee determination notice until after the amended regulations become legally operative, and the regulations allow fee payers 60 days to pay the fee after receiving the notice. This built-in lead time means that the 2003-2004 fiscal year may be almost over before the ARB receives the full amount of the fees. Therefore, the ARB is requesting an early effective date so that we may assess and collect the fees as soon as possible.

Date: _____

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