

**Possible Concept for Regulatory Changes to the  
AB 32 Cost of Implementation Fee  
--Collection Dates and Funding--**

In the ISOR, ARB staff proposed a schedule for the initial round of fee collection that would allow collection of the fee starting in the 2009/10 fiscal year, based on the assumption that the regulation would be approved at the June 2009 Board meeting. Because the Board continued the item at the June meeting, and is now rescheduled for the September meeting, it may not be possible to collect the fee in the 2009/10 fiscal year. For this reason, ARB staff is exploring a revised fee collection schedule that would move the fee collection from the spring to the fall. This approach is described below.

- Annual Billing Cycle
  - Possible change to annual billing timeframe from spring to fall.
  - The original concept was to collect fees for the 2009/2010 fiscal year in the spring of 2010. The change would have ARB send out initial invoices to affected entities approximately 30 days after the state budget is approved, sometime between August and September each year. This would start in fall 2010 for the 2010/2011 fiscal year.
  - No change to remittance timeframe. Once invoices are received, affected entities would have 60 days to make payments. Therefore, fee revenues would be received by fall each year, beginning in 2010.
  - No change to data reporting timeframes.
- Loans, Repayment and Impacts
  - The primary impact of this proposed change would be that an additional year of loan revenue would be needed to support ARB and Cal/EPA implementation of AB 32. This loan authorization is in the current budget--\$35 million from the Beverage Container Recycling Fund. Under the budget language, the loan must be paid back within four years.
  - The second impact will be that the loans previously taken out from fiscal years 2007/2008 and 2008/2009 will continue to accrue interest, which must also be paid back under separate legislative mandate.
  - The original estimate of revenue needed to pay for the ongoing AB 32 programs and loan repayments was approximately \$50 million per year for the first four years. This estimate, included in the ISOR, did not include the \$35 million 2009/2010 BCRF loan.
- Other State Agencies
  - Because the \$35 million loan is only available to ARB and Cal/EPA, other state agencies working on AB 32, including the CEC, CDFA, DGS and CIWMB, will not be funded from the AB 32 administration fee for fiscal year 2009/2010. This would result in lower costs for fiscal year 2009/2010.