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**AB-188 Vehicle retirement and replacement.** (2017-2018)

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**Assembly Bill No. 188**

**CHAPTER 629**

An act to amend Section 44125 of the Health and Safety Code, relating to vehicular air pollution.

[ Approved by Governor October 10, 2017. Filed with Secretary of State October 10, 2017. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 188, Salas. Vehicle retirement and replacement.

(1) Existing law creates the enhanced fleet modernization program to provide compensation for the retirement and replacement of passenger vehicles and light-duty and medium-duty trucks that are high polluters.

This bill would require the State Air Resources Board, no later than July 1, 2019, to update the guidelines for the enhanced fleet modernization program to make applicable to light-duty pickup trucks the same standard for miles per gallon that is applicable to minivans, as specified.

(2) This bill would incorporate additional changes to Section 44125 of the Health and Safety Code proposed by AB 630 to be operative only if this bill and AB 630 are enacted and this bill is enacted last.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

**SECTION 1.** Section 44125 of the Health and Safety Code is amended to read:

**44125.** (a) No later than July 1, 2009, the state board, in consultation with the bureau, shall adopt a program to commence on January 1, 2010, that allows for the voluntary retirement of passenger vehicles and light-duty and medium-duty trucks that are high polluters. The program shall be administered by the bureau pursuant to guidelines adopted by the state board.

(b) No later than June 30, 2015, the state board, in consultation with the bureau, shall update the program established pursuant to subdivision (a). The program shall continue to be administered by the bureau pursuant to guidelines updated and adopted by the state board.

(c) The guidelines shall ensure all of the following:

(1) Vehicles retired pursuant to the program are permanently removed from operation and retired at a dismantler under contract with the bureau.

(2) Districts retain their authority to administer vehicle retirement programs otherwise authorized under law.

(3) The program is available for high polluting passenger vehicles and light-duty and medium-duty trucks that have been continuously registered in California for two years prior to acceptance into the program or otherwise proven to have been driven primarily in California for the last two years and have not been registered in another state or country in the last two years. The guidelines may require a vehicle to take, complete, or pass a smog check inspection.

(4) The program is focused where the greatest air quality impact can be identified.

(5) (A) Compensation for retired vehicles shall be at least one thousand five hundred dollars (\$1,500) for a low-income motor vehicle owner, as defined in Section 44062.1, and no more than one thousand dollars (\$1,000) for all other motor vehicle owners.

(B) Replacement or a mobility option may be an option for all motor vehicle owners and may be in addition to compensation for vehicles retired pursuant to subparagraph (A). For low-income motor vehicle owners, as defined in Section 44062.1, compensation toward a replacement vehicle or mobility option shall be no less than two thousand five hundred dollars (\$2,500). Compensation toward a replacement vehicle for all other motor vehicle owners shall not exceed compensation for low-income motor vehicle owners.

(C) Compensation for either retired or replacement vehicles or a mobility option for low-income motor vehicle owners may be increased as necessary to maximize the air quality benefits of the program while also ensuring participation by low-income motor vehicle owners, as defined in Section 44062.1. Increases in compensation amounts may be based on factors, including, but not limited to, the age of the retired or replaced vehicle, the emissions benefits of the retired or replaced vehicle, the emissions impact of any replacement vehicle, participation by low-income motor vehicle owners, as defined in Section 44062.1, and the location of the vehicle in an area of the state with the poorest air quality.

(6) Cost-effectiveness and impacts on disadvantaged and low-income populations are considered. Program eligibility may be limited on the basis of income to ensure the program adequately serves persons of low or moderate income.

(7) Provisions that coordinate the vehicle retirement and replacement and mobility option components of the program with the vehicle retirement component of the bureau's Consumer Assistance Program, established pursuant to other provisions of this chapter, to ensure vehicle owners participate in the appropriate program to maximize emissions reductions.

(8) Streamlined administration to simplify participation while protecting the accountability of moneys spent.

(9) Specific steps to ensure the vehicle replacement and mobility option component of the program is available in areas designated as federal extreme nonattainment.

(10) A requirement that vehicles eligible for retirement have sufficient remaining life. Demonstration of sufficient remaining life may include proof of current registration, passing a recent smog check inspection, or passing another test similar to a smog check inspection.

(d) When updating the guidelines to the program established pursuant to subdivision (a), the state board shall study and consider all the following elements:

(1) Methods of financial assistance other than vouchers.

(2) An option for automobile dealerships or other used car sellers to accept cars for retirement, provided the cars are dismantled consistent with the requirements of the program.

(3) An incentive structure with varied incentive amounts to maximize program participation and cost-effective emissions reductions.

(4) Increased emphasis on the replacement of high polluters with cleaner vehicles or the increased use of public transit and car sharing that results in the increased utilization of the vehicle replacement and mobility option component of the program.

(5) Increased emphasis on the reduction of greenhouse gas emissions through increased vehicle efficiency or transit and car sharing use as a result of the program.

(6) Increased partnerships and outreach with community-based organizations.

(e) No later than July 1, 2019, the state board shall update the guidelines for the program established pursuant to subdivision (a) to make applicable to light-duty pickup trucks the same standard for miles per gallon that is applicable to minivans. This subdivision shall apply to only purchasers who are retiring a light-duty pickup truck.

(f) For purposes of this section, the following terms have the following meanings:

(1) "Car sharing" has the same definition as in Section 44258.

(2) "Mobility option" means a voucher for public transit or car sharing.

**SEC. 1.5.** Section 44125 of the Health and Safety Code is amended to read:

**44125.** (a) (1) No later than July 1, 2009, the state board, in consultation with the bureau, shall adopt a program to commence on January 1, 2010, that allows for the voluntary retirement of passenger vehicles and light-duty and medium-duty trucks that are high polluters. The program shall be administered by the bureau pursuant to guidelines adopted by the state board.

(2) No later than July 1, 2019, the state board shall update the guidelines for the program established pursuant to this subdivision to make applicable to light-duty pickup trucks the same standard for miles per gallon that is applicable to minivans. This subdivision shall apply to only purchasers who are retiring a light-duty pickup truck.

(b) Beginning in the 2018–19 fiscal year, and every fiscal year thereafter, the state board, in consultation with the bureau, shall set specific, measurable goals for the retirement of passenger vehicles and light- and medium-duty trucks that are high polluters.

(c) (1) The state board, in consultation with the bureau, shall take steps to meet the goals set forth pursuant to subdivision (b). The steps shall include, but need not be limited to, updating the guidelines for both the program and Clean Cars 4 All no later than July 1, 2018.

(2) The program shall continue to be administered by the bureau pursuant to guidelines adopted by the state board.

(d) The guidelines shall ensure all of the following:

(1) Vehicles retired pursuant to the program are permanently removed from operation and retired at a dismantler under contract with the bureau.

(2) Districts retain their authority to administer vehicle retirement programs otherwise authorized by law.

(3) The program is available for high-polluter passenger vehicles and light-duty and medium-duty trucks that have been continuously registered in California for two years prior to acceptance into the program or otherwise proven to have been driven primarily in California for the last two years and have not been registered in another state or country in the last two years. The guidelines may require a vehicle to take, complete, or pass a smog check inspection.

(4) The program is focused where the greatest air quality impact can be identified.

(5) The program is focused on achieving improvements to air quality and benefits to low-income state residents through the retirement of high-polluter passenger motor vehicles owned by low-income state residents.

(6) (A) Compensation for retired vehicles is at least one thousand five hundred dollars (\$1,500) for a low-income motor vehicle owner and not more than one thousand dollars (\$1,000) for all other motor vehicle owners.

(B) Replacement or a mobility option may be an option for all motor vehicle owners and may be in addition to compensation for vehicles retired pursuant to subparagraph (A). For low-income motor vehicle owners, compensation toward a replacement vehicle or mobility option shall be no less than two thousand five hundred dollars (\$2,500). Compensation toward a replacement vehicle for all other motor vehicle owners shall not exceed compensation for low-income motor vehicle owners.

(C) Compensation for either retired or replacement vehicles or a mobility option for low-income motor vehicle owners may be increased as necessary to maximize the air quality benefits of the program while also ensuring participation by low-income motor vehicle owners. Increases in compensation amounts may be based on factors, including, but not limited to, the age of the retired or replaced vehicle, the emissions benefits of the retired or replaced vehicle, the emissions impact of any replacement vehicle, participation by low-income motor vehicle owners, and the location of the vehicle in an area of the state with the poorest air quality.

(7) Cost-effectiveness and impacts on disadvantaged and low-income populations are considered. Program eligibility may be limited on the basis of income to ensure the program adequately serves persons of low or moderate income.

(8) Provisions coordinate the vehicle retirement and replacement and mobility option components of the program with the vehicle retirement component of the bureau's Consumer Assistance Program, established pursuant to other provisions of this chapter, and Clean Cars 4 All to ensure vehicle owners participate in the appropriate program to maximize participation and emissions reductions.

(9) Where applicable, there is improved coordination, integration, and partnerships with other programs that target disadvantaged communities and receive moneys from the Greenhouse Gas Reduction Fund, created pursuant to Section

16428.8 of the Government Code.

(10) Provisions enhance the prescreening of applicants to the program, if determined by the state board to be appropriate.

(11) Specific steps ensure the vehicle replacement and mobility option component of the program is available in areas designated as federal extreme nonattainment.

(12) A requirement that vehicles eligible for retirement have sufficient remaining life. Demonstration of sufficient remaining life may include proof of current registration, completing a recent smog check inspection, or completing another test similar to a smog check inspection.

**SEC. 2.** Section 1.5 of this bill incorporates amendments to Section 44125 of the Health and Safety Code proposed by both this bill and Assembly Bill 630. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2018, (2) each bill amends Section 44125 of the Health and Safety Code, and (3) this bill is enacted after Assembly Bill 630, in which case Section 1 of this bill shall not become operative.