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AB-1644 Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021. (2021-2022)



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Assembly Bill No. 1644

CHAPTER 202

An act to amend Section 38599.11 of the Health and Safety Code, relating to the Greenhouse Gas Reduction Fund, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 29, 2022. Filed with Secretary of State August 29, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1644, Flora. Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021.

The California Global Warming Solutions Act of 2006, establishes the State Air Resources Board as the agency responsible for monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms in regulating greenhouse gas emissions. Existing law requires all moneys, except for fines and penalties, collected by the state board from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available to the state upon appropriation by the Legislature. Existing law, beginning in the 2022-23 fiscal year through the 2028-29 fiscal year, continuously appropriates \$200,000,000 from the fund to the Department of Forestry and Fire Protection for healthy forest and fire prevention programs and projects, and the completion of prescribed fire and other fuel reduction projects.

The California Jobs Plan Act of 2021 (the act) requires the state board to work with the Labor and Workforce Development Agency to update, on or before July 1, 2025, Greenhouse Gas Reduction Fund funding guidelines for administering agencies to ensure that all applicants to grant programs funded by the fund meet specified standards, including fair and responsible employer standards and inclusive procurement policies, as provided. Existing law exempts from these standards applicants for certain types of projects.

This bill would exempt from these standards applicants for projects for healthy forest and fire prevention programs and projects, and the completion of prescribed fire and other fuel reduction projects. The bill would also provide that the act is not intended to weaken preexisting legal protections for workers by excusing compliance with any requirements that would apply in the absence of the act.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. Section 38599.11 of the Health and Safety Code is amended to read:

- **38599.11.** (a) On or before July 1, 2025, the state board shall work with the labor agency to update Greenhouse Gas Reduction Fund funding guidelines for administering agencies to ensure that all applicants to grant programs listed in Section 39719 and funded by the Greenhouse Gas Reduction Fund meet all of the following standards:
 - (1) Fair and responsible employer standards, meaning documented compliance with applicable labor laws and labor-related commitments concerning wages, workplace safety, rights to association and assembly, and nondiscrimination standards.
 - (2) Inclusive procurement policies, meaning applicant procurement policies that prioritize bids from entities that demonstrate the creation of high-quality jobs or the creation of jobs in under-resourced, tribal, and low-income communities, or both the creation of high-quality jobs and the creation of jobs in those communities.
 - (3) Prevailing wage for any construction work funded in part or in full by the grant.
- (b) On and after the adoption of the update pursuant to subdivision (a), all of the following shall apply:
 - (1) Applicants seeking over one million dollars (\$1,000,000) in funding for construction projects shall provide evidence of a community workforce agreement.
 - (2) Administering agencies shall give preference to applicants that demonstrate a partnership with an educational institution or training program targeting residents of under-resourced, tribal, and low-income communities in the same region as the proposed project.
 - (3) Administering agencies shall give preference to applicants that demonstrate that jobs created through the proposed project will be high-quality jobs.
- (c) (1) Applicants for projects that involve federal funding, technical assistance, research, or funding provided pursuant to paragraph (3) or (4) of subdivision (b) of Section 39719 are exempt from this section.
 - (2) This section does not apply to an applicant who is not an employer.
 - (3) (A) This section does not apply to a housing project that will feature 100 percent affordable units, exclusive of a manager's unit or units.
 - (B) For purposes of this subdivision, "affordable unit" means a unit that is subject to a recorded affordability restriction for 55 years and is either of the following:
 - (i) A rental unit dedicated to persons and families of low income, as defined in Section 50093.
 - (ii) An owner-occupied unit dedicated to persons and families of moderate income, as defined in Section 50093.
- (d) For purposes of this section, an applicant shall be responsible for ensuring that any contractors employed in service to the project funded meet the standards the applicant outlines in the applicant's project application.
- (e) In implementing this section, the state board shall work with administering agencies to leverage existing programs and funding to assist applicants with meeting these standards.
- (f) This section, including any exemption from this section, does not excuse applicants from complying with any legal requirements that would apply in the absence of this section.
- **SEC. 2.** The Legislature finds and declares that the amendment made by this bill to Section 38599.11 of the Health and Safety Code is adopted solely to clarify the Legislature's intent in adopting Section 38599.11. Section 38599.11 is not intended to weaken preexisting legal protections for workers by excusing compliance with any requirements that would apply in the absence of Section 38599.11.
- **SEC. 3.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

To ensure the timely delivery of funds to prevent and fight wildfires as soon as possible, by exempting certain projects funded by the Greenhouse Gas Reduction Fund for those purposes from the requirements of the California Jobs Plan Act of 2021, it is necessary that this act take effect immediately.