

## Assembly Bill No. 998

### CHAPTER 821

An act to add Article 9.1 (commencing with Section 41998) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to air quality.

[Approved by Governor October 10, 2003. Filed  
with Secretary of State October 11, 2003.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 998, Lowenthal. Air quality: Nontoxic Dry Cleaning Incentive Program.

Existing law designates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards.

This bill would require the state board to impose a \$3 per gallon fee on every manufacturer of perchloroethylene in the state, and on every person that imports perchloroethylene into the state for use in dry cleaning, and to deposit the revenues generated by that fee in the Nontoxic Dry Cleaning Incentive Trust Fund, which would be established in the State Treasury by the bill. The bill would increase that fee by \$1 each year until 2013, inclusive. The bill would provide that moneys deposited in the fund are available for expenditure by the state board, upon appropriation by the Legislature, to fund a grant program and demonstration program, and would require those programs to be developed by the state board. This bill would require the state board to expend, upon appropriation by the Legislature, moneys sufficient to repay any General Fund moneys expended to implement the programs. The grant program would provide \$10,000 grants to any eligible dry cleaner in the state that utilizes perchloroethylene in its operations to aid its transition to dry cleaning systems determined by the state board, in consultation with certain other entities, to be nontoxic and nonsmog-forming. The bill would require the state board to ensure that 50% of the grant moneys are awarded in a manner that directly reduces air contaminants or reduces the public health risk associated with air contaminants in communities with the most significant exposure to air contaminants or localized contaminants, or both, including communities of minority populations or low-income populations, or both. The bill would require the state board, commencing January 1, 2007, and every 3 years thereafter, to provide a report to the Legislature



evaluating the effectiveness of the grant program. The bill would require the demonstration program to be funded 50% by matching funds.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) State and federal scientific health agencies have determined that perchloroethylene is either a probable, possible, or known carcinogen.

(b) Occupational health studies have found elevated rates of lung, cervical, bladder, and other cancers in dry cleaning workers.

(c) Laboratory studies have found increased numbers of cancerous tumor in animals exposed to perchloroethylene.

SEC. 2. Article 9.1 (commencing with Section 41998) is added to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, to read:

#### Article 9.1. Nontoxic Dry Cleaning Incentive Program

41998. (a) (1) The state board shall impose a three dollar (\$3.00) per gallon fee on every manufacturer of perchloroethylene in the state and on every person that imports perchloroethylene into the state for use in dry cleaning.

(2) The amount of the fee imposed pursuant to paragraph (1) shall increase by one dollar (\$1.00) per gallon on January 1, 2005, and shall increase by one dollar (\$1.00) each subsequent year, until January 1, 2013, inclusive.

(b) Moneys generated by the fee imposed pursuant to subdivision (a) shall be deposited in the Nontoxic Dry Cleaning Incentive Trust Fund, which is hereby established in the State Treasury.

(c) Moneys deposited in the Nontoxic Dry Cleaning Incentive Trust Fund are available for expenditure by the state board, upon appropriation by the Legislature, to fund the grant program described in Section 41999 and to fund the demonstration project described in subdivision (f) of Section 41999. The state board shall allocate, from the moneys derived from the imposition of the fee pursuant to this section, moneys that it determines are sufficient to fund the demonstration project described in subdivision (f) of Section 41999, and shall utilize the remaining moneys to fund the grant program.

(d) Not more than 5 percent of the moneys in the fund, calculated annually, may be utilized by the state board to administer the grant and demonstration programs.

(e) The state board shall expend moneys from the fund, upon appropriation by the Legislature, sufficient to repay any General Fund moneys expended to implement the requirements of this article.



41999. (a) The state board shall develop and establish a grant program that provides incentives for dry cleaners in the state that utilize perchloroethylene in their operations to transition to utilizing dry cleaning systems determined by the state board, in consultation with the Office of Environmental Health Hazard Assessment, the State Water Resources Control Board, the Department of Toxic Substances Control, and any other entity the state board determines to be appropriate, to be nontoxic and nonsmog-forming.

(b) To be eligible for a grant pursuant to this section, applicants shall completely replace their perchloroethylene-based dry cleaning system with a system that the state board, in consultation with the Office of Environmental Health Hazard Assessment, the State Water Resources Control Board, the Department of Toxic Substances Control, and any other entity the state board determines to be appropriate, has determined to be nontoxic and nonsmog-forming. The state board shall determine the eligibility of grant recipients.

(c) The state board shall make grants available in the amount of ten thousand dollars (\$10,000) to any eligible dry cleaning operation for the purchase of a professional dry cleaning system that uses a nontoxic and nonsmog-forming process, as determined by the state board, in consultation with the Office of Environmental Health Hazard Assessment, the State Water Resources Control Board, the Department of Toxic Substances Control, and any other entity the state board determines to be appropriate.

(d) The state board shall ensure that at least 50 percent of the grant moneys provided pursuant to this section are awarded in a manner that directly reduces air contaminants or reduces the public health risk associated with air contaminants in communities with the most significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to, communities of minority populations or low-income populations, or both.

(e) Commencing January 1, 2007, and every three years thereafter, the state board shall provide a report to the Legislature evaluating effectiveness of the grant program.

(f) The state board shall establish a demonstration program to showcase professional nontoxic and nonsmog forming dry cleaning technologies in the state. The demonstration program shall require 50 percent matching funds to cover the costs of the demonstration program. Any entity may contribute monies as matching funds, including, but not limited to, a state or federal agency, an air pollution control district or air quality management district, a public utility district, or a nonprofit entity. Not more than 30 percent of the funds deposited annually in the



Nontoxic Dry Cleaning Incentive Trust Fund may be used for the demonstration program.

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