

# California delays fee tied to climate change law

**Rick Daysog, Sacramento Bee, 7-21-10**

The state, facing a ballot initiative to roll back its landmark climate change law, has pushed back a \$63 million fee to pay for the legislation until after the November elections.

The California Air Resources Board was supposed to begin collecting fees from oil companies, utilities and other energy producers last year to pay for the greenhouse gas reduction law.

But a lawsuit by business organizations and taxpayer advocates – combined with the ongoing state budget crisis – has pushed back the implementation date to November.

"We're disappointed with the delay," said Bonnie Holmes-Gen, senior policy director for the American Lung Association of California. "We need to start the policy of having polluters pay to enact this critical program."

Signed by Gov. Arnold Schwarzenegger in 2006, California's climate change law, or AB 32, aims to reduce carbon emissions statewide by 15 percent by 2020.

Enforcement of the law – which includes additional staffing – will be paid for by fees assessed to oil companies, power companies and other big carbon emitters.

The fee delay comes as the fate of the entire law will be put before voters this fall.

Proposition 23 seeks to suspend the law until the statewide unemployment rate drops to 5.5 percent for four consecutive quarters.

The suspension also would put a hold on the fees.

Critics of AB 32 say the fees add another burden to the already high cost of doing business in California.

"It's just one more cost to be imposed on businesses during a struggling economy," said Anita Mangels, spokeswoman for the Yes on Proposition 23 Committee.

"Those costs ultimately will be passed on to the consumer," Mangels said.

Bill Blackburn, air pollution specialist with the California Air Resources Board, said his agency wanted the fee in place last year.

The plan ran into its first roadblock in May 2009 when the California Chamber of Commerce, California Small Business Alliance, Howard Jarvis Taxpayers Association and the Western States Petroleum Association sued, alleging the agency failed to disclose details about the law's administrative costs.

The state eventually prevailed in the suit. The more recent delays have to do with the budget process, Blackburn said.

Before CARB can assess the fees, its budget and funding have to be approved by the Legislature, which has no budget for the 2010-2011 year.

Once a budget is approved, CARB will have 30 days to issue fee notices to the oil companies, he said.

Until now, costs for administering the law – which have totaled more than \$80 million since 2007 – have been paid from money CARB borrowed from other state program