



STATE OF CALIFORNIA
Franchise Tax Board

Bill Analysis

Author: Becker, et al.

Sponsor:

Bill Number: SB 1203

Related Bills: See Legislative
History

Amended: August 15, 2022

SUBJECT

State Agencies to Establish Net-Zero Emissions of Greenhouse Gases

SUMMARY

Under the Health and Safety Code, to achieve the Legislature's intent to achieve net-zero emissions of greenhouse gases resulting from their operations, this bill would require all state agencies to incorporate actions and investments identified by the Department of General Services (DGS), subject to an appropriation, and would establish a reporting requirement for DGS.

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

The August 15, 2022, amendments removed the Climate Action Team, modified the reporting requirements, shifting the specified responsibilities from each state agency to DGS, and required state agencies, subject to appropriation, to incorporate the actions and investments identified by DGS, and made additional modifications.

This analysis only addresses the provisions that impact the Department.

REASON FOR THE BILL

The reason for this bill is to reduce the state's overall greenhouse gas emissions.

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ANALYSIS

This bill would state the Legislature's intent that all state agencies aim to achieve net-zero emissions of greenhouse gases resulting from their operations, from scope 1 and scope 2 emissions, no later than January 1, 2035, or as soon as feasible thereafter. The scopes are defined as follows:

- "Scope 1 emissions" means all direct emissions from sources that are owned or controlled by the state agency, including, but not limited to, emissions from onsite fossil fuel combustion and fleet fuel consumption.
- "Scope 2 emissions" means all indirect emissions from sources that are owned or controlled by the state agency, including, but not limited to, emissions that result from the generation of electricity, heat, or steam purchased by the state agency from a utility provider.

This bill would require the Franchise Tax Board (FTB) to incorporate required actions and investments identified by DGS into future budget proposals, subject to appropriation by the Legislature, to achieve net-zero emissions of greenhouse gases.

Effective/Operative Date

This bill would become effective and operative January 1, 2023.

Federal/State Law

Federal Law

No comparable provision in federal law.

State Law

No comparable provision in federal law.

Implementation Considerations

None noted.

Technical Considerations

None noted.

Policy Considerations

None noted.

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LEGISLATIVE HISTORY

None noted.

PROGRAM BACKGROUND

According to the CA Air Resource Board (CARB): The Legislature passed the California Global Warming Solutions Act of 2006, which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions. CARB is charged with developing a plan to describe the approach California will take to reduce GHG.

FISCAL IMPACT

The department's costs to implement this bill have yet to be determined and could vary based on requirements established by DGS.

ECONOMIC IMPACT

Revenue Estimate

This bill as amended August 15, 2022 would not impact state income or franchise tax revenue.

LEGAL IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

Support

Per the Senate Floor analysis of SB 1203, dated August 23, 2022, the following organizations are in support of the bill:

350 Bay Area Action, 350 Humboldt: Grass Roots Climate Action, 350 Silicon Valley, Acterra, California Climate Reality Coalition, California Efficuency + Demand Management Council, California Environmental Voters, Carbon Free Palo Alto, Carbon Free Silicon Valley, Central Coast Energy Services, Clean Power Campaign, Clean Water Action, Climate Reality Project - Riverside County Chapter, Climate Reality Project- San Fernando Valley, CA Chapter, Climate Reality Project-Silicon Valley Chapter, Elders Climate Action- NorCal Chapter, Elders Climate Action-SoCal Chapter, Environment California,

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Environmental Defense Fund, Friends Committee on Legislation of California, Menlo Spark, Natural Resources Defense Council, NextGen California, Peninsula Clean Energy, Silicon Valley Youth Climate Action

Opposition

Per the Senate Floor analysis of SB 1203, dated August 23, 2022, there is no opposition on file.

ARGUMENTS

Proponents

The Senate Floor analysis dated August 23, 2022, includes the following argument in support of SB 1203:

A coalition of supporters write that, "SB 1203 requires all of our state agencies to aim to achieve net-zero from their own operations by 2035, 10 years ahead of the 2045 goal set for the state under Governor Brown's Executive Order B-55-18. That means reducing emissions from state agencies' buildings and vehicles and from the electricity that they consume. Doing so will help demonstrate how net-zero can be achieved, create myriad public health and air quality benefits, drive early demand for the solutions that the whole economy will need eventually, and reduce the costs of those solutions so that getting to net zero by 2045 will be less expensive for the state's residences and businesses."

Opponents

None Noted.

LEGISLATIVE CONTACT

FTBLegislativeServices@ftb.ca.gov