

SENATE BILL SB-69

Introduced by Senator Susan Rubio (D-22)

An act relating to Warehouse Clean Air Act.

LEGISLATIVE COUNSEL'S DIGEST

SB-69, Susan Rubio (D-22). Warehouse Clean Air Act.

Under existing law, AB 98 (2024) created statewide rules for where warehouses can be built and how they have to be designed, for example how far they must be in proximity to homes and schools and where trucks can go in and out. But AB 98 does not do anything to address the pollution that comes from this truck corridor.

In 2021, the South Coast Air Quality Management District passed Rule 2305, which makes bigger warehouses in its area responsible for the truck pollution they create in the area. Warehouses can meet the guidelines by either cutting pollution, like using electric yard equipment or using truck chargers, or by paying a fee instead. The rule was challenged in federal court and the court upheld the rule. The problem stands that this rule only applies in the South Coast region, so a warehouse in another part of California does not have to do any of this.

This bill would have the State Air Resources Board make a statewide rule for large warehouses based on Rule 2305. Each warehouse would get an annual requirement based on how much truck traffic it has. A warehouse could meet the requirement by doing things from a list in the bill, or by paying a fee into a new Community Air Fund.

Money from the fund would have to be spent within 10 miles of the warehouse that paid it, and at least 60 percent would have to go to the communities that are most affected by the pollution.

The State Air Resources Board would write the rule, and local air districts would be in charge of enforcing it. Air districts could charge warehouses fees to pay for running the program.

This bill would also take \$12,000,000 from the Greenhouse Gas Reduction Fund. \$2,000,000 would go to the State Air Resources Board to create the rule, and \$10,000,000 would go into the Community Air Fund so that projects can start before any fees come in.

Vote: 2/3rds. **Appropriations/fiscal:** yes. **Local program:** no.

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

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

(a) According to the Attorney General's Environmental Justice Bureau, more than 150 million square feet of warehouse and industrial space was built in the Inland Empire between 2009 and 2019.

(b) Warehouses themselves do not create much pollution, but the diesel trucks that come to them do. One large warehouse can have hundreds of trucks coming and going every day.

(c) Breathing diesel pollution is linked to asthma in children and to kids' lungs not developing as well as they should. The South Coast Air Basin still does not meet federal clean air standards.

(d) Most new warehouses have been built in lower-income communities where many Latino and Black families live. These families are paying for the goods movement system with their health, even though the whole state benefits from it.

(e) Rule 2305 shows that this kind of program can work and can hold up in court. Making it statewide would help clean up the air in other parts of California and would make the rules fair for warehouses everywhere in the state.

SEC. 2. Section 40730 is added to the Health and Safety Code, to read:

40730. (a) For purposes of this section:

(1) "Covered warehouse" means a building that is 100,000 square feet or bigger and is used to store goods before they are shipped out.

(2) "Expansion" means making the warehouse bigger. Increasing truck traffic counts as an expansion even if no new construction happens.

(3) "Sensitive receptor" has the same meaning as in Section 65098 of the Government Code.

(4) "State board" means the State Air Resources Board.

(b) By January 1, 2028, the state board shall adopt a standard that gives each covered warehouse an annual requirement based on how much truck traffic it has.

(c) A covered warehouse can meet its requirement by doing any of the following, or a combination of them:

(1) Adopting zero-emission yard equipment.

(2) Putting in charging stations for heavy-duty zero-emission trucks.

(3) Putting in solar panels on site.

(4) Putting air filtration systems in homes, schools, or child care facilities within 1,000 feet of the warehouse.

(5) Planting trees and vegetation buffers between the warehouse and the nearest sensitive receptor.

(6) Paying a mitigation fee into the Community Air Fund.

(d) A covered warehouse can also choose to submit its own compliance plan, which the state board has to approve.

(e) If a covered warehouse has an expansion, the state board shall recalculate the warehouse's annual requirement.

(f) Nothing in this section allows the state to close an existing warehouse or deny a permit for a new one.

SEC. 3. (a) The Community Air Fund is created in the State Treasury. All mitigation fees and penalties collected under Section 40730 shall go into the fund.

(b) Money from the fund shall be spent within 10 miles of the warehouse that paid it.

(c) At least 60 percent of the money spent each year shall be spent in census tracts that are in the top 25 percent for pollution burden on CalEnviroScreen.

(d) The money can be used for air filters, zero-emission vehicles and equipment, charging stations, planting trees and vegetation buffers, and asthma screenings in the community.

SEC. 4. (a) Each air pollution control district and air quality management district shall be in charge of carrying out and enforcing the standard in Section 40730 in its area.

(b) A district may charge covered warehouses fees that are enough to pay for the reasonable costs of running the program.

(c) Covered warehouses that were already operating before January 1, 2028, shall have until January 1, 2029, to meet their first yearly requirement.

(d) This section does not apply to warehouses used to store agricultural products.

SEC. 5. (a) Twelve million dollars (\$12,000,000) is appropriated from the Greenhouse Gas Reduction Fund to the State Air Resources Board for this act.

(b) Of that \$12,000,000:

(1) Two million dollars (\$2,000,000) shall be used to create the standard required by Section 40730 and to help air districts during the first year of the program.

(2) Ten million dollars (\$10,000,000) shall be moved into the Community Air Fund and spent according to Section 3 of this act.

(c) After the first full year of collecting fees, the program shall pay for itself through the fees and mitigation payments in this act, and no more state money is expected to be needed.