



915 Capitol Mall, Room 457
Sacramento, CA 95814
p (916) 651-8157
f (916) 657-4821
caeatfa@treasurer.ca.gov
www.treasurer.ca.gov/caeatfa

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July 22, 2016

**California Alternative Energy and
Advanced Transportation Financing Authority
Sales and Use Tax Exclusion Program**

Notice of Emergency Regulations

The California Alternative Energy and Advanced Transportation Financing Authority (“Authority” or “CAEATFA”) organized and operating pursuant to Division 16 (commencing with Section 26000) of the California Public Resources Code proposes to adopt the proposed emergency regulations after considering all comments, objections, and recommendations regarding the proposed action.

The proposed regulations will incorporate Recycled Feedstock projects, as authorized by Assembly Bill 199 (Eggman, Chapter 768, Statutes of 2015), into the existing sales and use tax exclusion program for Alternative Source, Advanced Transportation, and Advanced Manufacturing projects (the “Program”). These regulations will also further clarify and specify the provisions set forth in statute, and address “lessons learned” from earlier implementation of the Program, including the Program’s unprecedented oversubscription. These regulations will amend Sections 10031, 10032, 10033, 10035, and 10036 of Division 13 of Title 4 of the California Code of Regulations.

Government Code Section 11346.1(a)(2) requires that at least five working days prior to submission of the proposed emergency regulations action to the Office of Administrative Law (OAL), the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency regulations to OAL, OAL shall allow interested parties five (5) calendar days to submit comments on the proposed emergency regulations as set forth in Government Code Section 11349.6. Upon filing, OAL will have ten (10) calendar days within which to review and make a decision on the proposed emergency rulemaking package. If approved, OAL will file the regulations with the Secretary of State, and the emergency regulations will become effective for one hundred and eighty (180) days. Within the 180-day effective period, CAEATFA will proceed with regular rulemaking action, including a public comment period. The emergency regulations will remain in effect during this rulemaking action.

In accordance with its authority under California Public Resources Code 26009, CAEATFA is proposing to adopt the regulation as emergency regulations. Attached to this Notice is the specific regulatory language of CAEATFA's proposed regulatory action and the Finding of Emergency. You may also review the proposed regulatory action and the Finding of Emergency on CAEATFA's website at the following address: <http://www.treasurer.ca.gov/caeatfa/stc/regulations/index.asp>.

If you prefer to receive a hard copy of the proposed emergency regulation, please contact Alejandro Ruiz at (916) 651-5101 and a copy will be provided at no cost.

The proposed regulations were reviewed at a public workshop on June 22, 2016, and approved by the CAEATFA Board at a public meeting held on July 19, 2016 at 10:30 A.M. in, 801 Capitol Mall, Room 150, Sacramento, CA 95814.

If you have any questions regarding this proposed emergency action please contact Alejandro Ruiz at (916) 651-5101 or aruiz@treasurer.ca.gov.

Sincerely,



Deana J. Carrillo
Executive Director

Attachments: Proposed Text of Regulations
Finding of Emergency

cc: Robert Hedrick, CAEATFA Legal Counsel