

AMENDED IN ASSEMBLY APRIL 15, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 892**

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**Introduced by Assembly Member Furutani**

February 26, 2009

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An act to amend ~~Section 39626.5~~ *Sections 39626.5 and 39627.5* of the Health and Safety Code, relating to air pollution, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 892, as amended, Furutani. Goods Movement Emission Reduction Program.

Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, general election, authorizes the issuance of general obligation bonds for various transportation-related purposes, including reducing emissions and improving air quality in trade corridors. The State Air Resources Board is required to allocate the funds to be used for air quality purposes pursuant to specified requirements. No project can be funded unless the project is sponsored by an applicant, as defined. Returned funds or unspent funds from obligated contracts received by the applicant prior to the end of a requirement to liquidate funds within 4 years of the date of the award of a contract between the applicant and a contractor revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation upon appropriation by the Legislature.

This bill would authorize the applicant to ~~reallocate~~ *award* these funds to ~~backup other projects covered by~~ *listed in* the same grant agreement

as approved by the state board, ~~or if not awarded, the bill would require~~ these funds ~~revert to be returned~~ to the state board for reallocation to an applicant consistent with guidelines to be developed by the state board. Funds ~~reallocated either awarded by the applicant or the state board must~~ would be required to be liquidated within 4 years of the date of the award of the original contract, ~~or if not awarded, the bill would require~~ the funds to revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation upon appropriation by the Legislature.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
 State-mandated local program: no.

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

1 SECTION 1. Section 39626.5 of the Health and Safety Code  
 2 is amended to read:  
 3 39626.5. (a) A project shall not be funded pursuant to this  
 4 chapter unless both of the following requirements are met:  
 5 (1) The project is sponsored by an applicant.  
 6 (2) The project is consistent with any comprehensive local or  
 7 regional plans or strategies to reduce emissions from goods  
 8 movement activities in its jurisdiction.  
 9 (b) Notwithstanding Section 16304.1 of the Government Code,  
 10 an applicant receiving funds pursuant to this chapter shall have up  
 11 to two years from the date that the funds are allocated to the  
 12 applicant *pursuant to a grant agreement* to award the contract for  
 13 implementation of ~~the~~ a project, or the funds shall revert to the  
 14 California Ports Infrastructure, Security, and Air Quality  
 15 Improvement Account for allocation as provided in paragraph (2)  
 16 of subdivision (c) of Section 8879.23 of the Government Code  
 17 upon appropriation by the Legislature. Funds not liquidated within  
 18 four years of the date of the award of the contract between the  
 19 applicant and the contractor shall revert to the California Ports  
 20 Infrastructure, Security, and Air Quality Improvement Account  
 21 for allocation as provided in paragraph (2) of subdivision (c) of  
 22 Section 8879.23 of the Government Code upon appropriation by  
 23 the Legislature. Returned funds or unspent funds from obligated  
 24 contracts received by the applicant prior to the end of the four-year  
 25 liquidation period may be ~~reallocated~~ awarded by the applicant to  
 26 fund other projects listed in the same ~~contract award~~ approved by

1 *the state board*, or shall be returned to the state board for  
2 reallocation *to an applicant* by the state board pursuant to  
3 guidelines developed and adopted by the state board through a  
4 public process. These guidelines shall give first priority to projects  
5 that are both in the same emission source category and in the same  
6 trade corridor as the original project, and second priority to projects  
7 that are only in the same trade corridor as the original project. All  
8 funds ~~reallocated either~~ *awarded* by the applicant ~~or the state board~~  
9 shall be liquidated within four years of the date of the award of  
10 the original contract. ~~Funds not liquidated within these four years~~  
11 *or* shall revert to the California Ports Infrastructure, Security, and  
12 Air Quality Improvement Account for allocation provided in  
13 paragraph (2) of subdivision (c) of Section 8879.23 of the  
14 Government Code upon appropriation by the Legislature.

15 *(c) Notwithstanding Section 16304.1 of the Government Code,*  
16 *the state board is not required to disburse to the applicant funds*  
17 *appropriated to the state board pursuant to this chapter until the*  
18 *applicant is ready to transfer funds to the contractor for*  
19 *liquidation.*

20 (e)

21 *(d) Of the amount appropriated in Item 3900–001–6054 of the*  
22 *Budget Act of 2007, not more than twenty-five million dollars*  
23 *(\$25,000,000) shall be available to the state board for the purpose*  
24 *of executing grant agreements directly with ports, railroads, or*  
25 *local air districts for eligible projects to achieve the earliest possible*  
26 *health risk reduction from the emission sources identified in*  
27 *subdivision (c) of Section 39625.1. It is the intent of the Legislature*  
28 *that funds allocated pursuant to this subdivision be distributed*  
29 *pursuant to the guidelines adopted by the state board under Section*  
30 *39626, and that the state board provide sufficient opportunity for*  
31 *the public to review and comment on any projects proposed to be*  
32 *funded pursuant to this subdivision.*

33 *SEC. 2. Section 39627.5 of the Health and Safety Code is*  
34 *amended to read:*

35 39627.5. The state board shall submit an annual report to the  
36 Legislature summarizing its activities related to the administration  
37 of this chapter with the Governor’s proposed budget, on January  
38 10, for the ensuing fiscal year. The summary shall, at a minimum,  
39 include a description of projects funded pursuant to this chapter,  
40 the amount of funds allocated for each project, the location of each

1 project, the status of each project, and a quantitative description  
2 of the emissions reductions achieved through the project or  
3 program. *The state board shall include in this report a description*  
4 *of any changes to the scope of grant agreements entered into to*  
5 *allocate funds to an applicant or changes to the award amounts*  
6 *described in a grant agreement.*

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