

## Assembly Bill No. 892

### CHAPTER 483

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

[Approved by Governor October 11, 2009. Filed with  
Secretary of State October 11, 2009.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 892, 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 award these unspent or returned funds to other equipment projects included on the same competitively ranked list approved by the state board pursuant to the grant agreement, or, if there are no other eligible projects included on that list, these funds would be returned to the state board for reallocation to an applicant consistent with guidelines to be developed by the state board. Funds awarded by the applicant would be required to be liquidated within 4 years of the date of the award of the original contract or the funds would revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation upon appropriation by the Legislature.

Appropriation: yes.

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

SECTION 1. Section 39626.5 of the Health and Safety Code is amended to read:

39626.5. (a) A project shall not be funded pursuant to this chapter unless both of the following requirements are met:

(1) The project is sponsored by an applicant.

(2) The project is consistent with any comprehensive local or regional plans or strategies to reduce emissions from goods movement activities in its jurisdiction.

(b) Notwithstanding Section 16304.1 of the Government Code, an applicant receiving funds pursuant to this chapter shall have up to two years from the date that the funds are allocated to the applicant pursuant to a grant agreement to award the contract for implementation of a project, or the funds shall revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation as provided in paragraph (2) of subdivision (c) of Section 8879.23 of the Government Code upon appropriation by the Legislature. Funds not liquidated within four years of the date of the award of the contract between the applicant and the contractor shall revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation as provided in paragraph (2) of subdivision (c) of Section 8879.23 of the Government Code upon appropriation by the Legislature. Returned funds or unspent funds from obligated contracts received by the applicant prior to the end of the four-year liquidation period may be awarded by the applicant to fund other equipment projects included on the same competitively ranked list approved by the state board pursuant to the grant agreement, or, if there are no other eligible projects included on that list, shall be returned to the state board for reallocation to an applicant by the state board pursuant to guidelines developed and adopted by the state board through a public process. These guidelines shall give first priority to projects that are both in the same emission source category and in the same trade corridor as the original project, and second priority to projects that are only in the same trade corridor as the original project. All funds awarded by the applicant shall be liquidated within four years of the date of the award of the original contract or shall revert to the California Ports Infrastructure, Security, and Air Quality Improvement Account for allocation provided in paragraph (2) of subdivision (c) of Section 8879.23 of the Government Code upon appropriation by the Legislature.

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

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

39627.5. The state board shall submit an annual report to the Legislature summarizing its activities related to the administration of this chapter with

the Governor's proposed budget, on January 10, for the ensuing fiscal year. The summary shall, at a minimum, include a description of projects funded pursuant to this chapter, the amount of funds allocated for each project, the location of each project, the status of each project, and a quantitative description of the emissions reductions achieved through the project or program. The state board shall include in this report a description of any changes to the scope of grant agreements entered into to allocate funds to an applicant or changes to the award amounts described in a grant agreement.

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