

AMENDED IN ASSEMBLY MAY 24, 2013

AMENDED IN ASSEMBLY APRIL 3, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1081

Introduced by Assembly Member Medina
(Coauthors: Assembly Members Ian Calderon, Garcia, and V. Manuel Perez)

February 22, 2013

An act to amend Sections 13101, 13102, and 13996.55 and 13102 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1081, as amended, Medina. Economic development: goods-movement-related infrastructure.

~~(1) Existing~~

Existing law requires the Governor, in conjunction with the Governor's Budget, to submit annually to the Legislature a proposed 5-year infrastructure plan containing specified information concerning infrastructure needed by state agencies, public schools, and public postsecondary educational institutions, and a proposal for funding the needed infrastructure.

This bill would require the infrastructure plan to include information related to infrastructure identified by state and federal transportation authorities and recommendations for private sector financing, as specified.

~~(2) Existing law requires the Director of the Governor's Office of Business and Economic Development to provide the Legislature a strategy for international trade and investment, as provided.~~

~~This bill would require that strategy to include the identification of trade-related infrastructure enhancements to support the state’s international trade policies, programs, and services.~~

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

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

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

3 (a) California is the ninth largest economy in the world with a
4 state gross product of over \$1.9 trillion in 2011. As a global
5 economy, international trade-related commerce represents
6 approximately one-quarter of California’s economy. If California
7 were a country, it would be the 11th largest exporter in the world.
8 In 2011, California exported \$159 billion in products through
9 California ports to 220 foreign destinations, which accounted for
10 over 11 percent of total United States exports in goods.

11 (b) California’s significance in the global marketplace results
12 from a variety of factors, including its strategic west coast location,
13 providing direct access to the growing markets in Asia; its diverse
14 regional economies; its large, ethnically diverse population,
15 representing both a ready workforce and significant consumer
16 base; its access to a wide variety of venture and other private
17 capital; its broad base of small- and medium-sized businesses; and
18 its culture of innovation and entrepreneurship, particularly in the
19 area of high technology.

20 (c) California’s largest industry sector is trade, transportation,
21 and utilities, which encompasses everything from major retail
22 outlets, to import-export businesses, to transportation and
23 warehousing. Manufacturing, of course, is the cornerstone to the
24 industry sector. California leads the nation in export-related jobs.
25 The United States Department of Commerce estimates that for
26 every one million dollars of increased trade activity, 11 new jobs
27 are supported. Workers in trade-related jobs earn on average 13
28 percent to 28 percent higher wages than the national average.
29 One-fifth of all manufacturing workers in California depend on
30 exports for their jobs.

31 (d) It is the state’s ~~goods-movement-related-infrastructure~~
32 *goods-movement-related infrastructure* network that allows raw

1 materials and semimanufactured products to reach other
2 manufacturers and assemblers and then move on to California
3 ports for export to other nations or across the United States.
4 California’s competitiveness is dependent upon the efficient
5 connectivity between differing modes of transportation, including
6 highways, waterways, rail, and air.

7 (e) Much of this infrastructure is, however, over 30 years old
8 and requires maintenance as well as improvements and expansion
9 to accommodate the state’s population growth and evolving policy
10 priorities. Inclusion of goods-movement-related infrastructure
11 within the state’s five-year plan would enhance the state’s ability
12 to develop a more efficient goods movement and logistical network,
13 attract private capital, and support the retention and expansion of
14 jobs.

15 SEC. 2. Section 13101 of the Government Code is amended
16 to read:

17 13101. As used in this article:

18 (a) “Goods-movement-related infrastructure” means air, water,
19 land, and sea port of entry facilities, roads, rail, and other facilities
20 and infrastructure projects that move goods, energy, and
21 information.

22 (b) “Infrastructure” means real property, including land and
23 improvements to the land, structures, and equipment integral to
24 the operation of structures, easements, rights-of-way, and other
25 forms of interest in property, roadways, and water conveyances.

26 SEC. 3. Section 13102 of the Government Code is amended
27 to read:

28 13102. In conjunction with the Governor’s Budget submitted
29 pursuant to Section 13337, the Governor shall submit annually a
30 proposed five-year infrastructure plan to the Legislature. This plan
31 shall cover a five-fiscal-year period beginning with the fiscal year
32 that is the same as that covered by the Governor’s Budget with
33 which it is being submitted.

34 The infrastructure plan shall contain the following information
35 for the five years that it covers:

36 (a) (1) Identification of new, rehabilitated, modernized,
37 improved, or renovated infrastructure requested by state agencies.

38 (2) Aggregate funding for transportation as identified in the
39 five-year State Transportation Improvement Program Fund
40 Estimate prepared pursuant to Sections 14524 and 14525.

1 (3) Infrastructure needs for kindergarten ~~through grade 12~~ and
2 *grades 1 to 12, inclusive*, public schools necessary to accommodate
3 increased enrollment, class size reduction, and school
4 modernization.

5 (4) The instructional and instructional support facilities needs
6 for the University of California, the California State University,
7 and the California Community Colleges.

8 (5) Identification of new, rehabilitated, modernized, improved,
9 or renovated infrastructure identified by state or federal agencies
10 or regional transportation agencies, not otherwise identified in
11 paragraph (2), that directly relates to enhancing the movement of
12 goods.

13 (b) The estimated cost of providing the infrastructure identified
14 in subdivision (a).

15 (c) A proposal for funding the infrastructure identified in
16 subdivision (a), that includes all of the following:

17 (1) Criteria and priorities used to identify and select the
18 infrastructure it does propose to fund, including criteria used to
19 identify and select infrastructure that by January 1, 2005, shall be
20 consistent with the state planning priorities specified pursuant to
21 Section 65041.1 for infrastructure requested by state agencies
22 pursuant to paragraph (1) of subdivision (a).

23 (2) Sources of funding, including, but not limited to, General
24 Fund, state special funds, federal funds, general obligation bonds,
25 lease revenue bonds, and installment purchases.

26 (3) An evaluation of the impact of the new state debt on the
27 state's existing overall debt position if the plan proposes the
28 issuance of new state debt.

29 (4) (A) Recommended specific projects for funding or the
30 recommended type and amount of infrastructure to be funded in
31 order to meet programmatic objectives that shall be identified in
32 the proposal.

33 (5) For goods-movement-related infrastructure, the plan shall
34 also include recommendations for private sector financing
35 including, but not limited to, public pension fund investors, private
36 sector investors, and commercial and industrial users that would
37 benefit from the enhanced logistical network.

38 (B) Any capital outlay or local assistance appropriations
39 intended to fund infrastructure included in the Governor's Budget

1 shall derive from, and be encompassed by, the funding proposal
2 contained in the plan.

3 (d) Eligible goods-movement-related infrastructure shall also
4 be submitted to infrastructure financing exchanges, including, but
5 not limited to, the West Coast Infrastructure Exchange.

6 ~~SEC. 4. Section 13996.55 of the Government Code is amended~~
7 ~~to read:~~

8 ~~13996.55. (a) The Director of the Governor's Office of~~
9 ~~Business and Economic Development shall provide to the~~
10 ~~Legislature, not later than February 1, 2014, a strategy for~~
11 ~~international trade and investment that, at a minimum, includes~~
12 ~~all of the following:~~

13 ~~(1) Policy goals, objectives, and recommendations necessary~~
14 ~~to implement a comprehensive international trade and investment~~
15 ~~program for the State of California. This information shall be~~
16 ~~provided in a fashion that clearly indicates priority within the~~
17 ~~overall strategy.~~

18 ~~(2) Measurable outcomes and timelines for the goals, objectives,~~
19 ~~and actions for the international trade and investment program.~~

20 ~~(3) Identification of impediments for achieving goals and~~
21 ~~objectives.~~

22 ~~(4) Identification of key stakeholder partnerships that will be~~
23 ~~used in implementing the strategy.~~

24 ~~(5) Identification of options for funding recommended actions.~~

25 ~~(6) Identification of an international trade and investment~~
26 ~~organizational structure for the state administration of international~~
27 ~~trade and investment policies, programs, and services.~~

28 ~~(7) Identification of trade-related infrastructure enhancements~~
29 ~~to support the state's international trade policies, programs, and~~
30 ~~services.~~

31 ~~(b) The strategy shall be submitted to the Chief Clerk of the~~
32 ~~Assembly and the Secretary of the Senate. A copy of the strategy~~
33 ~~shall be provided to the Speaker of the Assembly, the President~~
34 ~~pro Tempore of the Senate, and the chairs of the Assembly~~
35 ~~Committee on Jobs, Economic Development, and the Economy~~
36 ~~and the Senate Committee on Business, Professions and Economic~~
37 ~~Development, or the successor committees with jurisdiction over~~
38 ~~international trade and economic development programs.~~

39 ~~(c) The strategy shall be updated pursuant to the procedures of~~
40 ~~this section at least once every five years.~~

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