

AMENDED IN SENATE MARCH 27, 2014

SENATE BILL

No. 1228

Introduced by Senator Hueso

February 20, 2014

An act to amend ~~Section 63021.5 of the Government Code, relating to the Infrastructure and Economic Development Bank.~~ *add Chapter 4.8 (commencing with Section 2192) to Division 3 of the Streets and Highways Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1228, as amended, Hueso. ~~Infrastructure and Economic Development Bank.~~ *Trade Corridors Improvement Fund.*

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, statewide general election, provides for transfer of \$2 billion of bond proceeds to the Trade Corridors Improvement Fund, created by the bond act, for infrastructure improvements along federally designated Trade Corridors of National Significance, to be allocated by the California Transportation Commission to eligible projects, as specified.

This bill would continue the Trade Corridors Improvement Fund in existence for the purpose of receipt and expenditure of revenues from sources other than the bond act. The bill would provide for allocation of these revenues, upon appropriation, by the California Transportation Commission for largely similar purposes as the bond act funds, but would specifically reference, as eligible projects, infrastructure improvements that benefit the state's land ports of entry. In that regard, the bill would also omit references to infrastructure improvements relating to goods movement to and from airports. The bill, to the extent

funds are transferred to the Trade Corridors Improvement Fund from the Greenhouse Gas Reduction Fund, would require projects funded with those funds to demonstrate how they will reduce greenhouse gas emissions consistent with the goals and objectives of the Greenhouse Gas Reduction Fund.

~~Existing law creates the Infrastructure and Economic Development Bank within the Governor's Office of Business and Economic Development. Existing law requires the bank to be governed, and its corporate power exercised, by a board of directors, as specified.~~

~~This bill would make technical, nonsubstantive changes to this law.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~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 that*
2 *international trade in California is an increasingly important*
3 *component of the state's \$2 trillion economy. In 2013, California*
4 *exported \$168 billion in products, an increase of more than 4*
5 *percent over the amount exported in 2012. California has five*
6 *major land ports of entry, yielding \$535.9 billion in economic*
7 *activity in 2012. California is also home to 11 seaports on over*
8 *1,000 miles of coastline. Seaports generate billions of dollars in*
9 *economic activity and millions of jobs. Land ports of entry and*
10 *seaports create busy borders and harbors with heavy industrial*
11 *commerce. It is imperative that safety issues and pollution*
12 *generated by trade are mitigated in order to reduce those impacts*
13 *and to allow additional growth in international trade.*

14 *SEC. 2. Chapter 4.8 (commencing with Section 2192) is added*
15 *to Division 3 of the Streets and Highways Code, to read:*

16
17 *CHAPTER 4.8. TRADE CORRIDORS IMPROVEMENT FUND*
18

19 2192. (a) *The Trade Corridors Improvement Fund, created*
20 *pursuant to subdivision (c) of Section 8879.23 of the Government*
21 *Code, is hereby continued in existence to receive revenues from*
22 *sources other than the Highway Safety, Traffic Reduction, Air*
23 *Quality, and Port Security Bond Act of 2006. This chapter shall*
24 *govern expenditure of those other revenues.*

1 ***(b) The moneys in the fund from those other sources shall be***
2 ***available upon appropriation for allocation by the California***
3 ***Transportation Commission for infrastructure improvements in***
4 ***this state on federally designated Trade Corridors of National and***
5 ***Regional Significance, on the Primary Freight Network, and along***
6 ***other corridors that have a high volume of freight movement, as***
7 ***determined by the commission. In determining the projects eligible***
8 ***for funding, the commission shall consult the trade infrastructure***
9 ***and goods movement plan submitted to the commission by the***
10 ***Secretary of Transportation and the Secretary for Environmental***
11 ***Protection. The commission shall also consult trade infrastructure***
12 ***and goods movement plans adopted by regional transportation***
13 ***planning agencies, adopted regional transportation plans required***
14 ***by state and federal law, and the statewide port master plan***
15 ***prepared by the California Marine and Intermodal Transportation***
16 ***System Advisory Council (Cal-MITSAC) pursuant to Section 1730***
17 ***of the Harbors and Navigation Code, when determining eligible***
18 ***projects for funding. Eligible projects for these funds include, but***
19 ***are not limited to, all of the following:***

20 ***(1) Highway capacity improvements and operational***
21 ***improvements to more efficiently accommodate the movement of***
22 ***freight, particularly for ingress and egress to and from the state's***
23 ***land ports of entry and seaports, including navigable inland***
24 ***waterways used to transport freight between land ports of entry***
25 ***and seaports and between seaports, and to relieve traffic***
26 ***congestion along major trade or goods movement corridors.***

27 ***(2) Freight rail system improvements to enhance the ability to***
28 ***move goods from land ports of entry and seaports to warehousing***
29 ***and distribution centers throughout California, including projects***
30 ***that separate rail lines from highway or local road traffic, improve***
31 ***freight rail mobility through mountainous regions, relocate rail***
32 ***switching yards, and other projects that improve the efficiency***
33 ***and capacity of the rail freight system.***

34 ***(3) Projects to enhance the capacity and efficiency of land ports***
35 ***of entry and seaports.***

36 ***(4) Truck corridor improvements, including dedicated truck***
37 ***facilities or truck toll facilities.***

38 ***(5) Border access improvements that enhance goods movement***
39 ***between California and Mexico and that maximize the state's***

1 ability to access coordinated border infrastructure funds made
2 available to the state by federal law.

3 (c) (1) The commission shall allocate funds for trade
4 infrastructure improvements from the fund in a manner that (A)
5 addresses the state's most urgent needs, (B) balances the demands
6 of various land ports of entry and seaports, between large and
7 small land ports of entry and small and large seaports, as well as
8 between land ports of entry and seaports, (C) provides reasonable
9 geographic balance between the state's regions, and (D) places
10 emphasis on projects that improve trade corridor mobility while
11 reducing emissions of diesel particulate and other pollutant
12 emissions.

13 (2) In addition, the commission shall also consider the following
14 factors when allocating these funds:

15 (A) "Velocity," which means the speed by which large cargo
16 would travel from the land port of entry or seaport through the
17 distribution system.

18 (B) "Throughput," which means the volume of cargo that would
19 move from the land port of entry or seaport through the distribution
20 system.

21 (C) "Reliability," which means a reasonably consistent and
22 predictable amount of time for cargo to travel from one point to
23 another on any given day or at any given time in California.

24 (D) "Congestion reduction," which means the reduction in
25 recurrent daily hours of delay to be achieved.

26 (d) To the extent moneys from the Greenhouse Gas Reduction
27 Fund, attributable to the auction or sale of allowances as part of
28 a market-based compliance mechanism relative to reduction of
29 greenhouse gas emissions, are transferred to the Trade Corridors
30 Improvement fund, projects funded with those moneys shall
31 demonstrate how they will reduce emissions consistent with the
32 goals and objectives of the Greenhouse Gas Reduction Fund.

33 (e) The commission shall allocate funds made available by this
34 section to projects that have identified and committed supplemental
35 funding from appropriate local, federal, or private sources. The
36 commission shall determine the appropriate amount of
37 supplemental funding each project should have to be eligible for
38 moneys from the fund based on a project-by-project review and
39 an assessment of the project's benefit to the state and the program.
40 Except for border access improvements described in paragraph

1 (5) of subdivision (b), improvements funded with moneys from the
2 fund shall have supplemental funding that is at least equal to the
3 amount of the contribution from the fund. The commission may
4 give priority for funding to projects with higher levels of committed
5 supplemental funding.

6 (f) The commission shall include in its annual report to the
7 Legislature, required by Section 14535 of the Government Code,
8 a summary of its activities related to the administration of this
9 section. The summary shall, at a minimum, include a description
10 and the location of the projects contained in the program funded
11 by the fund, the amount of funds allocated to each project, the
12 status of each project, and a description of the mobility and air
13 quality improvements the program is achieving.

14 SECTION 1. ~~Section 63021.5 of the Government Code is~~
15 ~~amended to read:~~

16 ~~63021.5. (a) The bank shall be governed and its corporate~~
17 ~~power exercised by a board of directors that shall consist of the~~
18 ~~following persons:~~

19 ~~(1) The Director of Finance or his or her designee.~~

20 ~~(2) The Treasurer or his or her designee.~~

21 ~~(3) The Director of the Governor's Office of Business and~~
22 ~~Economic Development or his or her designee, who shall serve as~~
23 ~~chair of the board.~~

24 ~~(4) An appointee of the Governor.~~

25 ~~(5) The Secretary of Transportation or his or her designee.~~

26 ~~(b) Any designated director shall serve at the pleasure of the~~
27 ~~designating power.~~

28 ~~(c) Three of the members shall constitute a quorum and the~~
29 ~~affirmative vote of three board members shall be necessary for~~
30 ~~any action to be taken by the board.~~

31 ~~(d) A member of the board shall not participate in any bank~~
32 ~~action or attempt to influence any decision or recommendation by~~
33 ~~any employee of, or consultant to, the bank that involves a sponsor~~
34 ~~of which he or she is a representative or in which the member or~~
35 ~~a member of his or her immediate family has a personal financial~~
36 ~~interest within the meaning of Section 87100. For purposes of this~~
37 ~~section, "immediate family" means the spouse, children, and~~
38 ~~parents of the member.~~

39 ~~(e) Except as provided in this subdivision, members of the board~~
40 ~~shall serve without compensation, but shall be reimbursed for~~

1 ~~actual and necessary expenses incurred in performing their duties~~
2 ~~to the extent that reimbursement for these expenses is not otherwise~~
3 ~~provided or payable by another public agency, and shall receive~~
4 ~~one hundred dollars (\$100) for each full day of attending meetings~~
5 ~~of the authority.~~

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