

Assembly Joint Resolution No. 58

RESOLUTION CHAPTER 102

Assembly Joint Resolution No. 58—Relative to brownfield site cleanup financing.

[Filed with Secretary of State August 10, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 58, Firebaugh. Brownfield sites cleanup.

This measure would memorialize the President and the Congress of the United States to authorize the use of tax-exempt private activity bonds to finance the assessment, acquisition, and remediation of brownfield sites.

WHEREAS, It is currently estimated that there are between 67,000 and 119,000 sites contaminated with hazardous substance releases, referred to as “brownfield sites,” throughout the state; and

WHEREAS, Brownfield sites in the state vary widely in character and level of hazardous substance contamination, and include old manufacturing sites, gas stations with leaking underground storage tanks, buildings with asbestos and lead contamination, abandoned industrial and manufacturing facilities, and former landfill sites; and

WHEREAS, Many of the undeveloped brownfield sites in the state are located in communities with pressing economic needs that are suffering the effects of persistent and pervasive disinvestment and underinvestment of capital, with unproductive brownfield sites presenting a significant impediment to revitalization of these communities; and

WHEREAS, Brownfield sites in the state may also pose significant health and safety risks to local communities, including water table contamination and airborne particles originating at these sites; and

WHEREAS, With proper remediation, these brownfield sites could be brought back into beneficial use; and

WHEREAS, The remediation and redevelopment of brownfield sites would benefit the state's communities by reducing environmental degradation, protecting public health and safety, revitalizing economically struggling neighborhoods, facilitating sustainable development patterns, and reducing growth pressures at the urban fringe; and

WHEREAS, The cost of remediation is one of the principal reasons that many of these brownfield sites remain abandoned, idle, or underutilized; and

WHEREAS, Sufficient, appropriately priced, capital is not currently available to finance the remediation and redevelopment of the state's brownfield sites; and

WHEREAS, Tax-exempt private activity bond financing would be an invaluable tool for assisting in the remediation of privately held brownfield sites by providing interest costs below those afforded by taxable bonds or conventional loans; and

WHEREAS, Under current federal law, expenditures for the assessment, acquisition, and remediation of brownfield sites generally do not qualify for tax-exempt private activity financing; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States, during the 106th Congress, to amend the Internal Revenue Code to authorize the use of tax-exempt private activity bonds to finance the assessment, acquisition, and remediation of brownfield sites; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

