

AMENDED IN SENATE JUNE 16, 2009

AMENDED IN ASSEMBLY APRIL 15, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 892

Introduced by Assembly Member Furutani

February 26, 2009

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.

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 award these funds to other projects listed in the same grant agreement ~~as approved by the state board, if not awarded, the bill would require~~ or these funds ~~to 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, ~~if not awarded, the bill would require~~ or the funds ~~to would~~ 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 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 awarded by the applicant to fund other

1 projects listed in the same *grant agreement* approved by the state
2 board, or shall be returned to the state board for reallocation to an
3 applicant by the state board pursuant to guidelines developed and
4 adopted by the state board through a public process. These
5 guidelines shall give first priority to projects that are both in the
6 same emission source category and in the same trade corridor as
7 the original project, and second priority to projects that are only
8 in the same trade corridor as the original project. All funds awarded
9 by the applicant shall be liquidated within four years of the date
10 of the award of the original contract or shall revert to the California
11 Ports Infrastructure, Security, and Air Quality Improvement
12 Account for allocation provided in paragraph (2) of subdivision
13 (c) of Section 8879.23 of the Government Code upon appropriation
14 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 liquidation.

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

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

33 39627.5. The state board shall submit an annual report to the
34 Legislature summarizing its activities related to the administration
35 of this chapter with the Governor’s proposed budget, on January
36 10, for the ensuing fiscal year. The summary shall, at a minimum,
37 include a description of projects funded pursuant to this chapter,
38 the amount of funds allocated for each project, the location of each
39 project, the status of each project, and a quantitative description
40 of the emissions reductions achieved through the project or

- 1 program. The state board shall include in this report a description
- 2 of any changes to the scope of grant agreements entered into to
- 3 allocate funds to an applicant or changes to the award amounts
- 4 described in a grant agreement.