

AMENDED IN ASSEMBLY APRIL 3, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2399

Introduced by Assembly Member Garcia

February 23, 2006

An act to add *and repeal* Chapter 8.3 (commencing with Section 8710) ~~to~~ of Division 1 of Title 2 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2399, as amended, Garcia. California and Mexico ~~Border Economic Infrastructure Financing Authority~~. *border infrastructure*.

Existing law charges the Secretary of Business, Transportation and Housing with the responsibility of developing and reporting to the Governor on legislative, budgetary, and administrative programs that accomplish comprehensive, long-range, coordinated planning and policy formulation on matters of public interest related to the Business, Transportation and Housing Agency.

This bill would require the secretary, by January 1, 2009, to prepare and provide to the Legislature, a study on the infrastructure development along the border between the state and Mexico and ~~the feasibility of establishing the California and Mexico Border Economic Infrastructure Financing Authority~~ *any need for alternative financing mechanisms suited to the challenges of the border region*, as specified. *The requirement would be repealed on January 1, 2009.*

This bill would express the intent of the Legislature to establish the ~~California and Mexico Border Economic Infrastructure Financing Authority~~ within the office of the Treasurer, based upon the findings of the study.

The bill would make legislative findings and declarations regarding the need for this study and report.

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) According to findings by the Southwest Center for
4 Environmental Research and Policy, the population of 25 United
5 States counties and 35 Mexican municipalities along the Mexican
6 border is expected to double by the year 2020, reaching 24
7 million residents. These population trends will lead to escalating
8 infrastructure deficits for border communities, including, but not
9 limited to, highway, airport and port facilities, railways, and
10 environmental, water, and energy needs that must be addressed to
11 ensure economic competitiveness and quality of life for border
12 residents.

13 (b) Significant opportunities exist for California firms in trade
14 with Mexico, as evidenced by both of the following:

15 (1) Trade statistics show exports to Mexico of goods
16 originating in California grew an average of 12.8 percent
17 annually between 1988 and 2002, due in large part to the success
18 of the North American Free Trade Agreement (NAFTA).
19 California exports to Mexico directly and indirectly support more
20 than 200,000 California jobs.

21 (2) Manufacturing growth among maquiladora operations in
22 Mexico grew from 370,000 in 1988 to 1.1 million in 2004.
23 Significant trade opportunities exist for California firms to
24 become suppliers to those border industrial complexes.

25 (c) State government support to promote associations and
26 strategic alliances among California, and Mexican business
27 partners would facilitate these trade linkages.

28 SEC. 2. Chapter 8.3 (commencing with Section 8710) is
29 added to Division 1 of Title 2 of the Government Code, to read:

1 *CHAPTER 8.3. CALIFORNIA AND MEXICO BORDER ECONOMIC*
2 *INFRASTRUCTURE FINANCING STUDY*

3
4 8710. (a) *The Secretary of Business, Transportation and*
5 *Housing shall prepare and provide to the Legislature, by*
6 *January 1, 2009, a study regarding infrastructure development*
7 *along the border between the state and Mexico and any need for*
8 *alternative financing mechanisms suited to the challenges of the*
9 *border region. The study shall be prepared within existing*
10 *resources of the agency.*

11 (b) *The study shall include, but not be limited to, all of the*
12 *following:*

13 (1) *An examination of the financial, geographic, and political*
14 *challenges to infrastructure development along the border*
15 *between the state and Mexico.*

16 (2) *An examination of the state's ability to develop*
17 *infrastructure projects along the border between the state and*
18 *Mexico.*

19 (3) *Identification of the necessary level of interaction between*
20 *the appropriate local, state, federal, and Mexican agencies in*
21 *infrastructure development along the border between the state*
22 *and Mexico.*

23 (4) *Identification of current and potential state, federal, or*
24 *Mexican revenue sources and financing mechanisms for*
25 *infrastructure development along the border between the state*
26 *and Mexico.*

27 (5) *Identification of the extent to which current state, federal,*
28 *or Mexican revenue sources and financing mechanisms for*
29 *infrastructure development are being utilized along the border*
30 *between the state and Mexico.*

31 (6) *Identification of any deficiencies or gaps in the available*
32 *financing mechanisms for infrastructure development along the*
33 *border between the state and Mexico.*

34 (7) *Identification of possible infrastructure development*
35 *projects along the border between the state and Mexico and an*
36 *analysis of the need for each project.*

37 8711. *This chapter shall remain in effect only until January 1,*
38 *2009, and as of that date is repealed, unless a later enacted*
39 *statute, that is enacted before January 1, 2009, deletes or extends*
40 *that date.*

1 SEC. 2. ~~Chapter 8.3 (commencing with Section 8710) is~~
2 ~~added to Division 1 of Title 2 of the Government Code, to read:~~

3
4 ~~CHAPTER 8.3. CALIFORNIA AND MEXICO BORDER ECONOMIC~~
5 ~~INFRASTRUCTURE FINANCING AUTHORITY~~
6

7 ~~8710. (a) The Secretary of Business, Transportation and~~
8 ~~Housing shall prepare and provide to the Legislature, by January~~
9 ~~1, 2009, a study regarding infrastructure development along the~~
10 ~~border between the state and Mexico and the feasibility of~~
11 ~~establishing the California and Mexico Border Economic~~
12 ~~Infrastructure Financing Authority. The study shall be prepared~~
13 ~~within existing resources of the agency.~~

14 ~~(b) The study shall include all of the following:~~

15 ~~(1) An examination of the appropriate local, state, and federal~~
16 ~~agencies to work with the authority.~~

17 ~~(2) Identification of current and potential state, federal, or~~
18 ~~Mexican revenue sources for infrastructure development along~~
19 ~~the border between the state and Mexico.~~

20 ~~(3) An examination of the ability of the state to develop~~
21 ~~infrastructure projects along the border between the state and~~
22 ~~Mexico.~~

23 ~~(4) Identification of the necessary level of interaction between~~
24 ~~the appropriate state and federal agencies in infrastructure~~
25 ~~development along the border between the state and Mexico.~~

26 ~~(5) Identification of possible infrastructure development~~
27 ~~projects along the border between the state and Mexico and an~~
28 ~~analysis of the need for each project.~~

29 ~~8711. (a) Based upon the identification of a need for an~~
30 ~~authority pursuant to the study described in Section 8710, it is the~~
31 ~~intent of the Legislature that the California and Mexico Border~~
32 ~~Economic Infrastructure Financing Authority, also known as the~~
33 ~~CalMex Border Economic Infrastructure Financing Authority,~~
34 ~~shall be established in the office of the Treasurer.~~

35 ~~(b) The proposed California and Mexico Border Economic~~
36 ~~Infrastructure Financing Authority shall have the authority to~~
37 ~~issue revenue bonds for the construction and improvement of~~
38 ~~infrastructure projects that promote associations and strategic~~
39 ~~alliances between California and Mexican business partners and~~
40 ~~public entities.~~

- 1 ~~(e) The proposed California and Mexico Border Economic~~
2 ~~Infrastructure Financing Authority shall have the authority to do~~
3 ~~all of the following:~~
- 4 ~~(1) Adopt bylaws for the regulation of its affairs and the~~
5 ~~conduct of its business.~~
- 6 ~~(2) Maintain an office at the place or places within the state it~~
7 ~~may designate.~~
- 8 ~~(3) Engage the services of private consultants to render~~
9 ~~professional and technical assistance and advice to carry out the~~
10 ~~purposes of this section.~~
- 11 ~~(4) Make and enter into all contracts and agreements necessary~~
12 ~~or incidental to the performance of its duties and the execution of~~
13 ~~its powers under this section.~~
- 14 ~~(5) Receive and accept from any federal or state agency,~~
15 ~~grants for, or in aid of, the completion of any project, and receive~~
16 ~~and accept aid or contributions from any public or private source~~
17 ~~of money, property, or labor, or other things of value, to be held,~~
18 ~~used, and applied only for the purposes for which the grants and~~
19 ~~contributions are made and for the purposes of this section.~~
- 20 ~~(6) Obtain any federal consent or authorization necessary or~~
21 ~~desirable to carry out this section. To that end, no project or other~~
22 ~~action of the authority may conflict with any treaty or other law~~
23 ~~of the United States or Mexico.~~
- 24 ~~(7) Coordinate projects with federal and local agencies,~~
25 ~~including the governments of Mexico and the United States. The~~
26 ~~authority should work in concert with all levels of government~~
27 ~~and augment their efforts.~~
- 28 ~~(8) Collect, maintain, and provide financial, economic,~~
29 ~~governmental, and social data on local government units~~
30 ~~pertinent to their ability to administer industrial development~~
31 ~~revenue bonds.~~
- 32 ~~(9) Assist local authorities in the planning, preparation,~~
33 ~~marketing, and sale of revenue bonds to reduce cost, protect the~~
34 ~~issuer's credit, and determine public benefits and detriments.~~