

ASSEMBLY BILL

No. 89

Introduced by Assembly Member Garcia

December 14, 2006

An act to add and repeal Chapter 8.3 (commencing with Section 8715) of Division 1 of Title 2 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 89, as introduced, Garcia. California and Mexico border infrastructure: study.

Existing law requires the Secretary of Business, Transportation and Housing to develop and report to the Governor on legislative, budgetary, and administrative programs that accomplish comprehensive, long-range, coordinated planning and policy formulation in the matters of public interest related to the Business, Transportation and Housing Agency.

This bill would require the secretary, by January 1, 2010, to prepare and provide to the Legislature a study on the infrastructure development along the border between California and Mexico and any need for alternative financing mechanisms suited to the challenges of the border region, as specified. These provisions would be repealed on January 1, 2011.

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:

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

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

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

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

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

25 SEC. 2. Chapter 8.3 (commencing with Section 8715) is added
 26 to Division 1 of Title 2 of the Government Code, to read:

27

28 CHAPTER 8.3. CALIFORNIA AND MEXICO BORDER ECONOMIC
 29 INFRASTRUCTURE FINANCING STUDY
 30

31 8715. (a) The Secretary of Business, Transportation and
 32 Housing shall prepare and provide to the Legislature, by January
 33 1, 2010, a study regarding infrastructure development along the
 34 border between California and Mexico and any need for alternative
 35 financing mechanisms suited to the challenges of the border region.
 36 The study shall be prepared within existing resources of the agency.

37 (b) The study shall include, but not be limited to, all of the
 38 following:

1 (1) An examination of the financial, geographic, and political
2 challenges to infrastructure development along the border between
3 the state and Mexico.

4 (2) An examination of the state's ability to develop infrastructure
5 projects along the border between the state and Mexico.

6 (3) Identification of the necessary level of interaction between
7 the appropriate local, state, federal, and Mexican agencies in
8 infrastructure development along the border between the state and
9 Mexico.

10 (4) Identification of current and potential state, federal, or
11 Mexican revenue sources and financing mechanisms for
12 infrastructure development along the border between the state and
13 Mexico.

14 (5) Identification of the extent to which current state, federal,
15 or Mexican revenue sources and financing mechanisms for
16 infrastructure development are being utilized along the border
17 between the state and Mexico.

18 (6) Identification of any deficiencies or gaps in the available
19 financing mechanisms for infrastructure development along the
20 border between the state and Mexico.

21 (7) Identification of possible infrastructure development projects
22 along the border between the state and Mexico and an analysis of
23 the need for each project.

24 8716. This chapter shall remain in effect only until January 1,
25 2011, and as of that date is repealed, unless a later enacted statute,
26 that is enacted before January 1, 2011, deletes or extends that date.