

**Assembly Bill No. 201**

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Passed the Assembly August 21, 2007

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*Chief Clerk of the Assembly*

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Passed the Senate August 21, 2007

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2007, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 39625.5 of the Health and Safety Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 201, Committee on Budget. Transportation bonds: implementation.

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. SB 88 of the 2007–08 Regular Session, as proposed to be enacted, describes the types of projects eligible for funding in that regard, among other things, to include projects for the replacement, repower, or retrofit of diesel locomotive engines, except to the extent the project is otherwise required by law or regulation or pursuant to a memorandum of understanding or other agreement between a railroad company and a public agency, as specified.

This bill would amend the provisions to be added by SB 88 to allow projects for the replacement, repower, or retrofit of diesel locomotive engines to be eligible for funding in the case where a railroad company has entered into a memorandum of understanding or other agreement with a public agency, provided that the State Air Resources Board determines that the emission reductions that would be achieved by the locomotive engine are not necessary to satisfy any mandated emission reduction requirements under any such agreement.

This bill would also declare that it is to take effect immediately as an urgency statute.

*The people of the State of California do enact as follows:*

SECTION 1. Section 39625.5 of the Health and Safety Code, as added by Senate Bill 88 of the 2007-08 Regular Session, is amended to read:

39625.5. (a) (1) Upon appropriation by the Legislature from the funds made available by paragraph (2) of subdivision (c) of Section 8879.23 of the Government Code, the state board shall allocate funds on a competitive basis for projects that are shown to achieve the greatest emission reductions from each emission source identified in subdivision (c) of Section 39625.1, not otherwise required by law or regulation, from activities related to the movement of freight along California's trade corridors, commencing at the state's airports, seaports, and land ports of entry.

(2) Projects eligible for funding pursuant to paragraph (1) shall include, but are not limited to, the following:

(A) The replacement, repower, or retrofit of heavy-duty diesel trucks.

(B) The replacement, repower, or retrofit of diesel locomotive engines, with priority given to switching locomotive engines, provided that before any project is authorized for a locomotive engine operated and controlled by a railroad company that has entered into a memorandum of understanding or any other agreement with a state or federal agency, a local air quality management district, or a local air pollution control district, including, but not limited to, the ARB/Railroad Statewide Agreement Particulate Emissions Reductions Program at California Rail Yards, dated June 2005, the state board shall determine that the emission reductions that would be achieved by the locomotive engine are not necessary to satisfy any mandated emission reduction requirement under any such agreement.

(C) The replacement, repower, or retrofit of harbor craft that operates at the state's seaports.

(D) The provision of on-shore electrical power for ocean freight carriers calling at the state's seaports to reduce the use of auxiliary and main engine ship power.

(E) Mobile or portable shoreside distributed power generation projects that eliminate the need to use the electricity grid.

(F) The replacement, repower, or retrofit of cargo handling equipment that operates at the state's seaports and rail yards.

(G) Electrification infrastructure to reduce engine idling and use of internal combustion auxiliary power systems at truck stops, intermodal facilities, distribution centers, and other places where trucks congregate.

(b) (1) The state board shall allocate funds in a manner that gives priority to emission reduction projects that achieve the earliest possible reduction of health risk in communities with the highest health risks from goods movement facilities.

(2) In evaluating which projects to fund, the state board shall at a minimum consider all of the following criteria:

(A) The magnitude of the emission reduction.

(B) The public health benefits of the emission reduction.

(C) The cost-effectiveness and sustainability of the emissions reductions.

(D) The severity and magnitude of the emission source's contributions to emissions.

(E) Regulatory and State Implementation Plan requirements, and the degree of surplus emissions to be reduced.

(F) The reduction in greenhouse gases, consistent with and supportive of emission reduction goals, consistent with existing law.

(G) The extent to which advanced emission reduction technologies are to be used.

(H) The degree to which funds are leveraged from other sources.

(I) The degree to which the project reduces air pollutants or air contaminants in furtherance of achieving state and federal ambient air quality standards and reducing toxic air contaminants.

(J) The total emission reductions a project would achieve over its lifetime per state dollar invested.

(K) Whether an emissions reduction is likely to occur in a location where emissions sources in the area expose individuals and population groups to elevated emissions that result in adverse health effects and contribute to cumulative human exposures to pollution.

(c) The state board shall ensure that state bond funds are supplemented and matched with funds from federal, local, and private sources to the maximum extent feasible.

SEC. 2. Section 1 of this act shall become operative only if Senate Bill 88 of the 2007–08 Regular Session is also enacted and becomes operative.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the transportation programs funded by voter-approved bonds as efficiently and expeditiously as possible, it is necessary that this act take effect immediately.





Approved \_\_\_\_\_, 2007

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*Governor*