

**CALENDAR ITEM
112**

A Statewide

03/29/12

S Statewide

S. Pemberton

PROPOSED LEGISLATION

INTRODUCTION:

State Lands Commission staff has been reviewing various legislative proposals introduced in the 2011-12 legislative session that involve lands under the Commission's jurisdiction. This report describes proposed legislation addressing funding for harbor maintenance programs (SJR 15 – DeSaulnier) and proposes that the Commission consider adopting a support position on this resolution.

LEGISLATIVE PROPOSAL:

SJR 15 (DeSaulnier): Harbor Maintenance Tax: Harbor Maintenance Trust Fund surplus.

SUMMARY:

The Harbor Maintenance Trust Fund (HMTF) provides funds for the United States Army Corps of Engineers (Corps) to carry out the dredging of navigation channels to their authorized depths and widths. It was established by the Water Resources Development Act of 1986 to fund the harbor operation and maintenance activities of the Corps. The HMTF is based upon a user fee collected from shippers, excluding exporters, that use the nation's coastal ports.

SJR 15 would urge the President and the Congress of the United to significantly increase federal funding from the HMTF surplus for navigational improvements and continued operational and maintenance dredging in those federal channels that serve California's ports, such that these expenditures equal the amounts contributed by California. SJR 15 would also recognize the role of California's ports in contributing the greatest share of the Harbor Maintenance Tax revenues, and memorialize the California Legislature's support of efforts by California's congressional delegation to obtain an equitable share of all federal port and goods movement infrastructure funding. SJR 15 would further encourage California's congressional representatives to support measures that would fund the security and facilitation of commercial activity in California's ports.

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OTHER PERTINENT INFORMATION:

Every year, California's port customers pay more than \$400 million in fees into the HMTF, with the expectation that this revenue will be available to fund the navigational maintenance and improvements necessary to keep state and national ports competitive in a global marketplace. Unfortunately, the revenues deposited in the HMTF are not always invested in port operations.

California ports are faced with an ongoing need to demonstrate ingenuity, increase cargo throughput, and accommodate growth, particularly with the Expansion of the Panama Canal Project, which will double the capacity of the Panama Canal by 2014. SJR 15 would help ensure that the HMTF receipts and interest each year are used for their intended purpose of maintaining navigation channels, thereby improving our environment and economy, and contributing to our state and national economic recovery.

SJR 15 is supported by the Association of Port Authorities, the California Marine Affairs and Navigation Conference, the International Longshore and Warehouse Union, and the Pacific Merchant Shipping Association. It is scheduled to be heard in the Senate Transportation and Housing Committee on March 27, 2012.

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

1. Adopt a support position on SJR 15 (DeSaulnier)