

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 13, 2011  
POSITION: Oppose  
SPONSOR: Pacific Merchant Shipping Association (PMSA),  
The California Trade Coalition

BILL NUMBER: SB 460  
AUTHOR: C. Price

**BILL SUMMARY: International Trade Marketing and Promotion**

This bill would authorize the Secretary of the Business, Transportation and Housing Agency (BTH) to assemble a statewide business partnership for international trade marketing and promotion and assign BTH as the primary state agency responsible for the coordination and support of international trade marketing and promotion strategies.

**FISCAL SUMMARY**

While the additional responsibilities may not be costly, BTH does not have General Fund resources for the support of the existing international trade responsibilities or the additional responsibilities imposed by this bill. Workload and cost would be determined through the normal budget process.

**COMMENTS**

Finance is opposed to this bill because it adds additional international trade responsibilities to BTH without any funding to pay costs. No funds have been allocated to continue international trade activities since the abolishment of the Technology, Trade and Commerce Agency in 2003. BTH was given responsibilities for international trade in 2007, but their funding request was denied by the Legislature. BTH's General Fund resources have been reduced since that time and it does not have funds that can be redirected to international trade.

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Analyst/Principal (0741) P. Abahazi	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
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**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

C. Price

July 13, 2011

SB 460

**ANALYSIS**

## A. Programmatic Analysis

**Existing law:**

- Designates the Business, Transportation and Housing Agency (BTH) as the primary state entity responsible for domestic and international trade and investment activities.
- Authorizes the BTH to establish and operate foreign trade offices subject to certain requirements, including approval of a trade office strategy by the Legislature and statutory authorization for each office.
- Provides for legislative oversight of all BTH international trade and investment activities, including expenditures, and requires the BTH to submit the following to the Legislature:
  - An updated strategy for international trade and investment at least every five years.
  - By February 1 of each year, a report detailing how the Governor's proposed budget relates to the proposed international trade and investment strategy.

## This bill would:

- By March 1, 2012, require BTH to convene a statewide business partnership for international trade marketing and promotion.
- Specify that the partnership shall include representatives of public airports, ports of entry, seaports, ocean carriers, marine terminal operations, air carriers, warehouse operations, railroads, trucking companies, foreign trade zones and shippers.
- Provide that the partnership shall advise the Secretary of BTH on what role the state shall play in international trade marketing and promotion and to increase the opportunity for growth and trade activities.

**Discussion:**

According to the author's office, the bill has been introduced because of concerns that expansion of the Panama Canal is a threat to California ports and that California does not have a comprehensive strategy to protect and promote port activity. The bill is sponsored by the Pacific Merchant Shipping Association.

**Related Legislation:** Chapter 663, Statutes of 2006 (SB 1513, Romero) designated BTH as the primary state entity responsible for domestic and international trade and investment activities and required BTH to adopt and regularly update an international trade strategy.

## B. Fiscal Analysis

While the additional responsibilities may not be costly, BTH does not have General Fund resources for the support of the existing international trade responsibilities or the additional responsibilities imposed by this bill. Workload and cost would be determined through the normal budget process.

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	
0520/Secty BT&H	SO	No		-----	See Fiscal Summary	-----			0001