
Introduced by Senator Ridley-Thomas

February 23, 2007

An act to add Section 13997.2 to the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

SB 765, as introduced, Ridley-Thomas. Economic development: economic development corporations and organizations.

Existing law provides for various programs and activities in the development of economic opportunities for businesses in the state.

This bill would make certain findings and declarations with respect to economic development corporations and organizations, and define various terms for those purposes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

- 1 SECTION 1. Section 13997.2 is added to the Government
2 Code, to read:
3 13997.2. (a) The Legislature finds and declares all of the
4 following:
5 (1) California's economic development organizations and
6 corporations are an integral component of the state job creation
7 effort because they are a critical link between state economic
8 development activities and the statewide business community,
9 providing an excellent opportunity to leverage state resources.
10 (2) Economic development corporations and organizations
11 provide broad public benefit to the residents of this state by

1 alleviating unemployment, encouraging private investment, and
2 diversifying local economies.

3 (3) Economic development corporations engage in a wide range
4 of programs and strategies to attract, retain, and expand businesses,
5 including marketing the community, small business lending, and
6 other financial services, a wide range of technical assistance to
7 small business, preparation of economic data, and business
8 advocacy.

9 (4) By using public sector resources and powers to reduce the
10 risks and costs that could prohibit investment, the public sector
11 often sets the stage for employment-generating investment by the
12 private sector.

13 (b) For purposes of this chapter, all of the following definitions
14 apply:

15 (1) “Economic development” means any activity that enhances
16 the factors of productive capacity, such as land, labor, capital, and
17 technology, of a national, state, or local economy. “Economic
18 development” includes policies and programs expressly directed
19 at improving the business climate in business finance, marketing,
20 neighborhood development, small business development, business
21 retention and expansion, technology transfer, and real estate
22 redevelopment. “Economic development” is an investment program
23 designed to leverage private sector capital in such a way as to
24 induce actions that have a positive effect on the level of business
25 activity, employment, income distribution, and fiscal solvency of
26 the community.

27 (2) “Economic development corporation” means a local or
28 regional nonprofit public-private economic development
29 organization recognized in a defined region by the public and
30 private sector as the lead agency for the planning and
31 implementation of job creation involving business retention and
32 new business development.

33 (3) “Local economic development” is a process of deliberate
34 intervention in the normal economic process of a particular locality
35 to stimulate economic growth of the locality by making it more
36 attractive, resulting in more jobs, wealth, better quality of life, and
37 fiscal solvency. Prime examples of local economic development
38 include business attraction, business expansion and retention, and
39 business creation.

1 (4) “Local economic development organization” means a public
2 or public-private job creation activity recognized by a city or
3 county as the lead agency within that city or county for planning
4 and implementation of job creation involving business expansion,
5 business retention, and new business development.

6 (5) “Regional economic development corporation” means a
7 corporation composed of any of the following:

8 (A) A single county.

9 (B) More than one county.

10 (C) A subregion within a single county established by a group
11 of cities and counties.

12 (6) “Regional economic development organization” means an
13 organization composed of any of the following:

14 (A) A single county.

15 (B) More than one county.

16 (C) A subregion within a county established by the cities and
17 county within that subregion.

18 (D) An economic development corporation.