

Assembly Bill No. 1632

Passed the Assembly October 7, 2010

Chief Clerk of the Assembly

Passed the Senate October 7, 2010

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 44559.11 to the Health and Safety Code, relating to economic development, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1632, Committee on Budget. Economic development.

(1) Existing law establishes various programs, including, but not limited to, the Capital Access Loan Program, to promote economic development throughout the state. Existing law also establishes the California Small Business Expansion Fund, the California Capital Access Fund, and the California Economic Development Fund.

This bill would authorize the California Pollution Control Financing Authority to enact regulations for the distribution of specified funds paid to the authority. This bill would also transfer and allocate \$32,350,000 from the General Fund to the 3 funds listed above for the 2010–11 fiscal year, and appropriate the sums allocated to each of these funds for specified economic development purposes.

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

Appropriation: yes.

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

SECTION 1. Section 44559.11 is added to the Health and Safety Code, to read:

44559.11. It is the intent of the Legislature to ensure that the state, through the authority, may make maximum, efficient use of capital access programs enacted by all federal and state agencies, as well as funding available from any governmental program whose goals may be advanced by providing funding to the Capital Access Loan Program. In furtherance of this intent, and notwithstanding any other provision of this article, when the contributions required pursuant to subdivision (c) of Section 44559.4 are entirely funded

by a source other than the authority, the authority may, by regulation adopted pursuant to subdivision (b) of Section 44520, establish alternate provisions as necessary to enable the authority to participate in the alternative funding source program.

SEC. 2. A total of thirty-two million three hundred fifty thousand dollars (\$32,350,000) is hereby transferred from the General Fund to the following funds for purposes of promoting economic development throughout the state, as follows:

(a) Twenty million dollars (\$20,000,000) to the California Small Business Expansion Fund, established pursuant to Section 14030 of the Corporations Code. Notwithstanding Section 14032 of the Corporations Code, that amount is hereby appropriated from that fund for the 2010–11 fiscal year, to be used to expand existing programs for loan guarantees and letters of credit authorized by the California Small Business Financial Development Corporation Law (Article 1 (commencing with Section 14000) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code), and shall be allocated by the director, as defined in subdivision (k) of Section 14010 of the Corporations Code, pursuant to existing authority, policies, and funding formulas. Appropriated funds shall be expended to support one-half of a limited term position to ensure that funds expended under this subdivision are properly allocated, overseen, and any reporting requirements are fulfilled.

(b) Six million dollars (\$6,000,000) to the California Capital Access Fund, as defined in subdivision (b) of Section 44559.1 of the Health and Safety Code. That amount is hereby appropriated from that fund for the 2010–11 fiscal year, to be expended for purposes of the existing California Capital Access Program. For the purposes of expending these funds, “severely affected community,” as defined pursuant to subdivision (k) of Section 44559.1 of the Health and Safety Code, includes any city or county with an unemployment rate above 110 percent of the statewide average, based on the most current unemployment rates published by the Employment Development Department in its monthly release of labor market statistics.

(c) Six million dollars (\$6,000,000) to the California Economic Development Fund, established pursuant to subdivision (a) of Section 13997.6 of the Government Code. That amount is hereby appropriated from that fund for the 2010–11 fiscal year, to provide the cash match for the six regional lead centers that have contracts

with the United States Small Business Administration to administer the federal Small Business Development Center Program in California. Funds shall be awarded to lead centers that submit written confirmation from the regional administrator of the United States Small Business Administration documenting that the state funds will be matched by federal funds on a one-for-one basis.

(d) Three hundred fifty thousand dollars (\$350,000) to the California Economic Development Fund, established pursuant to subdivision (a) of Section 13997.6 of the Government Code. That amount is hereby appropriated from that fund for the 2010–11 fiscal year, to provide a cash match for the Federal Technology Center program, administered by the United States Department of Defense. Funds shall be awarded to the California-based Federal Technology Center upon receipt of a letter from the United States Department of Defense confirming that state funds will be matched by federal funds on a one-for-one basis.

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 Budget Act of 2010 as soon as possible, it is necessary for this act to take immediate effect.

Approved _____, 2010

Governor