

AMENDED IN SENATE AUGUST 31, 2011

AMENDED IN SENATE JULY 5, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 29

**Introduced by Assembly Member John A. Pérez
(Principal coauthors: Assembly Members Feuer and
V. Manuel Pérez)**

December 6, 2010

An act to add Chapter 1.6 (commencing with Section 12096) to Part 2 of Division 3 of Title 2 of, and to repeal Article 7 (commencing with Section 65054) of Chapter 1.5 of Division 1 of Title 7 of, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 29, as amended, John A. Pérez. ~~Office of Economic~~ *Governor's Office of Business Development.*

Existing law provides for various state programs and services for the purpose of attracting and retaining businesses in ~~this~~ *the* state. Existing law creates the Office of Small Business Advocate in the Office of Planning and Research in the Governor's office.

Executive Order S-05-10 created the Office of Economic Development in the Governor's office, for the purpose of coordinating economic development activities in the state.

This bill would create ~~the Office of Economic~~, *within the Governor's office, the Governor's Office of Business Development*, which would be administered by a director appointed by the Governor, subject to confirmation by the Senate. The bill would require that the office serve the Governor as the lead entity for economic strategy and the marketing

of California on issues relating to business development, private sector investment, and economic growth, and *would authorize the office to exercise various powers, including, among others, to make recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals. The bill would create the California Business Investment Services Program, as specified, within the office, under the authority of the director, for the purpose of serving employers, corporate executives, business owners, and site location consultants who are considering California for business investment and expansion. The bill would also move the Office of Small Business Advocate to the ~~Office of Economic~~ Governor's Office of Business Development.*

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

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

- 1 SECTION 1. *The Legislature finds and declares all of the*
 2 *following:*
 3 (a) *In 2008, California had the eighth largest economy in the*
 4 *world, with a gross state product of over \$1.8 trillion.*
 5 (b) *California's significance in the global marketplace results*
 6 *from a variety of factors, including:*
 7 (1) *Its strategic west coast location that provides direct access*
 8 *to the growing markets and technology centers of Mexico, Latin*
 9 *America, Japan, China, and Southeast Asia.*
 10 (2) *Its diverse regional economies.*
 11 (3) *Its ethnically diverse population and well-educated*
 12 *workforce.*
 13 (4) *Its access to a wide variety of venture and other private*
 14 *capital.*
 15 (5) *Its rich inventory of pioneering businesses.*
 16 (6) *Its culture of entrepreneurship, particularly in the areas of*
 17 *computer technology, biotechnology, medical devices and*
 18 *diagnostic tools, and clean and green technology.*
 19 (7) *Its access to world-class research and educational*
 20 *institutions.*
 21 (c) *It is therefore in California's best interest to have a*
 22 *designated Office of Economic Development within the Governor's*
 23 *office to provide a visible point of contact and assistance to*

1 *companies, entrepreneurs, and small business owners, seeking*
2 *information on business growth and economic development*
3 *opportunities, as well as technical assistance for navigating the*
4 *state’s regulatory environment.*

5 *(d) It is further in California’s best interest to reexamine and*
6 *reframe the state government’s apparatus for the delivery of*
7 *services to the business community, particularly the small business*
8 *community, to better position California to compete in the global*
9 *economy.*

10 SECTION 1.

11 SEC. 2. Chapter 1.6 (commencing with Section 12096) is added
12 to Part 2 of Division 3 of Title 2 of the Government Code, to read:

13

14 CHAPTER 1.6. OFFICE OF ECONOMIC DEVELOPMENT

15 GOVERNOR’S OFFICE OF BUSINESS DEVELOPMENT

16

17 12096. This chapter shall be known, and may be cited, as the
18 Economic Revitalization Act.

19

20 Article 1. Intent

21

22 12096.1. The Legislature finds and declares all of the following:

23 (a) In 2008, California had the eighth largest economy in the
24 world, with a gross state product of over one trillion eight hundred
25 billion dollars (\$1,800,000,000,000).

26 (b) California’s significance in the global marketplace results
27 from a variety of factors, including:

28 (1) Its strategic west coast location that provides direct access
29 to the growing markets and technology centers of Mexico, Latin
30 America, Japan, China, and Southeast Asia.

31 (2) Its diverse regional economies.

32 (3) Its ethnically diverse population and well-educated
33 workforce.

34 (4) Its access to a wide variety of venture and other private
35 capital.

36 (5) Its rich inventory of pioneering businesses.

37 (6) Its culture of entrepreneurship, particularly in the areas of
38 computer technology, biotechnology, medical devices and
39 diagnostic tools, and clean and green technology.

1 ~~(7) Its access to world-class research and educational~~
 2 ~~institutions.~~

3 ~~(e) It is therefore in California's best interest to have a~~
 4 ~~designated Office of Economic Development within the Governor's~~
 5 ~~office to provide a visible point of contact and assistance to~~
 6 ~~companies, entrepreneurs, and small business owners, seeking~~
 7 ~~information on business growth and economic development~~
 8 ~~opportunities, as well as technical assistance for navigating the~~
 9 ~~state's regulatory environment.~~

10 ~~(d) It is further in California's best interest to reexamine and~~
 11 ~~reframe the state government's apparatus for the delivery of~~
 12 ~~services to the business community, particularly the small business~~
 13 ~~community, to better position California to compete in the global~~
 14 ~~economy.~~

15
 16 Article 2.1. Definitions

17
 18 ~~12096.2.~~

19 ~~12096.1.~~ For purposes of this chapter:

20 (a) ~~"Office"~~ means the ~~Office of Economic Governor's Office~~
 21 ~~of Business Development.~~

22 (b) ~~"Director"~~ means the ~~Director of the Office of Economic~~
 23 ~~Governor's Office of Business Development.~~

24
 25 Article 3.2. General

26
 27 ~~12096.3.~~

28 ~~12096.2.~~ (a) ~~The Office of Economic Development Governor's~~
 29 ~~Office of Business Development, also known as "GO-Biz," is~~
 30 ~~hereby established in state government within the Governor's~~
 31 ~~office. The office shall be under the direct control of a director,~~
 32 ~~who shall be responsible to the Governor.~~

33 (b) ~~The Governor shall appoint the Director of the Office of~~
 34 ~~Economic Development Governor's Office of Business,~~ subject to
 35 ~~confirmation by the Senate, who shall perform all duties, exercise~~
 36 ~~all powers, assume and discharge all responsibilities, and carry~~
 37 ~~out and effect all purposes vested by law in the office, including~~
 38 ~~contracting for professional or consultant services in connection~~
 39 ~~with the work of the office.~~

1 (c) The salary of the Director of the ~~Office of Economic~~
2 *Governor's Office of Business* Development shall be fixed pursuant
3 to Section 12001.

4
5 Article 4.3. Powers and Duties

6
7 ~~12096.4.~~

8 *12096.3.* The office shall serve the Governor as the lead entity
9 for economic strategy and the marketing of California on issues
10 relating to business development, private sector investment, and
11 economic growth. In this capacity, the office ~~shall~~ *may*:

12 (a) Recommend to the Governor and the Legislature new state
13 policies, programs, and actions, or amendments to existing
14 programs, advance statewide economic goals and respond to
15 emerging economic problems and opportunities, and ensure that
16 all state policies and programs conform to the adopted state
17 economic and business development goals.

18 (b) Coordinate the development of policies and criteria to ensure
19 that federal grants administered or directly expended by state
20 government advance statewide economic goals and objectives.

21 (c) Market the business and investment opportunities available
22 in California by working in partnership with local, regional, federal,
23 and other state public and private institutions to encourage business
24 development and investment in the state.

25 (d) Provide, including, but not limited to, all of the following:

26 (1) Economic and demographic data.

27 (2) Financial information to help link businesses with state and
28 local public and private programs.

29 (3) Workforce information, including, but not limited to, labor
30 availability, training, and education programs.

31 (4) Transportation and infrastructure information.

32 (5) Assistance in obtaining state and local permits.

33 (6) Information on tax credits and other incentives.

34 (7) Permitting, siting, and other regulatory information pertinent
35 to business operations in the state.

36 (e) Establish a well-advertised telephone number, an interactive
37 Internet Web site, and an administrative structure that effectively
38 supports the facilitation of business development and investment
39 in the state.

1 (f) Encourage collaboration among research institutions, startup
2 companies, local governments, venture capitalists, and economic
3 development agencies to promote innovation.

4 (g) In cooperation with the federal government, foster
5 relationships with overseas entities to improve the state’s image
6 as a destination for business investment and expansion.

7 (h) Conduct research on the state’s business climate, including,
8 but not limited to, research on how the state can remain on the
9 leading edge of innovation and emerging sectors.

10 (i) Support small businesses by providing information about
11 accessing capital, complying with regulations, and supporting state
12 initiatives that support small business.

13 ~~12096.5. (a) During the 2011–12 fiscal year, the office shall~~
14 ~~be funded with existing resources and staffed by personnel loaned~~
15 ~~from agencies and departments that address economic development,~~
16 ~~including, but not limited to, the promotion of small business. The~~
17 ~~agencies shall include, but not be limited to, the Labor and~~
18 ~~Workforce Development Agency, the Business, Transportation~~
19 ~~and Housing Agency, the California Environmental Protection~~
20 ~~Agency, the Natural Resources Agency, the State and Consumer~~
21 ~~Services Agency, the Department of Food and Agriculture, the~~
22 ~~California Technology Agency, and the Office of Planning and~~
23 ~~Research.~~

24 (b)

25 ~~12096.4. (a) Each member of the Governor’s cabinet shall~~
26 ~~identify a senior manager within his or her agency who shall~~
27 ~~coordinate business support activities with the office.~~

28 (e)

29 (b) For the 2012–13 fiscal year and subsequent fiscal years, the
30 office shall develop a budget in coordination with the Department
31 of Finance pursuant to the state budgeting process, including the
32 permanent transfer of associated positions.

34 Article 5.4. California Business Investment Services Program

35
36 ~~12096.7.~~

37 ~~12096.5. (a) The California Business Investment Services~~
38 ~~Program is hereby created within the Office of Economic~~
39 ~~Governor’s Office of Business Development.~~

1 (b) The program shall be under the direct authority of the
2 director.

3 (c) The purpose of the program is to serve employers, corporate
4 executives, business owners, and site location consultants who are
5 considering California for business investment and expansion.

6 (d) In implementing the program, the director shall establish
7 and implement a process for convening ~~strike~~ teams on key
8 business development situations, including, but not limited to,
9 attracting new businesses, relocation of large manufacturers, or
10 the closure of a large business employer.

11 (e) In implementing the program, the director shall work
12 cooperatively with local, regional, federal, and other state public
13 and private marketing institutions and trade organizations in
14 attracting, retaining, and helping businesses grow and be successful
15 in California.

16
17 Article 6.5. Small Business Advocate
18

19 12098. (a) The Legislature finds and declares that it is in the
20 public interest to aid, counsel, assist, and protect, insofar as is
21 possible, the interests of small business concerns in order to
22 preserve free competitive enterprise and maintain a healthy state
23 economy.

24 (b) In order to advocate the causes of small business and to
25 provide small businesses with the information they need to survive
26 in the marketplace, there is created within the ~~Office of Economic~~
27 *Governor's Office of Business Development* the Office of Small
28 Business Advocate.

29 (c) The advocate shall post on his or her Internet Web site the
30 name and telephone number of the small business liaison
31 designated pursuant to Section 14846.

32 12098.1. The following definitions apply to this article, unless
33 otherwise indicated:

34 (a) "Advocate" means the Small Business Advocate who is also
35 the Director of the Office of Small Business Advocate.

36 (b) "Director" means the Director of the Office of Small
37 Business Advocate.

38 (c) "Office" means the Office of Small Business Advocate.

1 12098.3. (a) The Director of the Office of Small Business
2 Advocate shall be appointed by, and shall serve at the pleasure of,
3 the Governor.

4 (b) The Governor shall appoint the employees who are needed
5 to accomplish the purposes of this article.

6 (c) The duties and functions of the advocate shall include all of
7 the following:

8 (1) Serve as the principal advocate in the state on behalf of small
9 businesses, including, but not limited to, advisory participation in
10 the consideration of all legislation and administrative regulations
11 that affect small businesses, and advocacy on state policy and
12 programs related to small businesses on disaster preparedness and
13 recovery including providing technical assistance.

14 (2) Represent the views and interests of small businesses before
15 other state agencies whose policies and activities may affect small
16 business.

17 (3) Enlist the cooperation and assistance of public and private
18 agencies, businesses, and other organizations in disseminating
19 information about the programs and services provided by state
20 government that are of benefit to small businesses, and information
21 on how small businesses can participate in, or make use of, those
22 programs and services.

23 ~~(4) Issue a report every two years evaluating the efforts of state~~
24 ~~agencies and, where appropriate, specific departments that~~
25 ~~significantly regulate small businesses to assist minority and other~~
26 ~~small business enterprises, and making recommendations that may~~
27 ~~be appropriate to assist the development and strengthening of~~
28 ~~minority and other small business enterprises.~~

29 ~~(5)~~

30 (4) Consult with experts and authorities in the fields of small
31 business investment, venture capital investment, and commercial
32 banking and other comparable financial institutions involved in
33 the financing of business, and with individuals with regulatory,
34 legal, economic, or financial expertise, including members of the
35 academic community, and individuals who generally represent the
36 public interest.

37 ~~(6) Determine the desirability of developing a set of rational,~~
38 ~~objective criteria to be used to define small business, and develop~~
39 ~~those criteria, if appropriate.~~

40 ~~(7)~~

1 (5) Seek the assistance and cooperation of all state agencies and
2 departments providing services to, or affecting, small business,
3 including the small business liaison designated pursuant to Section
4 14846, to ensure coordination of state efforts.

5 ~~(8)~~

6 (6) Receive and respond to complaints from small businesses
7 concerning the actions of state agencies and the operative effects
8 of state laws and regulations adversely affecting those businesses.

9 ~~(9)~~

10 (7) Counsel small businesses on how to resolve questions and
11 problems concerning the relationship of small business to state
12 government.

13 ~~(10)~~

14 (8) Maintain, publicize, and distribute an annual list of persons
15 serving as small business ombudsmen throughout state government.

16 ~~(11)~~

17 (9) Consult with the Department of Transportation in the
18 development and administration of the Small and Emerging
19 Contractor Technical Assistance Program established pursuant to
20 Article 2.6 (commencing with Section 14137) of Chapter 2 of Part
21 5.

22 12098.4. (a) Each agency of the state shall furnish to the
23 advocate the reports, documents, and information that are public
24 records and that the director deems necessary to carry out his or
25 her functions under this chapter.

26 (b) The advocate shall prepare and submit a written annual
27 report to the Governor and to the Legislature that describes the
28 activities and recommendations of the office, *including an*
29 *evaluation of the efforts of state agencies and, where appropriate,*
30 *specific departments, that significantly regulate small businesses*
31 *to assist minority and other small business enterprises, and making*
32 *recommendations that may be appropriate to assist the*
33 *development and strengthening of minority and other small*
34 *business enterprises.*

35 (c) The advocate may establish a centralized interactive
36 telephone referral system *and Internet Web site* to assist small and
37 minority businesses in their operations, including governmental
38 requirements, such as taxation, accounting, and pollution control,
39 and to provide information concerning the agency from which
40 more specialized assistance may be obtained. The advocate may

1 establish and advertise a telephone number *and an Internet Web*
2 *site address* to serve this centralized interactive telephone referral
3 system *and Internet Web site*.

4 12098.5. In addition to his or her other responsibilities under
5 this article, the advocate shall do the following:

6 (a) Develop on the office's Internet Web site *in consultation*
7 *with the appropriate state agencies*, and update as necessary, ~~a~~
8 ~~handbook~~ information about emergency preparedness, responses
9 to emergencies, and recovery strategies for small businesses.

10 (b) Conduct at least one public meeting every year *in*
11 *coordination with the appropriate state agencies*, to share best
12 practices for small business disaster preparedness. The meetings
13 shall be held in consultation with regional and statewide small
14 business organizations and shall take place in different locations
15 throughout the state.

16 ~~SEC. 2.~~

17 ~~SEC. 3.~~ Article 7 (commencing with Section 65054) of Chapter
18 1.5 of Division 1 of Title 7 of the Government Code is repealed.