

Assembly Bill No. 29

CHAPTER 475

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.

[Approved by Governor October 5, 2011. Filed with
Secretary of State October 6, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 29, John A. Pérez. Governor's Office of Business and Economic Development.

Existing law provides for various state programs and services for the purpose of attracting and retaining businesses in 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, within the Governor's office, the Governor's Office of Business and Economic Development, which would be administered by a director appointed by the Governor. 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, making 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 Governor's Office of Business and Economic Development.

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

SECTION 1. The Legislature finds and declares all of the following:

(a) In 2008, California had the eighth largest economy in the world, with a gross state product of over \$1.8 trillion.

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

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

(2) Its diverse regional economies.

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

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

(5) Its rich inventory of pioneering businesses.

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

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

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

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

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

CHAPTER 1.6. GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC
DEVELOPMENT

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

Article 1. Definitions

12096.1. For purposes of this chapter:

(a) "Office" means the Governor's Office of Business and Economic Development.

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

Article 2. General

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

(b) The Governor shall appoint the Director of the Governor's Office of Business and Economic Development who shall perform all duties, exercise all powers, assume and discharge all responsibilities, and carry out and effect all purposes vested by law in the office, including contracting for professional or consultant services in connection with the work of the office.

(c) The salary of the Director of the Governor's Office of Business and Economic Development shall be fixed pursuant to Section 12001.

Article 3. Powers and Duties

12096.3. The office shall 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. In this capacity, the office may:

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

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

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

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

(1) Economic and demographic data.

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

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

(4) Transportation and infrastructure information.

(5) Assistance in obtaining state and local permits.

(6) Information on tax credits and other incentives.

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

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

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

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

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

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

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

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

Article 4. California Business Investment Services Program

12096.5. (a) The California Business Investment Services Program is hereby created within the Governor's Office of Business and Economic Development.

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

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

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

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

Article 5. Small Business Advocate

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

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

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

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

(a) “Advocate” means the Small Business Advocate who is also the Director of the Office of Small Business Advocate.

(b) “Director” means the Director of the Office of Small Business Advocate.

(c) “Office” means the Office of Small Business Advocate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) The advocate may establish a centralized interactive telephone referral system and Internet Web site to assist small and minority businesses in their operations, including governmental requirements, such as taxation, accounting, and pollution control, and to provide information concerning the agency from which more specialized assistance may be obtained. The advocate may establish and advertise a telephone number and an Internet Web site address to serve this centralized interactive telephone referral system and Internet Web site.

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

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

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

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