

AMENDED IN ASSEMBLY MAY 10, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 700

Introduced by Assembly Member Blumenfield

February 17, 2011

An act to amend Sections 63021 and 63021.5 of, 63021.5, and 63023 of, and to add Sections 63021.7 and 63024.4 to, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 700, as amended, Blumenfield. Infrastructure and Economic Development Bank.

The

(1) *The Bergeson-Peace Infrastructure and Economic Development Bank Act* establishes the Infrastructure and Economic Development Bank within the Business, Transportation and Housing Agency. The act provides that bank is governed and its corporate powers are exercised by a board of directors of which the Secretary of Business, Transportation and Housing or his or her designee shall serve as chair.

This bill would delete the provisions establishing the bank within the Business, Transportation and Housing Agency and providing that the Secretary of Business, Transportation and Housing or his or her designee shall serve as chair of the board of directors. It instead would provide that the bank is within state government and that the Director of Finance or his or her designee shall serve as chair of the board of directors.

(2) *The act sets forth the duties and authority of the bank and the board generally, including the financing of infrastructure and economic development projects in the state.*

This bill would authorize the bank to serve as a facilitator for the development of significant infrastructure projects that serve regional economic and community development activities. It would require the bank to maintain an Internet Web site that includes information about its programs.

This bill would require the board to adopt a set of 2-year goals and measurable objectives, subject to specified criteria, and to annually adopt a work plan to support the bank in meeting those goals and measurable objectives.

(3) The act provides that the bank is under the direction of an executive director appointed by the Governor, and sets forth the duties and authority of the executive director to perform certain acts in administering and directing the day-to-day operations of the bank, if authorized by the board.

This bill would instead provide that the bank is under the direction of a chief executive officer appointed by the Governor, with these same duties and authority, and additionally provide that the chief executive officer may enter into any interagency agreement for the performance of certain administrative functions, if authorized by the board.

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. Section 63021 of the Government Code is
2 amended to read:

3 63021. (a) There is in state government the Infrastructure and
4 Economic Development Bank, which shall be responsible for
5 administering this division.

6 (b) The bank shall be under the direction of ~~an executive director~~
7 *a chief executive officer* appointed by the Governor, and who shall
8 serve at the pleasure of the Governor. The appointment shall be
9 subject to confirmation by the Senate.

10 SEC. 2. Section 63021.5 of the Government Code is amended
11 to read:

12 63021.5. (a) The bank shall be governed and its corporate
13 power exercised by a board of directors that shall consist of the
14 following persons:

15 (1) The Director of Finance or his or her designee, who shall
16 serve as chair of the board.

1 (2) The Treasurer or his or her designee.

2 (3) The Secretary of Business, Transportation and Housing or
3 his or her designee.

4 (4) An appointee of the Governor.

5 (5) The Secretary of State and Consumer Services Agency or
6 his or her designee.

7 (b) Any designated director shall serve at the pleasure of the
8 designating power.

9 (c) Three of the members shall constitute a quorum and the
10 affirmative vote of three board members shall be necessary for
11 any action to be taken by the board.

12 (d) A member of the board shall not participate in any bank
13 action or attempt to influence any decision or recommendation by
14 any employee of, or consultant to, the bank that involves a sponsor
15 of which he or she is a representative or in which the member or
16 a member of his or her immediate family has a personal financial
17 interest within the meaning of Section 87100. For purposes of this
18 section, "immediate family" means the spouse, children, and
19 parents of the member.

20 (e) Except as provided in this subdivision, the members of the
21 board shall serve without compensation, but shall be reimbursed
22 for actual and necessary expenses incurred in the performance of
23 their duties to the extent that reimbursement for these expenses is
24 not otherwise provided or payable by another public agency, and
25 shall receive one hundred dollars (\$100) for each full day of
26 attending meetings of the authority.

27 *SEC. 3. Section 63021.7 is added to the Government Code, to*
28 *read:*

29 *63021.7. (a) (1) The board shall adopt a set of two-year goals*
30 *and measurable objectives, consistent with the mission of the bank,*
31 *the State Environmental Goals and Policy Report prepared*
32 *pursuant to Section 65041, state-level infrastructure plans, and*
33 *the California Economic Development Strategic Plan prepared*
34 *pursuant to Section 15570.*

35 *(2) The board shall annually adopt a work plan to support the*
36 *bank in meeting the goals and measurable objectives adopted*
37 *pursuant to paragraph (1).*

38 *(b) The bank shall maintain an Internet Web site that includes*
39 *information about its programs, including, but not limited to,*
40 *technical assistance opportunities available through the bank. The*

1 site shall also have at least one link to the Internet Web site for
2 the Governor's Office of Economic Development, or other site
3 serving as the state's primary Internet Web site for dissemination
4 of information about economic development and business
5 attraction, retention, and expansion resources.

6 SEC. 4. Section 63023 of the Government Code is amended to
7 read:

8 63023. In administering and directing the day-to-day operations
9 of the bank in regard to this division, the ~~chief executive director~~
10 officer, or whoever he or she shall assign, may do any of the
11 following if authorized by resolution of the board:

12 (a) Enter into contracts for investment, guarantee, or
13 enhancement.

14 (b) Establish procedures, guidelines, criteria, terms, conditions,
15 or other requirements of any contract, bond, grant, or program, as
16 the case may be, in order to carry out the intents and purposes of
17 the board in authorizing any bond, loan, or grant program pursuant
18 to this division.

19 (c) Decline to guarantee any risk, or to enter into any contract,
20 in which the minimum requirements of the guarantee trust fund
21 or the infrastructure bank fund are not complied with.

22 (d) Reinsure any risk or any part of any risk.

23 (e) Make rules for payments through the infrastructure bank
24 fund and the settlement of claims against the guarantee trust fund
25 and determine to whom and through whom the payments are to
26 be made.

27 (f) Enter into any contracts or obligations relating to the
28 infrastructure bank fund and the guarantee trust fund.

29 (g) Invest and reinvest the moneys belonging to the
30 infrastructure bank fund and the guarantee trust fund as provided
31 by this division.

32 (h) Enter into any contract or agreement, execute any instrument,
33 conduct all business and affairs, and perform all acts relating to
34 the infrastructure bank fund and the guarantee trust fund whether
35 or not specifically designated in this division.

36 (i) Enter into any interagency agreement for the performance
37 of administrative functions necessary for prudent and sound
38 management of the bank, including, but not limited to, accounting,
39 purchasing, human resources, property management, information
40 security, and cash management.

1 *SEC. 5. Section 63024.4 is added to the Government Code, to*
2 *read:*
3 *63024.4. The bank may serve as a facilitator for the*
4 *development of significant infrastructure projects that serve*
5 *regional economic and community development activities. In doing*
6 *so, the bank may coordinate state infrastructure financing entities*
7 *to assist local and regional governments in developing and*
8 *executing finance packages and related development projects, and*
9 *may also serve as an underwriter of all or any portion of a project*
10 *finance package.*

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