

**ASSEMBLY BILL**

**No. 893**

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**Introduced by Assembly Member V. Manuel Pérez**

February 17, 2011

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An act to amend Sections 63021.5, 63022, 63035, and 63040 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

AB 893, as introduced, V. Manuel Pérez. State government: infrastructure and economic development bank.

Existing law establishes the California Infrastructure and Economic Development Bank in the Business, Transportation and Housing Agency. The board of directors of the bank consists of, among others, the Secretary of State and Consumer Services, or their designee. Existing law requires 3 members of the board to constitute a quorum and to take action. Existing law imposes certain duties and grants certain powers to the executive director of the bank.

This bill would alter the membership of the board of the directors of the bank by removing and adding certain members. This bill would also impose term limits on certain members of the board. This bill would also require 4 members of the board to constitute a quorum and to take action.

This bill would require the executive director of the bank to oversee the annual outreach schedule of the bank, as specified.

Existing law requires the California Infrastructure and Economic Development Bank to submit an annual report to the Governor, and the Joint Legislative Budget Committee, that contains specified requirements.

This bill would require the bank to also submit the report to policy committees of the Legislature that oversee the bank, and would alter the requirements of the report.

Existing law requires the bank to notify the Governor, the fiscal and policy committees of the Legislature that exercise legislative oversight of the bank, and appropriate state and local agencies, when the bank establishes or makes changes to the criteria, priorities, and guidelines for project selection.

This bill would require the bank to notify the Governor, the fiscal and policy committees of the Legislature that exercise legislative oversight of the bank, and appropriate state and local agencies, 60 days prior to the adoption or modification of criteria, priorities, and guidelines for project selection.

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 63021.5 of the Government Code is  
 2 amended to read:  
 3 63021.5. (a) The bank shall be governed and its corporate  
 4 power exercised by a board of directors that shall consist of the  
 5 following persons:  
 6 (1) The Director of Finance or his or her designee.  
 7 (2) The Treasurer or his or her designee.  
 8 (3) The Secretary of Business, Transportation and Housing or  
 9 his or her designee, who shall serve as chair of the board.  
 10 (4) An appointee of the Governor.  
 11 ~~(5) The Secretary of State and Consumer Services Agency or~~  
 12 ~~his or her designee.~~ (A) (i) *A representative from the economic*  
 13 *development community appointed by the Speaker of the Assembly.*  
 14 (ii) *A representative from the business community appointed by*  
 15 *the chair of the Senate Committee on Rules.*  
 16 (B) *Appointments by the Speaker of the Assembly and the Senate*  
 17 *Committee on Rules shall be for two-year terms. Appointees may*  
 18 *be reappointed for no more than two terms.*  
 19 (6) *The chairpersons of the Senate and Assembly policy*  
 20 *committees that oversee infrastructure and economic development*  
 21 *issues, as determined by the Speaker of the Assembly and the*

1 *Senate Committee on Rules, shall serve as ex officio nonvoting*  
2 *members of the board.*

3 (b) Any designated director shall serve at the pleasure of the  
4 designating power.

5 (c) ~~Three~~ *Four* of the members shall constitute a quorum and  
6 the affirmative vote of ~~three~~ *four* board members shall be necessary  
7 for any action to be taken by the board.

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

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

23 SEC. 2. Section 63022 of the Government Code is amended  
24 to read:

25 63022. The executive director shall manage and conduct the  
26 business and affairs of the bank, the infrastructure bank fund, and  
27 guarantee trust fund, subject to the direction of the board. *The*  
28 *executive director shall oversee the annual outreach schedule of*  
29 *the bank to ensure that outreach is coordinated with other similar*  
30 *federal and state infrastructure development resources.* Except as  
31 otherwise provided in this section, the board may assign to the  
32 executive director, by resolution, those duties generally necessary  
33 or convenient to carry out its powers and purposes under this  
34 chapter. Any action involving final approval of any bonds, notes,  
35 or loans shall require the approval of a majority of the members  
36 of the board. Subject to any conditions that the board may from  
37 time to time prescribe, the executive director may exercise any  
38 power, function, or duty conferred by law on the bank in  
39 connection with the administration, management, and conduct of

1 the business and affairs of the bank, the infrastructure bank fund,  
 2 and the guarantee trust fund.

3 SEC. 3. Section 63035 of the Government Code is amended  
 4 to read:

5 63035. The bank shall, not later than November 1 of each year,  
 6 submit to the Governor, *the policy committees of the Legislature*  
 7 *that exercise legislative oversight of the bank*, and the Joint  
 8 Legislative Budget Committee a report of its activities pursuant  
 9 to this division for the preceding fiscal year. The report shall  
 10 include all of the following:

11 (a) (1) A listing of applications accepted, including a description  
 12 of the expected employment impact of each project. *The expected*  
 13 *employment impact shall detail the amount of jobs created,*  
 14 *retained, and indirectly impacted.*

15 (2) A separate summary of applications for the Infrastructure  
 16 State Revolving Fund Program, including a summary of the number  
 17 of preliminary applications that did not receive funding and the  
 18 reason the applicant did not qualify.

19 (3) *A list of public outreach activities engaged in during the*  
 20 *year, including outcomes.*

21 (b) A specification of bonds sold and interest rates thereon.

22 (c) The amount of other public and private funds leveraged by  
 23 the assistance provided.

24 (d) A report of revenues and expenditures for the preceding  
 25 fiscal year, including all of the bank’s costs. The information  
 26 provided pursuant to this subdivision shall include, but need not  
 27 be limited to, both of the following:

28 (1) The amount and source of total bank revenues. Revenues  
 29 shall be shown by main categories of revenues, including interest  
 30 earnings, fees collected, and bond proceeds, for each bank program.

31 (2) The amount and type of total bank expenditures.  
 32 Expenditures shall be shown by major categories of expenditures,  
 33 including loans provided, debt service payments, and program  
 34 support costs, for each bank program.

35 (e) A projection of the bank’s needs and requirements for the  
 36 coming year.

37 (f) Recommendations for changes in state and federal law  
 38 necessary to meet the objectives of this division.

39 SEC. 4. Section 63040 of the Government Code is amended  
 40 to read:

1 63040. (a) Following consultation with appropriate state and  
2 local agencies, the bank shall establish criteria, priorities, and  
3 guidelines for the selection of projects to receive assistance from  
4 the bank. Projects shall comply with the criteria, priorities, and  
5 guidelines adopted by the bank.

6 (b) The criteria, priorities, and guidelines shall, at a minimum,  
7 be based upon the following:

8 (1) The State Environmental Goals and Policy Report, or its  
9 successor, approved pursuant to Article 5 (commencing with  
10 Section 65041) of Chapter 1.5 of Division 1 of Title 7. *This*  
11 *requirement shall not apply if the update to the report is more than*  
12 *two years overdue.*

13 (2) If the sponsor is a state agency, board, commission, or  
14 department, the Capital and Infrastructure Project Planning Report,  
15 prepared by the Director of Finance pursuant to Article 2  
16 (commencing with Section 13100) of Chapter 2 of Part 3 of  
17 Division 3 of Title 2.

18 (c) When the bank ~~establishes or makes~~ *proposes to establish*  
19 *or modify* changes to the criteria, priorities, and guidelines, the  
20 bank shall notify the Governor, the fiscal and policy committees  
21 of the Legislature that exercise legislative oversight of the bank,  
22 and appropriate state and local agencies *60 days prior to the*  
23 *adoption or modification.*

24 (d) The resolution required in Section 63041 shall have been  
25 adopted prior to the project's selection by the bank.