

AMENDED IN ASSEMBLY MAY 31, 2011

AMENDED IN ASSEMBLY MAY 10, 2011

AMENDED IN ASSEMBLY APRIL 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 893

Introduced by Assembly Member V. Manuel Pérez

February 17, 2011

~~An act to amend Sections 16724, 63010, 63021.5, 63022, 63024, 63035, 63040, and 63050 of, and to add Sections 63027.3 and 63037 to, the Government Code, relating to state government, and making an appropriation therefor. An act to amend Section 63035 of, and to add Section 63037 to, the Government Code, relating to state government.~~

LEGISLATIVE COUNSEL'S DIGEST

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

~~(1) Existing law, the State General Obligation Bond Law, contains procedures for use in authorizing the issuance and sale and providing for the repayment of state general obligation bonds. The State General Obligation Bond Law requires that a bond act include various provisions.~~

~~This bill would incorporate a requirement into the State General Obligation Bond Law that a bond act include a provision that includes a plan on how the bond will be administered, including outreach and oversight, to ensure that the objectives of the bond act will be adhered to.~~

~~(2) Existing law establishes the California Infrastructure and Economic Development Bank in the Business, Transportation and Housing Agency. Existing law authorizes the bank to carry out certain~~

~~projects, as defined. Existing law authorizes a sponsor, defined to include specified state or local government entities, to make an application to the bank for financial assistance in connection with a project in a manner prescribed by the bank, and authorizes the bank to take specified actions to support the sponsor's project.~~

~~This bill would revise the definition of projects. This bill would expand the definition of sponsor to also include a federally recognized Indian tribe.~~

~~(3) Existing law requires that the board of directors of the bank consists of certain members, and is subject to certain voting and quorum requirements.~~

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

~~(4) Existing law sets forth the duties of the California Infrastructure and Economic Development Bank. Existing law imposes certain duties and grants certain powers to the executive director of the bank.~~

~~This bill would impose additional duties and grant additional powers to the executive director of the bank, as specified. This bill would also require the bank to participate and help facilitate the California Finance Coordinating Committee.~~

~~(5)~~

~~(1) Existing law establishes the California Infrastructure and Economic Development Bank Fund in the State Treasury, and requires that moneys in that fund are only used for specified purposes.~~

~~This bill would require the bank to provide technical support to small and rural communities in the state in obtaining financing for local infrastructure projects. This bill would establish the Technical Assistance Account in the California Infrastructure and Development Bank Fund, and would continuously appropriate the moneys in the account to the bank to be used to provide technical support to small and rural communities. This bill would authorize the bank to use moneys in the California Infrastructure and Economic Development Bank Fund to support the Technical Assistance Account.~~

~~(6)~~

~~(2) 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 *the appropriate fiscal and policy committees* of the Legislature that oversee the bank, and would alter the requirements of the report.

~~(7) 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.~~

~~(8) Existing law authorizes the California Infrastructure and Economic Development Bank to issue revenue bonds, or authorize a special purpose trust to issue bonds, for specified purposes and subject to specified requirements.~~

~~This bill would also authorize the bank to issue letters of credit, or guarantees of letters of credit subject to specified requirements.~~

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

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

1 SECTION 1. ~~Section 16724 of the Government Code is~~
2 ~~amended to read:~~

3 16724. ~~The bond act shall contain all of the following~~
4 ~~provisions:~~

5 ~~(a) A statement of the total amount of bonds authorized to be~~
6 ~~issued and the purpose for which the proceeds from the sale of the~~
7 ~~bonds may be used.~~

8 ~~(b) The creation of a committee and fund, and the naming of~~
9 ~~the board as these items are defined in Section 16722.~~

10 ~~(c) A statement that the bonds are valid obligations of the state~~
11 ~~and a pledge of the full faith and credit of the state for the punctual~~
12 ~~payment of both principal and interest thereof.~~

13 ~~(d) An appropriation from the General Fund in the State~~
14 ~~Treasury of the sum annually as shall be necessary to pay the~~
15 ~~principal and interest on the bonds as they become due and payable.~~

1 ~~(e) A requirement that there be collected annually in the same~~
2 ~~manner and at the same time as other state revenue is collected the~~
3 ~~sum, in addition to the ordinary revenues of the state, as is required~~
4 ~~to pay the principal and interest on the bonds; and a provision~~
5 ~~making it the duty of all officers charged by law with any duty in~~
6 ~~regard to the collections of the revenue to do and perform each~~
7 ~~and every act which is necessary to collect that additional sum.~~

8 ~~(f) If the bond act provides that the fund shall have any receipts~~
9 ~~other than the proceeds of the sale of bonds, the proceeds of interim~~
10 ~~financing, or the investment earnings on the proceeds of bond sales~~
11 ~~or interim financing, then the bond act shall also specify whether~~
12 ~~those receipts shall be transferred to the General Fund as a~~
13 ~~reimbursement for debt service payments or be used for the same~~
14 ~~purpose for which the proceeds of the sale of the bonds may be~~
15 ~~used.~~

16 ~~(g) A provision incorporating the provisions of this chapter, and~~
17 ~~a declaration that the provisions hereof are included in the act as~~
18 ~~though set out in full therein.~~

19 ~~(h) A statement that the bonds may be refunded in accordance~~
20 ~~with Article 6 (commencing with Section 16780), and that approval~~
21 ~~of the authorization of the bonds by the electors includes approval~~
22 ~~of any bonds issued to refund the bonds originally issued.~~

23 ~~(i) A statement that notwithstanding any other provision of the~~
24 ~~bond act, or of the State General Obligation Bond Law (Chapter~~
25 ~~4 (commencing with Section 16720) of Part 3 of Division 4 of~~
26 ~~Title 2 of the Government Code), if the Treasurer sells bonds~~
27 ~~pursuant to this bond act that include a bond counsel opinion to~~
28 ~~the effect that the interest on the bonds is excluded from gross~~
29 ~~income for federal tax purposes under designated conditions, the~~
30 ~~Treasurer may maintain separate accounts for the bond proceeds~~
31 ~~invested and the investment earnings on those proceeds, and may~~
32 ~~use or direct the use of those proceeds or earnings to pay any~~
33 ~~rebate, penalty, or other payment required under federal law, or~~
34 ~~take any other action with respect to the investment and use of~~
35 ~~those bond proceeds, as may be required or desirable under federal~~
36 ~~law in order to maintain the tax-exempt status of those bonds and~~
37 ~~to obtain any other advantage under federal law on behalf of the~~
38 ~~funds of this state.~~

39 ~~(j) A statement that the board may request the Pooled Money~~
40 ~~Investment Board to make a loan from the Pooled Money~~

1 Investment Account, in accordance with Section 16312, for the
2 purposes of carrying out the bond act. The amount of the request
3 shall not exceed the amount of the unsold bonds that the committee
4 has by resolution authorized to be sold for the purpose of carrying
5 out the bond act. The board shall execute any documents required
6 by the Pooled Money Investment Board to obtain and repay the
7 loan. Any amounts loaned shall be deposited in the fund to be
8 allocated by the board in accordance with the bond act.

9 (k) A provision that includes a plan on how the bond act will
10 be administered, including, but not limited to, outreach and
11 oversight, to ensure that the objectives of the bond act will be
12 adhered to.

13 SEC. 2. Section 63010 of the Government Code is amended
14 to read:

15 63010. For purposes of this division, the following words and
16 terms shall have the following meanings unless the context clearly
17 indicates or requires another or different meaning or intent:

18 (a) “Act” means the Bergeson-Peace Infrastructure and
19 Economic Development Bank Act.

20 (b) “Bank” means the California Infrastructure and Economic
21 Development Bank.

22 (c) “Board” or “bank board” means the Board of Directors of
23 the California Infrastructure and Economic Development Bank.

24 (d) “Bond purchase agreement” means a contractual agreement
25 executed between the bank and a sponsor, or a special purpose
26 trust authorized by the bank or a sponsor, or both, whereby the
27 bank or special purpose trust authorized by the bank agrees to
28 purchase bonds of the sponsor for retention or sale.

29 (e) “Bonds” means bonds, including structured, senior, and
30 subordinated bonds or other securities; loans; notes, including
31 bond, revenue, tax or grant anticipation notes; commercial paper;
32 floating rate and variable maturity securities; and any other
33 evidences of indebtedness or ownership, including certificates of
34 participation or beneficial interest, asset backed certificates, or
35 lease-purchase or installment purchase agreements, whether taxable
36 or excludable from gross income for federal income taxation
37 purposes.

38 (f) “Cost,” as applied to a project or portion thereof financed
39 under this division, means all or any part of the cost of construction,
40 renovation, and acquisition of all lands, structures, real or personal

1 property, rights, rights-of-way, franchises, licenses, easements,
2 and interests acquired or used for a project; the cost of demolishing
3 or removing any buildings or structures on land so acquired,
4 including the cost of acquiring any lands to which the buildings
5 or structures may be moved; the cost of all machinery, equipment,
6 and financing charges; interest prior to, during, and for a period
7 after completion of construction, renovation, or acquisition, as
8 determined by the bank; provisions for working capital; reserves
9 for principal and interest and for extensions, enlargements,
10 additions, replacements, renovations, and improvements; and the
11 cost of architectural, engineering, financial and legal services;
12 plans, specifications, estimates, administrative expenses, and other
13 expenses necessary or incidental to determining the feasibility of
14 any project or incidental to the construction, acquisition, or
15 financing of any project, and transition costs in the case of an
16 electrical corporation.

17 (g) “Economic development facilities” means real and personal
18 property, structures, buildings, equipment, and supporting
19 components thereof that are used to provide industrial, recreational,
20 research, commercial, utility, or service enterprise facilities,
21 community, educational, cultural, or social welfare facilities and
22 any parts or combinations thereof, and all facilities or infrastructure
23 necessary or desirable in connection therewith, including provision
24 for working capital, but shall not include any housing.

25 (h) “Electrical corporation” has the meaning set forth in Section
26 218 of the Public Utilities Code.

27 (i) “Executive director” means the Executive Director of the
28 California Infrastructure and Economic Development Bank
29 appointed pursuant to Section 63021.

30 (j) “Financial assistance” in connection with a project, includes,
31 but is not limited to, any combination of grants, loans, the proceeds
32 of bonds issued by the bank or special purpose trust, insurance,
33 guarantees or other credit enhancements or liquidity facilities, and
34 contributions of money, property, labor, or other things of value,
35 as may be approved by resolution of the board or the sponsor, or
36 both; the purchase or retention of bank bonds, the bonds of a
37 sponsor for their retention or for sale by the bank, or the issuance
38 of bank bonds or the bonds of a special purpose trust used to fund
39 the cost of a project for which a sponsor is directly or indirectly
40 liable, including, but not limited to, bonds, the security for which

1 is provided in whole or in part pursuant to the powers granted by
2 Section 63025; bonds for which the bank has provided a guarantee
3 or enhancement, including, but not limited to, the purchase of the
4 subordinated bonds of the sponsor, the subordinated bonds of a
5 special purpose trust, or the retention of the subordinated bonds
6 of the bank pursuant to Chapter 4 (commencing with Section
7 63060); or any other type of assistance deemed appropriate by the
8 bank or the sponsor, except that no direct loans shall be made to
9 nonpublic entities other than in connection with the issuance of
10 rate reduction bonds pursuant to a financing order or in connection
11 with a financing for an economic development facility.

12 For purposes of this subdivision, “grant” does not include grants
13 made by the bank except when acting as an agent or intermediary
14 for the distribution or packaging of financing available from
15 federal, private, or other public sources.

16 (k) “Financing order” has the meaning set forth in Section 840
17 of the Public Utilities Code.

18 (l) “Guarantee trust fund” means the California Infrastructure
19 Guarantee Trust Fund.

20 (m) “Infrastructure bank fund” means the California
21 Infrastructure and Economic Development Bank Fund.

22 (n) “Loan agreement” means a contractual agreement executed
23 between the bank or a special purpose trust and a sponsor that
24 provides that the bank or special purpose trust will loan funds to
25 the sponsor and that the sponsor will repay the principal and pay
26 the interest and redemption premium, if any, on the loan.

27 (o) “Participating party” means any person, company,
28 corporation, association, state or municipal governmental entity,
29 partnership, firm, or other entity or group of entities, whether
30 organized for profit or not for profit, engaged in business or
31 operations within the state and that applies for financing from the
32 bank in conjunction with a sponsor for the purpose of implementing
33 a project. However, in the case of a project relating to the financing
34 of transition costs or the acquisition of transition property, or both,
35 on the request of an electrical corporation, or in connection with
36 a financing for an economic development facility, or for the
37 financing of insurance claims, the participating party shall be
38 deemed to be the same entity as the sponsor for the financing.

39 (p) “Project” means designing, acquiring, planning, permitting,
40 entitling, constructing, improving, extending, restoring, financing,

1 and generally developing public development facilities or economic
 2 development facilities within the state or financing transition costs
 3 or the acquisition of transition property, or both, upon approval of
 4 a financing order by the Public Utilities Commission, as provided
 5 in Article 5.5 (commencing with Section 840) of Chapter 4 of Part
 6 1 of Division 1 of the Public Utilities Code. "Project" also includes
 7 any predevelopment or redevelopment costs associated with any
 8 project described in the preceding sentence.

9 (e) "Public development facilities" means real and personal
 10 property, structures, conveyances, equipment, thoroughfares,
 11 buildings, and supporting components thereof, excluding any
 12 housing, that are directly related to providing the following:

13 (1) "City streets" including any street, avenue, boulevard, road,
 14 parkway, drive, or other way that is any of the following:

15 (A) An existing municipal roadway.

16 (B) Is shown upon a plat approved pursuant to law and includes
 17 the land between the street lines, whether improved or unimproved,
 18 and may comprise pavement, bridges, shoulders, gutters, curbs,
 19 guardrails, sidewalks, parking areas, benches, fountains, plantings,
 20 lighting systems, and other areas within the street lines, as well as
 21 equipment and facilities used in the cleaning, grading, clearance,
 22 maintenance, and upkeep thereof.

23 (2) "County highways" including any county highway as defined
 24 in Section 25 of the Streets and Highways Code, that includes the
 25 land between the highway lines, whether improved or unimproved,
 26 and may comprise pavement, bridges, shoulders, gutters, curbs,
 27 guardrails, sidewalks, parking areas, benches, fountains, plantings,
 28 lighting systems, and other areas within the street lines, as well as
 29 equipment and facilities used in the cleaning, grading, clearance,
 30 maintenance, and upkeep thereof.

31 (3) "Drainage, water supply, and flood control" including, but
 32 not limited to, ditches, canals, levees, pumps, dams, conduits,
 33 pipes, storm sewers, and dikes necessary to keep or direct water
 34 away from people, equipment, buildings, and other protected areas
 35 as may be established by lawful authority, as well as the
 36 acquisition, improvement, maintenance, and management of flood
 37 plain areas and all equipment used in the maintenance and
 38 operation of the foregoing.

- 1 ~~(4) “Educational facilities” including libraries, child care~~
2 ~~facilities, including, but not limited to, day care facilities, and~~
3 ~~employment training facilities.~~
- 4 ~~(5) “Environmental mitigation measures” including required~~
5 ~~construction or modification of public infrastructure and purchase~~
6 ~~and installation of pollution control and noise abatement~~
7 ~~equipment.~~
- 8 ~~(6) “Parks and recreational facilities” including local parks,~~
9 ~~recreational property and equipment, parkways and property.~~
- 10 ~~(7) “Port facilities” including docks, harbors, ports of entry,~~
11 ~~piers, ships, small boat harbors and marinas, and any other~~
12 ~~facilities, additions, or improvements in connection therewith.~~
- 13 ~~(8) “Power and communications” including facilities for the~~
14 ~~transmission or distribution of electrical energy, natural gas, and~~
15 ~~telephone and telecommunications service.~~
- 16 ~~(9) “Public transit” including air and rail transport of goods,~~
17 ~~airports, guideways, vehicles, rights-of-way, passenger stations,~~
18 ~~maintenance and storage yards, and related structures, including~~
19 ~~public parking facilities, equipment used to provide or enhance~~
20 ~~transportation by bus, rail, ferry, or other conveyance, either~~
21 ~~publicly or privately owned, that provides to the public general or~~
22 ~~special service on a regular and continuing basis.~~
- 23 ~~(10) “Sewage collection and treatment” including pipes, pumps,~~
24 ~~and conduits that collect wastewater from residential,~~
25 ~~manufacturing, and commercial establishments, the equipment,~~
26 ~~structures, and facilities used in treating wastewater to reduce or~~
27 ~~eliminate impurities or contaminants, and the facilities used in~~
28 ~~disposing of, or transporting, remaining sludge, as well as all~~
29 ~~equipment used in the maintenance and operation of the foregoing.~~
- 30 ~~(11) “Solid waste collection and disposal” including vehicles,~~
31 ~~vehicle-compatible waste receptacles, transfer stations, recycling~~
32 ~~centers, sanitary landfills, and waste conversion facilities necessary~~
33 ~~to remove solid waste, except that which is hazardous as defined~~
34 ~~by law, from its point of origin.~~
- 35 ~~(12) “Water treatment and distribution” including facilities in~~
36 ~~which water is purified and otherwise treated to meet residential,~~
37 ~~manufacturing, or commercial purposes and the conduits, pipes,~~
38 ~~and pumps that transport it to places of use.~~

1 (13) ~~“Defense conversion” including, but not limited to, facilities~~
2 ~~necessary for successfully converting military bases consistent~~
3 ~~with an adopted base reuse plan.~~

4 (14) ~~“Public safety facilities” including, but not limited to, police~~
5 ~~stations, fire stations, court buildings, jails, juvenile halls, and~~
6 ~~juvenile detention facilities.~~

7 (15) ~~“State highways” including any state highway as described~~
8 ~~in Chapter 2 (commencing with Section 230) of Division 1 of the~~
9 ~~Streets and Highways Code, and the related components necessary~~
10 ~~for safe operation of the highway.~~

11 (16) (A) ~~Military infrastructure, including, but not limited to,~~
12 ~~facilities on or near a military installation, that enhance the military~~
13 ~~operations and mission of one or more military installations in this~~
14 ~~state. To be eligible for funding, the project shall be endorsed by~~
15 ~~the Office of Military and Aerospace Support established pursuant~~
16 ~~to Section 13998.2.~~

17 (B) ~~For purposes of this subdivision, “military installation”~~
18 ~~means any facility under the jurisdiction of the Department of~~
19 ~~Defense, as defined in paragraph (1) of subsection (c) of Section~~
20 ~~2687 of Title 10 of the United States Code.~~

21 (r) ~~“Rate reduction bonds” has the meaning set forth in Section~~
22 ~~840 of the Public Utilities Code.~~

23 (s) ~~“Revenues” means all receipts, purchase payments, loan~~
24 ~~repayments, lease payments, and all other income or receipts~~
25 ~~derived by the bank or a sponsor from the sale, lease, or other~~
26 ~~financing arrangement undertaken by the bank, a sponsor or a~~
27 ~~participating party, including, but not limited to, all receipts from~~
28 ~~a bond purchase agreement, and any income or revenue derived~~
29 ~~from the investment of any money in any fund or account of the~~
30 ~~bank or a sponsor and any receipts derived from transition property.~~
31 ~~Revenues shall not include moneys in the General Fund of the~~
32 ~~state.~~

33 (t) ~~“Special purpose trust” means a trust, partnership, limited~~
34 ~~partnership, association, corporation, nonprofit corporation, or~~
35 ~~other entity authorized under the laws of the state to serve as an~~
36 ~~instrumentality of the state to accomplish public purposes and~~
37 ~~authorized by the bank to acquire, by purchase or otherwise, for~~
38 ~~retention or sale, the bonds of a sponsor or of the bank made or~~
39 ~~entered into pursuant to this division and to issue special purpose~~
40 ~~trust bonds or other obligations secured by these bonds or other~~

1 sources of public or private revenues. Special purpose trust also
2 means any entity authorized by the bank to acquire transition
3 property or to issue rate reduction bonds, or both, subject to the
4 approvals by the bank and powers of the bank as are provided by
5 the bank in its resolution authorizing the entity to issue rate
6 reduction bonds.

7 (u) “Sponsor” means any subdivision of the state or local
8 government including departments, agencies, commissions, cities,
9 counties, nonprofit corporations formed on behalf of a sponsor,
10 special districts, assessment districts, and joint powers authorities
11 within the state or any combination of these subdivisions that
12 makes an application to the bank for financial assistance in
13 connection with a project in a manner prescribed by the bank. A
14 sponsor also means a federally recognized Indian tribe with lands
15 that are surrounded by the state and that makes an application to
16 the bank for financial assistance in connection with a project in a
17 manner prescribed by the bank. This definition shall not be
18 construed to require that an applicant have an ownership interest
19 in the project. In addition, an electrical corporation shall be deemed
20 to be the sponsor as well as the participating party for any project
21 relating to the financing of transition costs and the acquisition of
22 transition property on the request of the electrical corporation and
23 any person, company, corporation, partnership, firm, or other entity
24 or group engaged in business or operation within the state that
25 applies for financing of any economic development facility, shall
26 be deemed to be the sponsor as well as the participating party for
27 the project relating to the financing of that economic development
28 facility.

29 (v) “State” means the State of California.

30 (w) “Transition costs” has the meaning set forth in Section 840
31 of the Public Utilities Code.

32 (x) “Transition property” has the meaning set forth in Section
33 840 of the Public Utilities Code.

34 (y) “California Finance Coordinating Committee” means a group
35 of state and federal agencies which administer one or more
36 infrastructure financing or grant programs. The members of the
37 committee work collaboratively to facilitate and expedite the
38 development of infrastructure projects by helping interested parties
39 identify and combine the resources of various state and federal
40 financing sources with other financing options.

1 SEC. 3.— Section 63021.5 of the Government Code is amended
2 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) Four appointees of the Governor, one representing~~
11 ~~construction trades, one being a business professional, one being~~
12 ~~a certified economic development practitioner, and one general~~
13 ~~member of the public.~~

14 ~~(6) The chairpersons of the Senate and Assembly policy~~
15 ~~committees that oversee infrastructure and economic development~~
16 ~~issues, as determined by the Speaker of the Assembly and the~~
17 ~~Senate Committee on Rules, shall serve as ex officio nonvoting~~
18 ~~members of the board.~~

19 ~~(b) Any designated director shall serve at the pleasure of the~~
20 ~~designating power.~~

21 ~~(c) Four of the members shall constitute a quorum and the~~
22 ~~affirmative vote of four board members shall be necessary for any~~
23 ~~action to be taken by the board.~~

24 ~~(d) A member of the board shall not participate in any bank~~
25 ~~action or attempt to influence any decision or recommendation by~~
26 ~~any employee of, or consultant to, the bank that involves a sponsor~~
27 ~~of which he or she is a representative or in which the member or~~
28 ~~a member of his or her immediate family has a personal financial~~
29 ~~interest within the meaning of Section 87100. For purposes of this~~
30 ~~section, “immediate family” means the spouse, children, and~~
31 ~~parents of the member.~~

32 ~~(e) Except as provided in this subdivision, the members of the~~
33 ~~board shall serve without compensation, but shall be reimbursed~~
34 ~~for actual and necessary expenses incurred in the performance of~~
35 ~~their duties to the extent that reimbursement for these expenses is~~
36 ~~not otherwise provided or payable by another public agency, and~~
37 ~~shall receive one hundred dollars (\$100) for each full day of~~
38 ~~attending meetings of the authority.~~

39 SEC. 4.— Section 63022 of the Government Code is amended
40 to read:

1 ~~63022. The executive director shall manage and conduct the~~
2 ~~business and affairs of the bank, the infrastructure bank fund, and~~
3 ~~guarantee trust fund, subject to the direction of the board. The~~
4 ~~executive director shall oversee the annual outreach schedule of~~
5 ~~the bank to ensure that outreach is coordinated with other similar~~
6 ~~federal and state infrastructure development resources. Except as~~
7 ~~otherwise provided in this section, the board may assign to the~~
8 ~~executive director, by resolution, those duties generally necessary~~
9 ~~or convenient to carry out its powers and purposes under this~~
10 ~~chapter. Any action involving final approval of any bonds, notes,~~
11 ~~or loans shall require the approval of a majority of the members~~
12 ~~of the board. Subject to any conditions that the board may from~~
13 ~~time to time prescribe, the executive director may exercise any~~
14 ~~power, function, or duty conferred by law on the bank in~~
15 ~~connection with the administration, management, and conduct of~~
16 ~~the business and affairs of the bank, the infrastructure bank fund,~~
17 ~~and the guarantee trust fund.~~

18 ~~SEC. 5. Section 63024 of the Government Code is amended~~
19 ~~to read:~~

20 ~~63024. (a) The executive director may contract with the~~
21 ~~Department of Finance, the State Department of Health Services,~~
22 ~~the Department of Transportation, the Department of Water~~
23 ~~Resources, the California Integrated Waste Management Board,~~
24 ~~the State Water Resources Control Board, the Governor's Office~~
25 ~~of Planning and Research, and any other necessary agencies,~~
26 ~~persons, or firms to enable the agency to properly perform the~~
27 ~~duties imposed by this division.~~

28 ~~(b) The executive director may contract with any state or local~~
29 ~~agency to underwrite, or otherwise assist, that entity to implement~~
30 ~~an economic, community, or infrastructure development program~~
31 ~~or project to the extent that these activities are consistent with this~~
32 ~~division.~~

33 ~~(c) The executive director shall, in a timely and cost-effective~~
34 ~~manner, enter into memorandums of understanding with related~~
35 ~~financing programs for the purpose of expediting the approval and~~
36 ~~packaging of infrastructure financing.~~

37 ~~(d) The bank shall participate and help facilitate, to the extent~~
38 ~~that funding is available, the California Finance Coordinating~~
39 ~~Committee, or similar or successor committee that has the same~~
40 ~~functions, the members of which work collaboratively to facilitate~~

1 and expedite the development of infrastructure projects by helping
2 interested parties identify and combine the resources of various
3 state and federal financing sources with other financing options.

4 SEC. 6. Section 63027.3 is added to the Government Code, to
5 read:

6 63027.3. (a) The bank may issue letters of credit, or guarantees
7 for letters of credit, to secure and make more attractive to capital
8 markets revenue bonds issued pursuant to this chapter.

9 (b) The bank may fix the premium of letters of credit, or
10 guarantees for letters of credit, at any rate or rates that the bank
11 determines to be reasonable. These rate or rates need not be
12 uniform, and may reflect any risks and classifications of risk as
13 the bank determines to be reasonable.

14 (c) The bank may exercise those other powers as are necessary
15 or incidental to letters of credit or guarantees of letters of credit,
16 and related matters.

17 (d) The bank shall make reasonable provision for the security
18 of letters of credit, or guarantees of letters of credit, or any other
19 letter of credit financing arrangements negotiated by the bank.

20 (e) (1) Letters of credit or guarantees for letters of credit issued
21 pursuant to this section do not constitute a debt or liability of the
22 state or of any political subdivision thereof, other than the bank
23 or a special purpose trust, and do not constitute a pledge of the full
24 faith and credit of the state or any of its political subdivisions,
25 other than the bank or special purpose trust, but are payable solely
26 from the funds provided therefor under this chapter and shall be
27 consistent with Sections 1 and 18 of Article XVI of the California
28 Constitution.

29 (2) All the letters of credit shall contain on the face thereof a
30 statement to the following effect:

31 —
32 “Neither the full faith and credit nor the taxing power of the
33 State of California is pledged to the payment of the principal of,
34 or interest on, this letter of credit.”

35 —
36 (3) All the guarantees for letters of credit shall contain on the
37 face thereof a statement to the following effect:

38 —

1 “Neither the full faith and credit nor the taxing power of the
2 State of California is pledged to the payment of the principal of,
3 or interest on, this guarantee for a letter of credit.”

4 —

5 ~~(4) The issuance of letters of credit or guarantees for letters of~~
6 ~~credit pursuant to this section shall not directly or indirectly or~~
7 ~~contingently obligate the state or any political subdivision thereof~~
8 ~~to levy or to pledge any form of taxation therefor or to make any~~
9 ~~appropriation for their payment. This section shall not prevent, or~~
10 ~~be construed to prevent, the bank from pledging the full faith and~~
11 ~~credit of the infrastructure bank fund to the payment of letters of~~
12 ~~credit or guarantees for letters of credit or issuance of letters of~~
13 ~~credit or guarantees for letters of credit authorized pursuant to this~~
14 ~~section.~~

15 ~~SEC. 7.~~

16 *SECTION 1.* Section 63035 of the Government Code is
17 amended to read:

18 63035. The bank shall, not later than November 1 of each year,
19 submit to the Governor, the *appropriate fiscal and* policy
20 committees of the Legislature that exercise legislative oversight
21 of the bank, and the Joint Legislative Budget Committee a report
22 of its activities pursuant to this division for the preceding fiscal
23 year. The report shall include all of the following:

24 (a) (1) A listing of applications accepted, including a description
25 of the expected employment impact of each project. ~~The expected~~
26 ~~employment impact shall detail the amount of jobs created,~~
27 ~~retained, and indirectly impacted.~~

28 (2) A separate summary of applications for the Infrastructure
29 State Revolving Fund Program, including a summary of the number
30 of preliminary applications that did not receive funding and the
31 reason the applicant did not qualify.

32 (3) A list of public outreach activities engaged in during the
33 year, ~~including outcomes.~~

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

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

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

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

4 (2) The amount and type of total bank expenditures.
5 Expenditures shall be shown by major categories of expenditures,
6 including loans provided, debt service payments, and program
7 support costs, for each bank program.

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

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

12 ~~SEC. 8.~~

13 *SEC. 2.* Section 63037 is added to the Government Code, to
14 read:

15 63037. (a) The bank shall provide technical support to small
16 and rural communities in the state in obtaining financing for local
17 infrastructure projects.

18 (b) For purposes of this section, “technical support” means
19 assisting communities in developing strategic plans, writing grants,
20 applying for public and private loans and guarantees, issuing bonds,
21 and other activities directly related to obtaining funding for
22 infrastructure projects. Technical assistance in this regard shall
23 include extended interaction with a community throughout the
24 financing process, and shall be encouraged to maximize
25 public-private partnerships to the extent possible.

26 ~~(e) (1) Funds to support the services provided by this section
27 related to assisting communities in obtaining the proceeds of bonds
28 authorized pursuant to Section 1 of Article XVI of the California
29 Constitution, and transferred pursuant to subdivision (e) of Section
30 63050, shall be deposited in the Technical Assistance Account,
31 which is hereby created in the California Infrastructure and
32 Economic Development Bank Fund. Notwithstanding Section
33 13340, moneys in the account are continuously appropriated to
34 the bank in amounts representing the pro rata share of each source
35 of funds, and moneys transferred pursuant to subdivision (e) of
36 Section 63050 shall not be used for any other purpose than the
37 furtherance of the purpose of the respective bond acts by this
38 section.~~

39 ~~(2) Other funds, including those funds received pursuant to
40 subdivision (g) or Section 63024, excluding General Fund~~

1 revenues, may be deposited in the Technical Assistance Account
2 and may be used to provide technical assistance to communities
3 for infrastructure projects financed with funding sources other than
4 those authorized pursuant to Section 1 of Article XVI of the
5 California Constitution.

6 ~~(d) The bank shall individually track each funding source and
7 its use to ensure that all funding conditions are met and that only
8 eligible communities and eligible purposes are authorized.~~

9 ~~(e)~~
10 (c) The bank may contract with other state agencies, local
11 agencies, or federal authorities for the purpose of providing
12 technical support to small and rural communities in the state
13 pursuant to this section.

14 ~~SEC. 9. Section 63040 of the Government Code is amended
15 to read:~~

16 ~~63040. (a) Following consultation with appropriate state and
17 local agencies, the bank shall establish criteria, priorities, and
18 guidelines for the selection of projects to receive assistance from
19 the bank. Projects shall comply with the criteria, priorities, and
20 guidelines adopted by the bank.~~

21 ~~(b) The criteria, priorities, and guidelines shall, at a minimum,
22 be based upon the following:~~

23 ~~(1) The State Environmental Goals and Policy Report, or its
24 successor, approved pursuant to Article 5 (commencing with
25 Section 65041) of Chapter 1.5 of Division 1 of Title 7. This
26 requirement shall not apply if the update to the report is more than
27 two years overdue.~~

28 ~~(2) If the sponsor is a state agency, board, commission, or
29 department, the Capital and Infrastructure Project Planning Report,
30 prepared by the Director of Finance pursuant to Article 2
31 (commencing with Section 13100) of Chapter 2 of Part 3 of
32 Division 3 of Title 2.~~

33 ~~(c) When the bank proposes to establish or modify changes to
34 the criteria, priorities, and guidelines, the bank shall notify the
35 Governor, the fiscal and policy committees of the Legislature that
36 exercise legislative oversight of the bank, and appropriate state
37 and local agencies 60 days prior to the adoption or modification.~~

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

1 ~~SEC. 10.— Section 63050 of the Government Code is amended~~
2 ~~to read:~~

3 ~~63050. (a) There is hereby created in the State Treasury the~~
4 ~~California Infrastructure and Economic Development Bank Fund~~
5 ~~for the purpose of implementing the objectives and provisions of~~
6 ~~this division. Within the fund there shall also be established a~~
7 ~~Sponsor Revenue Bond Account, a Participating Party Revenue~~
8 ~~Bond Account, a State Infrastructure Revolving Account, a~~
9 ~~Technical Assistance Account, and additional accounts and~~
10 ~~subaccounts that the bank may establish from time to time.~~

11 ~~(b) Notwithstanding Section 13340 and except as provided in~~
12 ~~subdivision (c), all moneys in the infrastructure bank fund are~~
13 ~~continuously appropriated without regard to fiscal years for the~~
14 ~~support of the bank and shall be available for expenditure for the~~
15 ~~purposes stated in this division.~~

16 ~~(c) Moneys in the infrastructure bank fund shall be available~~
17 ~~for expenditure for general administration only upon appropriation~~
18 ~~by the Legislature. This subdivision shall not limit the authority~~
19 ~~of the bank to expend funds directly related to the servicing of~~
20 ~~approved debt. Moneys in the fund shall be available for the~~
21 ~~purpose of general administration of the authority only upon~~
22 ~~appropriation by the Legislature, but not more than 5 percent of~~
23 ~~any bond proceeds administered by the authority may be expended~~
24 ~~to cover the costs of issuance, as that terminology is defined under~~
25 ~~Section 147 (G) of the Internal Revenue Code. Moneys in the fund~~
26 ~~shall be available for the purpose of providing technical support~~
27 ~~to small and rural communities in the state pursuant to Section~~
28 ~~63037.~~

29 ~~(d) Notwithstanding any other provision of this division, not~~
30 ~~more than 15 percent of the financing annually approved by the~~
31 ~~executive director that utilizes state funds from the infrastructure~~
32 ~~bank fund may be expended upon educational facilities,~~
33 ~~environmental mitigation measures, and parks and recreational~~
34 ~~facilities.~~

35 ~~(e) The executive director may transfer funds between the~~
36 ~~infrastructure bank fund and the guarantee trust fund when~~
37 ~~appropriate to accomplish the financing objectives of this division.~~

O