

AMENDED IN SENATE AUGUST 30, 2011

AMENDED IN SENATE AUGUST 15, 2011

AMENDED IN SENATE JULY 13, 2011

AMENDED IN SENATE JUNE 27, 2011

AMENDED IN SENATE JUNE 21, 2011

AMENDED IN ASSEMBLY MAY 27, 2011

AMENDED IN ASSEMBLY MAY 10, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 901

Introduced by Assembly Member V. Manuel Pérez

February 17, 2011

An act to amend Section 13997.2 of, ~~and to add Chapter 12.9 (commencing with Section 7090) to Division 7 of Title 1 of,~~ the Government Code, and to amend Sections 44559.1, 44559.2, and 44559.6 of the Health and Safety Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 901, as amended, V. Manuel Pérez. Economic development: small business.

(1) Existing law establishes the California Economic Development Fund in the State Treasury to receive economic development funds and loan repayment and grant proceeds and authorizes the Secretary of Business, Transportation and Housing, upon appropriation by the Legislature, to expend the fund's revenue to provide matching funds

for economic development purposes. Existing law establishes certain definitions in this regard and defines a *financial intermediary and a community development intermediary* to include, among other things, microenterprise development organizations.

~~This bill would define a microenterprise development organization for these purposes to mean a nonprofit or public agency that provides self-employment training, technical assistance, and access to microloans to individuals seeking to become self-employed or to expand their business delete the reference to microenterprise development organizations in the definitions of financial intermediary and community development intermediary and would instead provide that a financial intermediary and a community development intermediary include microbusiness lenders, as defined.~~

~~Existing federal law authorizes the federal Small Business Administration to make grants to a state to assist it in establishing small business development centers conditioned upon the grant applicant providing a matching amount.~~

~~This bill would establish the California Small Business Development Center Program in which a small business center overseen by an administrative lead center, defined as the entity contracting with the federal Small Business Administration, would assist the development and operation of small businesses. The bill would establish the SBA Account within the California Economic Development Fund and, upon appropriation by the Legislature, would authorize the Secretary of Business, Transportation and Housing to expend those funds for the sole purpose of providing matching funds for the federal grants made for small business development centers. The bill would require an administrative lead center to report to the Business, Transportation and Housing Agency for any year that state revenues are expended to support the program, and would require the Secretary of Business, Transportation and Housing to compile those reports and submit a single report annually to the Legislature and the Governor, as specified:~~

(2) Existing law establishes the Capital Access Loan Program, which is administered by the California Pollution Control Financing Authority, and defines the term “financial institution,” for purposes of that program. The authority is required to include specified terms in any contract that the authority enters into with a financial institution participating in the program, as specified. Existing law requires the authority to submit a report annually to the Governor and the Legislature that describes the

financial condition and the programmatic results of the Capital Access Loan Program for small businesses.

This bill would revise the definition of the term “financial institution” to include a small business financial development corporation or ~~microenterprise development organization~~ *microbusiness lender* that meets standards that shall be established by the authority and to include depository institutions, insured credit unions, and community development financial institutions, as defined pursuant to federal law.

This bill would require that the form contract used by the authority when contracting with a participating financial institution include provisions requiring the financial institution to provide information to the authority on the number of jobs created and the number of jobs retained relative to loans made by the financial institution under the program. The bill would also specify, for purposes of the annual report to the Governor and the Legislature, that programmatic results include, but are not limited to, the total number of businesses served, jobs created, jobs retained, the geographic distribution of the loans, and the breakdown of businesses served by industry sector, as specified.

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.—(a) The Legislature finds and declares the~~
- 2 ~~following:~~
- 3 ~~(1) Small businesses are a vital part of the state’s economic~~
- 4 ~~well-being, and documented evidence shows that small businesses~~
- 5 ~~contribute to increased productivity and innovation.~~
- 6 ~~(2) The prudent expansion of small businesses can expand~~
- 7 ~~employment opportunities and contribute to the financial health~~
- 8 ~~of the state.~~
- 9 ~~(3) In order to maintain a healthy state economy and to aid~~
- 10 ~~communities, entrepreneurship among small businesses must be~~
- 11 ~~stimulated and supported.~~
- 12 ~~(4) The California Small Business Development Center (SBDC)~~
- 13 ~~facilitates the success of small business by creating and retaining~~
- 14 ~~jobs, increasing sales and profits, securing business financing, and~~
- 15 ~~creating new businesses.~~
- 16 ~~(5) An SBDC provides one-on-one business management~~
- 17 ~~counseling and assists small businesses with business plans,~~

1 marketing, financing, and other business issues that promote and
2 expand small businesses in the state.

3 (b) The Legislature intends all of the following:

4 (1) To stimulate the economy and to promote new job
5 opportunities by assisting all small businesses by expanding and
6 supporting the further development of the state's network of
7 services to small businesses that shall include, among other things,
8 management assistance, business education and training, capital
9 formation assistance, economic and business data dissemination,
10 and technical assistance.

11 (2) To provide assistance to the state's small businesses through
12 management and staff experienced and knowledgeable in small
13 business matters, which skills are not always readily available
14 within the civil service system.

15 (3) To establish a structure that provides funding to match the
16 federal funds provided to each SBDC.

17 (4) To include the following as goals for the SBDC Program:

18 (A) Identifying appropriate sources of federal, state, and local
19 public and private funding to support an SBDC.

20 (B) Promoting and rendering client services available through
21 an SBDC to special emphasis groups in the community as well as
22 to the general population of potential and existing business owners.

23 SEC. 2. Chapter 12.9 (commencing with Section 7090) is added
24 to Division 7 of Title 1 of the Government Code, to read:

25
26 CHAPTER 12.9. CALIFORNIA SMALL BUSINESS DEVELOPMENT
27 CENTER PROGRAM
28

29 7090. The following definitions apply for purposes of this
30 chapter:

31 (a) "Administrative lead center" means the entity with which
32 the federal Small Business Administration contracts to administer
33 the federal program funds pursuant to federal law under the Small
34 Business Development Center Act of 1980 (15 U.S.C. Sec. 631 et
35 seq.):

36 (b) "SBDC" means a small business development center.

37 7091. (a) The California Small Business Development Center
38 Program is hereby established for the purpose of expanding and
39 supporting the further development of the state's network of
40 services to small businesses.

1 ~~(b) The duties of an SBDC shall include, but are not limited to,~~
2 ~~the following:~~

3 ~~(1) Making referrals and disseminating information regarding~~
4 ~~topics such as general legal requirements for starting a business,~~
5 ~~public and private financing opportunities, local business~~
6 ~~development profiles, and site inventory, and providing listings~~
7 ~~of professional service providers.~~

8 ~~(2) Providing specialized one-on-one counseling and technical~~
9 ~~assistance in the areas of business planning and management,~~
10 ~~financing, and marketing for small businesses with the greatest~~
11 ~~potential for job retention and creation.~~

12 ~~(3) Conducting regional workshops and conferences, as well as~~
13 ~~local “how to” workshops, courses, and seminars with local~~
14 ~~cosponsors such as community colleges, grantees of the federal~~
15 ~~Minority Business Development Agency, the federal Small~~
16 ~~Business Administration, the California Community Colleges~~
17 ~~Economic and Workforce Development Program, and chambers~~
18 ~~of commerce.~~

19 ~~(4) Coordinating with employee training and placement~~
20 ~~programs.~~

21 ~~(5) Providing services to link small businesses to research and~~
22 ~~development institutions for the purposes of transferring new~~
23 ~~technology to a new or an expanding small business.~~

24 ~~(e) An administrative lead center shall oversee and provide~~
25 ~~assistance to each SBDC within its area.~~

26 ~~(d) The California Small Business Development Center Program~~
27 ~~shall, to the extent feasible, work in collaboration with the activities~~
28 ~~of the Small Business Advocate, the California Small Business~~
29 ~~Board within the Business, Transportation and Housing Agency,~~
30 ~~the California Economic Strategy Panel, the Employment Training~~
31 ~~Panel, the California Workforce Investment Board, and other state~~
32 ~~economic and workforce development programs.~~

33 ~~7092. (a) In order to qualify for funding pursuant to this~~
34 ~~section, an SBDC shall be eligible for, and receive funds from, the~~
35 ~~federal government pursuant to federal law under the Small~~
36 ~~Business Development Center Act of 1980 (15 U.S.C. Sec. 631 et~~
37 ~~seq.).~~

38 ~~(b) The SBA Account is hereby created within the California~~
39 ~~Economic Development Fund, established pursuant to Section~~
40 ~~13997.6. Upon appropriation by the Legislature, moneys in the~~

1 ~~SBA Account may be expended by the Secretary of Business,~~
2 ~~Transportation and Housing for the sole purpose of providing~~
3 ~~matching funds for federal funds under the Small Business~~
4 ~~Development Center Act of 1980 (15 U.S.C. Sec. 631 et seq.):~~

5 ~~(e) An SBDC may institute a policy for charging reasonable~~
6 ~~fees for the training services it provides.~~

7 ~~(d) An SBDC shall make every effort to secure additional funds~~
8 ~~from federal, state, and local governments and from private funding~~
9 ~~sources to support the services and programs it provides to small~~
10 ~~businesses.~~

11 ~~7093. (a) In any year that state revenues are expended to~~
12 ~~support the California Small Business Development Center~~
13 ~~Program, the administrative lead center that oversees a region in~~
14 ~~which the state revenues are expended for federal matching~~
15 ~~purposes, pursuant to the Small Business Development Center Act~~
16 ~~of 1980 (15 U.S.C. Sec. 631 et seq.), shall report by April 1 of the~~
17 ~~following year to the Business, Transportation and Housing Agency~~
18 ~~on the activities of the California Small Business Development~~
19 ~~Center Program in its region. The Secretary of Business,~~
20 ~~Transportation and Housing shall annually compile any reports~~
21 ~~received from regional administrative lead centers pursuant to this~~
22 ~~section into a single report, which shall be submitted to the~~
23 ~~Legislature, pursuant to Section 9795, and to the Governor by May~~
24 ~~1 of each year.~~

25 ~~(b) To the extent this information is available, the report shall~~
26 ~~include, at a minimum, the number of businesses assisted, the~~
27 ~~number of employees employed by those businesses, the number~~
28 ~~of jobs created, the number of jobs retained, the amount of state~~
29 ~~tax dollars generated from those businesses, the industry sectors~~
30 ~~of the businesses assisted, and the amount of federal funding~~
31 ~~allocated to the regional center during the reporting period. This~~
32 ~~information shall be posted on the Internet Web site of the~~
33 ~~Business, Transportation and Housing Agency no later than three~~
34 ~~months after the end of the report period.~~

35 ~~SEC. 3.~~

36 ~~SECTION 1. Section 13997.2 of the Government Code is~~
37 ~~amended to read:~~

38 ~~13997.2. (a) The Legislature finds and declares all of the~~
39 ~~following:~~

1 (1) California’s economic development organizations and
2 corporations are an integral component of the state job creation
3 effort because they are a critical link between state economic
4 development activities and the statewide business community,
5 providing an excellent opportunity to leverage state resources.

6 (2) Economic development corporations and organizations
7 provide broad public benefits to the residents of this state by
8 alleviating unemployment, encouraging private investment, and
9 diversifying local economies.

10 (3) Economic development corporations engage in a wide range
11 of programs and strategies to attract, retain, and expand businesses,
12 including marketing the community, small business lending, and
13 other financial services, a wide range of technical assistance to
14 small business, preparation of economic data, and business
15 advocacy.

16 (4) By using public sector resources and powers to reduce the
17 risks and costs that could prohibit investment, the public sector
18 often sets the stage for employment-generating investment by the
19 private sector.

20 (b) For purposes of this chapter, all of the following definitions
21 apply:

22 (1) “Local economic development organization” means a public
23 or public-private job creation activity recognized by cities and
24 counties as the lead agency within that city or county for planning
25 and implementation of job creation involving business expansion,
26 business retention, and new business development.

27 (2) “Regional economic development organization” means an
28 organization comprised of any of the following:

29 (A) A single county.

30 (B) More than one county.

31 (C) A subregion within a county established by the cities and
32 county within that subregion.

33 (D) An economic development corporation.

34 (3) “Economic development corporation” means a local or
35 regional nonprofit public-private economic development
36 organization recognized in a defined region by the public and
37 private sector as the lead agency for the planning and
38 implementation of job creation involving business retention and
39 new business development.

- 1 (4) “Regional economic development corporation” means a
 2 corporation comprised of any of the following:
 3 (A) A single county.
 4 (B) More than one county.
 5 (C) A subregion within a single county established by a group
 6 of cities and counties.
- 7 (5) “Economic development” means any activity that enhances
 8 the factors of productive capacity, such as land, labor, capital, and
 9 technology, of a national, state, or local economy. “Economic
 10 development” includes policies and programs expressly directed
 11 at improving the business climate in business finance, marketing,
 12 neighborhood development, small business development, business
 13 retention and expansion, technology transfer, and real estate
 14 redevelopment. “Economic development” is an investment program
 15 designed to leverage private sector capital in such a way as to
 16 induce actions that have a positive effect on the level of business
 17 activity, employment, income distribution, and fiscal solvency of
 18 the community.
- 19 (6) “Local economic development” is a process of deliberate
 20 intervention in the normal economic process of a particular locality
 21 to stimulate economic growth of the locality by making it more
 22 attractive, resulting in more jobs, wealth, better quality of life, and
 23 fiscal solvency. Prime examples of economic development include
 24 business attraction, business expansion and retention, and business
 25 creation.
- 26 (7) “Emerging domestic market” means people, places, or
 27 business enterprises with growth potential that face capital
 28 constraints due to systemic undervaluations as a result of imperfect
 29 market information. These markets include, but are not limited to,
 30 ethnic-owned and women-owned firms, urban and rural
 31 communities, companies that serve low-income or
 32 moderate-income populations, and other small- and medium-sized
 33 businesses.
- 34 (8) “Financial intermediary” means an institution, firm,
 35 organization, or individual who performs intermediation between
 36 two or more parties in a financial context, such as connecting
 37 sources of funds with users of funds. A financial intermediary is
 38 typically an entity that facilitates the channeling of funds between
 39 lenders, investors, foundations, or other entities that have money
 40 and are interested in connecting with businesses or communities

1 where their money can be deployed. Financial intermediaries
2 include, but are not limited to, banks, financial development
3 corporations, economic developers, ~~or microenterprise development~~
4 ~~organizations~~ *microbusiness lenders*, and community development
5 organizations.

6 (9) “Community development intermediary” means an
7 institution, firm, organization, or individual that performs
8 intermediation between two or more parties in a community
9 development context, such as connecting people and organizations
10 that have a stake in the future well-being of communities and
11 individuals who may not easily have access to these stakeholders.
12 A community development intermediary is typically an entity that
13 channels financial and nonfinancial resources between government
14 and foundations and other nonprofit organizations that have
15 resources and are interested in connecting with small- and
16 medium-size businesses and low- and moderate-income households
17 and communities. Community development intermediaries include,
18 but are not limited to, community development corporations,
19 ~~microenterprise development organizations~~ *microbusiness lenders*,
20 and community development financial institutions.

21 (10) “Triple bottom line” means the economic, environmental,
22 and social benefits arising from a project, investment, or
23 community and economic development activity.

24 (11) “Small businesses” means a business with less than 100
25 employees and with a gross revenue of less than five million dollars
26 (\$5,000,000), or a business that is otherwise targeted by or
27 participating in a federal or state program engaged in programs or
28 services for small businesses. Application of this definition may
29 only be used pursuant to a direct reference.

30 (12) “Community development” means a process designed to
31 create conditions of economic and social prosperity for the whole
32 community, or a targeted subset of the whole community, with the
33 fullest possible reliance on the community’s initiative and active
34 participation.

35 (13) “Financial institution capital” means resources of a financial
36 institution, including, but not limited to, a bank or credit union,
37 that are legally available to be used to generate wealth for the
38 financial institution.

39 (14) “California Council on Science and Technology” means
40 the council established by California academic research institutions,

1 including the University of California, the University of Southern
 2 California, the California Institute of Technology, Stanford
 3 University, and the California State University, in support of
 4 Assembly Concurrent Resolution No. 162 (Res. Ch. 148, Stats.
 5 1988).

6 ~~(15) “Microenterprise development organization” means a~~
 7 ~~nonprofit or public agency that provides self-employment training,~~
 8 ~~technical assistance, and access to microloans to individuals~~
 9 ~~seeking to become self-employed or to expand their current~~
 10 ~~business.~~

11 *(15) “Microbusiness lender” means a nonprofit or nonbank*
 12 *lender that serves very small businesses in low- and*
 13 *moderate-income communities that experience barriers in*
 14 *accessing capital. These businesses are often owned by minorities,*
 15 *immigrants, women, and persons with disabilities. Microbusiness*
 16 *lenders generally provide loans under fifty thousand dollars*
 17 *(\$50,000) and offer business technical assistance, both preloan*
 18 *and postloan, to improve an applicant’s ability to qualify and*
 19 *successfully repay a loan.*

20 ~~SEC. 4.~~

21 *SEC. 2.* Section 44559.1 of the Health and Safety Code is
 22 amended to read:

23 44559.1. As used in this article, unless the context requires
 24 otherwise, all of the following terms have the following meanings:

25 (a) “Authority” means the California Pollution Control
 26 Financing Authority.

27 (b) “California Capital Access Fund” means a fund created
 28 within the authority to be used for purposes of the program.

29 (c) “Executive director” means the Executive Director of the
 30 California Pollution Control Financing Authority.

31 (d) (1) “Financial institution” means a federal- or state-chartered
 32 bank, savings association, credit union, not-for-profit community
 33 development financial institution certified under Part 1805
 34 (commencing with Section 1805.100) of Chapter XVIII of Title
 35 12 of the Code of Federal Regulations, or a consortium of these
 36 entities. A consortium of those entities may include a nonfinancial
 37 corporation, if the percentage of capitalization by all nonfinancial
 38 corporations in the consortium does not exceed 49 percent.

39 (2) (A) “Financial institution” also includes a lending institution
 40 that has executed a participation agreement with the Small Business

1 Administration under the guaranteed loan program pursuant to
2 Part 120 (commencing with Section 120.1) of Chapter I of Title
3 13 of the Code of Federal Regulations and meets the requirements
4 of Section 120.410 of Chapter I of Title 13 of the Code of Federal
5 Regulations, a small business investment company licensed
6 pursuant to Part 107 (commencing with Section 107.20) of Chapter
7 I of Title 13 of the Code of Federal Regulations, and a small
8 business financial development corporation, as defined in Chapter
9 1 (commencing with Section 14000) of Part 5 of Division 3 of
10 Title 1 of the Corporations Code, or ~~microenterprise development~~
11 ~~organization~~ *microbusiness lender*, as defined in Section 13997.2
12 of the Government Code, that meets standards that shall be
13 established by the authority. For loans where all or part of the fees
14 and matching contributions are paid by an entity participating in
15 the program pursuant to subdivision (e) of Section 44559.2,
16 “financial institution” also includes financial lenders, as defined
17 in Section 22009 of the Financial Code, making commercial loans,
18 as defined in Section 22502 of the Financial Code.

19 (B) A financial institution described in this paragraph shall be
20 domiciled or have its principal office in the State of California.

21 (3) “Financial institution” also includes an insured depository
22 institution, insured credit union, or community development
23 financial institution, as these terms are defined in Section 4702 of
24 Title 12 of the United States Code.

25 (e) “Loss reserve account” means an account in the State
26 Treasury or any financial institution that is established and
27 maintained by the authority for the benefit of a financial institution
28 participating in the Capital Access Loan Program established
29 pursuant to this article for the purposes of the following:

30 (1) Depositing all required fees paid by the participating
31 financial institution and the qualified business.

32 (2) Depositing contributions made by the state and, if applicable,
33 the federal government or other sources.

34 (3) Covering losses on enrolled qualified loans sustained by the
35 participating financial institution by disbursing funds accumulated
36 in the loss reserve account.

37 (f) “Participating financial institution” means a financial
38 institution that has been approved by the authority to enroll
39 qualified loans in the program and has agreed to all terms and

1 conditions set forth in this article and as may be required by any
2 applicable federal law providing matching funding.

3 (g) “Passive real estate ownership” means ownership of real
4 estate for the purpose of deriving income from speculation, trade,
5 or rental, but does not include any of the following:

6 (1) The ownership of that portion of real estate being used or
7 intended to be used for the operation of the business of the owner
8 of the real estate.

9 (2) The ownership of real estate for the purpose of construction
10 or renovation, until the completion of the construction or renovation
11 phase.

12 (h) “Program” means the Capital Access Loan Program created
13 pursuant to this article.

14 (i) “Qualified business” means a small business concern that
15 meets both of the following criteria, regardless of whether the
16 small business concern has operations that affect the environment:

17 (1) It is a corporation, partnership, cooperative, or other entity,
18 whether that entity is a nonprofit entity or an entity established for
19 profit, that is authorized to conduct business in the state.

20 (2) It has its primary business location within the boundaries of
21 the state.

22 (j) (1) “Qualified loan” means a loan or a portion of a loan
23 made by a participating financial institution to a qualified business
24 for any business activity that has its primary economic effect in
25 California. A qualified loan may be made in the form of a line of
26 credit, in which case the participating financial institution shall
27 specify the amount of the line of credit to be covered under the
28 program, which may be equal to the maximum commitment under
29 the line of credit or an amount that is less than that maximum
30 commitment. A qualified loan made under the program may be
31 made with the interest rates, fees, and other terms and conditions
32 agreed upon by the participating financial institution and the
33 borrower.

34 (2) “Qualified loan” does not include any of the following:

35 (A) A loan for the construction or purchase of residential
36 housing.

37 (B) A loan to finance passive real estate ownership.

38 (C) A loan for the refinancing of an existing loan when and to
39 the extent that the outstanding balance is not increased.

1 (D) A loan, the proceeds of which will be used in any manner
2 that could cause the interest on any bonds previously issued by
3 the authority to become subject to federal income tax.

4 (k) “Severely affected community” means any area classified
5 as an enterprise zone pursuant to the Enterprise Zone Act (Chapter
6 12.8 (commencing with Section 7070) of Division 7 of Title 1 of
7 the Government Code), any area, as designated by the executive
8 director, contiguous to the boundaries of a military base designated
9 for closure pursuant to Section 2687 of Title 10 of the United States
10 Code, as amended, and any other comparable economically
11 distressed geographic area so designated by the executive director
12 from time to time.

13 (l) “Small Business Assistance Fund” means a fund created
14 within the authority pursuant to Section 44548.

15 (m) “Small business concern” has the same meaning as in
16 Section 632 of Title 15 of the United States Code, or as otherwise
17 provided in regulations of the authority.

18 ~~SEC. 5.~~

19 *SEC. 3.* Section 44559.2 of the Health and Safety Code is
20 amended to read:

21 44559.2. (a) The authority may contract with any financial
22 institution for the purpose of allowing the financial institution to
23 participate in the Capital Access Loan Program established by this
24 article.

25 (b) For purposes of this section, the authority may contract with
26 participating financial institutions and shall utilize a standard form
27 of contract that is reviewed and approved by the Department of
28 General Services. The standard form of contract shall provide for
29 all of the following:

30 (1) The creation of a loss reserve account by the authority for
31 the benefit of the financial institution.

32 (2) The financial institution, qualified business, and the authority
33 will deposit moneys to the credit of the institution’s loss reserve
34 account when the financial institution makes a qualified loan to a
35 qualified business.

36 (3) The liability of the state and the authority to the financial
37 institution under the contract is limited to the amount of money
38 credited to the loss reserve account of the institution.

39 (4) The financial institution shall provide the information that
40 the authority may require, including financial information that is

1 identifiable with, or identifiable from the financial records of a
2 particular customer who is the recipient of a qualified loan. In
3 addition to any other information that the authority may require,
4 the financial institution shall provide the complete North American
5 Industry Classification System (NAICS) for the qualified business,
6 the number of jobs created, the number of jobs retained, and
7 information that provides the precise geographic location of both
8 the qualified business and the borrower, if different.

9 (5) The financial institution will file a report with the executive
10 director setting out a full description of the board of directors,
11 including size, race, ethnicity, and gender.

12 (6) The participating financial institution will require each
13 borrower, prior to receiving a loan under the program, to sign a
14 written representation to the participating financial institution that
15 the borrower has no legal, beneficial, or equitable interest in the
16 nonrefundable premium charges or any other funds credited to the
17 loss reserve account established by the authority for the
18 participating financial institution.

19 (7) Other terms that the authority may require for purposes of
20 this article.

21 (c) A financial institution is not subject to laws restricting the
22 disclosure of financial information when the financial institution
23 provides information to the authority as required by paragraph (4)
24 of subdivision (b).

25 (d) A credit union operating pursuant to a certificate issued
26 under the California Credit Union Law (Division 5 (commencing
27 with Section 14000) of the Financial Code) may participate in the
28 Capital Access Loan Program established pursuant to this article
29 only to the extent participation is in compliance with the California
30 Credit Union Law. Nothing in this article shall be construed to
31 limit the authority of the Commissioner of Financial Institutions
32 to regulate credit unions subject to the commissioner's jurisdiction
33 under the California Credit Union Law.

34 (e) Any individual, company, corporation, institution, utility,
35 government agency, or other entity, including any consortium of
36 these persons or entities, whether public or private, may participate
37 in the Capital Access Loan Program established pursuant to this
38 article by depositing funds in the California Capital Access Fund
39 under those terms and conditions as may be deemed appropriate
40 by the authority.

1 ~~SEC. 6.~~

2 *SEC. 4.* Section 44559.6 of the Health and Safety Code is
3 amended to read:

4 44559.6. The authority shall annually prepare a report to the
5 Governor and the Legislature that describes the financial condition
6 and programmatic results of the capital access loan program for
7 small businesses authorized under this article. Programmatic results
8 shall include, but not be limited to, the total number of businesses
9 served, jobs created, jobs retained, the geographic distribution of
10 the loans, and the breakdown of businesses served by industry
11 sector for all new loans issued since the report for the prior year.

O