

AMENDED IN SENATE JUNE 25, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2012**

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**Introduced by Assembly Member John A. Pérez**

February 23, 2012

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An act to amend Sections ~~13996.45~~, 13996.55, ~~13996.6~~, ~~13996.65~~, ~~13996.7~~, and 13996.75, 13997, 13997.6, and 99500 of, to add Sections 13996.41 and 13996.42 to, to repeal Sections 13996.45, 13996.6, and 13996.7 of, and to repeal and add Section 13996.65 of, the Government Code, and to amend Section 71040 of the Public Resources Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2012, as amended, John A. Pérez. Economic development.

(1) Existing law, the California Trade and Investment Act, designates the Business, Transportation and Housing Agency as the state agency primarily responsible for international trade and investment activities in the state, subject to specified conditions. The act authorizes the Secretary of Business, Transportation and Housing to, in that capacity, carry out various powers and duties related to encouraging international trade and investment in the state, including, among others, developing an international trade and investment policy and strategy for the state, and convening or joining a statewide business partnership for international trade and investment. The act also imposes various related restrictions on the secretary's authority.

This bill would instead require that the Governor's Office of Business and Economic Development serve as the state agency primarily responsible for international trade and investment activities in the state,

and, in that capacity, authorize that agency to carry out ~~the specified powers and duties described above.~~

(2) Existing law requires a business or entity to obtain various environmental permits prior to undertaking any project that may have an impact on the environment. Existing law also requires the Secretary for Environmental Protection to establish an electronic online permit assistance center for the purpose of assisting a business or other entity with complying with ~~certain~~ laws and regulations *implemented by a board, department, or office within the California Environmental Protection Agency.*

This bill would instead require the Governor’s Office of Business and Economic Development to establish and maintain the electronic online permit assistance center described above. *The bill would expand the scope of the electronic online permit assistance center to include any business or other entity subject to a law or regulation implemented by any agency, authority, bureau, board, commission, conservancy, council, department, state district, or office.*

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 13996.41 is added to the Government  
2     Code, to read:  
3     13996.41. (a) *The Governor’s Office of Business and Economic*  
4     *Development shall develop and implement an International Trade*  
5     *and Investment Program that does all of the following:*  
6     (1) *Attracts employment-producing direct foreign investment*  
7     *to the state.*  
8     (2) *Provides support for California businesses in accessing*  
9     *international markets, including assistance to increase California*  
10    *exports.*  
11    (3) *Engages in other international trade or foreign investment*  
12    *activities assigned by the Governor.*  
13    (b) *The Director of the Governor’s Office of Business and*  
14    *Economic Development may establish international trade and*  
15    *investment offices outside of the United States as he or she*  
16    *determines is appropriate if the requirements of Section 13996.65*  
17    *are satisfied.*

1 (c) *This section shall not be construed to confer powers or*  
2 *impose duties imposed upon the Governor's Office of Business*  
3 *and Economic Development that conflict with any powers conferred*  
4 *or duties imposed upon the Department of Food and Agriculture*  
5 *with respect to the promotion of California agriculture, fish, or*  
6 *forest exports.*

7 (d) *The Governor's Office of Business and Economic*  
8 *Development shall develop a conflict-of-interest and gift policy*  
9 *that applies to the Governor's Office of Business and Economic*  
10 *Development and all international trade and investment offices*  
11 *established by it.*

12 (e) *Any international trade and investment office established*  
13 *by the Governor's Office of Business and Economic Development*  
14 *may be funded only by nonstate funds. The sources and amounts*  
15 *of these funds shall be disclosed on it's Internet Web site within*  
16 *30 days of receipt and shall include, but not be limited to, the name*  
17 *of the contributor and the amount contributed.*

18 SEC. 2. *Section 13996.42 is added to the Government Code,*  
19 *to read:*

20 *13996.42. The Governor's Office of Business and Economic*  
21 *Development may establish an international trade and investment*  
22 *office outside of the United States if both of the following conditions*  
23 *are met:*

24 (a) *The country where an international trade and investment*  
25 *office would be located has the greatest potential for direct foreign*  
26 *investment in California, export growth, or both, as determined*  
27 *by the director.*

28 (b) *The Director of the Governor's Office of Business and*  
29 *Economic Development has included the new international trade*  
30 *and investment office in the Governor's Office of Business and*  
31 *Economic Development's current annual program budget and*  
32 *strategy and business plan for the year for the International Trade*  
33 *and Investment Program as required by Section 13996.65 of the*  
34 *Government Code.*

35 ~~SECTION 1. Section 13996.45 of the Government Code is~~  
36 ~~amended to read:~~

37 ~~13996.45. (a) (1) Subject to paragraph (2), and subject to~~  
38 ~~Section 13996.75, the Governor's Office of Business and Economic~~  
39 ~~Development shall be the primary state agency authorized to do~~  
40 ~~all of the following:~~

1     ~~(A) Attract employment-producing foreign investment to the~~  
2     ~~state.~~  
3     ~~(B) Cooperate in international public infrastructure projects.~~  
4     ~~(C) Provide support for California business in accessing~~  
5     ~~international markets, including, but not limited to, export~~  
6     ~~assistance.~~  
7     ~~(D) Engage in other trade or foreign investment related activities~~  
8     ~~specifically assigned by the Governor.~~  
9     ~~(2) Nothing in this chapter shall be construed to confer powers~~  
10    ~~or impose duties upon the agency in conflict with any powers~~  
11    ~~conferred or duties imposed upon the Department of Food and~~  
12    ~~Agriculture with respect to the promotion of California agriculture,~~  
13    ~~fish, and forest exports.~~  
14    ~~(b) The international trade and investment activities of the~~  
15    ~~agency shall be monitored by the Legislature, and all public~~  
16    ~~moneys in its budget expended for those purposes, shall be subject~~  
17    ~~to approval by the Legislature.~~  
18    ~~(e) The Director of the Governor's Office of Business and~~  
19    ~~Economic Development shall develop an international trade and~~  
20    ~~investment policy and shall provide guidance to strategies and~~  
21    ~~plans from other agencies and departments related to workforce~~  
22    ~~and infrastructure development.~~  
23    ~~(d) California's international trade and investment policy shall~~  
24    ~~be directed through its state strategy, which shall be based on~~  
25    ~~current and emerging market conditions and the needs of investors,~~  
26    ~~businesses, and workers to be competitive in global markets.~~  
27    ~~SEC. 3. Section 13996.45 of the Government Code is repealed.~~  
28    ~~13996.45. (a) (1) Subject to paragraph (2), and subject to~~  
29    ~~Section 13996.75, the Business, Transportation and Housing~~  
30    ~~Agency shall be the primary state agency authorized to do all of~~  
31    ~~the following:~~  
32    ~~(A) Attract employment-producing foreign investment to the~~  
33    ~~state.~~  
34    ~~(B) Cooperate in international public infrastructure projects.~~  
35    ~~(C) Provide support for California business in accessing~~  
36    ~~international markets, including, but not limited to, export~~  
37    ~~assistance.~~  
38    ~~(D) Engage in other trade or foreign investment related activities~~  
39    ~~specifically assigned by the Governor.~~

1 ~~(2) Nothing in this chapter shall be construed to confer powers~~  
2 ~~or impose duties upon the agency in conflict with any powers~~  
3 ~~conferred or duties imposed upon the Department of Food and~~  
4 ~~Agriculture with respect to the promotion of California agriculture,~~  
5 ~~fish, and forest exports.~~

6 ~~(b) The international trade and investment activities of the~~  
7 ~~agency shall be monitored by the Legislature, and all public~~  
8 ~~moneys in its budget expended for those purposes, shall be subject~~  
9 ~~to approval by the Legislature.~~

10 ~~(c) The Secretary of Business, Transportation and Housing shall~~  
11 ~~develop an international trade and investment policy and shall~~  
12 ~~provide guidance to strategies and plans from other agencies and~~  
13 ~~departments related to workforce and infrastructure development.~~

14 ~~(d) California's international trade and investment policy shall~~  
15 ~~be directed through its state strategy, which shall be based on~~  
16 ~~current and emerging market conditions and the needs of investors,~~  
17 ~~businesses, and workers to be competitive in global markets.~~

18 ~~SEC. 2.~~

19 *SEC. 4.* Section 13996.55 of the Government Code is amended  
20 to read:

21 13996.55. (a) The Director of the Governor's Office of  
22 Business and Economic Development shall provide to the  
23 Legislature, not later than February 1, ~~2008~~ 2014, a strategy for  
24 international trade and investment that, at a minimum, includes  
25 all of the following:

26 (1) Policy goals, objectives, and recommendations necessary  
27 to implement a comprehensive international trade and investment  
28 program for the State of California. This information shall be  
29 provided in a fashion that clearly indicates priority within the  
30 overall strategy.

31 (2) Measurable outcomes and timelines for the goals, objectives,  
32 and actions for the international trade and investment program.

33 (3) Identification of impediments for achieving goals and  
34 objectives.

35 (4) Identification of key stakeholder partnerships that will be  
36 used in implementing the strategy.

37 (5) Identification of options for funding recommended actions.

38 (6) Identification of an international trade and investment  
39 organizational structure for the state administration of international  
40 trade and investment policies, programs, and services.

1 (b) In the course of developing the strategy, the director shall  
2 also consult with other agencies, boards, and commissions that  
3 have statutory responsibilities related to workforce development,  
4 infrastructure, business, and international trade and investment  
5 including, but not limited to, the California Commission on  
6 Industrial Innovation, the Office of the Small Business Advocate,  
7 the California Transportation Commission, the California  
8 Community Colleges, the University of California, the California  
9 State University, the Workforce Investment Board, the  
10 Employment Training Panel, and the California Energy  
11 Commission.

12 (c) The strategy shall be submitted to the Chief Clerk of the  
13 Assembly and the Secretary of the Senate. A copy of the strategy  
14 shall be provided to the Speaker of the Assembly, the President  
15 pro Tempore of the Senate, and the chairs of the Assembly  
16 Committee on Jobs, Economic Development, and the Economy  
17 and the Senate Committee on Business, Professions and Economic  
18 Development, or the successor committees with jurisdiction over  
19 international trade and economic development programs.

20 ~~(d) (1) The strategy shall be reviewed in at least one public~~  
21 ~~hearing by the relevant policy and fiscal committees of each house~~  
22 ~~of the Legislature. The hearings shall be held within 60 days of~~  
23 ~~the strategy being submitted to the Legislature. If the strategy is~~  
24 ~~submitted when the Legislature is in recess, the hearings shall~~  
25 ~~occur within 60 days of the members convening.~~

26 ~~(2) The legislative committees may make recommendations to~~  
27 ~~the director on the strategy, and the director may modify the~~  
28 ~~strategy accordingly.~~

29 ~~(e) The director shall report to the fiscal committees of the~~  
30 ~~Legislature on or before February 1, 2009, and by that date each~~  
31 ~~year thereafter, on how the Governor's proposed budget relates to~~  
32 ~~the strategy.~~

33 (f)

34 (d) The strategy shall be updated pursuant to the procedures of  
35 this section at least once every five years.

36 ~~SEC. 3.— Section 13996.6 of the Government Code is amended~~  
37 ~~to read:~~

38 ~~13996.6.—(a) The Director of the Governor's Office of Business~~  
39 ~~and Economic Development shall convene a statewide business~~

1 partnership for international trade and investment no later than  
2 March 1, 2007.

3 (b) The business partnership shall include representatives from  
4 small, medium, and large businesses and industries, as well as  
5 nongovernmental organizations and government representatives.

6 (c) The business partnership shall advise the director on business  
7 needs and strategy priorities as they relate to international trade  
8 and investment.

9 SEC. 4. Section 13996.65 of the Government Code is amended  
10 to read:

11 13996.65. (a) (1) The Director of the Governor's Office of  
12 Business and Economic Development is prohibited from  
13 establishing any international trade and investment office unless  
14 the following conditions are met:

15 (A) The director determines that, based on a review of the  
16 international trade and investment policies and the  
17 recommendations and priorities established in the international  
18 trade and investment strategy developed pursuant to Section  
19 13996.55, it is appropriate to consider establishing international  
20 trade and investment offices:

21 (B) The director prepares a separate international trade and  
22 investment office strategy, that meets the requirements and  
23 conditions of this section.

24 (C) The international trade and investment office strategy  
25 receives statutory authorization pursuant to the requirements and  
26 conditions of this section.

27 (D) The director submits a business plan to the Legislature, that  
28 meets the requirements of Section 13996.7.

29 (2) This chapter does not apply to any international trade and  
30 investment office established pursuant to Section 13997.1.

31 (b) If the director determines that opening international trade  
32 and investment offices is in the best interest of the state, the director  
33 shall develop a strategy for selecting, opening, and managing  
34 international trade and investment offices.

35 (c) The international trade and investment office strategy shall  
36 conform to at least all of the following requirements:

37 (1) It shall be based on the needs and priorities of California's  
38 businesses.

1     ~~(2) It shall be consistent with the resources and priorities of the~~  
2 ~~overall trade and investment strategy submitted to the Legislature~~  
3 ~~pursuant to Section 13996.55.~~

4     ~~(3) It shall define the program's goals, objectives, and timelines~~  
5 ~~for achieving quantifiable targets. Individual offices may have~~  
6 ~~separate missions or play different roles within the overall~~  
7 ~~international trade and investment office strategy. To the extent~~  
8 ~~that the proposed offices are expected to assist businesses in~~  
9 ~~opening new markets, these activities shall be targeted primarily~~  
10 ~~to small- and medium-sized businesses.~~

11     ~~(4) It shall outline the Governor's Office of Business and~~  
12 ~~Economic Development's management and oversight~~  
13 ~~responsibilities, funding levels, and activities.~~

14     ~~(5) It shall outline how international trade and investment office~~  
15 ~~locations will be selected by the director and approved by the~~  
16 ~~Governor, including the general geographic locations, number of~~  
17 ~~offices, a process for determining how long an office should remain~~  
18 ~~operational, and duties undertaken by the offices.~~

19     ~~(6) It shall define how the offices will be funded, including~~  
20 ~~funding for oversight and monitoring.~~

21     ~~(7) It shall consider how offices will be staffed, including~~  
22 ~~staffing levels and types of positions needed to operate the offices~~  
23 ~~proposed in the international trade and investment office strategy.~~

24     ~~(8) It shall provide a conflict-of-interest policy and gift policy.~~

25     ~~(9) It shall provide for the appointment of a senior level~~  
26 ~~international trade and investment office manager as described in~~  
27 ~~subdivision (e) of Section 99106.~~

28     ~~(d) The international trade and investment office strategy shall~~  
29 ~~be submitted to the Chief Clerk of the Assembly and the Secretary~~  
30 ~~of the Senate. A copy of the strategy shall be provided to the~~  
31 ~~Speaker of the Assembly, the President pro Tempore of the Senate,~~  
32 ~~and the chairs of the Assembly Committee on Jobs, Economic~~  
33 ~~Development, and the Economy and the Senate Committee on~~  
34 ~~Business, Professions and Economic Development, or the successor~~  
35 ~~committees with jurisdiction over international trade and economic~~  
36 ~~development programs.~~

37     ~~(e) (1) The international trade and investment office strategy~~  
38 ~~shall be reviewed in at least one public hearing by the relevant~~  
39 ~~policy and fiscal committees of each house of the Legislature. The~~  
40 ~~hearings shall be held within 60 days of the strategy being~~

1 submitted to the Legislature. If the strategy is submitted when the  
2 Legislature is in recess, the hearings shall occur within 60 days of  
3 the members convening.

4 (2) The legislative committees may make recommendations to  
5 the director on the strategy, and the director may modify the  
6 strategy accordingly.

7 (f) The international trade and investment office strategy shall  
8 be updated no less than every five years from the date that the first  
9 strategy is submitted to the Chief Clerk of the Assembly and the  
10 Secretary of the Senate.

11 (g) The international trade and investment office strategy shall  
12 be implemented only upon statutory authorization by the  
13 Legislature.

14 SEC. 5. Section 13996.7 of the Government Code is amended  
15 to read:

16 13996.7. (a) Except as specified in Section 13997.1,  
17 international trade and investment offices are prohibited from being  
18 established except under the conditions specified in the  
19 international trade and investment office strategy described in  
20 Section 13996.65. Except as specified in Section 13997.1, no office  
21 may be established except as provided in this chapter.

22 (b) In establishing offices pursuant to this section, the Director  
23 of the Governor's Office of Business and Economic Development  
24 shall submit to the Legislature a business plan for each proposed  
25 office, which shall include, but not be limited to, all of the  
26 following:

27 (1) The mission of the office, goals, objectives, and timelines  
28 for achieving quantifiable targets.

29 (2) The level of staffing and staff expertise requirements needed  
30 to successfully operate the office.

31 (3) The proposed terms for the operation of the offices, including  
32 the duration and oversight needed for office operations.

33 (4) How the opening of the office relates to the international  
34 trade and investment office strategy and the overall international  
35 trade and investment strategy.

36 (e) (1) The international trade and investment offices shall be  
37 under the direction of a manager of international trade and  
38 investment offices within the Governor's Office of Business and  
39 Economic Development, to be designated by the director. The  
40 manager shall be an individual with experience in management

1 and oversight of public agencies or experience in international  
2 trade, investments, or global business.

3 (2) No international trade and investment office shall be opened  
4 until the position of the manager of international trade and  
5 investment offices is filled within the Governor's Office of  
6 Business and Economic Development.

7 (3) The position of the manager of the international trade and  
8 investment offices shall be a state employee position funded and  
9 staffed in a manner consistent with the international trade and  
10 investment office strategy.

11 (d) (1) Each office established pursuant to this chapter shall  
12 submit a report to the Governor's Office of Business and Economic  
13 Development by December 1 of each year on meeting its goals,  
14 objectives, and timelines as outlined in its business plan.

15 (2) The director shall provide a summary of the reports to the  
16 relevant policy committees of each house of the Legislature, as  
17 set forth in paragraph (2) of subdivision (f), by the following  
18 February 1 of each year.

19 (e) The Governor's Office of Business and Economic  
20 Development shall conduct an annual performance review of each  
21 office for the first three years of the office's operation. After this  
22 term, upon the determination of the director, the performance  
23 reviews may be undertaken at a longer interval, but not to exceed  
24 five years. If the director determines that an extended interval is  
25 appropriate for a particular office, this shall be clearly indicated  
26 in the director's report to the Legislature on the activities of the  
27 offices.

28 (f) (1) The director shall contract for an independent study of  
29 the operations and effectiveness of the international trade and  
30 investment offices established pursuant to this section at the  
31 conclusion of the first two years of operation and at four year  
32 intervals after the initial study.

33 (2) The report on the results of the study shall be submitted to  
34 the Chief Clerk of the Assembly and the Secretary of the Senate  
35 no later than two years after the opening of the first office pursuant  
36 to this chapter. A copy of the report shall be provided to the  
37 Speaker of the Assembly, the President pro Tempore of the Senate,  
38 and the chairs of the Assembly Committee on Jobs, Economic  
39 Development, and the Economy and the Senate Committee on  
40 Business, Professions and Economic Development, or the successor

1 committees with jurisdiction over international trade and economic  
2 development programs.

3 ~~(g) International trade and investment offices shall be funded~~  
4 ~~only according to the international trade and investment office~~  
5 ~~strategy authorized pursuant to subdivision (g) of Section 13996.65,~~  
6 ~~except as provided for in Section 13997.1. All nonstate sources of~~  
7 ~~funding shall be identified on the Governor's Office of Business~~  
8 ~~and Economic Development's Internet Web site by name and the~~  
9 ~~amount contributed. The Governor's Office of Business and~~  
10 ~~Economic Development shall be responsible for all state~~  
11 ~~administrative and oversight costs. The Governor's Office of~~  
12 ~~Business and Economic Development shall also be responsible~~  
13 ~~for some portion of the costs of each office, not to exceed one~~  
14 ~~hundred thousand dollars (\$100,000) per office.~~

15 ~~(h) Consistent with the international trade and investment office~~  
16 ~~strategy, the director shall make a determination by September 1~~  
17 ~~of each year that sufficient funds have been appropriated in the~~  
18 ~~annual Budget Act to meet its oversight and management~~  
19 ~~responsibilities related to the proper operation of the offices. If, in~~  
20 ~~the opinion of the director, insufficient funding has been provided,~~  
21 ~~the director shall notify the Joint Legislative Budget Committee~~  
22 ~~and submit a budget change proposal to request sufficient funding.~~

23 *SEC. 5. Section 13996.6 of the Government Code is repealed.*

24 ~~13996.6. (a) The Secretary of Business, Transportation and~~  
25 ~~Housing shall convene a statewide business partnership for~~  
26 ~~international trade and investment no later than March 1, 2007.~~

27 ~~(b) The business partnership shall include representatives from~~  
28 ~~small, medium, and large businesses and industries, as well as~~  
29 ~~nongovernmental organizations and government representatives.~~

30 ~~(c) The business partnership shall advise the secretary on~~  
31 ~~business needs and strategy priorities as they relate to international~~  
32 ~~trade and investment.~~

33 *SEC. 6. Section 13996.65 of the Government Code is repealed.*

34 ~~13996.65. (a) (1) The Secretary of Business, Transportation~~  
35 ~~and Housing is prohibited from establishing any international trade~~  
36 ~~and investment office unless the following conditions are met:~~

37 ~~(A) The secretary determines that, based on a review of the~~  
38 ~~international trade and investment policies and the~~  
39 ~~recommendations and priorities established in the international~~  
40 ~~trade and investment strategy developed pursuant to Section~~

1 ~~13996.55, it is appropriate to consider establishing international~~  
2 ~~trade and investment offices.~~

3 ~~(B) The secretary prepares a separate international trade and~~  
4 ~~investment office strategy, that meets the requirements and~~  
5 ~~conditions of this section.~~

6 ~~(C) The international trade and investment office strategy~~  
7 ~~receives statutory authorization pursuant to the requirements and~~  
8 ~~conditions of this section.~~

9 ~~(D) The secretary submits a business plan to the Legislature,~~  
10 ~~that meets the requirements of Section 13996.7.~~

11 ~~(2) This chapter does not apply to any international trade and~~  
12 ~~investment office established pursuant to Section 13997.1.~~

13 ~~(b) If the secretary determines that opening international trade~~  
14 ~~and investment offices is in the best interest of the state, the~~  
15 ~~secretary shall develop a strategy for selecting, opening, and~~  
16 ~~managing international trade and investment offices.~~

17 ~~(e) The international trade and investment office strategy shall~~  
18 ~~conform to at least all of the following requirements:~~

19 ~~(1) It shall be based on the needs and priorities of California's~~  
20 ~~businesses.~~

21 ~~(2) It shall be consistent with the resources and priorities of the~~  
22 ~~overall trade and investment strategy submitted to the Legislature~~  
23 ~~pursuant to Section 13996.55.~~

24 ~~(3) It shall define the program's goals, objectives, and timelines~~  
25 ~~for achieving quantifiable targets. Individual offices may have~~  
26 ~~separate missions or play different roles within the overall~~  
27 ~~international trade and investment office strategy. To the extent~~  
28 ~~that the proposed offices are expected to assist businesses in~~  
29 ~~opening new markets, these activities shall be targeted primarily~~  
30 ~~to small and medium-sized businesses.~~

31 ~~(4) It shall outline the Business, Transportation and Housing~~  
32 ~~Agency's management and oversight responsibilities, funding~~  
33 ~~levels, and activities.~~

34 ~~(5) It shall outline how international trade and investment office~~  
35 ~~locations will be selected by the secretary and approved by the~~  
36 ~~Governor, including the general geographic locations, number of~~  
37 ~~offices, a process for determining how long an office should remain~~  
38 ~~operational, and duties undertaken by the offices.~~

39 ~~(6) It shall define how the offices will be funded, including~~  
40 ~~funding for oversight and monitoring.~~

1 ~~(7) It shall consider how offices will be staffed, including~~  
2 ~~staffing levels and types of positions needed to operate the offices~~  
3 ~~proposed in the international trade and investment office strategy.~~

4 ~~(8) It shall provide a conflict-of-interest policy and gift policy.~~

5 ~~(9) It shall provide for the appointment of a senior level~~  
6 ~~international trade and investment office manager as described in~~  
7 ~~subdivision (e) of Section 99106.~~

8 ~~(d) The international trade and investment office strategy shall~~  
9 ~~be submitted to the Chief Clerk of the Assembly and the Secretary~~  
10 ~~of the Senate. A copy of the strategy shall be provided to the~~  
11 ~~Speaker of the Assembly, the President pro Tempore of the Senate,~~  
12 ~~and the chairs of the Assembly Committee on Jobs, Economic~~  
13 ~~Development, and the Economy and the Senate Committee on~~  
14 ~~Business, Professions and Economic Development, or the successor~~  
15 ~~committees with jurisdiction over international trade and economic~~  
16 ~~development programs.~~

17 ~~(e) (1) The international trade and investment office strategy~~  
18 ~~shall be reviewed in at least one public hearing by the relevant~~  
19 ~~policy and fiscal committees of each house of the Legislature. The~~  
20 ~~hearings shall be held within 60 days of the strategy being~~  
21 ~~submitted to the Legislature. If the strategy is submitted when the~~  
22 ~~Legislature is in recess, the hearings shall occur within 60 days of~~  
23 ~~the members convening.~~

24 ~~(2) The legislative committees may make recommendations to~~  
25 ~~the secretary on the strategy, and the secretary may modify the~~  
26 ~~strategy accordingly.~~

27 ~~(f) The international trade and investment office strategy shall~~  
28 ~~be updated no less than every five years from the date that the first~~  
29 ~~strategy is submitted to the Chief Clerk of the Assembly and the~~  
30 ~~Secretary of the Senate.~~

31 ~~(g) The international trade and investment office strategy shall~~  
32 ~~be implemented only upon statutory authorization by the~~  
33 ~~Legislature.~~

34 *SEC. 7. Section 13996.65 is added to the Government Code,*  
35 *to read:*

36 *13996.65. (a) The director shall prepare the following:*

37 *(1) A budget for the International Trade and Investment*  
38 *Program that includes a separately stated budget for each*  
39 *international trade and investment office. The budget shall provide*  
40 *all the following:*

1 (A) A description of how the International Trade and Investment  
 2 Program and each individual international trade and investment  
 3 office will be funded.

4 (B) A description of staffing levels and the positions needed to  
 5 operate each international trade and investment office.

6 (2) A strategy and business plan for the International Trade  
 7 and Investment Program, developed with input from California  
 8 businesses that shall include, but not be limited to, measurable  
 9 goals, objectives, and outcomes and timelines necessary to attract  
 10 employment-producing direct foreign investment to the state and  
 11 increase California exports. The strategy and business plan shall  
 12 include, but not be limited to, all of the following:

13 (A) A description of the staffing levels and staff expertise needed  
 14 to operate the international trade and investment office.

15 (B) A description of monitoring and oversight procedures  
 16 implemented for the International Trade and Investment Program.

17 (C) A description of how a newly proposed international trade  
 18 and investment office will facilitate an increase of direct foreign  
 19 investment in California, an increase in California exports, or  
 20 both.

21 (3) A written review of the implementation of the prior year's  
 22 strategy and business plan for the International Trade and  
 23 Investment Program that addresses the performance of the program  
 24 and each international trade and investment office.

25 (4) The annual budget, the strategy and business plan for the  
 26 International Trade and Investment Program, and the prior year's  
 27 review drafted pursuant to subdivision (a) shall be transmitted to  
 28 the Chief Clerk of the Assembly, the Secretary of Senate, the  
 29 Speaker of the Assembly, the President pro Tempore of the Senate,  
 30 the chair of the Assembly Committee on Jobs, Economic  
 31 Development, and the Economy and the chair of the Senate  
 32 Committee on Business, Professions and Economic Development,  
 33 or respective successor committees, with jurisdiction over the  
 34 international trade and economic development programs.

35 SEC. 8. Section 13996.7 of the Government Code is repealed.

36 ~~13996.7. (a) Except as specified in Section 13997.1,~~  
 37 ~~international trade and investment offices are prohibited from being~~  
 38 ~~established except under the conditions specified in the~~  
 39 ~~international trade and investment office strategy described in~~

1 Section 13996.65. Except as specified in Section 13997.1, no office  
2 may be established except as provided in this chapter.

3 (b) In establishing offices pursuant to this section, the secretary  
4 shall submit to the Legislature a business plan for each proposed  
5 office, which shall include, but not be limited to, all of the  
6 following:

7 (1) The mission of the office, goals, objectives, and timelines  
8 for achieving quantifiable targets.

9 (2) The level of staffing and staff expertise requirements needed  
10 to successfully operate the office.

11 (3) The proposed terms for the operation of the offices, including  
12 the duration and oversight needed for office operations.

13 (4) How the opening of the office relates to the international  
14 trade and investment office strategy and the overall international  
15 trade and investment strategy.

16 (e) (1) The international trade and investment offices shall be  
17 under the direction of a manager of international trade and  
18 investment offices within the agency, to be designated by the  
19 secretary. The manager shall be an individual with experience in  
20 management and oversight of public agencies or experience in  
21 international trade, investments, or global business.

22 (2) No international trade and investment office shall be opened  
23 until the position of the manager of international trade and  
24 investment offices is filled within the agency.

25 (3) The position of the manager of the international trade and  
26 investment offices shall be a state employee position funded and  
27 staffed in a manner consistent with the international trade and  
28 investment office strategy.

29 (d) (1) Each office established pursuant to this chapter shall  
30 submit a report to the agency by December 1 of each year on  
31 meeting its goals, objectives, and timelines as outlined in its  
32 business plan.

33 (2) The secretary shall provide a summary of the reports to the  
34 relevant policy committees of each house of the Legislature, as  
35 set forth in paragraph (2) of subdivision (f), by the following  
36 February 1 of each year.

37 (e) The agency shall conduct an annual performance review of  
38 each office for the first three years of the office's operation. After  
39 this term, upon the determination of the secretary, the performance  
40 reviews may be undertaken at a longer interval, but not to exceed

1 five years. If the secretary determines that an extended interval is  
2 appropriate for a particular office, this shall be clearly indicated  
3 in the secretary's annual report to the Legislature on the activities  
4 of the offices.

5 ~~(f) (1) The secretary shall contract for an independent study of~~  
6 ~~the operations and effectiveness of the international trade and~~  
7 ~~investment offices established pursuant to this section at the~~  
8 ~~conclusion of the first two years of operation and at four year~~  
9 ~~intervals after the initial study.~~

10 ~~(2) The report on the results of the study shall be submitted to~~  
11 ~~the Chief Clerk of the Assembly and the Secretary of the Senate~~  
12 ~~no later than two years after the opening of the first office pursuant~~  
13 ~~to this chapter. A copy of the report shall be provided to the~~  
14 ~~Speaker of the Assembly, the President pro Tempore of the Senate,~~  
15 ~~and the chairs of the Assembly Committee on Jobs, Economic~~  
16 ~~Development, and the Economy and the Senate Committee on~~  
17 ~~Business, Professions and Economic Development, or the successor~~  
18 ~~committees with jurisdiction over international trade and economic~~  
19 ~~development programs.~~

20 ~~(g) International trade and investment offices shall be funded~~  
21 ~~only according to the international trade and investment office~~  
22 ~~strategy authorized pursuant to subdivision (g) of Section 13996.65,~~  
23 ~~except as provided for in Section 13997.1. All nonstate sources of~~  
24 ~~funding shall be identified on the agency Web site by name and~~  
25 ~~the amount contributed. The agency shall be responsible for all~~  
26 ~~state administrative and oversight costs. The agency shall also be~~  
27 ~~responsible for some portion of the costs of each office, not to~~  
28 ~~exceed one hundred thousand dollars (\$100,000) per office.~~

29 ~~(h) Consistent with the international trade and investment office~~  
30 ~~strategy, the secretary shall make a determination by September~~  
31 ~~1 of each year that sufficient funds have been appropriated in the~~  
32 ~~annual Budget Act to meet its oversight and management~~  
33 ~~responsibilities related to the proper operation of the offices. If, in~~  
34 ~~the opinion of the secretary, insufficient funding has been provided,~~  
35 ~~the secretary shall notify the Joint Legislative Budget Committee~~  
36 ~~and submit a budget change proposal to request sufficient funding.~~

37 ~~SEC. 6.~~

38 *SEC. 9.* Section 13996.75 of the Government Code is amended  
39 to read:

1 13996.75. The Controller shall not allocate any state funds to  
2 the Governor's Office of Business and Economic Development  
3 for international trade and investment activities if ~~any of the~~  
4 ~~following conditions occur:~~

5 ~~(a) The~~ *the* strategy for international trade and investment has  
6 not been submitted to the Legislature pursuant to subdivision (a)  
7 of Section 13996.55 *and subdivision (b) of Section 13996.65* by  
8 May 1, ~~2008~~ 2014, or the strategy update required by subdivision  
9 (f) of that section has not been completed within six years of the  
10 completion of the original strategy or the most recent update, as  
11 applicable.

12 ~~(b) The report to the fiscal committees of the Legislature~~  
13 ~~required by subdivision (e) of Section 13996.55 has not been~~  
14 ~~submitted by May 1 of the year in which it is due.~~

15 ~~(c) The summary required by paragraph (2) of subdivision (d)~~  
16 ~~of Section 13996.7 has not been submitted to the Legislature by~~  
17 ~~May 1 of the year in which it is due.~~

18 ~~(d) The determination required by subdivision (h) of Section~~  
19 ~~13996.7 has not been made by December 1 of the year in which~~  
20 ~~it is due.~~

21 *SEC. 10. Section 13997 of the Government Code is amended*  
22 *to read:*

23 13997. (a) ~~The Secretary of Business, Transportation and~~  
24 ~~Housing~~ *Governor's Office of Business and Economic Development*  
25 may accept private sector moneys in an amount not in excess of  
26 ten thousand dollars (\$10,000) per donation made to the state for  
27 the purposes of promoting international trade and investment,  
28 subject to Title 9 (commencing with Section 81000), and not in  
29 excess of a total of ten thousand dollars (\$10,000) per quarter per  
30 donor. All private sector moneys shall be used for these purposes  
31 but the donor may specify the international trade and investment  
32 office or international trade or investment event for which the  
33 private sector money shall be used. The private sector moneys  
34 shall be deposited into the Economic Development and Trade  
35 Promotion Account, which is hereby established in the Special  
36 Deposit Fund in the State Treasury. The secretary may expend  
37 moneys in the account, without regard to fiscal years, for the  
38 purposes of this section. Moneys in the Economic Development  
39 and Trade Promotion Account may be allocated to an international  
40 trade and investment office, and if so allocated shall be maintained

1 by that office in an account. Notwithstanding any other provision  
2 of law, the ~~secretary~~ *Director of the Governor's Office of Business*  
3 *and Economic Development* may use the private sector moneys  
4 for expenses incurred to promote international trade and investment  
5 that will directly benefit California business. Records of donations  
6 received and expenditures made pursuant to this section shall be  
7 subject to public disclosure.

8 (b) The international trade and investment office using the funds  
9 shall memorialize the payment in a written record as follows:

10 (1) Identifies the donor and the official or officials receiving or  
11 using the payment.

12 (2) Describes the official agency use and the nature and amount  
13 of each payment.

14 (3) Is filed with the ~~Business, Transportation and Housing~~  
15 ~~Agency~~ *Governor's Office of Business and Economic Development*  
16 that maintains the records of the ~~agency's~~ statements of economic  
17 interests, and the filing is done within 30 days of the receipt of the  
18 payment by the ~~agency~~ *Governor's Office of Business and*  
19 *Economic Development*.

20 (c) Nothing in this section shall affect any requirement of the  
21 Political Reform Act (Title 9 (commencing with Section 81000)).

22 *SEC. 11. Section 13997.6 of the Government Code is amended*  
23 *to read:*

24 13997.6. (a) The California Economic Development Fund is  
25 hereby created in the State Treasury for the purpose of receiving  
26 federal, state, local, and private economic development funds, and  
27 receiving repayment of loans or grant proceeds and interest on  
28 those loans or grants.

29 (b) Upon appropriation by the Legislature, moneys in the Fund  
30 may be expended by the ~~Secretary of Business, Transportation and~~  
31 ~~Housing~~ *Governor's Office of Business and Economic Development*  
32 to provide matching funds for loans or grants to public agencies,  
33 nonprofit organizations, and private entities, and for other economic  
34 development purposes, consistent with the purposes for which the  
35 moneys were received.

36 *SEC. 12. Section 99500 of the Government Code is amended*  
37 *to read:*

38 99500. (a) The Governor is the primary state officer  
39 representing California's interest in international affairs, to the  
40 extent that representation is not in conflict with federal law or the

1 California Constitution, and except as otherwise specified in this  
2 title, to the extent this title is not in conflict with federal law or the  
3 California Constitution.

4 (b) The Lieutenant Governor is the Chair of the California  
5 Commission for Economic Development, to improve trade  
6 opportunities for California. The Legislature finds that the  
7 commission has developed international partnerships that provide  
8 venues for foreign companies to do business in the state and for  
9 California-based companies to access foreign markets.

10 (c) The Attorney General is the chief law officer of California  
11 and as such assists the federal government in defending against  
12 international challenges to California laws.

13 (d) The Secretary of State oversees the International Business  
14 Relations Program, which aims to develop stronger connections  
15 between the international business community and the state by  
16 assisting foreign business entities with the various filing processes  
17 and procedures in California.

18 (e) The Department of Food and Agriculture is the primary state  
19 agency for the promotion of California agriculture, fish, and forest  
20 exports.

21 (f) The Resources Agency and the California Environmental  
22 Protection Agency are the primary state agencies for the promotion  
23 of international exchange of environmental protection technologies,  
24 alternative energy technologies, and the promotion of the transfer  
25 of environmental technology to and from the state.

26 (g) ~~The Business, Transportation and Housing Agency~~  
27 *Governor's Office of Business and Economic Development* is the  
28 primary state agency responsible for international trade and  
29 investment activities in areas other than those covered by the  
30 Department of Food and Agriculture.

31 (h) Subdivisions (a) to (f), inclusive, are declaratory of, and do  
32 not constitute a change in, existing law.

33 ~~SEC. 7.~~

34 *SEC. 13.* Section 71040 of the Public Resources Code is  
35 amended to read:

36 71040. The Governor's Office of Business and Economic  
37 Development shall establish an electronic online permit assistance  
38 center through the Internet. The electronic online permit assistance  
39 center shall be available for use by any business or other entity  
40 subject to a law or regulation implemented by ~~a~~ *an agency*,

1 *authority, bureau, board, commission, conservancy, council,*  
2 *department, state district, or office—within the California*  
3 ~~*Environmental Protection Agency,*~~ and shall provide a business  
4 or other entity with assistance in complying with those laws and  
5 regulations. The center, which shall be called the “California  
6 Government-On Line to Desktops” or “CALGOLD” program,  
7 shall provide special software, “hotlinks,” and other online  
8 resources and tools that may be used by a business or other entity  
9 to streamline and expedite compliance with laws and regulations  
10 implemented by ~~a~~ *an agency, authority, bureau, board, commission,*  
11 *conservancy, council, department, state district, or office—within*  
12 ~~*the California Environmental Protection Agency.*~~ The CALGOLD  
13 program shall, to the extent feasible, incorporate permit assistance  
14 activities of local and federal entities and of other entities of the  
15 state into its operations.

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