

AMENDED IN SENATE AUGUST 21, 2012

AMENDED IN SENATE AUGUST 6, 2012

AMENDED IN SENATE JUNE 25, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2012

Introduced by Assembly Member John A. Pérez

February 23, 2012

An act to amend Sections 13996.55, 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, *making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

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, including, among others,

prohibiting the Controller from allocating any state funds to the secretary for international trade and investment activities if specified requirements are met.

Existing law authorizes the Secretary of Business, Transportation and Housing to accept private donations for the purposes of promoting international trade and investment, and requires those moneys to be deposited in the Economic Development and Trade Promotion Account, a continuously appropriated fund in the Special Deposit Fund in the State Treasury. Existing law authorizes the secretary to use money in that account for purposes of supporting international trade and investment offices, and for expenses incurred to promote international trade and investment that will directly benefit California businesses.

This bill would repeal the authority of the Secretary of Business, Transportation and Housing to carry out the powers and duties described above. The bill would instead authorize 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 specified powers and duties including, among others, establishing *and terminating* an international trade and investment office outside of the United States, and accepting private donations for those purposes. *The bill would authorize the office to designate a nonprofit entity to operate international trade and investment offices outside of the United States.* The bill would require the office to carry out various duties related to encouraging international trade and investment in the state, including, among others, developing and implementing an International Trade and Investment Program, and developing an international trade and investment strategy for the state. The bill would prohibit the Controller from allocating any state funds to the secretary for international trade and investment activities if the international trade and investment strategy is not prepared by a specified date. *The bill would impose various limitations on the office in the collection and management of money donated to the office for international trade and investment purposes, including, among others, a limitation on the amount that can be donated by a single donor, and public disclosure requirements. The bill would authorize the office to use money in the Economic Development and Trade Promotion Account for purposes of promoting international trade and investment events. By expanding the scope of a continuously appropriated fund, this bill would constitute an appropriation.*

(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 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.

(3) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~-yes. 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
4 Economic Development shall develop and implement an
5 International Trade and Investment Program that does all of the
6 following:

7 (1) Attracts employment-producing direct foreign investment
8 to the state.

9 (2) Provides support for California businesses in accessing
10 international markets, including assistance to increase California
11 exports.

12 (3) Engages in other international trade or foreign investment
13 activities assigned by the Governor.

14 (b) The Director of the Governor's Office of Business and
15 Economic Development may establish *and terminate* international
16 trade and investment offices outside of the United States as he or
17 she determines is appropriate if the requirements of Section
18 13996.65 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
4 conferred or duties imposed upon the Department of Food and
5 Agriculture with respect to the promotion of California agriculture,
6 fish, or 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 in whole or in part~~ by nonstate funds. ~~The~~
15 ~~sources and amounts of these funds shall be disclosed on its~~
16 ~~Internet Web site within 30 days of receipt and shall include, but~~
17 ~~not be limited to, the name of the contributor and the amount~~
18 ~~contributed.~~

19 (f) *The Governor's Office of Business and Economic*
20 *Development may contract with a nonprofit entity to operate an*
21 *international trade and investment office. The contract shall,*
22 *among other provisions, require the nonprofit entity to provide*
23 *the Governor's Office of Business and Economic Development*
24 *information sufficient to satisfy the reporting requirements in*
25 *subdivision (c) of Section 13997 within 30 days of receipt by the*
26 *nonprofit entity of each donation used to fund an international*
27 *trade and investment office.*

28 SEC. 2. Section 13996.42 is added to the Government Code,
29 to read:

30 13996.42. The Governor's Office of Business and Economic
31 Development may establish an international trade and investment
32 office outside of the United States if both of the following
33 conditions are met:

34 (a) The country where an international trade and investment
35 office would be located has the greatest potential for direct foreign
36 investment in California, export growth, or both, as determined
37 by the director.

38 (b) The Director of the Governor's Office of Business and
39 Economic Development has included the new international trade
40 and investment office in the Governor's Office of Business and

1 Economic Development’s current annual program budget and
2 strategy and business plan for the year for the International Trade
3 and Investment Program as required by Section 13996.65 of the
4 Government Code.

5 SEC. 3. Section 13996.45 of the Government Code is repealed.

6 SEC. 4. Section 13996.55 of the Government Code is amended
7 to read:

8 13996.55. (a) The Director of the Governor’s Office of
9 Business and Economic Development shall provide to the
10 Legislature, not later than February 1, 2014, a strategy for
11 international trade and investment that, at a minimum, includes
12 all of the following:

13 (1) Policy goals, objectives, and recommendations necessary
14 to implement a comprehensive international trade and investment
15 program for the State of California. This information shall be
16 provided in a fashion that clearly indicates priority within the
17 overall strategy.

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

20 (3) Identification of impediments for achieving goals and
21 objectives.

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

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

25 (6) Identification of an international trade and investment
26 organizational structure for the state administration of international
27 trade and investment policies, programs, and services.

28 ~~(b) In the course of developing the strategy, the director shall~~
29 ~~also consult with other agencies, boards, and commissions that~~
30 ~~have statutory responsibilities related to workforce development,~~
31 ~~infrastructure, business, and international trade and investment~~
32 ~~including, but not limited to, the California Commission on~~
33 ~~Industrial Innovation, the Office of the Small Business Advocate,~~
34 ~~the California Transportation Commission, the California~~
35 ~~Community Colleges, the University of California, the California~~
36 ~~State University, the Workforce Investment Board, the~~
37 ~~Employment Training Panel, and the California Energy~~
38 ~~Commission.~~

39 (e)

1 (b) The strategy shall be submitted to the Chief Clerk of the
2 Assembly and the Secretary of the Senate. A copy of the strategy
3 shall be provided to the Speaker of the Assembly, the President
4 pro Tempore of the Senate, and the chairs of the Assembly
5 Committee on Jobs, Economic Development, and the Economy
6 and the Senate Committee on Business, Professions and Economic
7 Development, or the successor committees with jurisdiction over
8 international trade and economic development programs.

9 ~~(d)~~

10 (c) The strategy shall be updated pursuant to the procedures of
11 this section at least once every five years.

12 SEC. 5. Section 13996.6 of the Government Code is repealed.

13 SEC. 6. Section 13996.65 of the Government Code is repealed.

14 SEC. 7. Section 13996.65 is added to the Government Code,
15 to read:

16 13996.65. (a) The director shall prepare the following:

17 (1) A budget for the International Trade and Investment Program
18 that includes a separately stated budget for each international trade
19 and investment office. The budget shall provide all the following:

20 (A) A description of how the International Trade and Investment
21 Program and each individual international trade and investment
22 office will be funded.

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

25 (2) A strategy and business plan for the International Trade and
26 Investment Program, developed with input from California
27 businesses that shall include, but not be limited to, measurable
28 goals, objectives, and outcomes and timelines necessary to attract
29 employment-producing direct foreign investment to the state and
30 increase California exports. The strategy and business plan shall
31 include, but not be limited to, all of the following:

32 (A) A description of the staffing levels and staff expertise needed
33 to operate ~~the~~ *each* international trade and investment office.

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

36 (C) A description of how a newly proposed international trade
37 and investment office will facilitate an increase of direct foreign
38 investment in California; *or* an increase in California exports, *or*
39 both.

1 (3) A written review of the implementation of the prior year’s
2 strategy and business plan for the International Trade and
3 Investment Program that addresses the performance of the program
4 and each international trade and investment office.

5 ~~(4)~~

6 (b) The annual budget, the strategy and business plan for the
7 International Trade and Investment Program, and the prior year’s
8 review drafted pursuant to subdivision (a) shall be transmitted to
9 the Chief Clerk of the Assembly, the Secretary of *the* Senate, the
10 Speaker of the Assembly, the President pro Tempore of the Senate,
11 the chair of the Assembly Committee on Jobs, Economic
12 Development, and the Economy and the chair of the Senate
13 Committee on Business, Professions and Economic Development,
14 or respective successor committees, with jurisdiction over the
15 international trade and economic development programs.

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

17 SEC. 9. Section 13996.75 of the Government Code is amended
18 to read:

19 13996.75. The Controller shall not allocate any state funds to
20 the Governor’s Office of Business and Economic Development
21 for international trade and investment activities if the strategy for
22 international trade and investment has not been submitted to the
23 Legislature pursuant to subdivision (a) of Section 13996.55 and
24 subdivision (b) of Section 13996.65 by May 1, 2014.

25 SEC. 10. Section 13997 of the Government Code is amended
26 to read:

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

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

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

13 (1) Identifies the donor and the official or officials receiving or
 14 using the payment.

15 (2) Describes the official agency use and the nature and amount
 16 of each payment.

17 (3) Is filed with the Governor's Office of Business and
 18 Economic Development that maintains the records of the statements
 19 of economic interests, and the filing is done within 30 days of the
 20 receipt of the payment by the Governor's Office of Business and
 21 Economic Development.

22 13997. (a) *With respect to international trade and investment*
 23 *offices funded in whole or in part by nonstate funds pursuant to*
 24 *subdivision (e) of Section 13996.41, all of the following shall apply:*

25 (1) *The Governor's Office of Business and Economic*
 26 *Development may accept nonstate moneys, including, but not*
 27 *limited to, federal and private sector funds, for the purposes of*
 28 *operating any international trade and investment office, subject*
 29 *to Title 9 (commencing with Section 81000). A donor shall not*
 30 *donate more than 25 percent of the annual budget of an*
 31 *international trade and investment office in a calendar year. The*
 32 *donor may specify the international trade and investment office*
 33 *for which the private sector moneys shall be used. The private*
 34 *sector moneys shall be deposited in the Economic Development*
 35 *and Trade Promotion Account, which is hereby established in the*
 36 *Special Deposit Fund (Art. 2 (commencing with Section 16370),*
 37 *Ch. 2, Pt. 2, Div. 4) within the State Treasury. Notwithstanding*
 38 *Section 13340, the Director of the Governor's Office of Business*
 39 *and Economic Development may expend moneys in the Economic*
 40 *Development and Trade Promotion Account, without regard to*

1 *fiscal year, for the purposes of this subdivision. Moneys in the*
2 *Economic Development and Trade Promotion Account may be*
3 *allocated to an international trade and investment office, and if*
4 *so allocated shall be maintained by that office in an account.*
5 *Records of donations received and expenditures made pursuant*
6 *to this section shall be subject to public disclosure.*

7 (2) *For each donation that it receives to fund an international*
8 *trade and investment office, the Governor's Office of Business and*
9 *Economic Development shall post a report on its Internet Web site*
10 *within 30 days of receiving that donation. The report shall contain*
11 *all of the following information: name and address of the donor;*
12 *amount of the donation; date the donation was made; name and*
13 *address of the entity receiving or using the donation; a brief*
14 *description of the goods or services provided or purchased, if any;*
15 *and a description of the specific purpose or event for which the*
16 *donation was made, if any.*

17 (b) *The Governor's Office of Business and Economic*
18 *Development may accept private moneys for the purposes of*
19 *promoting international trade and investment events subject to*
20 *Title 9 (commencing with Section 81000). The donor may specify*
21 *the international trade and investment event for which the private*
22 *sector moneys shall be used.*

23 (1) *The private sector moneys shall be deposited into the*
24 *Economic Development and Trade Promotion Account.*
25 *Notwithstanding Section 13340, the Director of the Governor's*
26 *Office of Business and Economic Development may expend moneys*
27 *in the Economic Development Trade Promotion Account without*
28 *regard to fiscal year, for purposes of this subdivision. Records of*
29 *donations received and expenditures made pursuant to this section*
30 *shall be subject to public disclosure.*

31 (2) *For each donation that it receives to fund international trade*
32 *and investment events, the Governor's Office of Business and*
33 *Economic Development shall post a report on its Internet Web site*
34 *within 30 days of receiving that donation. The report shall contain*
35 *the following information: name and address of the donor; amount*
36 *of the donation; date the donation was made; name and address*
37 *of the entity receiving or using the donation; a brief description*
38 *of the goods or services provided or purchased, if any; and a*
39 *description of the specific purpose or event for which the donation*
40 *was made, if any.*

1 (c) *With respect to international trade and investment offices*
2 *operated under contract with a nonprofit entity pursuant to*
3 *subdivision (f) of Section 13996.41:*

4 (1) *A donor shall not donate more than 25 percent of the annual*
5 *budget of an international trade and investment office in a calendar*
6 *year.*

7 (2) *For each donation that it receives to fund an international*
8 *trade and investment office, the Governor’s Office of Business and*
9 *Economic Development shall post a report on its Internet Web site*
10 *within 30 days of receiving that donation. The report shall contain*
11 *the following information: name and address of the donor; amount*
12 *of the donation; date the donation was made; name and address*
13 *of the entity receiving or using the donation; a brief description*
14 *of the goods or services provided or purchased, if any; and a*
15 *description of the specific purpose or event for which the donation*
16 *was made, if any.*

17 (e)

18 (d) Nothing in this section shall affect any requirement of the
19 Political Reform Act (Title 9 (commencing with Section 81000)).

20 SEC. 11. Section 13997.6 of the Government Code is amended
21 to read:

22 13997.6. (a) The California Economic Development Fund is
23 hereby created in the State Treasury for the purpose of receiving
24 federal, state, local, and private economic development funds, and
25 receiving repayment of loans or grant proceeds and interest on
26 those loans or grants.

27 (b) Upon appropriation by the Legislature, moneys in the fund
28 may be expended by the Governor’s Office of Business and
29 Economic Development to provide matching funds for loans or
30 grants to public agencies, nonprofit organizations, and private
31 entities, and for other economic development purposes, consistent
32 with the purposes for which the moneys were received.

33 SEC. 12. Section 99500 of the Government Code is amended
34 to read:

35 99500. (a) The Governor is the primary state officer
36 representing California’s interest in international affairs, to the
37 extent that representation is not in conflict with federal law or the
38 California Constitution, and except as otherwise specified in this
39 title, to the extent this title is not in conflict with federal law or the
40 California Constitution.

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

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

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

15 (e) The Department of Food and Agriculture is the primary state
16 agency for the promotion of California agriculture, fish, and forest
17 exports.

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

24 (g) The Governor's Office of Business and Economic
25 Development is the primary state agency responsible for
26 international trade and investment activities in areas other than
27 those covered by the Department of Food and Agriculture.

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

30 SEC. 13. Section 71040 of the Public Resources Code is
31 amended to read:

32 71040. The Governor's Office of Business and Economic
33 Development shall establish an electronic online permit assistance
34 center through the Internet. The electronic online permit assistance
35 center shall be available for use by any business or other entity
36 subject to a law or regulation implemented by an agency, authority,
37 bureau, board, commission, conservancy, council, department,
38 state district, or office, and shall provide a business or other entity
39 with assistance in complying with those laws and regulations. The
40 center, which shall be called the "California Government-On Line

1 to Desktops” or “CALGOLD” program, shall provide special
2 software, “hotlinks,” and other online resources and tools that may
3 be used by a business or other entity to streamline and expedite
4 compliance with laws and regulations implemented by an agency,
5 authority, bureau, board, commission, conservancy, council,
6 department, state district, or office. The CALGOLD program shall,
7 to the extent feasible, incorporate permit assistance activities of
8 local and federal entities and of other entities of the state into its
9 operations.

10 *SEC. 14. This act is an urgency statute necessary for the*
11 *immediate preservation of the public peace, health, or safety within*
12 *the meaning of Article IV of the Constitution and shall go into*
13 *immediate effect. The facts constituting the necessity are:*

14 *International trade is a critical part of the state’s economy, and*
15 *immediate implementation of this bill is necessary for the state’s*
16 *economy to grow and prosper.*