

Assembly Bill No. 2012

CHAPTER 294

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.

[Approved by Governor September 11, 2012. Filed with
Secretary of State September 11, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2012, 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, the 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.

Appropriation: yes.

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

SECTION 1. Section 13996.41 is added to the Government Code, to read:

13996.41. (a) The Governor's Office of Business and Economic Development shall develop and implement an International Trade and Investment Program that does all of the following:

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

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

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

(b) The Director of the Governor's Office of Business and Economic Development may establish and terminate international trade and investment offices outside of the United States as he or she determines is appropriate if the requirements of Section 13996.65 are satisfied.

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

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

(e) Any international trade and investment office established by the Governor's Office of Business and Economic Development may be funded in whole or in part by nonstate funds.

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

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

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

(a) The country where an international trade and investment office would be located is among those with the greatest potential for direct foreign investment in California, export growth, or both, as determined by the director.

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

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

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

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

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

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

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

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

(5) Identification of options for funding recommended actions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) The Governor's Office of Business and Economic Development may accept nonstate moneys, including, but not limited to, federal and private sector funds, for the purposes of operating any international trade and investment office, subject to Title 9 (commencing with Section 81000). A donor shall not donate more than 25 percent of the annual budget of an international trade and investment office in a calendar year. The donor may specify the international trade and investment office for which the private sector moneys shall be used. The private sector moneys shall be deposited in the Economic Development and Trade Promotion Account, which is hereby established in the Special Deposit Fund (Art. 2 (commencing with Section 16370), Ch. 2, Pt. 2, Div. 4) within the State Treasury. Notwithstanding Section 13340, the Director of the Governor's Office of Business and Economic Development may expend moneys in the Economic Development and Trade Promotion Account, without regard to fiscal year, for the purposes of this subdivision. Moneys in the Economic Development and Trade Promotion Account may be allocated to an international trade and investment office, and if so allocated shall be maintained by that office in an account. Records of donations received and expenditures made pursuant to this section shall be subject to public disclosure.

(2) For each donation that it receives to fund an international trade and investment office, the Governor's Office of Business and Economic Development shall post a report on its Internet Web site within 30 days of

receiving that donation. The report shall contain all of the following information: name and address of the donor; amount of the donation; date the donation was made; name and address of the entity receiving or using the donation; a brief description of the goods or services provided or purchased, if any; and a description of the specific purpose or event for which the donation was made, if any.

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

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

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

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

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

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

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

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

13997.6. (a) The California Economic Development Fund is hereby created in the State Treasury for the purpose of receiving federal, state,

local, and private economic development funds, and receiving repayment of loans or grant proceeds and interest on those loans or grants.

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

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

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

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

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

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

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

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

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

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

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

71040. The Governor's Office of Business and Economic Development shall establish an electronic online permit assistance center through the Internet. The electronic online permit assistance center shall be available for use by any business or other entity subject to a law or regulation implemented by an agency, authority, bureau, board, commission, conservancy, council, department, state district, or office, and shall provide a business or other entity with assistance in complying with those laws and

regulations. The center, which shall be called the “California Government-On Line to Desktops” or “CALGOLD” program, shall provide special software, “hotlinks,” and other online resources and tools that may be used by a business or other entity to streamline and expedite compliance with laws and regulations implemented by an agency, authority, bureau, board, commission, conservancy, council, department, state district, or office. The CALGOLD program shall, to the extent feasible, incorporate permit assistance activities of local and federal entities and of other entities of the state into its operations.

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

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