

ASSEMBLY BILL

No. 53

Introduced by Assembly Member John A. Pérez

January 7, 2013

An act to amend Section 12096.3 of, and to add Section 12096.35 to, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 53, as introduced, John A. Pérez. Governor's Office of Business and Economic Development: biennial California Economic Development Strategic Plan.

The Governor's Office of Business and Economic Development serves as the Governor's lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The office, among others, makes recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals.

This bill would require the office to lead the preparation of a biennial California Economic Development Strategic Plan, as specified.

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

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

- 1 SECTION 1. Section 12096.3 of the Government Code is
- 2 amended to read:
- 3 12096.3. The office shall serve the Governor as the lead entity
- 4 for economic strategy and the marketing of California on issues

1 relating to business development, private sector investment, and
2 economic growth. In this capacity, the office may:

3 (a) Recommend to the Governor and the Legislature new state
4 policies, programs, and actions, or amendments to existing
5 programs, advance statewide economic goals and respond to
6 emerging economic problems and opportunities, and ensure that
7 all state policies and programs conform to the adopted state
8 economic and business development goals.

9 (b) Coordinate the development of policies and criteria to ensure
10 that federal grants administered or directly expended by state
11 government advance statewide economic goals and objectives.

12 (c) Market the business and investment opportunities available
13 in California by working in partnership with local, regional, federal,
14 and other state public and private institutions to encourage business
15 development and investment in the state.

16 (d) Provide, including, but not limited to, all of the following:

17 (1) Economic and demographic data.

18 (2) Financial information to help link businesses with state and
19 local public and private programs.

20 (3) Workforce information, including, but not limited to, labor
21 availability, training, and education programs.

22 (4) Transportation and infrastructure information.

23 (5) Assistance in obtaining state and local permits.

24 (6) Information on tax credits and other incentives.

25 (7) Permitting, siting, and other regulatory information pertinent
26 to business operations in the state.

27 (e) Establish a well-advertised telephone number, an interactive
28 Internet Web site, and an administrative structure that effectively
29 supports the facilitation of business development and investment
30 in the state.

31 (f) Encourage collaboration among research institutions, startup
32 companies, local governments, venture capitalists, and economic
33 development agencies to promote innovation.

34 (g) In cooperation with the federal government, foster
35 relationships with overseas entities to improve the state's image
36 as a destination for business investment and expansion.

37 (h) Conduct research on the state's business climate, including,
38 but not limited to, research on how the state can remain on the
39 leading edge of innovation and emerging sectors.

1 (i) Support small businesses by providing information about
2 accessing capital, complying with regulations, and supporting state
3 initiatives that support small business.

4 (j) *Lead the preparation of a biennial California Economic*
5 *Development Strategic Plan.*

6 SEC. 2. Section 12096.35 is added to the Government Code,
7 to read:

8 12096.35. (a) The office shall lead the preparation of a biennial
9 California Economic Development Strategic Plan. In fulfilling this
10 duty, the office shall do all of the following:

11 (1) Make recommendations regarding an economic development
12 strategic plan for the state, covering a two-year time period and
13 containing a statement of economic goals for the state, a prioritized
14 list identifying significant issues learned from proposals for
15 legislation, regulations, and administrative reforms necessary to
16 improve the business climate and economy of the state, evaluation
17 of the effectiveness of the state's economic development programs,
18 a list of key industries in which the state shall focus its economic
19 development efforts, and strategies to foster job growth and
20 economic development covering all state agencies, offices, boards,
21 and commissions that have economic development responsibilities.

22 (2) Convene a biennial meeting to provide recommendations
23 regarding a California economic development strategic plan. The
24 office shall invite businesses, labor unions, organizations
25 representing the interests of diverse ethnic and gender groups,
26 local government leaders, academic economists and business
27 professors, chambers of commerce and other business
28 organizations, government agencies, and key industries to
29 contribute to the preparation of the recommended economic
30 strategy. These meetings shall address, but are not limited to, all
31 of the following:

32 (A) Strengths and weaknesses of the California economy and
33 the state's prospects for future economic prosperity.

34 (B) Existing, emerging, and declining industries in California
35 and elsewhere.

36 (C) Effectiveness of California's economic development
37 programs in creating and retaining jobs and attracting industries.

38 (D) Adequacy of state and local physical and economic
39 infrastructure.

40 (E) Government impediments to economic development.

- 1 (F) The development of a system of accountability for use in
2 the annual state budget process and in the legislative process to
3 measure the performance of all state policies, programs, and tax
4 expenditures intended to stimulate the economy. In developing a
5 system of accountability, the panel, by using only existing
6 resources and without future budget augmentation made for this
7 purpose shall, do all of the following:
- 8 (i) Develop a standard definition of economic development.
 - 9 (ii) Develop, for use in state law, standard measurements of real
10 per capita income, job growth and retention, new business creation,
11 private sector investment, minority entrepreneurship, and income
12 inequality.
 - 13 (iii) Survey and evaluate efforts in other states to develop
14 accountability measures for public investments in economic
15 development.
 - 16 (iv) Determine whether a return on investment calculation is
17 feasible for public investments in economic development.
 - 18 (v) Conduct a comparative study of various methodologies for
19 preparing the economic development sections of a state budget,
20 including unified functional budget, zero-based budget, and
21 performance-based budget methodologies.
 - 22 (vi) Study the feasibility of statutory disclosure requirements
23 on specified publicly funded subsidies to private sector businesses.
 - 24 (vii) Submit a report of its findings and recommendations
25 regarding this subparagraph to the Governor and Legislature no
26 later than one year after its first meeting after January 1, 2015. The
27 report shall be submitted to the Legislature in the manner required
28 pursuant to Section 9795.
 - 29 (b) The office shall deliver copies of the recommended
30 California economic development strategic plan to every
31 constitutional officer, legislator, member of the Governor's cabinet,
32 and every state agency, office, board, and commission having
33 economic development responsibilities.