

ASSEMBLY BILL

No. 780

Introduced by Assembly Member Bocanegra

February 21, 2013

An act to add Section 14063 to the Corporations Code, relating to small businesses, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 780, as introduced, Bocanegra. Small business financial development corporations.

The California Small Business Financial Development Corporation Law authorizes the formation of small business financial development corporations to grant loans or loan guarantees for the purpose of stimulating small business development. These provisions, including the small Business Loan Guarantee Programs are administered by an executive director, who is appointed by the Secretary of the Business, Transportation and Housing Agency. Commencing July 1, 2013, the duties of the agency with respect to these provisions is vested in the Governor's Office of Business and Economic Development.

This bill would appropriate \$2,000,000 from the General Fund to the Governor's Office of Business and Economic Development, and would require the Executive Director of the Small Business Loan Guarantee Program to distribute these funds to the financial development corporations, as specified, for their ongoing administrative operations. The bill additionally would make specified declarations of legislative intent regarding the oversight and duties of the Governor's Office of Business and Economic Development with respect to financial development corporations.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 14063 is added to the Corporations Code,
2 to read:
3 14063. (a) (1) The Legislature finds and declares that the
4 workload of California financial development corporations has
5 increased significantly since the state’s receipt of funds from the
6 federal government pursuant to the Small Business Jobs Act of
7 2010 (Public Law 111-240).
8 (2) It is the intent of the Legislature that financial development
9 corporations shall be under the jurisdiction of the Governor’s
10 Office of Business and Economic Development. It is further the
11 intent of the Legislature that the office shall provide each financial
12 development corporation with all appropriate administrative
13 support to implement its programs.
14 (b) (1) The sum of two million dollars (\$2,000,000) is hereby
15 appropriated from the General Fund to the Director of the
16 Governor’s Office of Business and Economic Development, for
17 the purpose of providing administrative funding to financial
18 development corporations under this part. These funds shall be
19 allocated to the executive director, who shall distribute one hundred
20 fifty thousand dollars (\$150,000) to each financial development
21 corporation, for expenditure for the purposes described in this
22 section, and shall be available for this purpose until the federal
23 funding referenced in subdivision (a) has been exhausted.
24 (2) Funds provided pursuant to this subdivision shall be used
25 to supplement, and shall not supplant, other General Fund or other
26 moneys made available for financial development corporation
27 administration.

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