

AMENDED IN SENATE JUNE 25, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1537**

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**Introduced by Committee on Jobs, Economic Development, and the Economy (Assembly Members Eduardo Garcia (Chair), Kim (Vice Chair), Travis Allen, Brough, Brown, Chau, Chu, and Irwin)**

March 25, 2015

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An act to amend Sections 63089.97 and 63089.98 of the Government Code, relating to business, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1537, as amended, Committee on Jobs, Economic Development, and the Economy. Small Business Financial Assistance Act of 2013: reports.

The Small Business Financial Assistance Act of 2013 authorizes the formation of small business financial development corporations to grant loans from, or guarantee loans made by a financial institution or financial company, as defined, against, moneys awarded to the corporation from the California Small Business Expansion Fund, a continuously appropriated fund, for the purpose of stimulating small business development, as specified. Existing law charges the program manager, as defined, with the administration of these provisions. Existing law requires each corporation to provide to the program manager, in a format prescribed by the program manager, specified data and reports, including, but not limited to, a summary of all outstanding loans, bonds, and other credit enhancements to which a corporate guarantee is attached, as specified.

This bill would additionally require each corporation to provide to the program manager a list by city and county of the number and dollar value of all credit enhancements and debt instruments the corporation entered into during the report year and that are outstanding at the close of the fiscal year.

Existing law requires the program manager, no later than January 1 of each year, to prepare and submit to the Governor and the Legislature a report for the preceding fiscal year ending June 30 containing the financial product activity of each corporation. Existing law requires the report to include, among other things, direct loans, guarantees, and other financial products awarded and outstanding balances.

This bill would additionally require the report to include a geographic distribution by city and county of the direct loans, guarantees, and other financial products awarded and outstanding at the close of the fiscal year.

By expanding the requirements of the report, this bill would increase the costs associated with the report, thereby making an appropriation.

Vote:  $\frac{2}{3}$ . 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 63089.97 of the Government Code is
- 2 amended to read:
- 3 63089.97. Each corporation shall provide to the program
- 4 manager, in a format prescribed by him or her, the following data
- 5 and reports:
- 6 (a) A summary of all outstanding loans, bonds, and other credit
- 7 enhancements to which a corporation guarantee, as authorized by
- 8 this chapter, is attached, on a schedule determined by the program
- 9 manager.
- 10 (b) A summary of all outstanding direct loans and other debt
- 11 instruments made by a corporation, as authorized by this chapter,
- 12 on a schedule determined by the program manager.
- 13 (c) A summary of all outstanding other financial project
- 14 obligations made by a corporation, as authorized by this chapter,
- 15 on a schedule determined by the program manager.
- 16 (d) Statement of economic interests from each designated person
- 17 pursuant to Section 87302.

1 (e) No later than July 31 of each fiscal year, commencing  
2 January 1, 2014, each of the following documents:

3 (1) A copy of the corporation board approved budget for the  
4 current fiscal year.

5 (2) Projected fiscal year summary of authorized program  
6 activities including direct loans, loan guarantees, bond guarantees,  
7 and other financial product activity supported by the expansion  
8 fund.

9 (3) A copy of the written plan of operation or strategic plan for  
10 the current fiscal year as approved by the corporations board of  
11 directors.

12 (4) A copy of the current and valid articles of incorporation and  
13 bylaws of the corporation with noted amendments from the prior  
14 fiscal year.

15 (f) No later than October 31 of each year commencing January  
16 1, 2014, a copy of the corporation's prior fiscal year audit, auditor  
17 findings, if any, and finding responses.

18 (g) A list by city and county of the number and dollar value of  
19 all credit enhancements and debt instruments the corporation  
20 entered ~~into~~ *into, pursuant to this chapter*, during the report year,  
21 and that are outstanding at the close of the fiscal year.

22 (h) Any other statistical and other data, reports, or other  
23 information required by the directives and requirements or the  
24 program manager.

25 SEC. 2. Section 63089.98 of the Government Code is amended  
26 to read:

27 63089.98. (a) Annually, not later than January 1 of each year  
28 commencing January 1, 2014, and notwithstanding Section  
29 10231.5, the program manager shall prepare and submit to the  
30 Governor and the Legislature, pursuant to Section 9795, a report  
31 for the preceding fiscal year ending June 30, containing the  
32 expansion fund and trust fund financial product activity of each  
33 corporation, including all of the following:

34 (1) Direct loans, guarantees, and other financial products  
35 awarded and outstanding balances.

36 (2) Default and loss statistics.

37 (3) Employment data.

38 (4) Ethnicity and gender data of participating contractors and  
39 other entities, and experience of surety insurer participants in the  
40 bond guarantee program.

- 1 (5) Geographic distribution by city and county of the direct
- 2 loans, guarantees, and other financial products awarded and
- 3 outstanding at the close of the fiscal year.
- 4 (6) Significant events.
- 5 (b) The program manager shall post the report on the bank's
- 6 Internet Web site.

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