

Assembly Bill No. 1812

CHAPTER 1039

An act to amend Section 15339.2 of, to repeal Sections 15339.4 and 15339.5 of, and to repeal and add Section 15339.3 of, the Government Code, relating to small business development.

[Approved by Governor September 28, 1996. Filed
with Secretary of State September 29, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1812, Knox. New Business Incubator Enterprise Programs.

Existing law provides for the New Business Incubator Enterprise Program to be administered by the Small Business Development Board and the Office of Small Business within the Trade and Commerce Agency, pursuant to specified criteria.

This bill would delete these provisions and instead require the Office of Small Business to administer grants to California nonprofit corporations or public agencies, pursuant to specified criteria.

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

SECTION 1. Section 15339.2 of the Government Code is amended to read:

15339.2. For purposes of this chapter, the following definitions apply:

(a) "Incubator" means a facility that allows new small businesses to increase their probability of success through sharing needed equipment, services, and facilities, including at least six of the following:

- (1) Reception and meeting areas.
- (2) Secretarial services.
- (3) Accounting and bookkeeping services.
- (4) Research libraries.
- (5) Onsite financial, management, and technical counseling.
- (6) Flexible lease arrangements for flexible space.
- (7) Computer and word processing facilities.
- (8) Office furniture rentals.
- (9) Management and entrepreneurial training programs that have an entry and exit policy.

(b) "Office" means the Office of Small Business within the Trade and Commerce Agency.

SEC. 2. Section 15339.3 of the Government Code is repealed.

SEC. 3. Section 15339.3 is added to the Government Code, to read:

15339.3. (a) The Office of Small Business shall award one or more grants to California nonprofit corporations or public agencies pursuant to the application process described in this section.

(b) In developing the applications for grants, the office shall consult with incubators and other interested parties to ensure that the application is understandable and is disseminated as widely as possible.

(c) Applications for grants shall be issued no later than June 30, 1997.

(d) The grant or grants shall be awarded to the proposal or proposals scoring the highest points, based upon criteria that shall include the following:

(1) The highest priority shall be given to proposals that provide maximum debt or equity funding to businesses located within a California incubator. In calculating the amount of funding available, the office shall encourage applicants to leverage the state funds with funds from other sources used to provide funding to the incubator businesses.

(2) Points shall also be awarded to a proposal providing grant funds to a California incubator.

(e) Grant awardees shall provide the office with suitable financial records to ensure their financial viability, and after receiving the grant, shall allow the office to audit the records of the expenditure of grant funds.

SEC. 4. Section 15339.4 of the Government Code is repealed.

SEC. 5. Section 15339.5 of the Government Code is repealed.

SEC. 6. The Trade and Commerce Agency shall adopt any regulations necessary to implement Section 3 of this act as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The Office of Administrative Law shall consider these emergency regulations to be necessary for the immediate preservation of the public peace, health, and safety, and the general welfare within the meaning of Section 11349.6 of the Government Code. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, the regulations shall not remain in effect for more than 180 days and shall be superseded upon the adoption of formal regulations by the agency.

