

AMENDED IN SENATE AUGUST 24, 1999
AMENDED IN SENATE AUGUST 16, 1999
AMENDED IN SENATE JULY 8, 1999
AMENDED IN ASSEMBLY MAY 28, 1999
AMENDED IN ASSEMBLY APRIL 27, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 77

Introduced by Assembly Member Cardenas
(Coauthors: Assembly Members Correa, Hertzberg, and
Honda)
(Coauthors: Senators Baca, Dunn, and Karnette)

December 8, 1998

An act relating to small business development, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 77, as amended, Cardenas. Small business development corporations.

The Small Business Development Corporation Law authorizes the formation of California small business financial development corporations, subject to the approval of the California Small Business Board in the Trade and Commerce Agency, to grant loans or guarantees for the purpose of stimulating small business development. The *California* Small Business Expansion Fund, created under the law, provides

funds to be used to pay for defaulted loan guarantees and administrative costs of these corporations.

Existing law provides that state funds may only be expended for a small business development corporation established in a location approved pursuant to a statewide plan. Existing law requires the Trade and Commerce Agency to contract for an independent statewide assessment of capital needs in California as they pertain to the Small Business Financial Development Corporation program.

This bill would, notwithstanding these provisions, appropriate \$1,500,000 from the General Fund to the *California* Small Business Expansion Fund for the purpose of operating satellite offices of existing small business financial development corporations in San Jose, Santa Ana, the San Fernando Valley, ~~and~~ Ontario, *and Thousand Oaks*, as specified.

It would also require that each of the small business financial development corporations, at the request of the California Small Business Board and at least once each year, make a presentation and overview of the corporation’s business operations to the board.

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. (a) Notwithstanding Section 14060.5 of
 2 the Corporations Code, the sum of one million five
 3 hundred thousand dollars (\$1,500,000) is hereby
 4 appropriated from the General Fund to the Small
 5 Business Expansion Fund created pursuant to Section
 6 14030 of the Corporations Code for the purpose of
 7 operating a satellite office of existing small business
 8 financial development corporations in each of the
 9 following areas:

- 10 (1) San Jose.
- 11 (2) Santa Ana.
- 12 (3) San Fernando Valley.
- 13 (4) Ontario.
- 14 (5) *Thousand Oaks*.



1 (b) From the amount appropriated in this section,
2 three hundred—seventy-five thousand dollars—~~(\$375,000)~~
3 *(\$300,000)* shall be allocated for the satellite office in each
4 of the areas specified in subdivision (a).

5 SEC. 2. Each of the small business financial
6 development corporations, at the request of the
7 California Small Business Board and at least once each
8 year, shall make a presentation and overview of the
9 corporation's business operations to the board.

