

AMENDED IN ASSEMBLY OCTOBER 7, 2010

SENATE BILL

No. 872

Introduced by Committee on Budget and Fiscal Review

January 11, 2010

~~An act relating to the Budget Act of 2010. An act to add Section 44559.11 to the Health and Safety Code, relating to economic development, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 872, as amended, Committee on Budget and Fiscal Review.
~~Budget Act of 2010. Economic development.~~

(1) Existing law establishes various programs, including, but not limited to, the Capital Access Loan Program, to promote economic development throughout the state. Existing law also establishes the California Small Business Expansion Fund, the California Capital Access Fund, and the California Economic Development Fund.

This bill would authorize the California Pollution Control Financing Authority to enact regulations for the distribution of specified funds paid to the authority. This bill would also transfer and allocate \$32,350,000 from the General Fund to the 3 funds listed above for the 2010–11 fiscal year, and appropriate the sums allocated to each of these funds for specified economic development purposes.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2010.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

1 SECTION 1. Section 44559.11 is added to the Health and
2 Safety Code, to read:

3 44559.11. It is the intent of the Legislature to ensure that the
4 state, through the authority, may make maximum, efficient use of
5 capital access programs enacted by all federal and state agencies,
6 as well as funding available from any governmental program
7 whose goals may be advanced by providing funding to the Capital
8 Access Loan Program. In furtherance of this intent, and not
9 withstanding any other provision of this article, when the
10 contributions required pursuant to subdivision (c) of Section
11 44559.4 are entirely funded by a source other than the authority,
12 the authority may, by regulation adopted pursuant to subdivision
13 (b) of Section 44520, establish alternate provisions as necessary
14 to enable the authority to participate in the alternative funding
15 source program.

16 SEC. 2. A total of thirty-two million three hundred fifty
17 thousand dollars (\$32,350,000) is hereby transferred from the
18 General Fund to the following funds for purposes of promoting
19 economic development throughout the state, as follows:

20 (a) Twenty million dollars (\$20,000,000) to the California Small
21 Business Expansion Fund, established pursuant to Section 14030
22 of the Corporations Code. Notwithstanding Section 14032 of the
23 Corporations Code, that amount is hereby appropriated from that
24 fund for the 2010–11 fiscal year, to be used to expand existing
25 programs for loan guarantees and letters of credit authorized by
26 the California Small Business Financial Development Corporation
27 Law (Article 1 (commencing with Section 14000) of Chapter 1 of
28 Part 5 of Division 3 of Title 1 of the Corporations Code), and shall
29 be allocated by the director, as defined in subdivision (k) of Section
30 14010 of the Corporations Code, pursuant to existing authority,
31 policies, and funding formulas. Appropriated funds shall be
32 expended to support one-half of a limited term position to ensure
33 that funds expended under this subdivision are properly allocated,
34 overseen, and any reporting requirements are fulfilled.

35 (b) Six million dollars (\$6,000,000) to the California Capital
36 Access Fund, as defined in subdivision (b) of Section 44559.1 of
37 the Health and Safety Code. That amount is hereby appropriated
38 from that fund for the 2010–11 fiscal year, to be expended for

1 purposes of the existing California Capital Access Program. For
2 the purposes of expending these funds, “severely affected
3 community,” as defined pursuant to subdivision (k) of Section
4 44559.1 of the Health and Safety Code, includes any city or county
5 with an unemployment rate above 110 percent of the statewide
6 average, based on the most current unemployment rates published
7 by the Employment Development Department in its monthly release
8 of labor market statistics.

9 (c) Six million dollars (\$6,000,000) to the California Economic
10 Development Fund, established pursuant to subdivision (a) of
11 Section 13997.6 of the Government Code. That amount is hereby
12 appropriated from that fund for the 2010–11 fiscal year, to provide
13 the cash match for the six regional lead centers that have contracts
14 with the United States Small Business Administration to administer
15 the federal Small Business Development Center Program in
16 California. Funds shall be awarded to lead centers that submit
17 written confirmation from the regional administrator of the United
18 States Small Business Administration documenting that the state
19 funds will be matched by federal funds on a one-for-one basis.

20 (d) Three hundred fifty thousand dollars (\$350,000) to the
21 California Economic Development Fund, established pursuant to
22 subdivision (a) of Section 13997.6 of the Government Code. That
23 amount is hereby appropriated from that fund for the 2010–11
24 fiscal year, to provide a cash match for the Federal Technology
25 Center program, administered by the United States Department
26 of Defense. Funds shall be awarded to the California-based
27 Federal Technology Center upon receipt of a letter from the United
28 States Department of Defense confirming that state funds will be
29 matched by federal funds on a one-for-one basis.

30 SEC. 3. This act is an urgency statute necessary for the
31 immediate preservation of the public peace, health, or safety within
32 the meaning of Article IV of the Constitution and shall go into
33 immediate effect. The facts constituting the necessity are:

34 In order to implement the Budget Act of 2010 as soon as possible,
35 it is necessary for this act to take immediate effect.

36 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
37 ~~changes relating to the Budget Act of 2010.~~