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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15990.3] (Division 3 added by Stats. 1945, Ch. 111.)

PART 4.7. BUSINESS AND TOURISM [13995 - 13998.12] (Part 4.7 added by Stats. 2003, Ch. 229, Sec. 1.5.)

CHAPTER 2.5. International Trade and Investment [13996.4 - 13996.75] (Chapter 2.5 added by Stats. 2006, Ch. 663, Sec. 2.)

13996.4. The Legislature finds and declares all of the following:

(a) The statutory authority for the Technology, Trade, and Commerce Agency, including the agency's international trade and investment promotion programs, was repealed by Chapter 229 of the Statutes of 2003, thereby reducing the capacity of state government to assist California firms in developing global business opportunities.

(b) The repeal of the statutory authority for the Technology, Trade, and Commerce Agency has increased the importance of strengthening collaborative linkages among remaining California-based international trade and investment promotion programs operated at federal, state, regional, and local levels. These programs include, but are not limited to, the Centers for International Trade Development operated by the California Community Colleges, 15 offices of the United States Commercial Service within the United States Department of Commerce, numerous local and regional World Trade Centers, and public and private economic development and trade associations.

(c) According to data for 2000, international trade and investment activity in the state supports one in every seven California jobs.

(d) According to the Public Policy Institute of California:

(1) Nearly 94 percent of all exporters located in California are small- or medium-sized firms. Over 90 percent of businesses in California are small businesses and over 50 percent of all workers are employed by a small business.

(2) Exporters are more productive and pay higher wages than nonexporters.

(3) Effective state programs supporting export opportunities should identify and respond to differing needs of both export-willing and export-ready firms.

(e) The adequacy of the state's infrastructure, workforce, research facilities, manufacturing and service industries, and access to capital form the foundation of California's global market-related economy.

(f) California's multicultural and ethnic populations offer unique opportunities for international trade and investment.

(g) United States subsidiaries of foreign companies in California employed 561,000 California workers from 2000 to 2005. This is an increase of 15 percent. In comparison to other states, California is an attractive location for international employers, ranking first in the United States in the number of employees supported by United States subsidiaries.

(h) California's trade and investment policy is a living document that should be regularly updated to reflect emerging business trends and the changing needs of California businesses and workers.

(Added by Stats. 2006, Ch. 663, Sec. 2. Effective January 1, 2007.)

13996.41. (a) The Governor's Office of Business and Economic Development shall develop and implement an International Trade and Investment Program that does all of the following:

(1) Attracts employment-producing direct foreign investment to the state.

(2) Provides support for California businesses in accessing international markets, including assistance to increase California exports.

(3) Engages in other international trade or foreign investment activities assigned by the Governor.

(b) The Director of the Governor's Office of Business and Economic Development may establish and terminate international trade and investment offices outside of the United States as he or she determines is appropriate if the requirements of Section 13996.65 are satisfied.

(c) This section shall not be construed to confer powers or impose duties upon the Governor's Office of Business and Economic Development that conflict with any powers conferred or duties imposed upon the Department of Food and Agriculture with respect to the promotion of California agriculture, fish, or forest exports.

(d) The Governor's Office of Business and Economic Development shall develop a conflict-of-interest and gift policy that applies to the Governor's Office of Business and Economic Development and all international trade and investment offices established by it.

(e) Any international trade and investment office established by the Governor's Office of Business and Economic Development may be funded in whole or in part by nonstate funds.

(f) The Governor's Office of Business and Economic Development may contract with a nonprofit entity to operate an international trade and investment office. The contract shall, among other provisions, require the nonprofit entity to provide the Governor's Office of Business and Economic Development information sufficient to satisfy the reporting requirements in subdivision (c) of Section 13997 within 30 days of receipt by the nonprofit entity of each donation used to fund an international trade and investment office.

(Added by Stats. 2012, Ch. 294, Sec. 1. (AB 2012) Effective September 11, 2012.)

13996.42. The Governor's Office of Business and Economic Development may establish an international trade and investment office outside of the United States if both of the following conditions are met:

(a) The country where an international trade and investment office would be located is among those with the greatest potential for direct foreign investment in California, export growth, or both, as determined by the director.

(b) The Director of the Governor's Office of Business and Economic Development has included the new international trade and investment office in the Governor's Office of Business and Economic Development's current annual program budget and strategy and business plan for the year for the International Trade and Investment Program as required by Section 13996.65.

(Added by Stats. 2012, Ch. 294, Sec. 2. (AB 2012) Effective September 11, 2012.)

13996.55. (a) The Director of the Governor's Office of Business and Economic Development shall provide to the Legislature, not later than July 1, 2019, a strategy for international trade and investment that, at a minimum, includes all of the following:

(1) Policy goals, objectives, and recommendations necessary to implement a comprehensive international trade and investment program for the state. This information shall be provided in a fashion that clearly indicates priority within the overall strategy.

(2) Measurable outcomes and timelines for the goals, objectives, and actions for the international trade and investment program.

(3) Identification of impediments for achieving goals and objectives.

(4) Identification of key stakeholder partnerships that will be used in implementing the strategy.

(5) Identification of options for funding recommended actions.

(6) A current organizational structure for the state administration of international trade and investment policies, programs, and services. The organizational chart may include other state entities that are related to achieving the goals, objectives, and actions identified in the strategy.

(b) (1) The strategy shall be based on current and emerging market conditions and the needs of investors, businesses, and workers to be competitive in global markets.

(2) The strategy shall identify the process the Governor's Office of Business and Economic Development will use to evaluate on an ongoing basis, as appropriate, current workforce, infrastructure, research and development, and other needs of small and large firms, including, but not limited to, highways, logistic hubs, and rail that link businesses with the state's ports of entry and foreign and domestic markets.

(3) The strategy may, to the extent relevant and feasible, be based on existing studies and reports, including, but not limited to, the Goods Movement Action Plan, the California Strategic Workforce Development Plan, the California Export of Recycled Materials Report, the California Five-Year Infrastructure Plan, and the Environmental Goals and Policy Report.

(c) The strategy shall be submitted to the Chief Clerk of the Assembly and the Secretary of the Senate and a notice of its submittal shall be provided to the Speaker of the Assembly, the President pro Tempore of the Senate, and the chairs of the Assembly Committee on Jobs, Economic Development, and the Economy and the Senate Committee on Business, Professions and Economic Development, or the successor committees with jurisdiction over international trade and economic development programs.

(d) The strategy shall be updated pursuant to the procedures of this section at least once every five years.

(Amended by Stats. 2018, Ch. 313, Sec. 2. (AB 1561) Effective January 1, 2019.)

13996.65. (a) The director shall prepare the following:

(1) A budget for the International Trade and Investment Program that includes a separately stated budget for each international trade and investment office. The budget shall provide all the following:

(A) A description of how the International Trade and Investment Program and each individual international trade and investment office will be funded.

(B) A description of staffing levels and the positions needed to operate each international trade and investment office.

(2) A strategy and business plan for the International Trade and Investment Program, developed with input from California businesses that shall include, but not be limited to, measurable goals, objectives, and outcomes and timelines necessary to attract employment-producing direct foreign investment to the state and increase California exports. The strategy and business plan shall include, but not be limited to, all of the following:

(A) A description of the staffing levels and staff expertise needed to operate each international trade and investment office.

(B) A description of monitoring and oversight procedures implemented for the International Trade and Investment Program.

(C) A description of how a newly proposed international trade and investment office will facilitate an increase of direct foreign investment in California or an increase in California exports, or both.

(3) A written review of the implementation of the prior year's strategy and business plan for the International Trade and Investment Program that addresses the performance of the program and each international trade and investment office.

(b) The annual budget, the strategy and business plan for the International Trade and Investment Program, and the prior year's review drafted pursuant to subdivision (a) shall be transmitted to the Chief Clerk of the Assembly, the Secretary of the Senate, the Speaker of the Assembly, the President pro Tempore of the Senate, the chair of the Assembly Committee on Jobs, Economic Development, and the Economy and the chair of the Senate Committee on Business, Professions and Economic Development, or respective successor committees, with jurisdiction over the international trade and economic development programs.

(Repealed and added by Stats. 2012, Ch. 294, Sec. 7. (AB 2012) Effective September 11, 2012.)

13996.75. The Controller shall not allocate any state funds to the Governor's Office of Business and Economic Development for international trade and investment activities if the strategy for international trade and investment has not been submitted to the Legislature pursuant to subdivision (a) of Section 13996.55 and subdivision (b) of Section 13996.65 by May 1, 2014.

(Amended by Stats. 2012, Ch. 294, Sec. 9. (AB 2012) Effective September 11, 2012.)