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TITLE 6.7. INFRASTRUCTURE FINANCE [63000 - 64132] (Title 6.7 added by Stats. 1994, Ch. 94, Sec. 1.)

DIVISION 1. THE BERGESON-PEACE INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK ACT [63000 - 63089.99] (Heading of Division 1 amended (as added by Stats. 1994, Ch. 94) by Stats. 1994, Ch. 749, Sec. 1.)

CHAPTER 2. California Infrastructure and Economic Development Bank [63021 - 63049.70] (Heading of Chapter 2 amended (as added by Stats. 1994, Ch. 94) by Stats. 1994, Ch. 749, Sec. 5.)

ARTICLE 5. Financing Economic Development Facilities [63043 - 63047] (Heading of Article 5 amended by Stats. 1999, Ch. 83, Sec. 86.)

63043. Notwithstanding any other provision of this division, Article 3 (commencing with Section 63040) and Article 4 (commencing with Section 63042), shall not apply to any conduit financing for economic development facilities by the bank directly for the benefit of a participating party.

(Repealed and added by Stats. 1998, Ch. 4, Sec. 15. Effective January 1, 1999.)

63044. The bank shall consider a project for conduit financing for economic development facilities upon filing of an application with the bank by an appropriate participating party, on the terms and conditions the bank shall determine. The bank shall establish procedures for the expeditious review of applications for the issuance or approval of bonds to finance economic development facilities.

(Repealed and added by Stats. 1998, Ch. 4, Sec. 15. Effective January 1, 1999.)

63045. In order to provide or arrange for the financing of economic development facilities, the bank may:

(a) Issue taxable revenue bonds pursuant to Chapter 5 (commencing with Section 63070) to provide financing for economic development projects compatible with the public interest as specified in Section 63046.

(b) Issue taxable revenue bonds pursuant to Chapter 5 (commencing with Section 63070) to provide financing for the revolving loan funds and economic development projects of small business development corporations, local economic development corporations, community development corporations, and nonprofit organizations, which revolving loan funds and economic development projects shall be compatible with the public interest.

(c) Issue tax-exempt revenue bonds pursuant to Chapter 5 (commencing with Section 63070) to provide financing for economic development facilities as permitted by federal law and in accordance with applicable California law relating to the distribution of state allocations for private activity bonds. The proceeds of private activity bonds issued by the bank under any state allocation shall not be used to finance any housing. Projects so financed shall be compatible with the public interest as specified in Section 63046.

(d) Issue tax-exempt revenue bonds pursuant to Chapter 5 (commencing with Section 63070) for economic development facilities of public sector and nonprofit organizations qualifying for exemption under federal law.

(Amended by Stats. 2021, Ch. 356, Sec. 2. (AB 1297) Effective January 1, 2022.)

63046. No financing shall be made by the bank under this article unless the bank shall have first determined that the financing or assistance meets the following public interest criteria:

(a) The financing, loan, grant, or other assistance is for a project or a use in the State of California.

(b) Those seeking funds or other assistance are capable of meeting obligations incurred under relevant agreements.

(c) In the case of loans or bonds, payments to be made under applicable financing documents are adequate to pay the current expenses of the bank in connection with the financing and to make payments on the bonds.

(d) The proposed financing is appropriate for the specific project.

(Repealed and added by Stats. 1998, Ch. 4, Sec. 15. Effective January 1, 1999.)

63047. (a) Any loan entered into pursuant to this article may contain provisions for payment of a penalty if any recipient of funds under this article leaves this state prior to the completion of the full term of the loan.

(b) Projects that the board determines will produce long-term employment creation or retention shall receive first priority for financing.

(c) Any recipient of funds under this article that utilizes the funds for construction purposes, shall certify that the contractors are properly licensed by the Contractors' State License Board.

(d) The bank shall require that the proposed economic development facilities be consistent with any existing local or regional comprehensive plan.

(e) The bank shall develop a policy regarding financing companies that move within this state so as to minimize any displacement of jobs.

(f) In addition to any other methods the bank may use to identify economic development projects, the bank shall utilize existing local economic development networks to identify these projects and prepare a plan, in consultation with local economic development networks and their organizations and representatives, to implement this policy.

(g) Any housing financed pursuant to this article shall meet all of the following conditions:

(1) Any housing financed as part of an economic development facility shall be required for the operation of the facility.

(2) No funds from the Infrastructure State Revolving Loan Program shall be used to finance any housing component of an economic development facility.

(3) The proceeds of private activity bonds issued by the bank under any state allocation shall not be used to finance any housing. Projects so financed shall be compatible with the public interest as specified in Section 63046.

(4) Any housing financed as part of an economic development project shall be incidental to the overall project and the cost of the housing component shall not represent more than 20 percent of the overall project costs financed by the bank.

(Amended by Stats. 2021, Ch. 356, Sec. 3. (AB 1297) Effective January 1, 2022.)