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AB-1537 Small Business Financial Assistance Act of 2013: reports. (2015-2016)

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Assembly Bill No. 1537

CHAPTER 191

An act to amend Sections 63089.97 and 63089.98 of the Government Code, relating to business, and making an appropriation therefor.

[Approved by Governor August 12, 2015. Filed with Secretary of State August 12, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1537, Committee on Jobs, Economic Development, and the Economy. Small Business Financial Assistance Act of 2013: reports.

The Small Business Financial Assistance Act of 2013 authorizes the formation of small business financial development corporations to grant loans from, or guarantee loans made by a financial institution or financial company, as defined, against, moneys awarded to the corporation from the California Small Business Expansion Fund, a continuously appropriated fund, for the purpose of stimulating small business development, as specified. Existing law charges the program manager, as defined, with the administration of these provisions. Existing law requires each corporation to provide to the program manager, in a format prescribed by the program manager, specified data and reports, including, but not limited to, a summary of all outstanding loans, bonds, and other credit enhancements to which a corporate guarantee is attached, as specified.

This bill would additionally require each corporation to provide to the program manager a list by city and county of the number and dollar value of all credit enhancements and debt instruments the corporation entered into during the report year and that are outstanding at the close of the fiscal year.

Existing law requires the program manager, no later than January 1 of each year, to prepare and submit to the Governor and the Legislature a report for the preceding fiscal year ending June 30 containing the financial product activity of each corporation. Existing law requires the report to include, among other things, direct loans, guarantees, and other financial products awarded and outstanding balances.

This bill would additionally require the report to include a geographic distribution by city and county of the direct loans, guarantees, and other financial products awarded and outstanding at the close of the fiscal year.

By expanding the requirements of the report, this bill would increase the costs associated with the report, thereby making an appropriation.

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 63089.97 of the Government Code is amended to read:

63089.97. Each corporation shall provide to the program manager, in a format prescribed by him or her, the following data and reports:

(a) A summary of all outstanding loans, bonds, and other credit enhancements to which a corporation guarantee, as authorized by this chapter, is attached, on a schedule determined by the program manager.

(b) A summary of all outstanding direct loans and other debt instruments made by a corporation, as authorized by this chapter, on a schedule determined by the program manager.

(c) A summary of all outstanding other financial project obligations made by a corporation, as authorized by this chapter, on a schedule determined by the program manager.

(d) Statement of economic interests from each designated person pursuant to Section 87302.

(e) No later than July 31 of each fiscal year, commencing January 1, 2014, each of the following documents:

(1) A copy of the corporation board approved budget for the current fiscal year.

(2) Projected fiscal year summary of authorized program activities including direct loans, loan guarantees, bond guarantees, and other financial product activity supported by the expansion fund.

(3) A copy of the written plan of operation or strategic plan for the current fiscal year as approved by the corporations board of directors.

(4) A copy of the current and valid articles of incorporation and bylaws of the corporation with noted amendments from the prior fiscal year.

(f) No later than October 31 of each year commencing January 1, 2014, a copy of the corporation's prior fiscal year audit, auditor findings, if any, and finding responses.

(g) A list by city and county of the number and dollar value of all credit enhancements and debt instruments the corporation entered into, pursuant to this chapter, during the report year, and that are outstanding at the close of the fiscal year.

(h) Any other statistical and other data, reports, or other information required by the directives and requirements or the program manager.

SEC. 2. Section 63089.98 of the Government Code is amended to read:

63089.98. (a) Annually, not later than January 1 of each year commencing January 1, 2014, and notwithstanding Section 10231.5, the program manager shall prepare and submit to the Governor and the Legislature, pursuant to Section 9795, a report for the preceding fiscal year ending June 30, containing the expansion fund and trust fund financial product activity of each corporation, including all of the following:

(1) Direct loans, guarantees, and other financial products awarded and outstanding balances.

(2) Default and loss statistics.

(3) Employment data.

(4) Ethnicity and gender data of participating contractors and other entities, and experience of surety insurer participants in the bond guarantee program.

(5) Geographic distribution by city and county of the direct loans, guarantees, and other financial products awarded and outstanding at the close of the fiscal year.

(6) Significant events.

(b) The program manager shall post the report on the bank's Internet Web site.