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AB-2832 Economic development: international trade and investment. (2023-2024)

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Assembly Bill No. 2832

CHAPTER 577

An act to amend Section 58582 of, and to add Section 58583 to, the Food and Agricultural Code, and to amend Section 13997 of the Government Code, relating to economic development, and making an appropriation therefor.

[Approved by Governor September 25, 2024. Filed with Secretary of State September 25, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2832, Ward. Economic development: international trade and investment.

(1) Existing law creates the California Agricultural Export Promotion Account, a special account, in the Department of Food and Agriculture Fund, and continuously appropriates moneys in the account to the Secretary of Food and Agriculture to support export promotional and public relations activities conducted generally and pursuant to specified provisions relating to foreign marketing. Existing law requires the account to consist exclusively of funds received for that purpose from private industry sources, marketing order advisory boards, and agricultural councils and agricultural commissions. Existing law requires funds expended from the account to be used exclusively for activities that directly benefit the industry sources from which the moneys are derived.

This bill would authorize the secretary to enter into goods and services contracts using funds from the account for the above-described activities and using federal funds authorized for international activities, as necessary, and would exempt those contracts from contracting requirements applicable only to state contracts. The bill would authorize funds expended from the account to be used for representational allowance expenditures for the purpose of providing proper representation of California to foreign government officials and federal officials of the United States, including business-related meals that include the participation of foreign government officials or federal officials of the United States and the California agricultural industry, as prescribed, and representational gifts, not to exceed \$100 dollars. By expanding the purposes for which money in a continuously appropriated special account may be used, the bill would make an appropriation.

(2) Existing law requires the Governor's Office of Business and Economic Development (GO-Biz) to develop and implement an International Trade and Investment Program that serves specified purposes. Existing law authorizes the Director of GO-Biz to establish and terminate international trade and investment offices outside of the United States if certain conditions are met. Existing law authorizes GO-Biz to accept nonstate moneys for the purposes of operating an international trade and investment office and to accept private moneys for purposes of promoting international trade and investment events, as specified. Existing law requires private sector moneys for these purposes to be deposited into the Economic Development and Trade Promotion Account, a special account, which is continuously appropriated to the Director of GO-Biz for these purposes.

This bill would instead authorize GO-Biz to accept moneys, including, but not limited to, state, federal, and private sector funds, for purposes of operating an international trade and investment office or international trade show or activities related to promoting international trade and investment events, as specified. The bill would also authorize the director to expend funds in the Economic Development and Trade Promotion Account, and any other state, federal, or private funds authorized for these purposes, by entering into goods and services contracts as necessary to support international market development activities, and

would exempt those contracts from contracting requirements applicable only to state contracts. The bill would authorize moneys in the Economic Development and Trade Promotion Account to be used for representational allowance expenditures for the purpose of providing proper representation of California to foreign government officials and federal officials of the United States, as prescribed, including representational gifts, not to exceed \$100 dollars. By expanding the purposes for which money in a continuously appropriated special account may be used, this bill would make an appropriation.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

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

SECTION 1. Section 58582 of the Food and Agricultural Code is amended to read:

58582. (a) The California Agricultural Export Promotion Account is hereby created in the Department of Food and Agriculture Fund. Notwithstanding Section 13340 of the Government Code, the money in the account is continuously appropriated to the secretary to support export promotional and public relations activities conducted generally and pursuant to this chapter.

(b) The account shall consist exclusively of funds received for the purpose of subdivision (a) from private industry sources, marketing order advisory boards established pursuant to Chapter 1 (commencing with Section 58601) of Part 2, and agricultural councils and agricultural commissions established pursuant to Division 22 (commencing with Section 64001).

(c) Funds expended from the account shall be used exclusively for activities that directly benefit the industry sources from which the funds are derived.

(d) Consistent with subdivision (c), funds expended from the account may be used for representational allowance expenditures for the purpose of providing proper representation of California to foreign government officials and federal officials of the United States, which shall include both of the following:

(1) Business-related meals that include the participation of foreign government officials or federal officials of the United States and the California agricultural industry, not to exceed 300 percent of established per diem rates.

(2) Representational gifts, not to exceed one hundred dollars (\$100) per item.

SEC. 2. Section 58583 is added to the Food and Agricultural Code, to read:

58583. The secretary may enter into goods and services contracts using funds from the California Agricultural Export Promotion Account for the activities described in subdivision (c) of Section 58582 and using federal funds authorized for international activities, as necessary. Notwithstanding any other law, those goods and services contracts shall be exempt from any contracting requirements applicable only to state contracts, including, but not limited to, Section 10295 of the Public Contract Code.

SEC. 3. Section 13997 of the Government Code is amended to read:

13997. (a) With respect to international trade and investment offices or international trade show or activities related to promoting international trade and investment events funded in whole or in part by state and nonstate funds pursuant to subdivision (e) of Section 13996.41, all of the following shall apply:

(1) (A) The Governor's Office of Business and Economic Development may accept moneys, including, but not limited to, state, federal, and private sector funds, for the purposes of operating any international trade and investment office or international trade show or activity related to promoting international trade and investment events, subject to Title 9 (commencing with Section 81000).

(B) (i) A donor shall not donate more than 25 percent of the annual budget of an international trade and investment office in a calendar year.

(ii) The donor may specify the international trade and investment office or international trade show or activity related to promoting international trade and investment events for which the funds shall be used.

(C) Funds received pursuant to subdivision (e) of Section 13996.41 shall be deposited into the Economic Development and Trade Promotion Account, which is hereby established in the Special Deposit Fund (Article 2 (commencing with Section 16370) of Chapter 2 of Part 2 of Division 4) within the State Treasury.

(D) (i) Notwithstanding Section 13340, the Director of the Governor's Office of Business and Economic Development may expend funds in the Economic Development and Trade Promotion Account, and any other state, federal, or private funds authorized for purposes of this subdivision, by entering into goods and services contracts using those funds as necessary to

support international market development activities, including, but not limited to, trade shows, trade missions, promotional events, and seminars, as well as staffing support for those activities, not to exceed two hundred thousand dollars (\$200,000), without regard to fiscal year, for the purposes of this subdivision.

(ii) Justification and approval from the director shall be required for contracts that exceed this threshold.

(iii) The director may also pursue activities that directly benefit the industry sources from which the funds are derived.

(iv) Notwithstanding any other law, any goods and services contract entered into by the Governor's Office of Business and Economic Development pursuant to this subparagraph shall be exempt from any contracting requirements applicable only to state contracts, including, but not limited to, Section 10295 of the Public Contract Code.

(E) (i) Funds in the Economic Development and Trade Promotion Account may be allocated to an international trade and investment office or an international trade show or activities related to promoting international trade and investment events.

(ii) If allocated to an international trade and investment office, funds shall be maintained by that office in an account. Records of donations received and expenditures made pursuant to this section shall be subject to public disclosure.

(2) For each donation that it receives to fund an international trade and investment office or international trade show or activity related to promoting international trade and investment events, the Governor's Office of Business and Economic Development shall post a report on its internet website within 30 days of receiving that donation. The report shall contain all of the following information: name and address of the donor; amount of the donation; date the donation was made; name and address of the entity receiving or using the donation; a brief description of the goods or services provided or purchased, if any; and a description of the specific purpose or event for which the donation was made, if any.

(b) Funds from the Economic Development and Trade Promotion Account may be expended for representational allowance expenditures for the purpose of providing the proper representation of California to foreign government officials and federal officials of the United States, which shall include both of the following:

(1) Business-related meals that include the participation of both foreign government officials or federal officials of the United States and the California business community, not to exceed 300 percent of established per diem rates.

(2) Representational gifts, not to exceed one hundred dollars (\$100) per item.

(c) This section does not affect any requirement of the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).