

AMENDED IN SENATE APRIL 10, 2025

**SENATE BILL**

**No. 769**

---

**Introduced by Senator Caballero**

February 21, 2025

---

An act to add Part 15 (commencing with Section 16000) to Division 3 of Title 2 of the Government Code, relating to infrastructure finance, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 769, as amended, Caballero. The Golden State Infrastructure Corporation Act.

Existing law, the Bergeson-Peace Infrastructure and Economic Development Bank Act, authorizes the California Infrastructure and Economic Development Bank, governed by a board of directors, to make loans, issue bonds, and provide other financial assistance for various types of infrastructure and economic development projects. Existing law establishes the California Infrastructure and Economic Development Bank Fund, a continuously appropriated fund, to support the bank.

This bill would enact the Golden State Infrastructure Corporation Act and would establish the Golden State Infrastructure Corporation, within the State Treasurer's Office, as a not-for-profit corporation for the purpose of administering the act and financing infrastructure projects. The bill would require the corporation to be governed by a board of directors, with a prescribed membership, and would require the business and affairs of the corporation to be managed by an executive director appointed by the Treasurer.

This bill would prescribe the powers and duties of the corporation, including entering into financing transactions, borrowing money or

issuing bonds, and setting and charging fees for obtaining financing from the corporation. Under the bill, the state would not in any way be liable for any obligation of the corporation, and the corporation would not be required to pay any ~~taxes~~. *taxes, except as provided.* The bill would require the corporation, not later than January 1 of each year, to submit to the Governor, the Legislature, and the Legislative Analyst's Office a report for the preceding fiscal year containing information on the infrastructure corporation fund and the corporation's activities, including specified information.

This bill would authorize the corporation to extend financing to either an infrastructure company, a governmental entity, or a combination of those entities, as provided, if the board determines that the financing meets specified criteria. The bill would authorize the corporation, upon board approval, to issue revenue bonds, in a principal amount that the board determines to be necessary, convenient, or desirable to provide moneys for the corporation's purposes, which may include, among others, to provide financing to one or more governmental entities or infrastructure companies for infrastructure projects, as provided. The bill would prescribe requirements for issuing the bonds.

The bill would require the board to approve operational policies prior to providing financing for any infrastructure project. The bill would exempt from disclosure under the California Public Records Act specified records related to the potential or actual provision of financing to an investment company for an infrastructure project, and would authorize the board, notwithstanding the provisions of the Bagley-Keene Open Meeting Act, to meet in closed session when considering whether to approve or modify a financing, or to discuss the performance of any financing, provided to an infrastructure company for an infrastructure project.

This bill would create the Golden State Infrastructure Corporation Fund and would provide that all moneys in the fund are continuously appropriated for the support of the corporation, to be available for expenditure for the purposes stated in the bill.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Part 15 (commencing with Section 16000) is  
2 added to Division 3 of Title 2 of the Government Code, to read:

3  
4 PART 15. THE GOLDEN STATE INFRASTRUCTURE  
5 CORPORATION ACT

6  
7 CHAPTER 1. GENERAL PROVISIONS  
8

9 16000. This part shall be known, and may be cited, as the  
10 Golden State Infrastructure Corporation Act.

11 16001. The Legislature finds and declares all of the following:

12 (a) The health, safety, welfare, and economic well-being of the  
13 people of California are dependent upon a system of  
14 well-functioning infrastructure.

15 (b) Improvements and additions to the existing infrastructure  
16 landscape are vital to supporting the growth of the California  
17 economy. Businesses and governments depend on a well-conceived  
18 and functioning system of public improvements.

19 (c) The current pace of infrastructure development and  
20 construction in California is not sufficient to meet the needs of  
21 California's population and economy.

22 (d) To ensure and enhance the economic well-being of  
23 Californians, and their businesses and governments, it is a public  
24 policy necessity to support the expansion and enhancement of  
25 infrastructure.

26 (e) The shortfall in the pace of infrastructure improvement and  
27 development in California is due to a variety of factors, chief  
28 among them the lack of access to capital to fund the development,  
29 design, construction, and operation of infrastructure projects.

30 (f) California needs to create an entity structured with broad  
31 authority to provide financing, and to participate in the financial  
32 markets, to fund the development and improvement projects of  
33 key infrastructure projects.

34 (g) The mechanisms for financing infrastructure development  
35 and improvement provided for in this part are in the public interest,

1 serve a public purpose, and will promote the health, welfare, and  
2 safety of the citizens of California.

3 (h) The public policies and responsibilities of California,  
4 including all of the above purposes and functions, cannot be fully  
5 obtained without the creation of the Golden State Infrastructure  
6 Corporation.

7 16002. For purposes of this part, the following words and terms  
8 have the following meanings unless the context clearly indicates  
9 or requires another or different meaning or intent:

10 (a) “Act” means the Golden State Infrastructure Corporation  
11 Act.

12 (b) “Board” means the board of directors of the corporation.

13 (c) “Bonds” means any of the following:

14 (1) Bonds, including structured, senior, and subordinated bonds  
15 or other securities.

16 (2) Loans.

17 (3) Notes, including bond, revenue, tax, or grant anticipation  
18 notes.

19 (4) Commercial paper.

20 (5) Floating rate and variable maturity securities.

21 (6) Any other evidences of indebtedness or ownership, including  
22 certificates of participation or beneficial interest, asset-backed  
23 certificates, or lease-purchase or installment purchase agreements.

24 (d) “Corporation” means the Golden State Infrastructure  
25 Corporation.

26 (e) “Cost,” as applied to an infrastructure project, means all or  
27 any part of the expense of any of the following:

28 (1) The design, development, entitlement, construction,  
29 renovation, and acquisition of all lands, structures, and interests  
30 in real or personal property.

31 (2) Demolishing or removing any natural or artificial  
32 impediments, improvements, buildings, or structures on land  
33 acquired, and includes acquiring any lands to which any buildings,  
34 or structures may be moved or constructed.

35 (3) All materials, machinery, equipment, and financing charges.

36 (4) Interest prior to, during, and for a period after completion  
37 of construction, renovation, improvement, addition, deletion, or  
38 acquisition, as determined by the corporation.

1 (5) Provisions for working capital in an amount not to exceed  
2 5 percent of the aggregate amount of money expended designing  
3 and constructing the infrastructure project in question.

4 (6) Reserves for principal and interest and for extensions,  
5 enlargements, additions, replacements, renovations, and  
6 improvements.

7 (7) Architectural, engineering, financial, and legal services,  
8 plans, specifications, estimates, administrative expenses, and other  
9 items necessary or incidental to determining the feasibility of an  
10 infrastructure project or incidental to the construction, acquisition,  
11 or financing of an infrastructure project.

12 (f) “Executive director” means the executive director of the  
13 corporation appointed pursuant to Section 16020. In the absence  
14 of the executive director, the term “executive director” as used  
15 herein shall mean the person designated as “acting executive  
16 director” pursuant to Section 16020.

17 (g) “Financing” in connection with an infrastructure project,  
18 includes, but is not limited to, one or any combination of making  
19 loans secured by real or personal property, making unsecured  
20 loans, purchasing ownership positions in an infrastructure  
21 company, purchasing securities, whether issued or traded on in  
22 public or private markets, purchasing notes or loan participation  
23 interests, purchasing bonds, leasing real or personal property,  
24 purchasing or selling real or personal property to be repaid in a  
25 lump sum, installments, or a combination of both, acquiring  
26 royalties or revenue streams, issuing insurance, guarantees, or  
27 other credit enhancements or liquidity facilities, or any other type  
28 of mechanism whereby the corporation provides capital, or  
29 commits to provide capital to an infrastructure company or  
30 governmental entity in connection with an infrastructure project  
31 in return for a promise of repayment, revenue, or appreciation in  
32 an interest in an infrastructure company.

33 (h) “Governmental entity” means either one or a combination  
34 of the following:

35 (1) The state, or any division, department, agency, commission,  
36 board, or nonprofit corporation of the state.

37 (2) A local government, including a city, county, nonprofit  
38 corporation formed by or on behalf of a city or county, special  
39 district, assessment district, school district, or joint powers  
40 authority within the state.

1 (i) (1) “Infrastructure” means any of the following:

2 (A) Real or tangible personal property located in the state,  
3 whether temporary or permanent, intended to support human  
4 activities, including, without any limitation, buildings, whether  
5 for habitation or other purposes.

6 (B) Facilities for the movement, conveyance, transmission, or  
7 distribution of people, goods, materials, equipment, energy  
8 resources, or communication signals.

9 (C) Facilities for the impoundment, transmission, or distribution  
10 of fluids.

11 (D) Facilities for the creation, restoration, or enhancement of  
12 geologic, atmospheric, or hydraulic features or plants or animals.

13 (E) Facilities or improvements intended to remove or remediate  
14 pollution, or to treat or improve air, water, land, plant, or animal  
15 resources.

16 (F) Facilities or improvements intended to treat, store, dispose  
17 of, recycle, or reuse discarded or previously used items.

18 (G) Structures and associated improvements for education,  
19 learning, childcare, or the collection or dissemination of  
20 information and knowledge.

21 (H) Facilities for the operation of governmental or military  
22 functions.

23 (2) For real property located partially within and partially outside  
24 the state, only the portion located within the state qualifies as  
25 infrastructure.

26 (3) For personal property that will be located at times within  
27 the state and at times outside of the state, the personal property  
28 will be considered infrastructure for purposes of this part, but the  
29 maximum financing amount related to the acquisition, assembly,  
30 construction, operation, maintenance, or use of the personal  
31 property will be based on the relative proportion of time the  
32 personal property is obligated to be within the state, as provided  
33 for in a contract with the corporation.

34 (j) “Infrastructure company” means any corporation, partnership,  
35 limited liability company, trust or trustee, or joint venture, or any  
36 group or combination, whether formed for profit or not for profit,  
37 the organizational purpose of which includes the development,  
38 construction, ownership, or operation of one or more items of  
39 infrastructure.

1 (k) “Infrastructure corporation fund” means the Golden State  
2 Infrastructure Corporation Fund.

3 (l) “Infrastructure project” means designing, acquiring, planning,  
4 permitting, entitling, constructing, improving, extending, restoring,  
5 financing, and generally developing infrastructure.

6 (m) “Operational policies” means any and all policies and  
7 procedures necessary, desirable, or convenient for the operation,  
8 governance, and administration of the corporation, and include,  
9 but are not limited to, policies and procedures for underwriting  
10 and financing infrastructure projects, debt management, investment  
11 of idle cash, and preparation of financial statements and the audit  
12 thereof.

13  
14 CHAPTER 2. CREATION OF THE GOLDEN STATE  
15 INFRASTRUCTURE CORPORATION  
16

17 16010. (a) There is within the State Treasurer’s Office the  
18 corporation, which shall be responsible for administering the  
19 provisions of this part.

20 (b) The corporation is hereby established as a not-for-profit  
21 corporation for the purpose of financing infrastructure projects.  
22 The principal office of the corporation shall be in the County of  
23 Sacramento. Articles of incorporation of the corporation shall be  
24 prepared and, upon approval by the board, filed with the Secretary  
25 of State by the executive director. The articles of incorporation  
26 may be amended, in whole or in part, upon approval by the board.  
27 The corporation shall be treated as a separate legal entity with its  
28 separate corporate purpose as described in this part, and the assets,  
29 liabilities, and funds of the corporation shall be neither consolidated  
30 nor commingled with those of the state.

31 (c) The corporation shall be governed and its corporate power  
32 exercised by a board of directors that shall consist of the following  
33 persons:

34 (1) The Treasurer or their designee, who shall serve as the chair  
35 of the board.

36 (2) The Controller or their designee.

37 (3) The Director of the Governor’s Office of Business and  
38 Economic Development or their designee.

1 (4) An appointee of the Governor who shall have at least 10  
2 years of experience in the financing of improvements to real  
3 property.

4 (5) An appointee of the Governor who shall have at least 10  
5 years of experience designing, developing, or constructing  
6 improvements to real property.

7 (d) A designated director shall serve at the pleasure of the  
8 designator.

9 (e) Three of the members of the board shall constitute a quorum  
10 and the affirmative vote of three board members shall be necessary  
11 for any action to be taken by the board.

12 (f) A member of the board shall not participate in any  
13 corporation action or attempt to influence any decision or  
14 recommendation by any employee of, or consultant or attorney to,  
15 the corporation that involves an infrastructure company, or a  
16 participant in any infrastructure project, of which they are a  
17 representative or in which the member or a member of their  
18 immediate family has a personal financial interest within the  
19 meaning of Section 87100. For purposes of this section, “immediate  
20 family” means the spouse, children, and parents of the member.

21 (g) Except as provided in this subdivision, the members of the  
22 board shall serve without compensation, but shall be reimbursed  
23 for actual and necessary expenses incurred in the performance of  
24 their duties to the extent that reimbursement for these expenses is  
25 not otherwise provided or payable by another public agency, and  
26 shall receive one hundred dollars (\$100) for each full day of  
27 attending meetings of the corporation.

28 (h) Directors, officers, and employees of the corporation shall  
29 not be subject to personal liability for carrying out the powers and  
30 duties conferred by this part.

31 (i) The officers of the corporation shall be subject to the Political  
32 Reform Act of 1974 (Title 9 (commencing with Section 81000))  
33 and all other applicable provisions of law.

34 (j) The corporation may purchase insurance for itself, its board  
35 members, and the executive director, to cover liability or losses  
36 occurring by reason of the act or omission of the corporation, its  
37 employees, the executive director, or any board member.



CHAPTER 3. POWERS AND DUTIES

16020. (a) The business and affairs of the corporation shall be managed by an executive director who shall be appointed by, and serve at the pleasure of, the Treasurer. If the executive director is absent temporarily, the Treasurer or the chair of the board may appoint an employee of the corporation as the acting executive director. In the event of the permanent absence of an executive director, the chair of the board may appoint an acting executive director or may appoint a permanent executive director.

(b) The executive director is hereby vested with the power to perform those duties generally necessary, desirable, or convenient to carry out the day-to-day operations of the corporation and to carry out resolutions of the board. Subject to the foregoing and to any conditions that the board may from time to time prescribe, and to the extent not conflicting with any other provision of this part, the executive director may exercise any power, function, or duty conferred by law on the corporation in connection with the administration, management, and conduct of the business and affairs of the corporation.

(c) The chair of the board may appoint a general counsel of the corporation, a chief financial officer of the corporation, and a chief operating officer of the corporation, which shall serve at the pleasure of the chair of the board.

16021. The fiscal powers granted to the corporation by this part may be exercised without regard or reference to any other department, division, or agency of the state, except the Legislature. This part shall be deemed to provide an alternative method of doing the things authorized in this part, and shall be regarded as supplemental and additional to powers conferred by other laws.

16022. The corporation shall have the power to do all of the following, which may be done upon the affirmative vote of a quorum of the board or may be delegated to the executive director upon the affirmative vote of a quorum of the board:

(a) Sue and be sued in its own name.

(b) Contract with private consultants, financial advisors, investment advisors, investment bankers, or fund managers to carry out the purposes of this part. Any contract under this subdivision shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

1 (c) Contract with attorneys in connection with financing any  
2 infrastructure project. A contract under this subdivision shall be  
3 exempt from Chapter 2 (commencing with Section 10290) of Part  
4 2 of Division 2 of the Public Contract Code and from Sections  
5 11040 to 11045, inclusive, of this code.

6 (d) Contract for engineering, architectural, accounting, or other  
7 services of appropriate state agencies as may, in its judgment, be  
8 necessary in connection with carrying out the purposes of this part.

9 (e) Contract with consulting engineers, architects, accountants,  
10 and construction or environmental experts to carry out the purposes  
11 of this part. A contract under this subdivision shall be exempt from  
12 Chapter 2 (commencing with Section 10290) of Part 2 of Division  
13 2 of the Public Contract Code.

14 (f) Receive and accept from any source, including, but not  
15 limited to, the federal government, the state, or any agency of the  
16 state, loans, contributions, or grants, in money, property, labor, or  
17 other things of value, in connection with carrying out the purposes  
18 of this part.

19 (g) Enter into a financing transaction, either directly or indirectly  
20 through lending institutions, financial institutions, investment  
21 funds, or other similar parties, with an infrastructure company or  
22 governmental entity for an infrastructure project.

23 (h) Make loans either directly or by making a loan to a lending  
24 institution, or acquiring a portion of a loan made by a lending  
25 institution, or by joining a syndicate of lenders, in connection with  
26 the partial or complete refinancing of an infrastructure project  
27 initially financed, or previously refinanced, in whole or part, by  
28 the corporation.

29 (i) Borrow money or issue bonds, on a taxable or tax-exempt  
30 basis, and use the proceeds, either directly or indirectly, to finance  
31 one or more infrastructure projects, or to otherwise carry out the  
32 purposes of this part.

33 (j) Pledge as collateral all or any portion of the corporation's  
34 assets to carry out the purposes of this part.

35 (k) Make, receive, or serve as a conduit for the making of, or  
36 otherwise provide, guarantees, insurance, liquidity facilities, or  
37 other credit enhancements to an infrastructure company or  
38 governmental entity in connection with the financing by a third  
39 party of an infrastructure project.

1 (l) Set and charge fees for obtaining financing from the  
2 corporation to offset all or a portion of the corporation's  
3 administrative costs and expenses incurred in the exercise of the  
4 powers and duties conferred by this part.

5 (m) Notwithstanding any other provision of this part, enter into  
6 any agreement, contract, or any other instrument with respect to  
7 any insurance or guarantee, accept payment in the manner and  
8 form as provided therein in the event of default by an infrastructure  
9 company or a governmental entity, and issue or assign any  
10 insurance or guarantee as security for any financing transaction  
11 entered into by the corporation.

12 (n) Enter into any agreement or contract, execute any instrument,  
13 and perform any act or thing necessary or convenient to, directly  
14 or indirectly, secure the repayment of any financing issued to a  
15 governmental entity with funds or moneys that are legally available  
16 and that are due or payable to the governmental entity by reason  
17 of any grant, allocation, apportionment or appropriation of the  
18 state or agencies of the state, to the extent that the Controller shall  
19 be the custodian at any time of these funds or moneys, or with  
20 funds or moneys that are or will be legally available to the  
21 governmental entity or the state or any agencies of the state by  
22 reason of any grant, allocation, apportionment, or appropriation  
23 of the federal government or agencies of the federal government.  
24 In the event of written notice that the governmental entity has not  
25 paid or is in default on its obligations to the corporation, direct the  
26 Controller to withhold payment of those funds or moneys from  
27 the governmental entity over which it is or will be custodian and  
28 to pay the same to the corporation or its assignee, or direct the  
29 state or any agencies of the state to which any grant, allocation,  
30 apportionment, or appropriation of the federal government or  
31 agencies of the federal government is or will be legally available  
32 to pay the same upon receipt by the corporation or its assignee,  
33 until the default has been cured and the amounts then due and  
34 unpaid have been paid to the corporation or its assignee, or until  
35 arrangements satisfactory to the corporation been made to cure  
36 the default.

37 (o) Enter into any agreement or contract, execute any instrument,  
38 and perform any act or thing necessary, convenient, or appropriate  
39 to carry out any power expressly given to the corporation by this  
40 part, including, but not limited to, agreements for the sale of all or

1 any part of the corporation's bonds or its interest in any financing  
2 transaction it participated in, liquidity agreements, interest rate  
3 swap agreements, forward payment conversion agreements, futures  
4 or contracts providing for payments based on levels of, or changes  
5 in, interest rates or currency exchange rates, or contracts to  
6 exchange cashflows or a series of payments, or contracts, including  
7 options, puts or calls to hedge payments, rate, spread, currency  
8 exchange, or similar exposure, or any other financial instrument  
9 commonly known as a structured financial product.

10 (p) Invest any moneys held in reserve for guarantees or other  
11 credit enhancements issued by the corporation, or in sinking funds,  
12 or any moneys not required for immediate use or disbursement,  
13 in investments permitted under Section 16430.

14 (q) Apply for and accept subventions, grants, loans, advances,  
15 and contributions from any source of money, property, labor, or  
16 other things of value. The sources may include bond proceeds,  
17 dedicated taxes, state appropriations, federal appropriations, federal  
18 grant and loan funds, public and private sector retirement system  
19 funds, and proceeds of loans from the Pooled Money Investment  
20 Account.

21 (r) Do all things necessary and convenient to carry out its  
22 purposes and exercise its powers.

23 16023. Bonds issued by the corporation are legal investments  
24 for all trust funds, the funds of all insurance companies, banks,  
25 both commercial and savings, trust companies, executors,  
26 administrators, trustees, and other fiduciaries, for state school  
27 funds, pension funds, and for any funds that may be invested in  
28 county, school, or municipal bonds. These bonds are securities  
29 that may legally be deposited with, and received by, any state or  
30 municipal officer or agency or political subdivision of the state  
31 for any purpose for which the deposit of bonds or obligations of  
32 the state is now, or may hereafter be, authorized by law, including  
33 deposits to secure public funds.

34 16024. The state shall not in any way be liable for any  
35 obligation of the corporation.

36 16025. (a) The corporation shall not be required to pay any  
37 taxes whatsoever with respect to any real or personal property  
38 acquired by, or for, the corporation, or upon any income or revenue  
39 received by the corporation. This section does not exempt any  
40 taxable person from taxation, including, but not limited to, taxation

1 upon a possessory interest, with respect to any infrastructure  
2 project, or the property or facilities contained in any infrastructure  
3 project that may otherwise be applicable to the person.

4 *(b) The exemption established by subdivision (a) shall not apply*  
5 *to any of the following:*

6 *(1) A sales and use tax imposed under the Sales and Use Tax*  
7 *Law (Part 1 (commencing with Section 6001) of Division 2 of the*  
8 *Revenue and Taxation Code).*

9 *(2) A sales and use tax imposed under the Bradley-Burns*  
10 *Uniform Local Sales and Use Tax Law (Part 1.5 (commencing*  
11 *with Section 7200) of Division 2 of the Revenue and Taxation*  
12 *Code).*

13 *(3) A transactions and use tax imposed in accordance with the*  
14 *Transactions and Use Tax Law (Part 1.6 (commencing with Section*  
15 *7251) of Division 2 of the Revenue and Taxation Code) or any*  
16 *other provision of law.*

17 16026. The state does hereby pledge to all parties entering into  
18 contracts with the corporation, any valid assignee of the parties,  
19 or who obtain the corporation's bonds, that, pursuant to this part,  
20 the state will not limit or alter the rights hereby vested in the  
21 corporation and to fulfill the terms of any contract with the  
22 corporation or bond issued pursuant to this part, or in any way  
23 impair the rights or remedies of the parties until those contracts  
24 are fully performed or bonds issued by the corporation, together  
25 with interest, are fully discharged or provision for this discharge  
26 has been made. The corporation may include this pledge and  
27 undertaking for the state in its obligations or contracts.

28 16027. The executive director shall cause to be created and  
29 continuously maintained an internet website for the corporation.  
30 The internet website shall include, at a minimum, a description of  
31 the past, present, and planned future activities of the corporation,  
32 the operational policies of the corporation, and agendas, meeting  
33 minutes, and resolutions for all meetings of the board that occurred  
34 within the previous 12 months.

35 16028. Not later than January 1 immediately following the end  
36 of the first fiscal year in which the corporation provides financing  
37 for an infrastructure project, and before each January 1 thereafter,  
38 the corporation shall cause to be completed, and shall post on its  
39 internet website, an audited financial statement of the corporation  
40 for the immediately previous fiscal year. An audited financial

1 statement shall be prepared in accordance with the standards  
2 developed by the Governmental Accounting Standards Board.

3 16029. (a) Not later than January 1 of each year, the  
4 corporation shall submit to the Governor, the Legislature, and the  
5 Legislative Analyst's Office a report for the preceding fiscal year  
6 ending on June 30 containing information on the infrastructure  
7 corporation fund and the corporation's activities. The report to the  
8 Legislature shall be submitted pursuant to Section 9795. The report  
9 shall include all of the following:

10 (1) Audited financial statements of the corporation for the  
11 immediately previous fiscal year.

12 (2) A summary of the information for the infrastructure  
13 corporation fund, including, but not limited to, its present balance,  
14 moneys committed to financings, moneys disbursed for financings,  
15 a brief description of each financing, and all revenues received  
16 during the fiscal year segregated into primary categories, as  
17 determined by the executive director.

18 (3) Information on the impact of the activities funded by  
19 infrastructure corporation fund moneys, including, but not limited  
20 to, the number of jobs created and retained, the environmental  
21 impact that resulted, and economic value provided to the state.

22 (4) The amount of other public and private funds leveraged by  
23 the financing provided.

24 (5) A report of the corporation's administrative costs for the  
25 preceding fiscal year.

26 (6) A projection of the corporation's needs and requirements  
27 for the coming year.

28 (7) Recommendations for changes in state and federal law  
29 necessary to meet the objectives of this part.

30 (b) The executive director shall post the report on the  
31 corporation's internet website.

32 16030. The board shall approve operational policies prior to  
33 providing financing for any infrastructure project. Financing for  
34 any infrastructure project shall comply with all applicable  
35 operational policies. The board may waive any provision in the  
36 operational policies for the financing of any infrastructure project  
37 by a unanimous vote of the board members then present. Chapter  
38 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
39 Title 2 shall not apply to the operational policies. The operational  
40 policies may be implemented upon an affirmative vote of a quorum

1 of the board. However, any proposed operational policy or  
2 amendment to the policy shall be posted on the corporation's  
3 internet website in a conspicuous location at least 30 calendar days  
4 before a board meeting at which the operational policy or  
5 amendment will be considered for approval. An operational policy  
6 presented to the board as set forth in this section may be amended  
7 or modified by a unanimous vote of the board members then  
8 present.

9 16031. The following records transmitted to, generated, or  
10 caused to be generated by the corporation in connection with the  
11 potential or actual provision of financing to an investment company  
12 for an infrastructure project shall be exempt from disclosure under  
13 the California Public Records Act (Division 10 (commencing with  
14 Section 7920.000) of Title 1), unless the materials were disclosed  
15 previously by the infrastructure company, or are legally required  
16 to be disclosed by the infrastructure company:

17 (a) Records related to an infrastructure project, or the financing  
18 of an infrastructure project, provided to the corporation by an  
19 infrastructure company or its agents, consultants, or affiliates.

20 (b) Records reflecting any analysis performed, or caused to be  
21 performed, by the corporation related to the potential to provide  
22 financing to an infrastructure company for an infrastructure project.

23 (c) Records reflecting any projected or actual financial data,  
24 information, or statements of an infrastructure company.

25 (d) Organizational and formation records or information of an  
26 infrastructure company.

27 (e) Records related to the entitlement, design, construction, or  
28 development of an infrastructure project.

29 (f) Contracts evidencing or relating to an infrastructure project.

30 (g) Records reflecting money committed, disbursed, received,  
31 or collected in connection with the financing of any infrastructure  
32 project.

33 (h) Records reflecting the value of any security related to the  
34 financing of an infrastructure project. Records transmitted to,  
35 generated, or caused to be generated by the corporation in  
36 connection with the potential or actual provision of financing to a  
37 governmental entity for an infrastructure project shall be subject  
38 to disclosure under the California Public Records Act (Division  
39 10 (commencing with Section 7920.000) of Title 1).

16032. The Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3) shall not prevent the board from holding a closed session to consider whether to approve or modify a financing in connection with an infrastructure company for an infrastructure project or to discuss the performance of any financing provided to an infrastructure company for an infrastructure project. For purposes of consideration of voting in connection with equity interests in an infrastructure company that are held by the corporation, closed sessions may be held only with respect to the election of managers or directors of the infrastructure company, election of independent auditors, and other financial issues that could have a material effect on the net income of the corporation. For the purpose of the acquisition or disposition of interests in real or personal property that may be considered in a closed session pursuant to this paragraph, a state body shall also be exempt from identifying property prior to the closed session. Notwithstanding Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3, the following applies to a closed session held pursuant to this section:

(a) An agenda item for a closed session meeting of the board need only state that the board will hold a closed session pursuant to this section.

(b) Prior to commencing a closed session at which one or more items will be heard pursuant to this section, the chair of the board shall state that discussions will be had or action taken pursuant to this section in closed session.

(c) Upon completion of a closed session and the reopening of an open session, the board chair shall announce in general terms the type, amount, and identity of the recipient of any financing to an infrastructure company for an infrastructure project approved during the closed session. Closed sessions may not be held in connection with decisions whether to approve or modify a financing to a governmental entity for an infrastructure project or to discuss the performance of any financing provided to a governmental entity for an infrastructure project.

16033. The validity of any financing made by the corporation to one or more governmental entities or infrastructure companies, or any combination thereof, for one or more infrastructure projects, or any bonds issued by the corporation, shall not be affected by



1 any proceedings related to the entitlement, authorization, or  
2 implementation of the infrastructure project, or projects, funded  
3 in whole or part by the financing made by the corporation or any  
4 bonds issued by the corporation.

5 16034. The state shall be the holder of a residual interest in the  
6 corporation. In the event of dissolution of the corporation, valid  
7 and legally binding monetary claims against the corporation  
8 incurred pursuant to this part shall be paid from the assets of the  
9 corporation. Payment may be made by cash, liquidating  
10 investments, transferring investments, liquidating financings made  
11 by the corporation, or transferring all or a part of the corporation's  
12 interest in any financing made by the corporation. Payment made  
13 by transfer of investments or financings made by the corporation  
14 shall be credited against any claim in an amount equal to the fair  
15 market value of the investment or financing, as determined by the  
16 corporation in its reasonable discretion. Any remaining assets of  
17 the corporation shall be liquidated as expeditiously as possible and  
18 the proceeds shall be transferred to the General Fund.

19 16035. The corporation shall be treated as a public agency for  
20 purposes of Chapter 9 (commencing with Section 860) of Title 10  
21 of Part 2 of the Code of Civil Procedure, and the corporation may  
22 bring an action as in that chapter to determine the validity of any  
23 financing or the validity of any power or duty vested in the  
24 corporation as provided in this part, and any action or proceeding  
25 challenging the validity of any matter may be brought in  
26 accordance with, and within the time specified in, that chapter.

27  
28 CHAPTER 4. FINANCING INFRASTRUCTURE PROJECTS  
29

30 16040. The corporation may extend financing to either an  
31 infrastructure company, a governmental entity, or a combination  
32 thereof, upon the affirmative vote of at least a quorum of the board.  
33 All potential financings shall be presented to the board by the  
34 executive director, or the executive director's designee. A  
35 presentation may include materials or statements made by the  
36 governmental entity or infrastructure company and any consultant,  
37 attorney, or agent of the corporation, governmental entity, or  
38 infrastructure company. Financings to governmental entities for  
39 infrastructure projects shall be presented to the board at an open  
40 meeting session. Financings for infrastructure projects that do not

1 involve governmental entities may be presented to the board at  
2 closed session pursuant to Section 16032 if the executive director  
3 determines in the executive director's discretion that presenting  
4 the matter to the board in a closed session will be in the best  
5 interests of the corporation and the infrastructure company. If a  
6 quorum or more of the board disagrees with the executive director's  
7 determination, the board may direct the executive director during  
8 closed session to put the matter on the agenda for an open session  
9 at the next meeting and take no further action on the item.

10 16041. The board may not consider approving any financing  
11 to an infrastructure company or a governmental entity, or a  
12 combination of each, for an infrastructure project unless, in the  
13 determination of corporation staff, the infrastructure company or  
14 governmental entity, as applicable, is able at the time of the board  
15 meeting to enter into a legal, valid, and binding financing  
16 agreement.

17 16042. If a financing is approved by the board, the corporation  
18 may extend financing to the infrastructure company, or the  
19 governmental entity, or both, as applicable, from any source of  
20 available funds as determined by the executive director, including,  
21 but not limited to, the proceeds of any revenue bonds issued by  
22 the corporation.

23 16043. Financing shall not be made by the corporation under  
24 this chapter unless the board first determines by resolution that the  
25 financing meets the following criteria:

- 26 (a) The financing is for an infrastructure project in the state.
- 27 (b) Those seeking financing are capable of meeting obligations  
28 incurred under relevant contracts and instruments.
- 29 (c) Payments to be made under applicable financing documents  
30 are adequate to pay the current expenses of the corporation in  
31 connection with the financing.
- 32 (d) The proposed financing is appropriate for the specific  
33 infrastructure project.

34 16044. (a) Any financing entered into pursuant to this article  
35 may contain provisions for payment of a penalty if any  
36 infrastructure company benefitting from the financing leaves this  
37 state prior to its performance of all contractual obligations it  
38 incurred in connection with the financing.

1 (b) Infrastructure projects that the board determines will produce  
2 long-term employment creation or retention shall receive first  
3 priority for financing.

4  
5 CHAPTER 5. REVENUE BONDS  
6

7 16050. Upon board approval, the corporation may, from time  
8 to time, issue its revenue bonds, in a principal amount that the  
9 board shall determine to be necessary, convenient, or desirable to  
10 provide moneys for the corporation's purposes, which may include,  
11 but shall not be limited to, providing financing to one or more  
12 governmental entities or infrastructure companies for one or more  
13 infrastructure projects, as provided in this part, for the purchase  
14 or refunding of bonds of one or more governmental entities or  
15 infrastructure companies issued to finance one or more  
16 infrastructure projects, payment of interest on bonds of the  
17 corporation, establishment of reserves to secure bonds, refunding  
18 previously issued bonds or refunding bonds of the corporation,  
19 and payment of other expenditures of the corporation incident to  
20 issuance of bonds or refunding bonds of the corporation.

21 16051. The Treasurer, the Governor, or the Lieutenant  
22 Governor is an elected representative of the state authorized to  
23 fulfill any public approval requirement of Section 147(f) of Title  
24 26 of the Internal Revenue Code (26 U.S.C. Sec. 147(f)), including  
25 subsequent amendments thereto, or its successor provision, for the  
26 issuance of federally tax-exempt bonds issued by the corporation  
27 pursuant to this chapter.

28 16052. (a) Proceeds of any bonds issued by the corporation  
29 may be used to finance a single infrastructure project for a single  
30 governmental entity or infrastructure company, a series of  
31 infrastructure projects for a single governmental entity or  
32 infrastructure company, a single infrastructure project for one of  
33 more governmental entities or infrastructure companies, or several  
34 infrastructure projects for one or more governmental entities or  
35 infrastructure companies.

36 (b) Except as otherwise expressly provided by the corporation,  
37 every issue of its bonds shall be payable from any revenues or  
38 other moneys of the corporation available therefor and not  
39 otherwise pledged. These revenues or moneys may include the  
40 proceeds of additional bonds, subject only to any agreements with

1 the holders of particular bonds pledging any particular revenues  
2 or moneys. Notwithstanding that the bonds may be payable from  
3 a special fund, these bonds shall be deemed to be negotiable  
4 instruments for all purposes.

5 (c) Bonds may be issued in one or more series and may be issued  
6 as serial bonds or as term bonds or as a combination thereof. Bonds  
7 shall bear the date of issuance, bear the time of maturity, which  
8 shall not exceed 50 years from the date of issuance, bear the rate  
9 or rates of interest, be payable at the time or times provided, be in  
10 the denominations provided, be in the form or forms provided,  
11 carry the registration privileges provided, be executed in the  
12 manner provided, be payable in lawful money of the United States,  
13 or other designated currency, at the place or places provided, and  
14 be subject to any terms of redemption provided in the bond.

15 (d) The sale of the bonds of the corporation shall be coordinated  
16 by the Treasurer in accordance with Section 5702.

17 (e) The bonds of the corporation may be issued on either  
18 federally taxable or tax-exempt basis, or a combination of both.  
19 Bonds of the corporation may be sold to an underwriter via a  
20 competitive bid or negotiated sale or may be placed directly with  
21 one or more investors, with or without the assistance of a placement  
22 agent, and for any price or prices, and on any terms and conditions,  
23 as the corporation determines proper. Pending the preparation of  
24 definitive bonds, the Treasurer may issue interim receipts,  
25 certificates, or temporary bonds that shall be exchanged for  
26 definitive bonds.

27 16053. Any resolution authorizing any bonds may contain the  
28 following provisions, that, if included, shall be a part of the contract  
29 with the holders of the bonds to be authorized:

30 (a) Provisions pledging the full faith and credit of the  
31 corporation, or pledging all or any part of the revenues of any  
32 financings for infrastructure projects made by the corporation, any  
33 real or personal property of the corporation, or any other moneys  
34 of the corporation, to secure the payment of the bonds or of any  
35 particular issue of bonds, subject to those agreements with  
36 bondholders as may then exist.

37 (b) Provisions setting aside reserves or sinking funds, or  
38 providing for the use of subordinated classes of bonds by the  
39 corporation, and the regulation and disposition thereof.

1 (c) Limitations on the issuance of additional bonds, the terms  
2 upon which additional bonds may be issued and secured, and the  
3 refunding of outstanding bonds.

4 (d) The procedure, if any, by which the terms of any contract  
5 with bondholders may be amended or abrogated, the amount of  
6 bonds and the holders that are required to give consent, and the  
7 manner in which the consent may be given.

8 (e) Limitations on the corporation's expenditures for operation  
9 and administration, or other expenses.

10 (f) Definitions of acts or omissions that constitute a default in  
11 the duties of the corporation to holders of its obligations, and  
12 providing the rights and remedies of the holders in the event of a  
13 default.

14 16054. The corporation may, out of any funds available,  
15 purchase its bonds. The corporation may hold, pledge, cancel, or  
16 resell its bonds, subject to and in accordance with agreements with  
17 bondholders.

18 16055. (a) In the discretion of the corporation, any bonds  
19 issued under this chapter may be secured by a trust agreement  
20 between the corporation and a corporate trustee or trustees that  
21 may include the Treasurer or any trust company or bank having  
22 the powers of a trust company within or without the state.

23 (b) The trust agreement may pledge or assign any funds or assets  
24 of the corporation legally available for pledge or assignment. The  
25 trust agreement providing for the issuance of the bonds may contain  
26 provisions for protecting and enforcing the rights and remedies of  
27 bondholders as may be reasonable and proper and not in violation  
28 of law.

29 (c) A bank or trust company doing business under the laws of  
30 the state that may act as a depository of the proceeds of bonds or  
31 of revenues or other moneys shall furnish indemnifying bonds or  
32 pledge securities when required by the corporation.

33 (d) The trust agreement securing the bonds may set forth the  
34 rights and remedies of the bondholders and of the trustee or  
35 trustees, and may restrict the individual right of action by  
36 bondholders. In addition, any trust agreement or resolution may  
37 contain other provisions that the corporation may deem reasonable  
38 and proper.

39 (e) The trust agreement may provide for the pledge or  
40 assignment of funds or moneys in the custody of the Controller

1 that are legally available to a governmental entity obtaining  
2 financing from the corporation for an infrastructure project and  
3 that are due or payable to the governmental entity by reason of  
4 any grant, allocation, apportionment, or appropriation, and any  
5 legally available funds or moneys that are or will be due or payable,  
6 to the governmental entity by reason of any grant, allocation,  
7 apportionment, or appropriation of the federal government or  
8 agencies of the federal government.

9 16056. (a) Bonds issued under this chapter do not constitute  
10 a debt or liability of the state or of any political subdivision of the  
11 state, and do not constitute a pledge of the full faith and credit of  
12 the state or any of its political subdivisions, but are payable solely  
13 from the funds provided for under this chapter. This subdivision  
14 does not preclude bond guarantees or enhancements pursuant to  
15 this part. All the bonds shall contain on the face of the bond a  
16 statement to the following effect:

17  
18 “Neither the full faith and credit nor the taxing power of the  
19 State of California is pledged to the payment of the principal of,  
20 or interest on, this bond.”

21  
22 (b) The issuance of bonds under this chapter shall not directly  
23 or indirectly or contingently obligate the state or any political  
24 subdivision of the state to levy or to pledge any form of taxation  
25 or to make any appropriation for their payment.

26 16057. (a) The corporation may issue bonds for the purpose  
27 of refunding any bonds of the corporation then outstanding,  
28 including the payment of any redemption premium and any interest  
29 accrued, or to accrue, on their earliest or any subsequent date of  
30 redemption, purchase, or maturity. The corporation, if it deems  
31 advisable, may issue bonds for the additional purpose of obtaining  
32 funds to make financings to governmental entities or infrastructure  
33 companies for the cost of any infrastructure project or any portion  
34 thereof.

35 (b) The proceeds of any bonds issued for the purpose of  
36 refunding outstanding bonds as provided in subdivision (a) may,  
37 in the discretion of the corporation, be applied to the purchase or  
38 retirement at maturity or redemption of those outstanding bonds  
39 either on their earliest or any subsequent redemption date or upon  
40 the purchase or retirement at the maturity thereof and may, pending

1 this application, be placed in escrow to be applied to the purchase  
2 or retirement at maturity or redemption of those outstanding bonds  
3 on the date or dates as may be determined by the corporation.

4 (c) The corporation may make investments with any escrowed  
5 proceeds that mature at the time or times appropriate to assure  
6 prompt payment, of the principal, interest, and redemption  
7 premium, if any, of the outstanding bonds to be refunded. The  
8 interest, income, and profits, if any, earned or realized on the  
9 investment may also be applied to the payment of the outstanding  
10 bonds to be refunded. After the terms of the escrow have been  
11 fully satisfied and carried out, any balance of the proceeds and  
12 interest, income, and profits, if any, earned or realized on the  
13 investments shall be returned to the corporation for use in carrying  
14 out the purposes of this part.

15 16058. Any and all bonds issued by the corporation, their  
16 transfer and the income from the bonds, shall at all times be free  
17 from taxation of every kind by the state and by all political  
18 subdivisions of the state.

19  
20 CHAPTER 6. THE GOLDEN STATE INFRASTRUCTURE  
21 CORPORATION FUND  
22

23 16060. (a) The Golden State Infrastructure Corporation Fund  
24 is hereby created for the purpose of implementing the objectives  
25 and provisions of this part. Within the fund, the corporation may  
26 create any accounts and subaccounts that the corporation deems  
27 necessary, convenient, or desirable.

28 (b) Notwithstanding Section 13340, all moneys in the  
29 infrastructure corporation fund are continuously appropriated,  
30 without regard to fiscal year, for expenditure for the purposes  
31 stated in this part.

32 16061. (a) The corporation may pledge any or all of the  
33 moneys in the infrastructure corporation fund as security for the  
34 corporation's obligations incurred pursuant to this part. All moneys  
35 accruing to the corporation pursuant to this part from any sources  
36 shall be deposited into the infrastructure corporation fund.

37 (b) The corporation may, from time to time, invest moneys in  
38 the fund that are not required for its current needs, including  
39 proceeds from the sale of any bonds, in any eligible securities  
40 specified in Section 16430. The corporation may deposit moneys

1 into interest-bearing accounts in any bank in this state or in any  
2 savings and loan association in this state. All interest or other  
3 increment resulting from the investment or deposit of moneys from  
4 the infrastructure corporation fund, and all income and revenue  
5 generated by the corporation, shall be deposited into the fund.

6 16062. The assets of the infrastructure corporation fund shall  
7 be available for the payment of the salaries and other expenses  
8 charged against it in accordance with this division. All expenses,  
9 obligations, or liabilities incurred in carrying out the purposes of  
10 this part shall be payable solely from funds provided pursuant to  
11 this part. No expense, obligation, or liability whatsoever of the  
12 corporation shall be imposed upon the state.

13 16063. (a) Notwithstanding Chapter 2 (commencing with  
14 Section 12850) of Part 2.5 and Article 2 (commencing with Section  
15 13320) of Chapter 3 of Part 3, expenditures of the infrastructure  
16 corporation fund shall not be subject to the supervision or approval  
17 of any other officer or division of state government, with the  
18 exception of the Legislature. However, the corporation's budget  
19 shall be prepared and reviewed not later than January 1 of each  
20 year.

21 (b) The corporation's budget shall include the amount of credit  
22 and liabilities of the infrastructure corporation fund, based on an  
23 audit of the fund at the close of the prior fiscal year. The  
24 corporation's operating budget shall be subject to review and  
25 appropriation in the annual Budget Act.

26 SEC. 2. The Legislature finds and declares that Section 1 of  
27 this act, which adds Sections 16031 and 16032 to the Government  
28 Code, imposes a limitation on the public's right of access to the  
29 meetings of public bodies or the writings of public officials and  
30 agencies within the meaning of Section 3 of Article I of the  
31 California Constitution. Pursuant to that constitutional provision,  
32 the Legislature makes the following findings to demonstrate the  
33 interest protected by this limitation and the need for protecting  
34 that interest:

35 In order to maintain the confidentiality of infrastructure  
36 companies' private financial information, it is necessary to exempt  
37 these records from public disclosure and to allow consideration of  
38 investments with private companies in a closed board session.

O