

**Introduced by Senator De León
(Principal coauthor: Senator Pavley)**

February 22, 2013

An act to add Division 4 (commencing with Section 64300) to Title 6.7 of the Government Code, and to amend Section 39712 of the Health and Safety Code, relating to infrastructure finance, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 798, as introduced, De León. California Green Infrastructure Bank Act.

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 and provide other assistance to public and private entities for various types of economic development projects, among other things. The activities of the bank under these provisions are funded from the California Infrastructure and Economic Development Bank Fund, which is continuously appropriated for these purposes.

This bill would enact the California Green Infrastructure Bank Act (act). The bill would establish the California Green Infrastructure Bank (bank) as a public corporation and would make it responsible for administering the act. The bill would make the bank under the direction of an executive director to be appointed by the Governor subject to Senate confirmation. Under the bill, the bank would be governed and its corporate power exercised by a board of directors consisting of 5 members, including 3 members appointed by the Governor subject to Senate confirmation and the Senate Committee on Rules and the Speaker of the Assembly would each appoint one member.

In order to facilitate green economic development, the bill would, among other things, authorize the executive director, subject to board resolution, to enter into any contract or loan agreement between the bank or special purpose trust, as defined, and any subdivision of the state or local government, that provides that the bank will loan funds to the subdivision or local government and that the subdivision or local government will repay the principal and pay the interest and redemption premium, as specified. The bill would require the bank to establish criteria for the selection of projects to receive assistance from the bank. The bill would also require the bank to notify the Governor and specified legislative committees when the bank makes changes to that criteria. Prior to submitting a project to the bank for consideration, the bill would require the subdivision of the state or local government to make specified findings by resolution.

The bill would authorize the board or the executive director, as delegated by the board, to issue bonds and would also authorize a special purpose trust, as defined, to issue bonds. The bill would require the bank to establish fees to be paid by the sponsor or the participating party, as defined, to reimburse the state for the costs of administering these provisions. The bill would direct the deposit of these fees into the California Green Infrastructure Bank Fund, described below.

In addition to the bank, the bill would require the executive director to manage and conduct the business and affairs of the Green Infrastructure Bank Fund and the California Green Infrastructure Trust Fund, subject to the direction of the board. The bill would establish the California Green Infrastructure Bank Fund and the California Green Infrastructure Trust Fund, both of which would be continuously appropriated for purposes of carrying out the provisions of the act. By establishing these continuously appropriated funds, the bill would make an appropriation.

This bill would require the bank, not later than February 1 annually, to submit to the Governor and the Joint Legislative Budget Committee a report of its activities for the preceding fiscal year, that includes, among other things, a specification of bonds sold and the applicable interest rates and the amount of other public and private funds leveraged by the bank's assistance. The bill would require the bank's budget respecting the guarantee trust fund to be prepared and reviewed not later than February 1 annually and would require the bank to submit to the Legislature a report of its activities.

The bill would authorize the bank to issue revenue bonds in a principal amount that the bank is required to determine is necessary to provide sufficient funds for its purposes, that may include, among other things, providing funds for the payment of costs of a project, for the purchase of bonds of a special purpose trust or a sponsor, or payment of interest on bonds of the bank or a special purpose trust. The bill would authorize the bank to give final approval for the issuance of the bonds or of the authorization of a special purpose trust upon terms it deems necessary or desirable.

The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt regulations to require the reporting and verification of emissions of greenhouse gases and, among other things, authorizes the state board to include use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.

Existing law authorizes the allocation of moneys appropriated from the Greenhouse Gas Reduction Fund for the purpose of reducing greenhouse gas emissions through, among other things, investments in programs implemented by local and regional agencies and collaboratives, and by nonprofit organizations coordinating with local governments.

This bill would specify that these investments include the California Green Infrastructure Bank. The bill would declare the intent of the Legislature to enact legislation that would appropriate a specified amount from the Greenhouse Gas Reduction Fund to be used for carrying out the act. The bill would make conforming changes in this regard.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

- 1 SECTION 1. Division 4 (commencing with Section 64300) is
- 2 added to Title 6.7 of the Government Code, to read:

1 DIVISION 4. CALIFORNIA GREEN INFRASTRUCTURE
2 BANK

3
4 CHAPTER 1. GENERAL PROVISIONS
5

6 64300. The Legislature finds and declares all of the following:

7 (a) Meeting California’s goals for sustainable energy production
8 will depend upon a well-conceived system of improvements that
9 are essential to the creation of viable long-term green energy
10 production in California.

11 (b) Existing mechanisms that coordinate federal, state, local,
12 and private financial resources are inadequate to attract and sustain
13 that level of private investment that is essential to this effort.

14 (c) The high cost and limited availability of loans and capital
15 has led a number of states to take action to remedy these conditions
16 through concerted public and private investment programs that
17 include efforts to do the following:

18 (1) Use the state’s access to capital markets more effectively
19 for economic development.

20 (2) Create financing pools to access national capital markets or
21 help government sponsors and public-private economic
22 development organizations obtain credit enhancement on their
23 own.

24 (3) Facilitate credit enhancement for selected specific projects.

25 (4) Provide or arrange for loan insurance.

26 (5) Create and support secondary markets for loan portfolios of
27 urban and rural economic development corporations and others.

28 (6) Improve access to international capital markets.

29 (7) Provide opportunities for public pension funds and other
30 institutional investors to play a larger role in state economic
31 development.

32 (8) Arrange for or provide subordinated debt for selected
33 projects.

34 (9) Increase support for local infrastructure development.

35 (d) The state needs a green financing entity structured with
36 broad authority to issue bonds, provide guarantees, and leverage
37 state and federal funds using techniques that will target public
38 investment to facilitate green economic development.

39 64300.2. This division shall be known and may be cited as the
40 California Green Infrastructure Bank Act.

1 64300.4. For purposes of this act, the following words and
2 terms shall have the following meanings unless the context clearly
3 indicates or requires another or different meaning or intent:

4 (a) “Act” means the Green Infrastructure Bank Act.

5 (b) “Bank” means the California Green Infrastructure Bank.

6 (c) “Board” means the Board of Directors of the California
7 Green Infrastructure Bank.

8 (d) “Bond purchase agreement” means a contractual agreement
9 executed between the bank and a sponsor, or a special purpose
10 trust authorized by the bank or a sponsor, or both, whereby the
11 bank or special purpose trust authorized by the bank agrees to
12 purchase bonds of the sponsor for retention or sale.

13 (e) “Bonds” means bonds, including structured, senior, and
14 subordinated bonds or other securities; loans; notes, including
15 bond, revenue, tax or grant anticipation notes; commercial paper;
16 floating rate and variable maturity securities; and any other
17 evidences of indebtedness or ownership, including certificates of
18 participation or beneficial interest, asset backed certificates, or
19 lease-purchase or installment purchase agreements, whether taxable
20 or excludable from gross income for federal income taxation
21 purposes.

22 (f) “Cost,” as applied to a project or portion thereof financed
23 under this division, means all or any part of the cost of construction,
24 renovation, and acquisition of all lands, structures, real or personal
25 property, rights, rights-of-way, franchises, licenses, easements,
26 and interests acquired or used for a project; the cost of demolishing
27 or removing any buildings or structures on land so acquired,
28 including the cost of acquiring any lands to which the buildings
29 or structures may be moved; the cost of all machinery, equipment,
30 and financing charges; interest prior to, during, and for a period
31 after completion of construction, renovation, or acquisition, as
32 determined by the bank; provisions for working capital; reserves
33 for principal and interest and for extensions, enlargements,
34 additions, replacements, renovations, and improvements; and the
35 cost of architectural, engineering, financial and legal services,
36 plans, specifications, estimates, administrative expenses, and other
37 expenses necessary or incidental to determining the feasibility of
38 any project or incidental to the construction, acquisition, or
39 financing of any project, and transition costs in the case of an
40 electrical corporation.

1 (g) “Executive director” means the Executive Director of the
2 California Green Infrastructure Bank appointed pursuant to Section
3 64300.10.

4 (h) “Facilities” means real and personal property, structures,
5 buildings, equipment, and supporting components thereof that are
6 used to provide sustainable green infrastructure, and all facilities
7 or infrastructure necessary or desirable in connection therewith,
8 including provision for working capital, conveyances, equipment,
9 thoroughfares, buildings, and supporting components thereof that
10 are directly related to providing “power and communications”
11 including facilities for the generation, transmission or distribution
12 of electrical energy, natural gas, and telephone and
13 telecommunications service.

14 (i) “Financial assistance” in connection with a project, includes,
15 but is not limited to, any combination of grants, loans, the proceeds
16 of bonds issued by the bank or special purpose trust, insurance,
17 guarantees or other credit enhancements or liquidity facilities, and
18 contributions of money, property, labor, or other things of value,
19 as may be approved by resolution of the board or the sponsor, or
20 both; the purchase or retention of bank bonds, the bonds of a
21 sponsor for their retention or for sale by the bank, or the issuance
22 of bank bonds or the bonds of a special purpose trust used to fund
23 the cost of a project for which a sponsor is directly or indirectly
24 liable, including, but not limited to, bonds, the security for which
25 is provided in whole or in part pursuant to the powers granted by
26 Section 64300.24; bonds for which the bank has provided a
27 guarantee or enhancement, including, but not limited to, the
28 purchase of the subordinated bonds of the sponsor, the subordinated
29 bonds of a special purpose trust, or the retention of the subordinated
30 bonds of the bank pursuant to Chapter 4 (commencing with Section
31 64300.100); or any other type of assistance deemed appropriate
32 by the bank or the sponsor, except that no direct loans shall be
33 made to nonpublic entities other than in connection with the
34 issuance of rate reduction bonds pursuant to a financing order or
35 in connection with a financing for an economic development
36 facility.

37 For purposes of this subdivision, “grant” does not include grants
38 made by the bank except when acting as an agent or intermediary
39 for the distribution or packaging of financing available from
40 federal, private, or other public sources.

1 (j) “Green infrastructure bank fund” means the California Green
2 Infrastructure Bank Fund.

3 (k) “Guarantee trust fund” means the California Green
4 Infrastructure Guarantee Trust Fund.

5 (l) “Loan agreement” means a contractual agreement executed
6 between the bank or a special purpose trust and a sponsor that
7 provides that the bank or special purpose trust will loan funds to
8 the sponsor and that the sponsor will repay the principal and pay
9 the interest and redemption premium, if any, on the loan.

10 (m) “Participating party” means any person, company,
11 corporation, association, state or municipal governmental entity,
12 partnership, firm, or other entity or group of entities, whether
13 organized for profit or not for profit, engaged in business or
14 operations within the state and that applies for financing from the
15 bank in conjunction with a sponsor for the purpose of implementing
16 a project.

17 (n) “Project” means designing, acquiring, planning, permitting,
18 entitling, constructing, improving, extending, restoring, financing,
19 and generally developing facilities within the state.

20 (o) “Revenues” means all receipts, purchase payments, loan
21 repayments, lease payments, and all other income or receipts
22 derived by the bank or a sponsor from the sale, lease, or other
23 financing arrangement undertaken by the bank, a sponsor or a
24 participating party, including, but not limited to, all receipts from
25 a bond purchase agreement, and any income or revenue derived
26 from the investment of any money in any fund or account of the
27 bank or a sponsor and any receipts derived from transition property.
28 Revenues shall not include moneys in the General Fund of the
29 state.

30 (p) “Special purpose trust” means a trust, partnership, limited
31 partnership, association, corporation, nonprofit corporation, or
32 other entity authorized under the laws of the state to serve as an
33 instrumentality of the state to accomplish public purposes and
34 authorized by the bank to acquire, by purchase or otherwise, for
35 retention or sale, the bonds of a sponsor or of the bank made or
36 entered into pursuant to this division and to issue special purpose
37 trust bonds or other obligations secured by these bonds or other
38 sources of public or private revenues.

39 (q) “Sponsor” means any subdivision of the state or local
40 government including departments, agencies, commissions, cities,

1 counties, nonprofit corporations formed on behalf of a sponsor,
 2 special districts, assessment districts, and joint powers authorities
 3 within the state or any combination of these subdivisions that
 4 makes an application to the bank for financial assistance in
 5 connection with a project in a manner prescribed by the bank. This
 6 definition shall not be construed to require that an applicant have
 7 an ownership interest in the project. Any person, company,
 8 corporation, partnership, firm, or other entity or group engaged in
 9 business or operation within the state that applies for financing of
 10 any facility, shall be deemed to be the sponsor as well as the
 11 participating party for the project relating to the financing of that
 12 facility.

13 (r) "State" means the State of California.

14

15 CHAPTER 2. CALIFORNIA GREEN INFRASTRUCTURE BANK

16

17 64300.10. (a) The California Green Infrastructure Bank is a
 18 public corporation and it shall be responsible for administering
 19 this division.

20 (b) The bank shall be under the direction of an executive director
 21 appointed by the Governor, and who shall serve at the pleasure of
 22 the Governor. The appointment shall be subject to confirmation
 23 by the Senate.

24 64300.12. (a) The bank shall be governed and its corporate
 25 power exercised by a board of directors that shall consist of the
 26 following five persons:

27 (1) The Governor shall appoint three members to the board,
 28 subject to confirmation by the Senate.

29 (2) The Senate Committee on Rules shall appoint a member.

30 (3) The Speaker of the Assembly shall appoint a member.

31 (b) Any designated director shall serve at the pleasure of the
 32 designating power.

33 (c) Three of the members shall constitute a quorum and the
 34 affirmative vote of a majority of a quorum shall be necessary for
 35 any action to be taken by the board.

36 (d) A member of the board shall not participate in any bank
 37 action or attempt to influence any decision or recommendation by
 38 any employee of, or consultant to, the bank that involves a sponsor
 39 of which he or she is a representative or in which the member or
 40 a member of his or her immediate family has a personal financial

1 interest within the meaning of Section 87100. For purposes of this
2 section, “immediate family” means the spouse, children, and
3 parents of the member.

4 (e) Except as provided in this subdivision, the members of the
5 board shall serve without compensation, but shall be reimbursed
6 for actual and necessary expenses incurred in the performance of
7 their duties to the extent that reimbursement for these expenses is
8 not otherwise provided or payable by another public agency, and
9 shall receive one hundred dollars (\$100) for each full day of
10 attending meetings of the bank.

11 64300.14. The executive director shall manage and conduct
12 the business and affairs of the bank, the green infrastructure bank
13 fund, and guarantee trust fund, subject to the direction of the board.
14 Except as otherwise provided in this section, the board may assign
15 to the executive director, by resolution, those duties generally
16 necessary or convenient to carry out its powers and purposes under
17 this chapter. Any action involving final approval of any bonds,
18 notes, or loans shall require the approval of a majority of the
19 members of the board. Subject to any conditions that the board
20 may from time to time prescribe, the executive director may
21 exercise any power, function, or duty conferred by law on the bank
22 in connection with the administration, management, and conduct
23 of the business and affairs of the bank, the green infrastructure
24 bank fund, and the guarantee trust fund.

25 64300.16. (a) The officers of the bank shall be subject to the
26 Political Reform Act of 1974 (Title 9 (commencing with Section
27 81000)), the applicable rules and standards of the Municipal
28 Securities Rulemaking Board, and all other applicable laws.

29 (b) The bank may purchase insurance for its fiduciaries or for
30 itself to cover liability or losses occurring by reason of the act or
31 omission of a fiduciary, if the insurance permits recourse by the
32 insurer against the fiduciary in the case of a breach fiduciary
33 obligation by the fiduciary.

34 64300.18. In administering and directing the day-to-day
35 operations of the bank in regard to this act, the executive director,
36 or whoever he or she shall assign, may do any of the following if
37 authorized by resolution of the board:

38 (a) Enter into contracts for investment, guarantee, or
39 enhancement.

1 (b) Establish procedures, guidelines, criteria, terms, conditions,
2 or other requirements of any contract, bond, grant, or program, as
3 the case may be, in order to carry out the intent and purpose of the
4 board in authorizing any bond, loan, or grant program pursuant to
5 this division.

6 (c) Decline to guarantee any risk, or to enter into any contract,
7 in which the minimum requirements of the guarantee trust fund
8 or the green infrastructure bank fund are not complied with.

9 (d) Reinsure any risk or any part of any risk.

10 (e) Make rules for payments through the green infrastructure
11 bank fund and the settlement of claims against the guarantee trust
12 fund and determine to whom and through whom the payments are
13 to be made.

14 (f) Enter into any contracts or obligations relating to the green
15 infrastructure bank fund and the guarantee trust fund.

16 (g) Invest and reinvest the moneys belonging to the green
17 infrastructure bank fund and the guarantee trust fund as provided
18 by this act.

19 (h) Enter into any contract or loan agreement, execute any
20 instrument, conduct all business and affairs, and perform all acts
21 relating to the green infrastructure bank fund and the guarantee
22 trust fund whether or not specifically designated in this act.

23 64300.20. The board may delegate to the executive director,
24 or whomever he or she shall assign, the authority to execute a
25 contract or agreement, execute an instrument, conduct all business
26 and affairs, and perform all acts relating to the green infrastructure
27 bank fund and the guarantee trust fund.

28 64300.22. The executive director may contract with the
29 Department of Finance, the State Department of Health Care
30 Services, the Department of Transportation, the Department of
31 Water Resources, the California Integrated Waste Management
32 Board, the State Water Resources Control Board, the Governor's
33 Office of Planning and Research, and any other necessary agencies,
34 persons, or firms to enable the bank to properly perform the duties
35 imposed by this act.

36 64300.24. The board shall do the following:

37 (a) Adopt bylaws for the regulation of its affairs and the conduct
38 of its business.

39 (b) Adopt an official seal.

1 64300.26. The board may do or delegate the following to the
2 executive director:

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

4 (b) As provided in Chapter 5 (commencing with Section
5 64300.116), issue bonds and authorize special purpose trusts to
6 issue bonds, including, at the option of the board, bonds bearing
7 interest that is taxable for the purpose of federal income taxation,
8 or borrow money to pay all or any part of the cost of any project,
9 or to otherwise carry out the purposes of this act.

10 (c) Engage the services of private consultants to render
11 professional and technical assistance and advice in carrying out
12 the purposes of this act.

13 (d) Employ attorneys, financial consultants, and other advisers
14 as may, in the bank's judgment, be necessary in connection with
15 the issuance and sale, or authorization of special purpose trusts for
16 the issuance and sale, of any bonds, notwithstanding Sections
17 11042 and 11043.

18 (e) Contract for engineering, architectural, accounting, or other
19 services of appropriate state agencies as may, in its judgment, be
20 necessary for the successful development of a project.

21 (f) Pay the reasonable costs of consulting engineers, architects,
22 accountants, and construction, land use, recreation, and
23 environmental experts employed by any sponsor or participating
24 party if, in the bank's judgment, those services are necessary for
25 the successful development of a project.

26 (g) Acquire, take title to, and sell by installment sale or
27 otherwise, lands, structures, real or personal property, rights,
28 rights-of-way, franchises, easements, and other interests in lands
29 that are located within the state, or transition property as the bank
30 may deem necessary or convenient for the financing of the project,
31 upon terms and conditions that it considers to be reasonable.

32 (h) Receive and accept from any source including, but not
33 limited to, the federal government, the state, or any agency thereof,
34 loans, contributions, or grants, in money, property, labor, or other
35 things of value, for, or in aid of, a project, or any portion thereof.

36 (i) Make loans to any sponsor or participating party, either
37 directly or by making a loan to a lending institution, in connection
38 with the financing of a project in accordance with an agreement
39 between the bank and the sponsor or a participating party, either
40 as a sole lender or in participation with other lenders. However,

1 no loan shall exceed the total cost of the project as determined by
2 the sponsor or the participating party and approved by the bank.

3 (j) Make loans to any sponsor or participating party, either
4 directly or by making a loan to a lending institution, in accordance
5 with an agreement between the bank and the sponsor or
6 participating party to refinance indebtedness incurred by the
7 sponsor or participating party in connection with projects
8 undertaken and completed prior to any agreement with the bank
9 or expectation that the bank would provide financing, either as a
10 sole lender or in participation with other lenders.

11 (k) Mortgage all or any portion of the bank's interest in a project
12 and the property on which any project is located, whether owned
13 or thereafter acquired, including the granting of a security interest
14 in any property, tangible or intangible.

15 (l) Assign or pledge all or any portion of the bank's interests in
16 transition property and the revenues therefrom, or assets, things
17 of value, mortgages, deeds of trust, bonds, bond purchase
18 agreements, loan agreements, indentures of mortgage or trust, or
19 similar instruments, notes, and security interests in property,
20 tangible or intangible and the revenues therefrom, of a sponsor or
21 a participating party to which the bank has made loans, and the
22 revenues therefrom, including payment or income from any interest
23 owned or held by the bank, for the benefit of the holders of bonds.

24 (m) Make, receive, or serve as a conduit for the making of, or
25 otherwise provide for, grants, contributions, guarantees, insurance,
26 credit enhancements or liquidity facilities, or other financial
27 enhancements to a sponsor or a participating party as financial
28 assistance for a project.

29 (n) Lease the project being financed to a sponsor or a
30 participating party, upon terms and conditions that the bank deems
31 proper but shall not be leased at a loss; charge and collect rents
32 therefor; terminate any lease upon the failure of the lessee to
33 comply with any of the obligations thereof; include in any lease,
34 if desired, provisions that the lessee shall have options to renew
35 the lease for a period or periods, and at rents determined by the
36 bank; purchase any or all of the project; or, upon payment of all
37 the indebtedness incurred by the bank for the financing of the
38 project, the bank may convey any or all of the project to the lessee
39 or lessees.

1 (o) Charge and equitably apportion among sponsors and
2 participating parties the bank's administrative costs and expenses
3 incurred in the exercise of the powers and duties conferred by this
4 act.

5 (p) Issue, obtain, or aid in obtaining, from any department or
6 agency of the United States, from other agencies of the state, or
7 from any private company, any insurance or guarantee to, or for,
8 the payment or repayment of interest or principal, or both, or any
9 part thereof, on any loan, lease, or obligation or any instrument
10 evidencing or securing the same, made or entered into pursuant to
11 this act.

12 (q) Notwithstanding any other provision of this act, enter into
13 any agreement, contract, or any other instrument with respect to
14 any insurance or guarantee; accept payment in the manner and
15 form as provided therein in the event of default by a sponsor or a
16 participating party; and issue or assign any insurance or guarantee
17 as security for the bank's bonds.

18 (r) Enter into any agreement or contract, execute any instrument,
19 and perform any act or thing necessary or convenient to, directly
20 or indirectly, secure the bank's bonds, the bonds issued by a special
21 purpose trust, or a sponsor's obligations to the bank or to a special
22 purpose trust, including, but not limited to, bonds of a sponsor
23 purchased by the bank or a special purpose trust for retention or
24 sale, with funds or moneys that are legally available and that are
25 due or payable to the sponsor by reason of any grant, allocation,
26 apportionment or appropriation of the state or agencies thereof, to
27 the extent that the Controller shall be the custodian at any time of
28 these funds or moneys, or with funds or moneys that are or will
29 be legally available to the sponsor, the bank, or the state or any
30 agencies thereof by reason of any grant, allocation, apportionment,
31 or appropriation of the federal government or agencies thereof;
32 and in the event of written notice that the sponsor has not paid or
33 is in default on its obligations to the bank or a special purpose
34 trust, direct the Controller to withhold payment of those funds or
35 moneys from the sponsor over which it is or will be custodian and
36 to pay the same to the bank or special purpose trust or their
37 assignee, or direct the state or any agencies thereof to which any
38 grant, allocation, apportionment or appropriation of the federal
39 government or agencies thereof is or will be legally available to
40 pay the same upon receipt by the bank or special purpose trust or

1 their assignee, until the default has been cured and the amounts
2 then due and unpaid have been paid to the bank or special purpose
3 trust or their assignee, or until arrangements satisfactory to the
4 bank or special purpose trust have been made to cure the default.

5 (s) Enter into any agreement or contract, execute any instrument,
6 and perform any act or thing necessary, convenient, or appropriate
7 to carry out any power expressly given to the bank by this division,
8 including, but not limited to, agreements for the sale of all or any
9 part, including principal, interest, redemption rights or any other
10 rights or obligations, of bonds of the bank or of a special purpose
11 trust, liquidity agreements, contracts commonly known as interest
12 rate swap agreements, forward payment conversion agreements,
13 futures or contracts providing for payments based on levels of, or
14 changes in, interest rates or currency exchange rates, or contracts
15 to exchange cashflows or a series of payments, or contracts,
16 including options, puts or calls to hedge payments, rate, spread,
17 currency exchange, or similar exposure, or any other financial
18 instrument commonly known as a structured financial product.

19 (t) Purchase, with the proceeds of the bank's bonds, transition
20 property or bonds issued by, or for the benefit of, any sponsor in
21 connection with a project, pursuant to a bond purchase agreement
22 or otherwise. Bonds or transition property purchased pursuant to
23 this division may be held by the bank, pledged or assigned by the
24 bank, or sold to public or private purchasers at public or negotiated
25 sale, in whole or in part, separately or together with other bonds
26 issued by the bank, and notwithstanding any other law, may be
27 bought by the bank at private sale.

28 (u) Enter into purchase and sale agreements with all entities,
29 public and private, including state and local government pension
30 funds, with respect to the sale or purchase of bonds or transition
31 property.

32 (v) Invest any moneys held in reserve or sinking funds, or any
33 moneys not required for immediate use or disbursement, in
34 obligations that are authorized by law for the investment of trust
35 funds in the custody of the Treasurer.

36 (w) Authorize a special purpose trust or trusts to purchase or
37 retain, with the proceeds of the bonds of a special purpose trust,
38 transition property or bonds issued by, or for the benefit of, any
39 sponsor in connection with a project or issued by the bank or a
40 special purpose trust, pursuant to a bond purchase agreement or

1 otherwise. Bonds or transition property purchased pursuant to this
2 title may be held by a special purpose entity, pledged or assigned
3 by a special purpose entity, or sold to public or private purchasers
4 at public or negotiated sale, in whole or in part, with or without
5 structuring, subordination or credit enhancement, separately or
6 together with other bonds issued by a special purpose trust, and
7 notwithstanding any other law, may be bought by the bank or by
8 a special purpose trust at private sale.

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

16 (y) Do all things necessary and convenient to carry out its
17 purposes and exercise its powers, provided, however, that nothing
18 herein shall be construed to authorize the bank to engage directly
19 in the business of a manufacturing, industrial, real estate
20 development, or nongovernmental service enterprise. Further, the
21 bank shall not be organized to accept deposits of money for time
22 or demand deposits or to constitute a bank or trust company.

23 64300.28. Section 64300.26 shall not be construed to extend
24 or limit the authority of the bank that is otherwise provided in
25 Section 19130 to the extent applicable.

26 64300.30. The fiscal powers granted to the bank by this part
27 may be exercised without regard or reference to any other
28 department, division, or agency of the state, except the Legislature.
29 This division shall be deemed to provide an alternative method of
30 doing the things authorized by this division, and shall be regarded
31 as supplemental and additional to powers conferred by other laws.

32 64300.32. (a) The bank may provide insurance or reinsurance
33 of loans or portions thereof, or their debt service, including amounts
34 payable as premiums or penalties in the event of mandatory or
35 optional prepayment, made to finance a project, and to provide
36 insurance or reinsurance or reserves, or portions thereof, or the
37 yield therefrom, established to secure bonds issued to fund those
38 loans or reserves.

39 (b) The bank may enter into or arrange agreements for insurance
40 or reinsurance with users, mortgagors, lending institutions, insurers,

1 and others, the bank being authorized to reinsure or cede risks to
2 the insurers in any amounts as the bank may determine and the
3 insurers, if otherwise authorized to reinsure or insure those risks
4 in California, being hereby authorized to reinsure the bank or cede
5 risks to the bank to the same extent as if the bank were a company
6 authorized to reinsure or insure those risks.

7 (c) The bank may fix a rate or rates of premium for insurance
8 or reinsurance, which need not be uniform, and may reflect any
9 risks and classifications of risk as the bank determines to be
10 reasonable.

11 (d) The bank may exercise those other powers as are necessary
12 or incidental to insurance, reinsurance, and related matters.

13 (e) The bank shall make reasonable provisions for the security
14 of loans made by the bank, and any insurance, reinsurance, and
15 other financing arrangements negotiated by the bank.

16 (f) The insurance or reinsurance provided for by the bank shall
17 not constitute a debt or pledge of the faith and credit of the state
18 or any subdivision of the state.

19 64300.34. Bonds issued by the bank or a special purpose trust
20 are legal investments for all trust funds, the funds of all insurance
21 companies, banks, both commercial and savings, trust companies,
22 executors, administrators, trustees, and other fiduciaries, for state
23 school funds, pension funds, and for any funds that may be invested
24 in county, school, or municipal bonds. These bonds are securities
25 that may legally be deposited with, and received by, any state or
26 municipal officer or agency or political subdivision of the state
27 for any purpose for which the deposit of bonds or obligations of
28 the state is now, or may hereafter be, authorized by law, including,
29 deposits to secure public funds.

30 64300.36. Liability shall not be incurred by the bank beyond
31 the extent to which funds have been provided under this act.
32 However, for the purposes of meeting the necessary expenses of
33 initial organization and operation until the date that the bank
34 derives revenues or proceeds from bonds as provided under this
35 act, the bank may borrow money as needed for the purposes of
36 meeting the necessary expenses of initial organization and
37 operation from the Pooled Money Investment Account, as specified
38 in subdivision (w) of Section 64300.26 or from any special funds,
39 including the special funds of existing financing authorities. The
40 borrowed money shall be repaid with interest within a reasonable

1 time after the bank receives revenues or proceeds from bonds as
2 provided under this act.

3 64300.38. (a) Neither the bank nor a special purpose trust
4 authorized by the bank is required to pay any property taxes or
5 assessments upon, or with respect to, any project or any property
6 acquired by, or for, the bank under this division, or upon the
7 income therefrom, so long as the bank, on behalf of the state, holds
8 title to the project or to the property contained in the project.

9 (b) The exemption of the bank or of a special purpose trust from
10 taxation of any property shall cease when title to the property is
11 transferred from the bank to any taxable person or entity. This
12 section shall not exempt any taxable person or entity from taxation,
13 including, but not limited to, taxation upon a possessory interest,
14 with respect to any project, or the property of facilities contained
15 in any project that may otherwise be applicable to the person.

16 64300.40. The state does hereby pledge to, and agrees with,
17 the holders of any bonds issued under this act, and with those
18 parties who may enter into contracts with the bank pursuant to this
19 act, that the state will not limit or alter the rights hereby vested in
20 the bank to finance any project and to fulfill the terms of any loan
21 agreement, lease, or other contract with the agency pursuant to
22 this act, or in any way impair the rights or remedies of the
23 bondholders or of the parties until those bonds, together with
24 interest thereon, are fully discharged or provision for this discharge
25 has been made and those contracts are fully performed on the part
26 of the bank. The bank, as agent for the state, may include this
27 pledge and undertaking for the state in its obligations or contracts.

28 64300.42. The bank shall establish a reasonable schedule of
29 administrative fees, not to exceed the regulatory cost of performing
30 the work to which the fees relate, which shall be paid by the
31 sponsor or the participating party pursuant to Section 64300.124,
32 to reimburse the state for the costs of administering this division.
33 Fees collected pursuant to this section shall be deposited in the
34 green infrastructure bank fund.

35 64300.52. The bank shall, not later than February 1 of each
36 year, submit to the Governor and the Joint Legislative Budget
37 Committee a report of its activities pursuant to this act for the
38 preceding fiscal year. The report shall include all of the following:

- 39 (a) A listing of applications accepted.
40 (b) A specification of bonds sold and interest rates thereon.

1 (c) The amount of other public and private funds leveraged by
2 the assistance provided.

3 (d) A report of revenues and expenditures for the preceding
4 fiscal year, including all of the bank's costs. The information
5 provided pursuant to this subdivision shall include, but need not
6 be limited to, both of the following:

7 (1) The amount and source of total bank revenues. Revenues
8 shall be shown by main categories of revenues, including interest
9 earnings, fees collected, and bond proceeds, for each bank program.

10 (2) The amount and type of total bank expenditures.
11 Expenditures shall be shown by major categories of expenditures,
12 including loans provided, debt service payments, and program
13 support costs, for each bank program.

14 (e) A projection of the bank's needs and requirements for the
15 coming year.

16 (f) (1) Recommendations for changes in state and federal law
17 necessary to meet the objectives of this division.

18 (2) This subdivision shall become inoperative on January 1,
19 2018, pursuant to Section 10231.5.

20 64300.56. (a) Following consultation with appropriate state
21 and local agencies, the bank shall establish criteria, priorities, and
22 guidelines for the selection of projects to receive assistance from
23 the bank. Projects shall comply with the criteria, priorities, and
24 guidelines adopted by the bank.

25 (b) When the bank establishes or makes changes to the criteria,
26 priorities, and guidelines, the bank shall notify the Governor, the
27 fiscal and policy committees of the Legislature that exercise
28 legislative oversight of the bank, and appropriate state and local
29 agencies.

30 (c) The resolution required in Section 64300.58 shall have been
31 adopted prior to the project's selection by the bank.

32 (d) The criteria, priorities, and guidelines established by the
33 bank shall include, but not be limited to, the following:

34 (1) Maximizing economic, environmental, and public health
35 benefits to the state.

36 (2) Fostering job creation by promoting in-state greenhouse gas
37 emissions reduction projects carried out by California workers and
38 businesses.

39 (3) Complementing efforts to improve air quality.

1 (4) Directing investment toward the most disadvantaged
2 communities and households in the state.

3 (5) Providing opportunities for businesses, public agencies,
4 nonprofits, and other community institutions to participate in and
5 benefit from statewide efforts to reduce greenhouse gas emissions.

6 (6) Lessening the impacts and effects of climate change on the
7 state’s communities, economy, and environment.

8 (7) Funding to reduce greenhouse gas emissions through energy
9 efficiency, clean and renewable energy generation, distributed
10 renewable energy generation, transmission and storage, and other
11 related actions, including, but not limited to, public universities,
12 state and local public buildings, and industrial and manufacturing
13 facilities.

14 (8) Funding to reduce greenhouse gas emissions through the
15 development of state-of-the-art systems to move goods and freight,
16 advanced technology vehicles and vehicle infrastructure, advanced
17 biofuels, and low-carbon and efficient public transportation.

18 (9) Funding to reduce greenhouse gas emissions associated with
19 water use and supply, land and natural resource conservation and
20 management, forestry, and sustainable agriculture.

21 (10) Funding to reduce greenhouse gas emissions through
22 strategic planning and development of sustainable infrastructure
23 projects, including, but not limited to, transportation and housing.

24 (11) Funding to reduce greenhouse gas emissions through
25 increased in-state diversion of municipal solid waste from disposal
26 through waste reduction, diversion, and reuse.

27 (12) Funding to reduce greenhouse gas emissions through
28 investments in programs implemented by local and regional
29 agencies, local and regional collaboratives, and nonprofit
30 organizations coordinating with local governments.

31 (13) Funding in research, development, and deployment of
32 innovative technologies, measures, and practices related to
33 programs and projects funded pursuant to this part.

34 64300.58. (a) Prior to submitting a project to the bank for
35 consideration, the legislative body or bodies of the sponsor or
36 sponsors of the project shall find, by resolution, each of the
37 following:

38 (1) The project is consistent with the general plan of both the
39 city and county, or city and county in the case of San Francisco,

1 or only the county for projects in unincorporated areas in which
2 the project is located.

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

4 (3) The project facilitates effective and efficient use of existing
5 and future public resources so as to promote both sustainable
6 infrastructure and conservation of natural resources.

7 (4) The project is consistent with the criteria, priorities, and
8 guidelines for the selection of projects adopted pursuant to Section
9 64300.56.

10 (b) Upon the adoption of the resolution in subdivision (a) by
11 the legislative body, the legislative body shall transmit the
12 resolution to the executive director of the infrastructure bank.

13 64300.60. It is the intent of the Legislature to enact legislation
14 to appropriate an amount equal to 50 percent of the proceeds in
15 the Greenhouse Gas Reduction Fund, created pursuant to Section
16 16428.8, to be used for purposes of carrying out this act consistent
17 with paragraph (6) of subdivision (c) of Section 39712 of the
18 Health and Safety Code.

19 64300.62. Notwithstanding any other provision of this division,
20 Sections 64300.56, 64300.58, and 64300.60 shall not apply to any
21 conduit financing for facilities by the bank directly for the benefit
22 of a participating party.

23 64300.64. The bank shall consider a project for conduit
24 financing for facilities upon filing of an application with the bank
25 by an appropriate participating party, on the terms and conditions
26 the bank shall determine. The bank shall establish procedures for
27 the expeditious review of applications for the issuance or approval
28 of bonds to finance economic development facilities.

29 64300.66. In order to provide or arrange for the financing of
30 facilities, the bank may:

31 (a) Issue taxable revenue bonds pursuant to Chapter 5
32 (commencing with Section 64300.116) to provide financing for
33 projects compatible with the public interest as specified in Section
34 64300.68.

35 (b) Issue taxable revenue bonds pursuant to Chapter 5
36 (commencing with Section 64300.116) to provide financing for
37 the revolving loan funds and projects of small business
38 development corporations, local economic development
39 corporations, community development corporations, and nonprofit

1 organizations, which revolving loan funds and economic
2 development projects shall be compatible with the public interest.

3 (c) Issue tax-exempt revenue bonds pursuant to Chapter 5
4 (commencing with Section 64300.116) to provide financing for
5 facilities as permitted by federal law and in accordance with
6 applicable California law relating to the distribution of state
7 allocations for private activity bonds. Projects so financed shall
8 be compatible with the public interest as specified in Section
9 64300.68.

10 (d) Issue tax-exempt revenue bonds pursuant to Chapter 5
11 (commencing with Section 64300.116) for economic development
12 facilities of public sector and nonprofit organizations qualifying
13 for exemption under federal law.

14 64300.68. Financing shall not be made by the bank under
15 Section 64300.62, 64300.64, 64300.66, 64300.68, or 64300.70
16 unless the bank shall have first determined that the financing or
17 assistance meets the following public interest criteria:

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

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

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

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

27 64300.70. (a) Any loan entered into pursuant to Section
28 64300.62, 64300.64, 64300.66, 64300.68, or 64300.70 may contain
29 provisions for payment of a penalty if any recipient of funds under
30 this article leaves this state prior to the completion of the full term
31 of the loan.

32 (b) Any recipient of funds under this article that utilizes the
33 funds for construction purposes shall certify that the contractors
34 are properly licensed by the Contractors' State License Board
35 established in Section 7000.5 of the Business and Professions
36 Code.

37 (c) The bank shall require that the proposed economic
38 development facilities not be inconsistent with any existing local
39 or regional comprehensive plan.

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

4 (e) In addition to any other methods the bank may use to identify
5 projects, the bank shall utilize existing green energy development
6 networks to identify these projects and prepare a plan, in
7 consultation with local networks and their organizations and
8 representatives, to implement this policy.

9

10 CHAPTER 3. CALIFORNIA GREEN INFRASTRUCTURE BANK FUND

11

12 64300.80. (a) There is hereby created in the State Treasury
13 the California Green Infrastructure Bank Fund for the purpose of
14 implementing the objectives and provisions of this act. Within the
15 fund there shall also be established a Sponsor Revenue Bond
16 Account, a Participating Party Revenue Bond Account, a State
17 Infrastructure Revolving Account, and additional accounts and
18 subaccounts that the bank may establish from time to time.

19 (b) Notwithstanding Section 13340 and except as provided in
20 subdivision (c), all moneys in the green infrastructure bank fund,
21 except for penalty moneys, including, but not limited to, those
22 moneys described in Section 64300.70, are continuously
23 appropriated without regard to fiscal years for the support of the
24 bank and shall be available for expenditure for the purposes stated
25 in this division.

26 (c) Moneys in the green infrastructure bank fund shall be
27 available for expenditure for general administration only upon
28 appropriation by the Legislature. This subdivision shall not limit
29 the authority of the bank to expend funds directly related to the
30 servicing of approved debt. Moneys in the fund shall be available
31 for the purpose of general administration of the authority only
32 upon appropriation by the Legislature, but not more than 5 percent
33 of any bond proceeds administered by the authority may be
34 expended to cover the costs of issuance, as that terminology is
35 defined under Section 147(g) of the Internal Revenue Code.

36 (d) The executive director may transfer funds between the green
37 infrastructure bank fund and the guarantee trust fund when
38 appropriate to accomplish the financing objectives of this division.

39 64300.82. (a) The bank may pledge any or all of the moneys
40 in the fund as security for payment of the principal of, and interest

1 on, any particular issuance of bonds issued pursuant to this chapter.
2 The bank may use any or all of the moneys in the fund, including
3 the grant account, to retain or purchase for retention or sale,
4 subordinated bonds issued by the bank, by a special purpose trust,
5 or by a sponsor pursuant to this chapter. For these purposes, or as
6 necessary or convenient to the accomplishment of any other
7 purpose of the bank, the bank may divide the fund into separate
8 accounts or subaccounts. All moneys accruing to the bank pursuant
9 to this division from any sources shall be deposited in the fund.

10 (b) Subject to priorities that may be created by the pledge of
11 particular moneys in the green infrastructure bank fund to secure
12 any issuance of revenue bonds of the bank, a special purpose trust,
13 or a sponsor, and subject further to reasonable costs that may be
14 incurred by the bank in administering the program authorized by
15 this division, all moneys in the green infrastructure bank fund
16 derived from any source, shall be held in trust for the security and
17 payment of revenue bonds of the bank, a special purpose trust, or
18 a sponsor and shall not be used or pledged for any other purpose
19 so long as the revenue bonds are outstanding and unpaid.

20 (c) Pursuant to any agreements with the holders of revenue
21 bonds pledging any particular assets, revenues, or moneys, the
22 bank may create separate accounts or subaccounts in the green
23 infrastructure bank fund to manage these assets, revenues, or
24 moneys in the manner set forth in the agreements.

25 (d) The bank may, from time to time, direct the Treasurer to
26 invest moneys in the green infrastructure bank fund that are not
27 required for its current needs, including proceeds from the sale of
28 any bonds, in any eligible securities specified in Section 16430 as
29 the bank shall designate. The bank may direct the Treasurer to
30 deposit moneys in interest-bearing accounts in any bank in this
31 state or in any savings and loan association in this state. The bank
32 may alternatively require the transfer of moneys in the green
33 infrastructure bank fund to the Surplus Money Investment Fund
34 for investment pursuant to Article 4 (commencing with Section
35 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.
36 Notwithstanding Section 16305.7, all interest or other increment
37 resulting from the investment or deposit of moneys from the green
38 infrastructure bank fund shall be deposited in the green
39 infrastructure bank fund. Moneys in the green infrastructure bank
40 fund shall not be subject to transfer to any other funds pursuant to

1 any provision of Part 2 (commencing with Section 16300) of
2 Division 4 of Title 2, except to the Surplus Money Investment
3 Fund.

4 (e) Subject to any agreement with holders of particular bonds,
5 in furtherance of Section 51373 of the Health and Safety Code,
6 and to the extent permitted by law, the bank may also invest
7 moneys of the green infrastructure bank fund, including, but not
8 limited to, proceeds of any of its bonds or refunding bonds, in
9 obligations of financial institutions as are permitted by board
10 resolution. The bank may alternatively require the transfer of
11 moneys in the green infrastructure bank fund to the Surplus Money
12 Investment Fund for investment pursuant to Article 4 (commencing
13 with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title
14 2.

15 (f) Subject to any agreement with the holders of particular bonds,
16 all interest or other increment resulting from the investment or
17 deposit shall be deposited in the green infrastructure bank fund,
18 notwithstanding Section 16305.7. Moneys in the green
19 infrastructure bank fund shall not be subject to transfer to any other
20 fund pursuant to Part 2 (commencing with Section 16300) of
21 Division 4 of Title 2, excepting the Surplus Money Investment
22 Fund.

23 (g) The green infrastructure bank fund shall be organized as a
24 public enterprise fund.

25 (h) The bank shall cause all moneys in the green infrastructure
26 bank fund that are in excess of current requirements to be invested
27 and reinvested, from time to time.

28 64300.84. (a) The bank may administer and distribute among
29 its accounts and subaccounts, at its discretion, the proceeds from
30 any general obligation bonds issued in accordance with the State
31 General Obligation Bond Law (Chapter 4 (commencing with
32 Section 16720) of Part 3 of Division 4 of Title 2).

33 (b) The assets of the green infrastructure bank fund shall be
34 available for the payment of the salaries and other expenses charged
35 against it in accordance with this division.

36 64300.86. All expenses incurred in carrying out the purposes
37 of this act shall be payable solely from funds provided pursuant
38 to this act, and no liability or obligation shall be imposed upon the
39 state and none shall be incurred by the agency beyond the extent
40 to which money shall have been provided pursuant to this act.

1 64300.88. (a) Moneys in the green infrastructure bank fund
2 received from the proceeds of bonds issued pursuant to this division
3 may not be transferred to any other fund except as necessary to
4 pay the expenses of operating the program authorized by this act.

5 (b) The green infrastructure bank fund, on behalf of the bank,
6 may borrow or receive moneys from the bank or from any federal,
7 state, or local agency or private entity, in order to create reserves
8 in the green infrastructure bank fund as provided in this act and
9 as authorized by resolution of the board.

10 64300.90. Notwithstanding Chapter 2 (commencing with
11 Section 12850) of Part 2.5 of Division 3 of Title 2 and Article 2
12 (commencing with Section 13320) of Chapter 3 of Part 3 of
13 Division 3 of Title 2, expenditures of the green infrastructure bank
14 fund shall not be subject to the supervision or approval of any
15 other officer or division of state government, with the exception
16 of the Legislature. However, the bank’s budget shall be prepared
17 and reviewed not later than November 1 of each year and the
18 agency shall submit to the Legislature a report of its activities for
19 the prior fiscal year in compliance with Section 9795. However,
20 the bank’s budget regarding the green infrastructure bank fund
21 shall be prepared and reviewed in accordance with Section 50913,
22 and, not later than February 1 of each year, the agency shall submit
23 to the Legislature a report of its activities for the prior fiscal year
24 in compliance with Section 9795. The bank’s operating budget
25 shall be subject to review and appropriation in the annual Budget
26 Act.

27
28 CHAPTER 4. CALIFORNIA GREEN INFRASTRUCTURE GUARANTEE
29 TRUST FUND
30

31 64300.100. (a) There is hereby created in the State Treasury
32 the California Green Infrastructure Guarantee Trust Fund.

33 Notwithstanding Section 13340 and except as provided in
34 subdivision (b), all money in the guarantee trust fund is hereby
35 continuously appropriated to the bank without regard to fiscal
36 years for the purpose of insuring all or a portion of the accounts
37 and subaccounts within the green infrastructure bank fund, any
38 contracts or obligations of the bank or a sponsor, and all or a part
39 of any series of bonds issued by the bank, by a special purpose
40 trust, or by a sponsor pursuant to this act, and for the purpose of

1 defraying administrative expenses incurred by the bank in operating
2 the programs of loan and bond guarantee. All insurance premiums
3 received by the bank for insurance, guarantees, or enhancements
4 provided pursuant to this act shall be deposited in the guarantee
5 trust fund. The guarantee trust fund is authorized to guarantee all
6 or a part of any of the accounts and subaccounts within the green
7 infrastructure bank fund, any contracts or obligations of the bank,
8 a special purpose trust, or a sponsor, and all or part of any series
9 of bonds issued by the bank, by a special purpose trust, or by a
10 sponsor and to authorize payment on any guarantee or enhancement
11 of the guarantee trust fund.

12 (b) Moneys in the green infrastructure bank fund shall be
13 available for expenditure for general administration only upon
14 appropriation by the Legislature. This subdivision shall not limit
15 the authority of the bank to expend funds directly related to the
16 servicing of approved debt.

17 64300.102. (a) Notwithstanding Chapter 2 (commencing with
18 Section 12850) of Part 2.5 of Division 3 of Title 2 and Article 2
19 (commencing with Section 13320) of Chapter 3 of Part 3 of
20 Division 3 of Title 2, expenditure of the guarantee trust fund shall
21 not be subject to the supervision or approval of any other officer
22 or division of state government, with the exception of the
23 Legislature. However, the bank's budget respecting the guarantee
24 trust fund shall be prepared and reviewed not later than February
25 1 of each year and the bank shall submit to the Legislature a report
26 of its activities for the prior fiscal year. However, the bank's budget
27 regarding the green infrastructure bank fund shall be prepared and
28 reviewed in accordance with Section 50913. Not later than
29 February 1 of each year, the agency shall submit to the Legislature
30 a report of its activities for the prior fiscal year. The bank's
31 operating budget shall be subject to review and appropriation in
32 the annual Budget Act.

33 (b) A report to the Legislature pursuant to this subdivision shall
34 be submitted in compliance with Section 9795.

35 (c) This subdivision shall become inoperative on January 1,
36 2018, pursuant to Section 10231.5.

37 64300.104. (a) The bank may, from time to time, direct the
38 Treasurer to invest moneys in the guarantee trust fund that are not
39 required for its current needs in any eligible securities specified
40 in Section 16430 that the bank shall designate. The bank may direct

1 the Treasurer to invest the moneys by entering into repurchase
2 agreements or reverse repurchase agreements, which, for purposes
3 of this section, shall mean agreements for the purchase or sale of
4 eligible securities pursuant to which the seller or buyer agrees to
5 repurchase or sell back the securities on or before a specified date
6 and for a specified amount. The bank may direct the Treasurer to
7 invest the moneys in the subordinated securities of the bank, a
8 special purpose trust, or a sponsor. The bank may direct the
9 Treasurer to invest the moneys in investment agreements with
10 corporations, financial institutions, or national associations within
11 the United States that are rated by a nationally recognized rating
12 service within the top three rating categories of the service. For
13 purposes of this section, investment agreements shall mean any
14 agreement for the investment of moneys in the guarantee trust fund
15 whether at fixed or variable interest rates, and may include, but
16 not be limited to, repurchase agreements, notes, uncollateralized
17 time deposits, certificates of deposit, and the subordinated securities
18 of the bank, a special purpose trust, or a sponsor. The bank may
19 direct the Treasurer to deposit moneys in interest-bearing accounts
20 in state or national banks or other financial institutions having
21 principal offices in this state.

22 (b) In furtherance of Section 51373 of the Health and Safety
23 Code, and to the extent permitted by law, the bank may also invest
24 moneys of the guarantee trust fund in obligations of financial
25 institutions that are permitted by board resolution. The bank may
26 alternatively require the transfer of moneys in the guarantee trust
27 fund to the Surplus Money Investment Fund for investment
28 pursuant to Article 4 (commencing with Section 16470) of Chapter
29 3 of Part 2 of Division 4 of Title 2.

30 (c) All interest or other increment resulting from the investment
31 or deposit shall be deposited in the guarantee trust fund,
32 notwithstanding Section 16305.7.

33 (d) The bank may create other accounts within the guarantee
34 trust fund as are necessary or convenient to carry out the purposes
35 of this article.

36 64300.106. (a) There is a guarantee reserve account in the
37 guarantee trust fund to secure commitments under contracts to
38 guarantee all or part of the bonds of the bank, a special purpose
39 trust, or of a sponsor, any contracts or obligations of the bank, a
40 special purpose trust, or of a sponsor, and all or part of the accounts

1 or subaccounts within the green infrastructure bank fund. The bank
2 shall take all reasonable steps to ensure that the guarantee reserve
3 account is continuously maintained at not less than the reserve
4 account requirement established pursuant to subdivision (a) of
5 Section 64300.108. The bank shall pay all of the following into
6 the guarantee reserve account:

7 (1) Moneys appropriated and made available by the Legislature
8 for deposit in the account.

9 (2) Any proceeds of bonds, including general obligation bonds,
10 to the extent provided in the resolution, trust agreement, resolutions
11 or trust agreements authorizing the issue thereof.

12 (3) Any other moneys that the bank may make available for the
13 purpose of deposit to the guarantee reserve account.

14 (b) The bank shall not cause sums to be withdrawn from the
15 guarantee reserve account in amounts that would reduce the moneys
16 therein to less than the reserve account requirement, except as
17 necessary to satisfy liabilities arising under contracts of guarantee.
18 In the event that the loan guarantee reserve account is reduced to
19 less than the reserve account requirement, the bank shall cease
20 making commitments for, and contracts of, guarantees and
21 enhancements until the guarantee reserve account has been restored
22 to that requirement.

23 64300.108. (a) The Legislature may from time to time
24 appropriate or transfer to the guarantee reserve account from funds
25 or accounts that are legally available, an amount or amounts as the
26 Legislature may determine. The Legislature may establish, and
27 from time to time increase, for the guarantee reserve account a
28 requirement that shall be known as the “reserve account
29 requirement.”

30 (b) If the bank determines that the amount in the reserve account
31 is below the reserve account requirement, the executive director
32 shall immediately certify in writing to the Joint Legislative Budget
33 Committee, the Speaker of the Assembly, the Senate Committee
34 on Rules, and the Governor, the sum required to restore the reserve
35 fund to the reserve account requirement.

36 (c) Upon making the certification, the executive director shall
37 ask the Governor to request an appropriation, and shall use his or
38 her best efforts to have a sum requested and appropriated.

39 (d) Upon receiving notice that the amount in the reserve account
40 is below the reserve account requirement, the Legislature may, at

1 its discretion, choose to appropriate and pay to the bank for deposit
2 into the guarantee reserve account that sum that would restore the
3 reserve account to an amount equal to the reserve account
4 requirement.

5 (e) The bank may utilize any moneys that may be appropriated
6 to the guarantee trust fund from time to time by the Legislature
7 for effectuating its purposes, including, but not limited to, the
8 payment of the initial expenses of administration and operation
9 and the restoration of the reserve account to the reserve account
10 requirement.

11 64300.110. (a) The obligation of the bank and of the state to
12 pay any guarantee benefit pursuant to contracts of guarantee or
13 any other contracts or obligations of the bank, a special purpose
14 trust, or sponsor shall be a limited obligation of the bank payable
15 solely from amounts deposited in the guarantee trust fund that are
16 made available therefor under the respective contracts of guarantee.
17 The guarantee of loans or bonds under this act shall not directly
18 or indirectly or contingently obligate the state or any political
19 subdivision thereof to levy or to pledge any form of taxation
20 whatever therefor, or to make any appropriation for their payment.

21 (b) All contracts of guarantee or any other contracts or
22 obligations of the bank, special purpose trust, or a sponsor pursuant
23 to this act shall contain on the face thereof a statement to the
24 following effect: "Neither the faith and credit nor the taxing power
25 of the State of California is pledged to the payment of the principal
26 of or interest on this contract of guarantee."

27 (c) Moneys in the guarantee trust fund may not be transferred
28 to any other fund except for payment on any guarantee or
29 enhancements or except as necessary to pay the expenses of
30 operating the program of bond guarantee and enhancement
31 authorized by this division, nor shall the bank utilize any moneys
32 under the direction and control of the agency, including, but not
33 limited to, moneys in the California Housing Loan Insurance Fund
34 and the California Housing Finance Fund, other than moneys in
35 the guarantee trust fund, to satisfy liabilities arising from contracts
36 of guarantee authorized by this division.

37 64300.112. The bank may charge and collect insurance
38 guarantee or enhancement premiums or other fees for the insurance
39 guarantees or enhancements described in this chapter and impose
40 other reasonable charges and fees for services performed in

1 connection with approval and processing of the guarantees or
2 enhancements, or for pool assembly, loan servicing, or other
3 services the bank may provide to a special service trust.

4 64300.114. (a) Moneys in the green infrastructure bank fund
5 received from the proceeds of bonds issued pursuant to this act
6 may not be transferred to any other fund except as necessary to
7 pay the expenses of operating the program authorized by this act,
8 nor shall the bank utilize any moneys under the direction and
9 control of the agency, including, but not limited to, moneys in the
10 California Housing Loan Insurance Fund and the Housing Finance
11 Fund, other than moneys in the green infrastructure bank fund to
12 satisfy liabilities arising from projects authorized by this act.

13 (b) The green infrastructure bank fund, on behalf of the bank
14 or a special purpose trust, may borrow or receive moneys from
15 any federal, state, or local agency or private entity, in order to
16 create reserves in the green infrastructure bank fund as provided
17 in this division and as authorized by resolution of the board.

18
19 CHAPTER 5. REVENUE BONDS
20

21 64300.116. (a) The bank may, from time to time, issue its
22 revenue bonds in a principal amount that the bank shall determine
23 to be necessary to provide sufficient funds for its purposes, which
24 may include, but shall not be limited to, providing funds for the
25 payment of costs of a project, for the purchase of bonds of a special
26 purpose trust or a sponsor, payment of interest on bonds of the
27 bank or of a special purpose trust, establishment of reserves to
28 secure bonds, refunding previously issued bonds or refunding
29 bonds of the bank, special purpose trust, or a sponsor, and payment
30 of other expenditures of the bank or special purpose trust incident
31 to issuance of bonds or refunding bonds of the bank.

32 (b) The bank, by private sale pursuant to a bond purchase
33 agreement, may purchase the bonds of any local sponsor or of any
34 special purpose trust that are issued pursuant to any other provision
35 of applicable law, and may be secured with any funds, moneys,
36 or revenues that are legally available.

37 (c) The bank may also issue bonds or authorize a special purpose
38 trust to issue bonds for the purpose of making loans to a sponsor
39 to be used by a sponsor to pay for the cost of a project, and that
40 loan may be secured with any funds, moneys, or revenues that are

1 legally available, including, but not limited to, any legally available
2 funds or moneys that are due or payable to the sponsor by reason
3 of any grant, allocation, or appropriation of the state or agencies
4 thereof, to the extent that the Controller shall be the custodian at
5 any time of these funds or moneys, and any legally available funds
6 or moneys that are or will be due or payable to any sponsor, the
7 bank, or the state or the agencies thereof by reason of any grant,
8 allocation, apportionment, or appropriation of the federal
9 government or agencies thereof.

10 64300.118. (a) Notwithstanding any other law, but consistent
11 with Sections 1 and 18 of Article XVI of the California
12 Constitution, a sponsor may issue bonds for purchase by the bank
13 pursuant to a bond purchase agreement. The bank may issue bonds
14 or authorize a special purpose trust to issue bonds. These bonds
15 may be issued pursuant to the charter of any city or any city and
16 county that authorized the issuance of these bonds as a sponsor
17 and may also be issued by any sponsor pursuant to the Revenue
18 Bond Law of 1941 (Chapter 6 (commencing with Section 54300)
19 of Part 1 of Division 2 of Title 5) to pay the costs and expenses
20 pursuant to this title, subject to the following conditions:

21 (1) With the prior approval of the bank, the sponsor may sell
22 these bonds in any manner as it may determine, either by private
23 sale or by means of competitive bid.

24 (2) Notwithstanding Section 54418, the bonds may be sold at
25 a discount at any rate as the bank and sponsor shall determine.

26 (3) Notwithstanding Section 54402, the bonds shall bear interest
27 at any rate and be payable at any time as the sponsor shall
28 determine with the consent of the bank.

29 (b) The total amount of bonds issued to finance public
30 development facilities that may be outstanding at any one time
31 under this chapter shall not exceed five billion dollars
32 (\$5,000,000,000). The total amount of rate reduction bonds that
33 may be outstanding at any one time under this chapter shall not
34 exceed ten billion dollars (\$10,000,000,000).

35 (c) Bonds for which moneys or securities have been deposited
36 in trust, in amounts necessary to pay or redeem the principal,
37 interest, and any redemption premium thereon, shall be deemed
38 not to be outstanding for purposes of this section.

1 64300.120. (a) The bank may give final approval for the
2 issuance of the bonds or of the authorization of a special purpose
3 trust upon terms it deems necessary or desirable.

4 (b) The executive director may establish the terms and
5 conditions for the issuance of the bonds or of the authorization of
6 a special purpose trust and take any other action necessary or
7 desirable for the issuance of the bonds or of a special purpose trust
8 authorized by the bank.

9 (c) Any action under this section shall be at the discretion of
10 the bank.

11 64300.122. The Treasurer, the Governor, or the Lieutenant
12 Governor is an elected representative of the state authorized to
13 fulfill the public approval requirement of Section 147(f) of Title
14 26 of the Internal Revenue Code (26 U.S.C.A. Sec. 147(f)),
15 including subsequent amendments thereto, or its successor
16 provision, for the issuance of tax-exempt bonds issued by the bank,
17 a special purpose trust, or a sponsor pursuant to this chapter.

18 64300.124. (a) Bonds may be authorized to finance a single
19 project for a single sponsor or a participating party, a series of
20 projects for a single sponsor or a participating party, a single project
21 for several sponsors or participating parties, or several projects for
22 several sponsors or participating parties.

23 (b) Except as otherwise expressly provided by the bank, every
24 issue of its bonds shall be payable from any revenues or other
25 moneys of the bank available therefor and not otherwise pledged.
26 These revenues or moneys may include the proceeds of additional
27 bonds, subject only to any agreements with the holders of particular
28 bonds pledging any particular revenues or moneys.
29 Notwithstanding that the bonds may be payable from a special
30 fund, these bonds shall be deemed to be negotiable instruments
31 for all purposes.

32 (c) Subject to the limitations in Section 64300.118, bonds may
33 be issued in one or more series, may be issued as serial bonds or
34 as term bonds or as a combination thereof. The bonds shall be
35 authorized by resolution of the bank and shall, as provided by the
36 resolution, bear the date of issuance, the time of maturity, which
37 shall not exceed 50 years from the date of issuance, bear the rate
38 or rates of interest, be payable at the time or times provided, be in
39 the denominations provided, be in the form or forms provided,
40 carry the registration privileges provided, be executed in the

1 manner provided, be payable in lawful money of the United States,
2 or other designated currency, at the place or places provided, and
3 be subject to any terms of redemption provided therein.

4 (d) Sale of the bonds of the bank or of a special purpose trust
5 shall be coordinated by the Treasurer in accordance with Section
6 5702. The Treasurer shall sell the bonds within 90 days of receiving
7 a certified copy of the resolution authorizing the sale of bonds,
8 unless the board adopts a resolution extending the 90-day period.

9 (e) The sale may be a public or private sale, and for any price
10 or prices, and on any terms and conditions, as the bank determines
11 proper, after giving due consideration to the recommendations of
12 any special purpose trust and any sponsor to be assisted from the
13 proceeds of the bonds. Pending preparation of definitive bonds,
14 the Treasurer may issue interim receipts, certificates, or temporary
15 bonds that shall be exchanged for definitive bonds.

16 64300.126. Any resolution authorizing any bonds or the
17 authorization of a special purpose trust or any issue of bonds of
18 the bank or a special purpose trust may contain the following
19 provisions, which shall be a part of the contract with the holders
20 of the bonds to be authorized:

21 (a) Provisions pledging the full faith and credit of the bank, or
22 pledging all or any part of the revenues of any project, or any
23 revenue-producing contract or contracts made by the bank with
24 any sponsor, or any other moneys of the bank, to secure the
25 payment of the bonds or of any particular issue of bonds, subject
26 to those agreements with bondholders as may then exist and
27 consistent with Sections 1 and 18 of Article XVI of the California
28 Constitution.

29 (b) Provisions setting out the rentals, fees, purchase payments,
30 loan repayments, and other charges, and the amounts to be raised
31 in each year thereby, and the use and disposition of the revenues.

32 (c) Provisions setting aside reserves or sinking funds, or
33 providing for the use of subordinated classes of bonds by the bank
34 or a special purpose trust, and the regulation and disposition
35 thereof.

36 (d) Limitations on the issuance of additional bonds, the terms
37 upon which additional bonds may be issued and secured, and the
38 refunding of outstanding bonds.

39 (e) The procedure, if any, by which the terms of any contract
40 with bondholders may be amended or abrogated, the amount of

1 bonds and the holders thereof that are required to give consent
2 thereto, and the manner in which the consent may be given.

3 (f) Limitations on the bank's expenditures for operation and
4 administration, or other expenses.

5 (g) Definitions of acts or omissions to act that constitute a
6 default in the duties of the bank to holders of its obligations, and
7 providing the rights and remedies of the holders in the event of a
8 default.

9 (h) The mortgaging of any project and the site thereof for the
10 purpose of securing the interests of the bondholders.

11 (i) The mortgaging of land, improvements, or other assets owned
12 by a sponsor or participating party for the purpose of securing the
13 interests of the bondholders.

14 64300.128. Neither the officers of the bank nor any person
15 executing the bonds of the bank or a special purpose trust shall be
16 personally liable for the bonds or be subject to any personal liability
17 or accountability by reason of the issuance thereof.

18 64300.130. The bank, a special purpose trust, or any sponsor
19 or participating party may, out of any funds available therefor,
20 purchase their respective bonds. The bank and a special purpose
21 trust may hold, pledge, cancel, or resell their bonds, subject to and
22 in accordance with agreements with bondholders.

23 64300.132. In the discretion of the bank, a special purpose
24 trust, or the sponsor, as the case may be, any bonds issued under
25 this chapter may be secured by a trust agreement between the bank,
26 a special purpose trust, or the sponsor and a corporate trustee or
27 trustees, that may include the Treasurer or any trust company or
28 bank having the powers of a trust company within or without the
29 state.

30 (a) The trust agreement or the resolution providing for the
31 issuance of the bonds may pledge or assign any funds or assets of
32 the bank or special purpose trust legally available for pledge or
33 assignment, all or a portion of the revenues to be received by the
34 bank, directly or indirectly, with respect to the project, or the
35 proceeds of any contract or contracts, loan or loan agreements,
36 bond or bond purchase agreements, and may convey or mortgage
37 the project or projects, or any portion thereof, to be financed out
38 of the proceeds of the bonds. The trust agreement or resolution
39 providing for the issuance of the bonds may contain provisions
40 for protecting and enforcing the rights and remedies of bondholders

1 as may be reasonable and proper and not in violation of law,
2 including provisions specifically authorized to be included in any
3 resolution or resolutions of the bank or a sponsor authorizing
4 bonds.

5 (b) Any bank or trust company doing business under the laws
6 of the state that may act as a depository of the proceeds of bonds
7 or of revenues or other moneys shall furnish indemnifying bonds
8 or pledge securities when required by the bank, a special purpose
9 trust, or a sponsor.

10 (c) The trust agreement may set forth the rights and remedies
11 of the bondholders and of the trustee or trustees, and may restrict
12 the individual right of action by bondholders. In addition, any trust
13 agreement or resolution may contain other provisions that the bank
14 may deem reasonable and proper for the security of the
15 bondholders.

16 (d) The trust agreement may provide for the pledge or
17 assignment of funds or moneys in the custody of the Controller
18 that are legally available to a sponsor and that are due or payable
19 to the sponsor by reason of any grant, allocation, apportionment,
20 or appropriation of the state or agencies thereof, and any legally
21 available funds or moneys that are or will be due or payable, to
22 any sponsor, the bank, the state or the agencies thereof by reason
23 of any grant, allocation, apportionment, or appropriation of the
24 federal government or agencies thereof.

25 64300.134. (a) Bonds issued under this chapter do not
26 constitute a debt or liability of the state or of any political
27 subdivision thereof, other than the bank or a special purpose trust,
28 and do not constitute a pledge of the full faith and credit of the
29 state or any of its political subdivisions, other than the bank or
30 special purpose trust, but are payable solely from the funds
31 provided therefor under this chapter and shall be consistent with
32 Sections 1 and 18 of Article XVI of the California Constitution.
33 This subdivision shall in no way preclude bond guarantees or
34 enhancements pursuant to this title. All the bonds shall contain on
35 the face thereof a statement to the following effect:

36 “Neither the full faith and credit nor the taxing power of the
37 State of California is pledged to the payment of the principal of,
38 or interest on, this bond.”

39 (b) The issuance of bonds under this chapter shall not directly
40 or indirectly or contingently obligate the state or any political

1 subdivision thereof to levy or to pledge any form of taxation
2 therefor or to make any appropriation for their payment. Nothing
3 in this section shall prevent, or be construed to prevent, the bank
4 from pledging the full faith and credit of the green infrastructure
5 bank fund to the payment of bonds or issuance of bonds authorized
6 pursuant to this chapter.

7 64300.136. The validity of any bonds issued under this chapter
8 shall not be affected by any proceedings related to the authorization
9 or implementation of the project financed by the bonds.

10 64300.138. (a) The bank or a special purpose trust may issue
11 bonds for the purpose of refunding any bonds, notes, or other
12 securities of the bank, a special purpose trust, or a sponsor then
13 outstanding, including the payment of any redemption premium
14 thereon and any interest accrued, or to accrue, on their earliest or
15 any subsequent date of redemption, purchase, or maturity of these
16 bonds. The bank, or a sponsor, if it deems advisable, may issue or
17 authorize a sponsor to issue bonds for the additional purpose of
18 paying all or any part of the cost of constructing and acquiring
19 additions, improvements, extensions, or enlargements of any
20 project or any portion thereof.

21 (b) The proceeds of any bonds issued for the purpose of
22 refunding outstanding bonds as provided in subdivision (a) may,
23 in the discretion of the bank, be applied to the purchase or
24 retirement at maturity or redemption of those outstanding bonds
25 either on their earliest or any subsequent redemption date or upon
26 the purchase or retirement at the maturity thereof and may, pending
27 this application, be placed in escrow to be applied to the purchase
28 or retirement at maturity or redemption of those outstanding bonds
29 on the date or dates as may be determined by the bank.

30 (c) Pending this use, the escrowed proceeds may be invested
31 and reinvested by the Treasurer or a trustee in obligations of, or
32 guaranteed by, the United States, or in certificates of deposit or
33 time deposits secured by obligations of, or guaranteed by, the
34 United States, maturing at the time or times appropriate to assure
35 prompt payment, of the principal, interest, and redemption
36 premium, if any, of the outstanding bonds to be refunded. The
37 interest, income, and profits, if any, earned or realized on the
38 investment may also be applied to the payment of the outstanding
39 bonds to be refunded. After the terms of the escrow have been
40 fully satisfied and carried out, any balance of the proceeds and

1 interest, income, and profits, if any, earned or realized on the
2 investments thereof, shall be returned to the agency for use in
3 carrying out the purposes of this act.

4 (d) The portion of the proceeds of the bonds issued for the
5 additional purpose of paying all or any part of the cost of
6 construction and acquiring additions, improvements, extensions,
7 or enlargements of any project may be invested and reinvested by
8 the Treasurer or a trustee in obligations of, or guaranteed by, the
9 United States, or in certificates of deposit or time deposits secured
10 by obligations of, or guaranteed by, the United States, maturing
11 not later than the time or times when these proceeds will be needed
12 for the purpose of paying all or any part of the cost. The interest,
13 income, and profits, if any, earned or realized on this investment
14 may be applied to the payment of all, or any part of, the cost or
15 may be used by the bank in carrying out the purposes of this act.

16 64300.140. Notwithstanding anything herein to the contrary,
17 this act shall be supplemental to, and not in lieu of, the right of
18 any sponsor to issue general obligation bonds or bonds that it is
19 otherwise lawfully authorized to issue or cause to be issued.

20 64300.142. Any and all bonds issued by the bank or a special
21 purpose trust, their transfer and the income therefrom, shall at all
22 times be free from taxation of every kind by the state and by all
23 political subdivisions of the state.

24 64300.144. (a) Any issue of revenue bonds by the bank may
25 be secured and made more attractive to capital markets through
26 financial instruments, including, but not limited to:

27 (1) Deeds of trust on the resources, facilities, and revenues of
28 the projects.

29 (2) Credit enhancements, including, but not limited to, letters
30 of credit, bond insurance, and surety bonds provided by private
31 financial institutions.

32 (3) Insurance and guarantees provided by the bank itself.

33 (b) The bank may make loans to help establish and support the
34 revolving loan funds of small business development corporations,
35 economic development corporations, community development
36 corporations, and nonprofit corporations. The loans may be made
37 from any appropriate account or subaccount of the California Green
38 Infrastructure Bank Fund and as determined by the bank.

39 64300.146. Whenever the bank deems that it will increase the
40 salability or the price of the bonds to obtain, prior to or after sale,

1 a legal opinion from private counsel as to the validity or tax-exempt
2 nature of the bonds, the bank may obtain a legal opinion. Payment
3 for legal services may be made out of the proceeds of the sale of
4 the bonds.

5 64300.148. The bank may employ financial consultants,
6 advisers, and accountants, as may be necessary in its judgment, in
7 connection with the issuance and sale of any bonds of the bank.
8 Payment for these services may be made out of the proceeds of
9 the sale of the bonds.

10 64300.150. Section 10295 and Sections 10335 to 10381,
11 inclusive, of the Public Contract Code shall not apply to agreements
12 entered into by the bank in connection with the sale of bonds or
13 notes authorized under this act.

14 SEC. 2. Section 39712 of the Health and Safety Code is
15 amended to read:

16 39712. (a) (1) It is the intent of the Legislature that moneys
17 shall be appropriated from the fund only in a manner consistent
18 with the requirements of this part and Article 9.7 (commencing
19 with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title
20 2 of the Government Code.

21 (2) The state shall not approve allocations for a measure or
22 program using moneys appropriated from the fund except after
23 determining, based on the available evidence, that the use of those
24 moneys furthers the regulatory purposes of Division 25.5
25 (commencing with Section 38500) and is consistent with law. If
26 any expenditure of moneys from the fund for any measure or
27 project is determined by a court to be inconsistent with law, the
28 allocations for the remaining measures or projects shall be
29 severable and shall not be affected.

30 (b) Moneys shall be used to facilitate the achievement of
31 reductions of greenhouse gas emissions in this state consistent
32 with this division and, where applicable and to the extent feasible:

33 (1) Maximize economic, environmental, and public health
34 benefits to the state.

35 (2) Foster job creation by promoting in-state greenhouse gas
36 emissions reduction projects carried out by California workers and
37 businesses.

38 (3) Complement efforts to improve air quality.

39 (4) Direct investment toward the most disadvantaged
40 communities and households in the state.

1 (5) Provide opportunities for businesses, public agencies,
2 nonprofits, and other community institutions to participate in and
3 benefit from statewide efforts to reduce greenhouse gas emissions.

4 (6) Lessen the impacts and effects of climate change on the
5 state's communities, economy, and environment.

6 (c) Moneys appropriated from the fund may be allocated,
7 consistent with subdivision (a), for the purpose of reducing
8 greenhouse gas emissions in this state through investments that
9 may include, but are not limited to, any of the following:

10 (1) Funding to reduce greenhouse gas emissions through energy
11 efficiency, clean and renewable energy generation, distributed
12 renewable energy generation, transmission and storage, and other
13 related actions, including, but not limited to, at public universities,
14 state and local public buildings, and industrial and manufacturing
15 facilities.

16 (2) Funding to reduce greenhouse gas emissions through the
17 development of state-of-the-art systems to move goods and freight,
18 advanced technology vehicles and vehicle infrastructure, advanced
19 biofuels, and low-carbon and efficient public transportation.

20 (3) Funding to reduce greenhouse gas emissions associated with
21 water use and supply, land and natural resource conservation and
22 management, forestry, and sustainable agriculture.

23 (4) Funding to reduce greenhouse gas emissions through
24 strategic planning and development of sustainable infrastructure
25 projects, including, but not limited to, transportation and housing.

26 (5) Funding to reduce greenhouse gas emissions through
27 increased in-state diversion of municipal solid waste from disposal
28 through waste reduction, diversion, and reuse.

29 (6) Funding to reduce greenhouse gas emissions through
30 investments in programs implemented by local and regional
31 agencies, local and regional collaboratives, and nonprofit
32 organizations coordinating with local governments, *including the*
33 *California Green Infrastructure Bank as described in Division 4*
34 *(commencing with Section 64300) of the Government Code.*

35 (7) Funding in research, development, and deployment of
36 innovative technologies, measures, and practices related to
37 programs and projects funded pursuant to this part.

- 1 _____
- 2 CORRECTIONS:
- 3 Text—Pages 14, 17, 18, 22, 23, 24, 25, 26, 27, 28, 29, 30, and 36.
- 4 _____

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