

SENATE THIRD READING

SB 769 (Caballero)

As Amended July 2, 2025

2/3 vote

SUMMARY

This bill establishes the Golden State Infrastructure Corporation (Corporation) as a not-for-profit entity within the State Treasurer's Office. Its purpose is to finance in-state infrastructure projects through both debt and equity financing. The bill also creates the continuously appropriated Golden State Infrastructure Corporation Fund to support these efforts. A board of directors will govern the Corporation.

Major Provisions**COMMENTS**

SB 769 aims to provide a long-term financing solution to enhance project efficiency, stimulate economic growth, and create jobs by establishing the Golden State Infrastructure Corporation (the Corporation) within the State Treasurer's Office. The Corporation will support a wide range of essential infrastructure projects, from transportation and water security to clean energy and housing, by leveraging both public and private investments through debt and equity financing.

The Corporation will be governed by a board of directors consisting of state officials and gubernatorial appointees with relevant expertise, mirroring the governance model of the California Infrastructure and Economic Development Bank. The Corporation will have broad powers to issue bonds, make loans, and finance infrastructure projects, with the state absolved from liability for its obligations. A continuously appropriated Golden State Infrastructure Corporation Fund will support its operations.

To ensure transparency, the Corporation's executive director must maintain a public website detailing activities, policies, meeting minutes, resolutions, and audited financial statements. The Corporation is required to report regularly to the Governor and Legislature. However, certain financing-related records may be exempt from public disclosure to protect private financial information, with provisions allowing closed-board sessions for sensitive discussions.

The Corporation may extend financing to infrastructure companies, governmental entities, or both, funded through available sources, including revenue bonds, which do not constitute state debt or obligations. Overall, the bill asserts that enhancing California's infrastructure is vital to economic growth and public welfare, necessitating a dedicated entity with broad financial authority to meet the state's infrastructure needs effectively.

According to the Author

According to the author, "SB 769 is a critical step to secure California's future to address the state's deferred maintenance and infrastructure needs with the creation of the Golden State Infrastructure Fund. This fund will utilize both public and private investments to support a wide range of essential projects, from transportation and water security to clean energy and housing. With a focus on efficiency and sustainability, this bill provides a long-term financing solution to ensure projects are completed on time and built to endure the challenges of tomorrow."

This legislation takes a bold approach to infrastructure funding, driving economic growth, creating jobs, and strengthening California's resilience. SB 769 is an investment in the state's future, ensuring we are prepared for the demands of a growing population and a changing climate."

Arguments in Support

Those in support of state SB 769 provide essential financial tools, such as bond issuance, low-interest loans, and access to independent funding sources, enabling the faster and more cost-effective completion of vital infrastructure projects. They claim that these improvements will benefit local communities and enhance the state's overall economy. Investing in infrastructure boosts economic competitiveness, improves quality of life, and reduces costs for families. Lawmakers are encouraged to continue supporting long-term, consistent investment in infrastructure to sustain these benefits.

Arguments in Opposition

None.

FISCAL COMMENTS

According to the appropriations committee:

- 1) One-time costs of an unknown, but likely significant amount, ranging from the tens of millions to hundreds of millions of dollars, presumably General Fund, for the Fund's initial capital base to support investments.
- 2) Ongoing General Fund costs of approximately \$1.1 million for the STO to hire five additional permanent staff and support associated operating expenses and equipment to establish the Corporation. To the extent that the workload associated with supporting the Corporation with existing STO staff until it can operate independently is not absorbable within STO's current resources, there may be significant costs, possibly in the hundreds of thousands of dollars, General Fund, for additional staff to support the corporation's regulatory, financial compliance, sales, marketing, and other operations. The bill authorizes the corporation to set and charge fees for entities or projects obtaining financing, which may offset the corporation's administrative costs.

VOTES

SENATE FLOOR: 35-2-3

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, McGuire, McNeerney, Menjivar, Niello, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NO: Choi, Jones

ABS, ABST OR NV: Limón, Ochoa Bogh, Reyes

ASM JUDICIARY: 10-0-2

YES: Kalra, Dixon, Bauer-Kahan, Bryan, Connolly, Harabedian, Pacheco, Papan, Stefani, Zbur

ABS, ABST OR NV: Macedo, Sanchez

ASM ECONOMIC DEVELOPMENT, GROWTH, AND HOUSEHOLD IMPACT: 6-0-2

YES: Solache, Patel, Petrie-Norris, Soria, Stefani, Wallis

ABS, ABST OR NV: Castillo, Bonta

ASM APPROPRIATIONS: 11-1-3

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

NO: Tangipa

ABS, ABST OR NV: Sanchez, Dixon, Ta

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