Office of Senate Floor Analyses
(916) 651-4171

UNFINISHED BUSINESS

Bill No: SB 769
Author: Caballero (D), et al.
Amended: 8/18/26
Vote: 27

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 10-0, 4/21/25
AYES: Ashby, Archuleta, Arreguín, Grayson, Niello, Richardson, Smallwood-Cuevas, Strickland, Umberg, Weber Pierson
NO VOTE RECORDED: Choi

SENATE JUDICIARY COMMITTEE: 13-0, 4/29/25
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25
AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Dahle

SENATE FLOOR: 35-2, 5/28/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Laird, McGuire, McNerney, Menjivar, Niello, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NOES: Choi, Jones
NO VOTE RECORDED: Limón, Ochoa Bogh, Reyes

ASSEMBLY FLOOR: Passed, 8/26/26

SUBJECT: The Golden State Infrastructure Corporation Act

SOURCE: California State Treasurer Fiona Ma

DIGEST: This bill establishes the Golden State Infrastructure Corporation (Corporation) within the State Treasurer's Office as a not-for-profit corporation for the purpose of financing infrastructure projects.

Assembly Amendments add coauthors, update definitions, require the Board to submit a report evaluating equitable access of all public agencies to financing from the Corporation, specify that projects financed by the Corporation are public works for which prevailing wages must be paid, limits funding extended by the Corporation to one-third of the total cost of the infrastructure project, and provides that for two years, at least 15 percent of all General Fund moneys in the Corporation Fund must be reserved for providing financing for infrastructure projects to priority governmental entities.

ANALYSIS:

Existing law:

1) Establishes the Governor's Office of Business and Economic Development (GO-Biz) within the Governor's Office for the purpose of serving as the lead state entity for economic strategy and marketing of California on issues relating to business development, private sector investment and economic growth. (Government Code (GC) §§ 12096 – 12098.5)

2) Establishes the Bergeson-Peace Infrastructure and Economic Development Bank Act and creates the California Infrastructure and Economic Development Bank (IBank). (GC § 63000 *et seq*.)

3) Establishes the GO-Biz as the administrator of the Fund. (GC § 63021)

4) Authorizes IBank to make loans, issue bonds, and provide other economic development assistance, among other things. (GC § 63050 *et seq*.)

This bill:

1) Establishes the (Corporation) within the State Treasurer's Office as a not-for-profit corporation for the purpose of financing infrastructure projects, governed by a Board of Directors (Board) comprised of various state officials or their designees and Governor's appointees with experience financing real property improvements and experience designing, developing, or constructing real property improvements. Subjects the corporation officers to the Political Reform Act of 1974. Requires the Treasurer to appoint an executive director and vests them with various powers. Authorizes the Board Chair to appoint a general counsel, a chief financial officer, and a chief operating officer. Grants

the Corporation various powers related to operations, including but not limited to making loans and borrowing money or issuing bonds and using the proceeds to finance infrastructure projects.

2) Absolves the state from being liable for any Corporation obligations and specifies that the Corporation is not required to pay taxes, other than those specified, with respect to any real or personal property the Corporation acquires or upon any Corporation income.

3) Tasks the Corporation executive director with creating a website that includes, at a minimum, a description of the past, present, and planned future activities of the Corporation, Corporation operational policies and agendas, meeting minutes, Board resolutions for the prior 12 months, and audited financial statements for the previous fiscal year. Requires the Corporation to submit a report on its activities to the Governor, the Legislature, and the Legislative Analyst's Office that is also posted on its website. Requires the Board to adopt Corporation operational policies.

4) Specifies that the Board, can meet in closed session to consider whether to approve or modify a financing in connection with an infrastructure company for an infrastructure project or to discuss the performance of any financing and requires the Board chair to announce in general terms the type, amount, and identity of the recipient of any financing to an infrastructure company for an infrastructure project approved during the closed session. Finds that in order to maintain the confidentiality of infrastructure companies' private financial information, it is necessary to exempt these records from public disclosure and to allow consideration of investments with private companies in a closed board session. Treats the Corporation as a public agency for purposes of bringing an action in Superior Court.

5) Authorizes the Corporation to extend financing to either an infrastructure company, a governmental entity, or a combination thereof, upon the affirmative vote of at least a quorum of the board. If a financing is approved by the Board, the Corporation may extend financing to the infrastructure company, or the governmental entity, or both, as applicable, from any source of available funds as determined by the executive director, including, but not limited to, the proceeds of any revenue bonds issued by the Corporation. Authorizes the Corporation to issue its revenue bonds to provide moneys for the Corporation's purposes, which may include, but shall not be limited to, providing financing to one or more governmental entities or infrastructure companies for one or more infrastructure projects. Authorizes the corporation to, out of any funds

available, purchase its bonds. Specifies that the issuance of bonds pursuant to this law does not directly or indirectly or contingently obligate the state or any political subdivision of the state to levy or to pledge any form of taxation or to make any appropriation for their payment.

6) Establishes a Golden State Infrastructure Corporation Fund (Corporation Fund) and specifies that all moneys in the Corporation Fund are continuously appropriated.

7) Requires the Board to submit a report to the Governor, the Legislature, and the Legislative Analyst's Office, and post on its website, evaluating the equitable access of all public agencies to financing from the infrastructure corporation fund. Specifies factors of the public agencies for purposes of this report and requires the report to include findings and recommendations to ensure equitable access to the infrastructure corporation fund across public agencies and local agencies of varying economic conditions, including, but not limited to, recommendations for changes in state law and to the Corporation's assessment policies, procedures, and outreach practices.

8) Specifies that projects financed by the Corporation are public works for which prevailing wages must be paid and that as a condition of receiving financing for a project from the Corporation, the project developer (unless the project is covered by a project labor agreement) must obtain an enforceable commitment from any entity undertaking construction, demolition, alteration, installation, repair, or maintenance work that the entity, and its contractors and subcontractors at every tier, will use a skilled and trained workforce to perform all work within an apprenticeable occupation in the building and construction trades. Clarifies that any reference to a "public entity" includes both a governmental entity and an infrastructure company.

9) Limits funding extended by the Corporation to one-third of the total cost of the infrastructure project, and provides that for two years, at least 15 percent of all General Fund moneys in the Corporation Fund must be reserved for providing financing for infrastructure projects to priority governmental entities

10) Makes various findings and declarations that improvements and additions to the existing infrastructure landscape are vital to supporting the growth of the California economy, businesses and governments depend on a well-conceived and functioning system of public improvements, the current pace of infrastructure development and construction in California is not sufficient to meet the needs of California's population and economy, it is a public policy necessity to support the expansion and enhancement of infrastructure,

California needs to create an entity structured with broad authority to provide financing, and to participate in the financial markets, to fund the development and improvement projects of key infrastructure projects, and that the public policies and responsibilities of California, cannot be fully obtained without the creation of the Golden State Infrastructure Corporation.

Background

GO-Biz. In February 2010, the Little Hoover Commission undertook a review of the state's economic and workforce development programs. In its final report, *Making up for Lost Ground: Creating a Governor's Office of Economic Development*, it analyzed the status and effectiveness of current programs since the 2003 demise of the Technology, Trade and Commerce Agency (TTCA) and recommended the creation of a new governmental entity to fill the void left by the dismantled agency.

The report called for a single entity that would promote greater economic development, foster job creation, serve as a policy advisor and deliver specific services (i.e., permitting, tax, regulatory, and other information) directly to the California business community. In April 2010, Governor Schwarzenegger issued Executive Order S-05-10 as a means to operationalize the report recommendations including the creation of the Governor's Office of Economic Development (GOED).

In October 2011, the Governor signed AB 29 (John A. Pérez, Chapter 475, Statutes of 2011), which effectively codified GOED and changed its name to GO-Biz. Since its inception, the office has served thousands of businesses, 95 percent of which are small businesses. The most frequent types of assistance include help with permit streamlining, starting a business, relocation and expansion of businesses, and regulatory challenges.

In March 2012, Governor Brown initiated a reorganization process to realign the state's administrative structure. Key changes include dismantling of the Business, Transportation and Housing Agency and the shifting of a number of key programs to GO-Biz including the Small Business Loan Guarantee Program, the California Travel and Tourism Commission, the California Film Commission, the Film California First Program, and the Infrastructure and Economic Development Bank (IBank). Currently, GO-Biz administers the following programs and units:

- Made In California program for the purpose of encouraging consumer product awareness and to foster the purchases of products manufactured in California.

- The California Inclusive Innovation Hub Program (iHub2) to incubate and/or accelerate technology and science-based firms, with a focus on underserved regions and communities.

- The California Competes Tax Credit Program under which "businesses who want to come to California or stay and grow in California" can receive an income tax credit.

- The California Business Investment Services Unit, which provides no-fee, tailored site selection services to employers and others who may be considering California for relocation or expansion.

- The California Business Portal, which provides information to California businesses about common questions, permitting, financial options, and more.

- The California Community Reinvestment Grants Program, which was included in Proposition 64, authorized GO-Biz to award grants to local health departments and certain nonprofit organizations to support communities disproportionately affected by the War on Drugs.

- Office of the Small Business Advocate which provides information and assistance to small businesses.

- The Zero Emission Vehicles (ZEV) Infrastructure Unit which works to accelerate the deployment of ZEV infrastructure.

- The International Affairs and Business Development Unit, which serves as California's primary point of contact for expanding international trade and investment relations. This unit focuses on foreign direct investment (services for foreign investors, foreign investment technical assistance, and the EB-5 Investor Visa Program), international trade promotion (STEP program, trade missions, export assistance, and the California-China Trade Office), and international agreements.

IBank and Infrastructure Loans. According to its website, IBank exists within GO-Biz and "was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. IBank's current programs include the Infrastructure State Revolving Fund (ISRF) Loan Program, California Lending for Energy and Environmental Needs (CLEEN) Center, the Climate Catalyst Revolving Loan fund, Small Business Finance Center and the Bond Financing Program."

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Assembly Committee on Appropriations, this bill will result in 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 and ongoing General Fund costs of approximately $1.1 million for the State Treasurer's Office to hire five additional permanent staff and support associated operating expenses and equipment to establish the Corporation.

SUPPORT: (Verified 8/26/26)

California State Treasurer Fiona Ma (source)
American Society of Civil Engineers-Region 9
Associated General Contractors of California
Associated General Contractors, California Chapters
Associated General Contractors-San Diego Chapter
Association of California Cities - Orange County
AV Edge (Antelope Valley Economic Development & Growth Enterprise)
California Alliance for Jobs
California Public Banking Alliance
California Transit Association
City of Los Alamitos
City of Merced
County of Los Angeles Board of Supervisors
North County Transit District
Pacific Gas and Electric Company and its Affiliated Entities
Rural County Representatives of California
San Diego Gas and Electric Company
State Building & Construction Trades Council of California

OPPOSITION: (Verified 8/26/26)

None received for this version of the bill.

ARGUMENTS IN SUPPORT: California State Treasurer Fiona Ma writes that "Our bridges, transit systems, energy grids, and water infrastructure are aging, overburdened, and in some cases, dangerously out of date…California is preparing to host some of the world's most high-profile events in the coming years, including the 2026 World Cup, the 2028 Olympic and Paralympic Games, and multiple Super Bowls. These events will draw millions of visitors and global attention – but we do not currently have the infrastructure to support them at the scale required. If we want to showcase California at its best and ensure these events benefit our communities, we must begin investing now."

Suppoerts say this bill provides essential financial tools that will directly lead to substantial cost savings and accelerate vital infrastructure projects, ultimately benefiting local communities and the state's broader economy. According to supporters, California cannot afford to wait while critical infrastructure needs go unmet. Establishing the Golden State Infrastructure Corporation is a necessary step toward building resilient, locally controlled resources that maximize California's funding mechanisms to support projects across the state.

Prepared by: Sarah Mason / B., P. & E.D. /916-651-4104
8/26/26 16:44:53

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