

Date of Hearing: April 5, 2016

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE
ECONOMY

Eduardo Garcia, Chair

AB 2605 (Nazarian) – As Amended March 18, 2016

SUBJECT: State Government: Office of Permit Assistance

SUMMARY: Updates code sections to reflect the elimination of the Office of Permit Assistance which had been administered through the Technology, Trade, and Commerce Agency (TTCA) and the Office of Permit Assistance which had been operated by the Governor's Office of Planning and Research (OPR). Neither of these two Offices of Permit Assistance currently exist. In some instances another state entity is assigned the task and in other cases the Office of Permit Assistance duty is eliminated. Specifically, **this bill:**

- 1) Replaces the Office of Permit Assistance formerly operated by OPR with the Governor's Office of Business and Economic Development (GO-Biz) as the entity to which developers needing information and assistance on the permit approval process are referred. Under existing law, a state agency which is the lead agency for a development project is required to inform a permit applicant that the OPR Office of Permit Assistance is available to provide information about the permitting process.
- 2) Deletes the requirement that a final report be filed upon the conclusion of a state mediated land use dispute, including mediation on public actions related to local general plans and zoning, the California Environmental Quality Act, development impact fees, annexations and incorporations, and the Permit Streamlining Act. This information was to be used to prepare a report that is no longer required. Also deletes an out-of-date reference to the Office of Permit Assistance at the former TTCA as the entity that the final report is to be filed.
- 3) Removes the requirement that OPR's Office of Permit Assistance assist, among other things, in identifying state and local permits required for proposed hazardous waste facility projects; convene meetings prior to the submittal of project applications; assist state and local agencies in consolidating public meetings and hearings permitted or required by law; work with applicants to ensure decision making deadlines are met; and call meetings and conferences to resolve questions or mediate disputes.
- 4) Replaces OPR's Office of Permit Assistance with the Department of Toxic Substances Control as the responsible agency for notifying affected state agencies regarding the filing of a notice of intent to file an application for the siting of a hazardous waste facility, and the convening of a public meeting to inform the public on the nature, function, and scope of a proposed hazardous waste facility. The Department of Toxic Substances Control also becomes the state government entity notified by a local agency following a land use decision related to the siting of a new hazardous waste facility.
- 5) Deletes the option for a local assessment committee and a proponent of a hazardous waste facility to request assistance from OPR's Office of Permit Assistance to help resolve differences that occur during the review and evaluation of the facility permit application. No replacement government entity is provided.

- 6) Deletes the requirement that the Office of Permit Assistance, at the former TTCA, offer assistance to local governments interested in establishing an expedited permit process related to the Transit Village Development Planning Act of 1994.
- 7) Deletes the requirement for the Commission to coordinate local assistance with the Office of Permit Assistance at the former TTCA relating to the siting of renewable energy projects.

EXISTING LAW:

- 1) Authorizes GO-Biz to market business and investment opportunities available in California by working in partnership with local, regional, federal, and other state public and private institutions to encourage business development and investment in the state.
- 2) Authorizes GO-Biz to support small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small business.
- 3) Authorizes GO-Biz to provide, including, but not limited to, all of the following:
 - a) Economic and demographic data;
 - b) Financial information to help link businesses with state and local public and private programs;
 - c) Workforce information, including, but not limited to, labor availability, training, and education programs;
 - d) Transportation and infrastructure information;
 - e) Assistance in obtaining state and local permits;
 - f) Information on tax credits and other incentives; and
 - g) Permitting, siting, and other regulatory information pertinent to business operations in the state.
- 4) Authorizes GO-Biz to work cooperatively with local, regional, federal, and other state public and private marketing institutions and trade organizations in attracting, retaining, and helping businesses grow and be successful in California.

FISCAL EFFECT: Unknown

POLICY ISSUE FRAME

It is the author's intent that this bill remove outdated provisions of the code relating to the duties of the Office of Permit Assistance, previously undertaken by the TTCA and OPR. In reviewing the measure for hearing, the JEDE staff have requested information on the prior duties and asked for conformation from the state entities which are proposed to take on the new duties. In each case, confirmation has been provided.

Technical and code maintenance bills can be deceptively complex. While the bill addresses several code deficiencies, two policy issues arise with those changes. The first issue being the

assignment of permit assistance responsibilities to GO-Biz. While GO-Biz is ready to step in and currently operates a unit that provides permit assistance, GO-Biz may need additional statutory direction to become statutorily responsible for this new duty.

In the second issue, a section is struck regarding the assistance of the OPR Office of Permit Assistance in helping to resolve ongoing differences between a local assessment committee and an applicant for siting a new hazardous waste facility. It may be prudent to retain the duty and assign a different state entity to facilitating disputes.

The analysis includes background on the statutory history of the Office of Permit assistance and GO-Biz' current Permit Assistance Unit. Amendments are discussed in Comment 3.

COMMENTS:

- 1) **Author Purpose:** According to the Author, "In 2003, the Legislature abolished the State Technology, Trade and Commerce Agency, including with it the Office of Permit Assistance. The GO-Biz Permit Assistance Unit is now responsible for many of the duties previously given to the Office of Permit Assistance, including providing direct permit assistance to businesses, administering Cal-GOLD, and assisting with permitting projects of statewide importance.

Additionally, since the abolishment of the Office of Permit Assistance, the Department of Toxic Substances Control has taken over the functions related to the permitting of hazardous waste facilities. However, current law still prescribes many aforementioned duties to the old Office of Permit Assistance. AB 2605 makes clarifying changes related to GO-Biz and the Department of Toxic Substance Control reduces ambiguity and overall, advances the state goal of empowering and creating business growth in the state of California."

- 2) **Permit Assistance Unit at GO-Biz:** The Permit Assistance Unit within GO-Biz provides businesses with comprehensive permit, regulatory, and compliance assistance. Among other services, the unit schedules pre-application meetings between businesses and the appropriate regulatory agencies to help streamline the permitting process. In some instances, GO-Biz can assign a project manager to personally guide an applicant through the entire permit process. Services are confidential and provided without cost. The goal of the unit is to help businesses solve permitting and regulatory challenges.

The Office of Permit Assistance works in partnership with the California Business Investment Service, and other GO-Biz units in serving employers, corporate executives, business owners, and site location consultants who are considering California for business investment and expansion.

The unit is also responsible for maintaining the California Government Online to Desktops (CalGOLD) website. At www.calgold.ca.gov businesses can obtain a list of the required federal, state, and local permits; webpage links; addresses; application forms; and other contact information. In July 2015, GO-Biz launched the California Business Portal which expanded on the utility and availability of a searchable online application that could provide individualized information to businesses.

<http://www.business.ca.gov/Programs/Permits.aspx>

- 3) **Uncodified Program at GO-Biz:** The Permit Assistance Unit was established by GO-Biz, based on its statutory authority to provide assistance to businesses in obtaining state and local permits and support small businesses with complying with regulatory requirements, which may include permitting. Prior to the demise of the TTCA, the state operated an Office of Permit Assistance and maintained small regional offices to help businesses obtain permits.

As an uncodified program, a future Administration may choose to not operate a Permit Assistance Office. Current statute does not require GO-Biz to offer permit assistance, statute only authorizes the activity among an array of other actions GO-Biz may take. Members may wish to consider first establishing a Permit Assistance Program in statute, thereby making it clear that permit assistance is a primary duty of GO-Biz.

- 4) **Challenges with Tracking Business Assistance:** When GO-Biz was codified in 2011, it had limited technology capabilities. Business services were largely tracked through unit-specific data bases, which could not easily account for a business who received assistance through multiple units within GO-Biz or quickly produce a report differentiating between in-state and out-of-state businesses. It is not unusual, as an example, for a business looking to relocate to California to work with the Permit Assistance Unit, the California Business Investment Services, and the Office of Innovation and Entrepreneurship.

GO-Biz recognized these data collection and retrieval challenges and is currently in the process of transitioning to a new Customer Relationship Management computer-based platform. According to GO-Biz, the new system, related to the development of the California Business Portal, will allow for improved data management.

Members may wish to pursue a discussion with GO-Biz on the content of the new tracking criteria so that in the future, GO-Biz can provide timely reports on the businesses seeking permit assistance, including the headquarters of those businesses, and the types of permit challenges the businesses were experiencing.

- 5) **Related Legislation:** Below is a list of the related bills.
- a) ***SB 992 (Garamendi) Office of Permit Assistance:*** This bill created the Office of Permit Assistance within the Office of Planning and Research and delegated certain responsibilities, including providing information to developers and mediating disputes. Status: Signed by the Governor, Chapter 1263, Statutes of 1983.
 - b) ***AB 2351 (Assembly Ways and Means) Permit Assistance at the Commerce Agency:*** This bill, among other actions, eliminated the Office of Permit Assistance at the Governor's Office of Planning and Research and established the Department of Permit Assistance at the California Trade and Commerce Agency. The new department was vested with all of the duties and purposes of the Office of Permit Assistance. Status: Signed by the Governor, Chapter 56, Statutes of 1993
 - c) ***AB 1102 (Jackson) Regional Permit Assistance Centers:*** This bill defined the duties of the Deputy Secretary for Enforcement and the Deputy Secretary for External Affairs in the California Environmental Protection Agency. The bill also authorized the establishment of Permit Assistance Centers, and environmental management system pilot projects. Status: Signed by the Governor, Chapter 65, Statutes of 1999.

- d) ***AB 1756 (Assembly Budget Committee) Repeal of Commerce Agency and Permit Centers:*** This bill eliminated the Technology, Trade and Commerce Agency, including the Office of Permit Assistance. Some programs were transferred to other agencies, including the Small Business Loan Guarantee Program and the California Business Investment Services. The bill also eliminated the authority for the regional Permit Assistance Centers. Status: Signed by the Governor, Chapter 228, Statutes of 2003.
- 6) **Double Referral:** This measure has been double referred to the Assembly Committee on Jobs, Economic Development, and the Economy and the Assembly Committee on Environmental Safety and Toxic Materials (ESTM). Should this measure pass JEDE, it will be referred to ESTM for further policy consideration.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Association for Local Economic Development (sponsor)

Opposition

None Received

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