

Sections 14932, 14934, and 14936 of the Government Code are amended to read:

14932.

As described in this chapter, ~~The~~ **the** department is authorized to structure, administer, and maintain the GS \$Mart Program. ~~The~~ **The GS \$Mart Program is** ~~the state's centralized a~~ financing program **that is** available **for use only by** ~~for~~ state agencies to finance certain goods and services as set forth in this chapter.

(Added by Stats. 2013, Ch. 28, Sec. 16. (SB 71) Effective June 27, 2013.)

14934.

(a) Notwithstanding any other law, state agencies that are statutorily authorized to acquire assets listed in subdivision (b) are hereby eligible to apply to the GS \$Mart Program to enter into agreements for financing those assets without further competitive bidding.

(b) ~~(1)~~ Assets eligible for financing pursuant to the GS \$Mart Program include all of the following:

~~(A)~~ **(1)** Energy efficiency measures as described in Section 4217.11 or energy savings contracts as described in Section 388 of the Public Utilities Code.

~~(B)~~ **(2)** Goods as defined in Section 10290 of the Public Contract Code.

~~(C) Services as described in Section 10335 of the Public Contract Code.~~

~~(D)~~ **(3)(A)** Technology goods or services as described in Section 11532 or information technology as defined in subparagraph ~~(2)~~ **(B)** that are capital assets eligible for tax exempt financing consistent with the Internal Revenue Code as confirmed by an opinion of bond counsel, as described in paragraph (3) of subdivision (a) of Section 14936.

~~(2)~~ **(B)** Information technology includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, including voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

(c) State agencies may refinance any eligible asset through the GS \$Mart Program for the purpose of lowering financing costs or consolidating payments, or when refinancing will achieve an overall benefit and cost savings to the state.

(d) The department shall annually provide a report by September 1 of each year to the Joint Legislative Budget Committee, the State Treasurer's Office, and the Department of Finance that shall include, but not be limited to, the following information for each loan entered into during the preceding fiscal year:

(1) Each **state** agency that entered into a GS \$Mart ~~loan~~ **financing**.

(2) The amount financed by each ~~loan~~ **financing**.

(3) The term of each ~~loan~~ **financing**.

(4) A description of the item, good, or service financed by each ~~loan~~ **financing**.

(5) The total amount of outstanding GS \$Mart ~~loans~~ **financings**.

(Added by Stats. 2013, Ch. 28, Sec. 16. (SB 71) Effective June 27, 2013.)

14936.

(a) The department shall develop a financing process that requires, but shall not be limited to, all of the following:

(1) Confirmation that the term of financing shall be limited to the average expected economic life of the asset or assets.

(2) Certification that the asset or assets to be financed are eligible under Section 14934.

(3) ~~A submission of an~~ **An** opinion of counsel from ~~a~~ **a** ~~an independent law firm of recognized standing in the field of law~~ **admitted to the State Treasurer's Office most current approved bond counsel pool** relating to the exemption from federal income taxation on state or local bonds confirming that the assets subject to the financing qualify for tax exempt financing consistent with the Internal Revenue Code. **Subject to Sections 11040, 11042, and 11045, the department shall obtain this service with such law firm by way of written contract.**

(4) The preparation and submission of payment schedules to the Controller for use by the Controller in transferring funds appropriated in the annual Budget Act to the state agency for payments due under the financing program.

(5) Prior approval by the Department of Finance **and the State Treasurer's Office of the financing terms and conditions, certificates and other agreements used for the GS \$Mart Program.**

(6)(A) Prior approval of the terms and conditions of the financing by the Treasurer for each financing over \$10,000,000 **by the State Treasurer's Office.**

(B) Notwithstanding Chapter 9 of Division 6 of Title 1 (commencing with Section 5700), GS \$Mart financings shall not be considered "bonds" as defined in section 5700. and prior

(7) Prior approval of the State Public Works Board for any financing that affects a facility encumbered by lease-revenue bonds issued by the Board.

(8)(A) Notice to the Department of Finance and the State Treasurer's Office of each financing prior to seeking a request for rate quote for that financing.

(B) Notice shall identify the following:

(i) The state agency seeking to enter into a GS \$Mart financing.

(ii) Assets to be financed.

(iii) Physical address at which the asset is to be located.

(iv) The estimated amount to be financed.

(v) The estimated closing date of the financing.

(b) The Controller may direct the transfer of funds according to the schedule or schedules submitted by the department pursuant to the GS \$Mart Program.

(c) The department, ~~in consultation~~ with the Department of Finance **oversight**, shall be responsible for the continued development and administration of, at a minimum, financing applications, instructions, and application approval pursuant to the GS \$Mart Program.

(Added by Stats. 2013, Ch. 28, Sec. 16. (SB 71) Effective June 27, 2013.)