



NEWS RELEASE

CALIFORNIA STATE TREASURER BILL LOCKYER

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Treasurer Lockyer Applauds Federal Legislation to Help High Tech, Biotech and Other Knowledge-Based Companies Grow

SACRAMENTO – State Treasurer Bill Lockyer issued the following statement on the introduction today of federal legislation to provide high tech, biotech and other knowledge-based companies access to tax-exempt bond financing:

“This is an excellent economic stimulus measure for California. Our state stands at the forefront of the knowledge-based economy. Providing tax-exempt bond financing for these firms will allow them to grow in California, create thousands of high-paying jobs, and further sharpen our state’s competitive edge. Our leadership in the biotech and high-tech fields is well-known. But we’re also positioning California to be a vanguard in the lesser-known nanotech and geospatial tech sectors. Many of these firms are small businesses, which drive our economy. I will work for the measure’s passage, then work to ensure California businesses benefit from this low-cost financing.”

The bipartisan legislation is sponsored by U.S. Sens. John Kerry, D-Massachusetts, and Olympia Snowe, R-Maine. It would make knowledge-based firms eligible for tax-exempt, industrial development bond (IDB) financing by expanding the definition of “manufacturing facility.” Current federal law defines “manufacturing facility” as one that produces tangible property. The measure would broaden the definition to include facilities that manufacture, create or produce intangible property.

The expanded definition would be sufficiently broad to cover software, patents, copyrights, formulas, processes, designs, patterns, know-how, format and similar intellectual property. Under this new definition, knowledge-based businesses could access low-cost, tax-exempt IDB financing.

California is the hub of the country’s biotech industry. The state is home to 375 of the nation’s 1,415 biotech companies and 53,000 of the nation’s 250,000 biotech workers. About two-thirds of biotech firms employ 135 workers or fewer. In California, occupations identified as geospatial technology-related are expected to add roughly 100,000 new jobs across all industries by 2014.

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