

Introduced by Senator Cedillo

January 17, 2007

An act to add Section 53083 to the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

SB 103, as introduced, Cedillo. Economic development subsidies: review by local agencies.

(1) Existing law provides for various programs for economic development activities by state and local agencies.

This bill would, beginning January 1, 2008, require each local agency to provide specified information to the public before approving any economic development subsidy, as defined, within its jurisdiction, and to review, hold hearings, and report on those subsidies at specified intervals. By requiring a higher level of service of local agencies, this bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 53083 is added to the Government Code,
2 to read:

3 53083. (a) On and after January 1, 2008, each local agency
4 shall, prior to approving any economic development subsidy within
5 its jurisdiction, provide all of the following information in written
6 form available to the public, and through its Web site, if applicable:

7 (1) The name and address of the entity or individual that is the
8 beneficiary of the economic development subsidy, if applicable.

9 (2) The start and end dates and schedule, if applicable, for the
10 economic development subsidy.

11 (3) The total amount of the expenditure of public funds by, or
12 of revenue lost to the jurisdiction, as a result of the economic
13 development subsidy.

14 (b) On or before October 1, 2009, and on or before October 1
15 in each odd-numbered year thereafter, the local agency shall
16 prepare a report for each economic development subsidy approved
17 after January 1, 2008. For an economic development subsidy that
18 will exist for 40 years or more, the report shall be prepared only
19 once every six years. The report shall contain the information
20 described in subdivision (a). The local agency shall make the report
21 available to the public and through its Web site, if applicable.

22 (c) On or before November 1, 2009, and on or before November
23 1 in each odd-numbered year thereafter, the local agency shall
24 hold a public hearing to consider any written or oral comments on
25 the information contained in the report prepared pursuant to
26 subdivision (b).

27 (d) The local agency shall provide a final report at the conclusion
28 of each economic development subsidy that would include, but
29 not be limited to, the information described in subdivision (a), in
30 written form available to the public, and through its Web site, if
31 applicable.

32 (e) As used in this section, the following terms have the
33 following meanings:

34 (1) "Economic development subsidy" means any expenditure
35 of public funds or loss of revenue to a local agency in the amount
36 of twenty-five thousand dollars (\$25,000) or more, for the purpose
37 of stimulating economic development within a local agency,
38 including, but not limited to, bonds, grants, loans, loan guarantees,

1 enterprise zone or empowerment zone incentives, tax-increment
2 financing, fee waivers, land price subsidies, matching funds, tax
3 abatements, tax exemptions, and tax credits.

4 (2) “Local agency” means a city, including a charter city, county,
5 city and county, and community redevelopment agency.

6 SEC. 2. The Legislature finds and declares that the right of the
7 public to be informed of economic development subsidies approved
8 by their local agencies, as described in Section 53083 of the
9 Government Code, as added by Section 1 of this act, is a matter
10 of statewide concern, and not a municipal affair, as that term is
11 used in Section 5 of Article XI of the California Constitution.

12 SEC. 3. If the Commission on State Mandates determines that
13 this act contains costs mandated by the state, reimbursement to
14 local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code.