

AMENDED IN ASSEMBLY APRIL 13, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2476

**Introduced by Assembly ~~Member~~ Members V. Manuel Perez and
Caballero**

February 19, 2010

An act to amend Sections 7072 and 7072.5 of the Government Code,
relating to enterprise zones.

LEGISLATIVE COUNSEL'S DIGEST

AB 2476, as amended, V. Manuel Perez. Enterprise zones: targeted
employment area.

The Enterprise Zone Act authorizes a governing body to include a
targeted employment area in an enterprise zone to encourage businesses
to hire eligible residents of certain geographic areas.

This bill would modify the definition of a targeted employment area.

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

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

- 1 SECTION 1. Section 7072 of the Government Code is amended
2 to read:
3 7072. For purposes of this chapter, the following definitions
4 shall apply:
5 (a) "Department" means the Department of Housing and
6 Community Development.
7 (b) "Date of original designation" means the earlier of the
8 following:

- 1 (1) The date the eligible area receives designation as an
2 enterprise zone by the department pursuant to this chapter.
- 3 (2) In the case of an enterprise zone deemed designated pursuant
4 to subdivision (e) of Section 7073, the date the enterprise zone or
5 program area received original designation by the former Trade
6 and Commerce Agency pursuant to Chapter 12.8 (commencing
7 with Section 7070) or Chapter 12.9 (commencing with Section
8 7080), as those chapters read prior to January 1, 1997.
- 9 (c) “Eligible area” means any of the following:
- 10 (1) An area designated as an enterprise zone pursuant to Chapter
11 12.8 (commencing with Section 7070), as it read prior to January
12 1, 1997, or as a targeted economic development area, neighborhood
13 development area, or program area pursuant to Chapter 12.9
14 (commencing with Section 7080), as it read prior to January 1,
15 1997.
- 16 (2) A geographic area that, based upon the determination of the
17 department, fulfills at least one of the following criteria:
- 18 (A) The proposed geographic area meets the Urban Development
19 Action Grant criteria of the United States Department of Housing
20 and Urban Development.
- 21 (B) The area within the proposed eligible area has experienced
22 plant closures within the past two years affecting more than 100
23 workers.
- 24 (C) The city or county has submitted material to the department
25 for a finding that the proposed geographic area meets criteria of
26 economic distress related to those used in determining eligibility
27 under the Urban Development Action Grant Program and is
28 therefore an eligible area.
- 29 (D) The area within the proposed zone has a history of
30 gang-related activity, whether or not crimes of violence have been
31 committed.
- 32 (3) A geographic area that meets at least two of the following
33 criteria:
- 34 (A) The census tracts within the proposed eligible area have an
35 unemployment rate not less than 3 percentage points above the
36 statewide average for the most recent calendar year as determined
37 by the Employment Development Department.
- 38 (B) The county of the proposed eligible area has more than 70
39 percent of the children enrolled in public school participating in
40 the federal free lunch program.

1 (C) The median household income for a family of four within
2 the census tracts of the proposed eligible area does not exceed 80
3 percent of the statewide median income for the most recently
4 available calendar year.

5 (d) “Enterprise zone” means any area within a city, county, or
6 city and county that is designated as an enterprise zone by the
7 department in accordance with Section 7073.

8 (e) “Governing body” means a county board of supervisors or
9 a city council, as appropriate.

10 (f) “G-TEDA” means a geographically targeted economic
11 development area, which is an area designated as an enterprise
12 zone, a Manufacturing Enhancement Area, a targeted tax area, or
13 a local agency military base recovery area.

14 (g) “High-technology industries” includes, but is not limited to,
15 the computer, biological engineering, electronics, and
16 telecommunications industries.

17 (h) “Resident,” unless otherwise defined, means a person whose
18 principal place of residence is within a targeted employment area.

19 (i) (1) “Targeted employment area” means either of the
20 following:

21 (A) For an area designated on or before December 31, 2010, an
22 area within a city, county, or city and county that is composed
23 solely of those census tracts designated by the United States
24 Department of Housing and Urban Development as having at least
25 51 percent of its residents of low- or moderate-income levels, using
26 either the most recent United States Department of Census data
27 available at the time of the original enterprise zone application or
28 the most recent census data available at the time the targeted
29 employment area is designated to determine that eligibility.

30 (B) For an area designated on or after January 1, 2011, or for a
31 targeted employment area designated before January 1, 2011,
32 following the release of 2010 census data; *and* subject to the *update*
33 deadline in paragraph (5), ~~means~~ an area within a city, county, or
34 city and county that is composed solely of those census block
35 groups designated by the United States Department of Housing
36 and Urban Development as having at least 61 percent of its
37 residents as low- or moderate income levels, using the most recent
38 census data available at the time the targeted employment area is
39 designated to determine that eligibility.

1 (2) The purpose of a “targeted employment area” is to encourage
2 businesses in an enterprise zone to hire eligible residents of certain
3 geographic areas within a city, county, or city and county. A
4 targeted employment area may be, but is not required to be, the
5 same as all or part of an enterprise zone. A targeted employment
6 area’s boundaries need not be contiguous. A targeted employment
7 area does not need to encompass each eligible census tract or block
8 group within a city, county, or city and county. The governing
9 body of each city, county, or city and county that has jurisdiction
10 of *over* the enterprise zone shall identify those census tracts or
11 block groups whose residents are in the most need of this
12 employment targeting. Only those census tracts or block groups
13 within the jurisdiction of the city, county, or city and county that
14 has jurisdiction of *over* the enterprise zone may be included in a
15 targeted employment area.

16 (3) At least a part of each eligible census tract or block group
17 within a targeted employment area shall be within the territorial
18 jurisdiction of the city, county, or city and county that has
19 jurisdiction for an enterprise zone. If an eligible census tract or
20 block group encompasses the territorial jurisdiction of two or more
21 local governmental entities, all of those entities shall be a party to
22 the designation of a targeted employment area. However, any one
23 or more of those entities, by resolution or ordinance, may specify
24 that it shall not participate in the application as an applicant, but
25 shall agree to complete all actions stated within the application
26 that apply to its jurisdiction, if the area is designated.

27 (4) Each local governmental entity of each city, county, or city
28 and county that has jurisdiction of an enterprise zone shall approve,
29 by resolution or ordinance, the boundaries of its targeted
30 employment area, regardless of whether a census tract or block
31 group within the proposed targeted employment area is outside
32 the jurisdiction of the local governmental entity.

33 (5) (A) Within 180 days of updated United States census data
34 becoming available, each local governmental entity of each city,
35 county, or city and county that has jurisdiction of an enterprise
36 zone shall approve, by resolution or ordinance, boundaries of its
37 targeted employment area reflecting the new census data. If no
38 changes are necessary to the boundaries based on the most current
39 census data, the enterprise zone ~~may~~ *shall* send a letter to the
40 department stating that a review has been undertaken by the

1 respective local governmental entities and no boundary changes
2 are required.

3 (B) A targeted employment area boundary approved prior to
4 the 2000 United States census data becoming available that has
5 not been reviewed and its boundaries revised to reflect the most
6 recent census data, shall be reviewed and updated, and a new
7 resolution or ordinance submitted by the appropriate local
8 governmental entity to the department, by July 1, 2007. However,
9 enterprise zones that expire on or prior to December 31, 2008,
10 shall be exempt from the update requirement.

11 SEC. 2. Section 7072.5 of the Government Code is amended
12 to read:

13 7072.5. (a) For a targeted employment area designated on or
14 before December 31, 2010, a targeted employment area shall be
15 comprised of census tracts from only one decennial census.

16 ~~For~~

17 (b) For a targeted employment area designated on or after
18 January 1, 2011, or for a targeted employment area designated
19 before January 1, 2011, following the release of the 2010 census
20 data, subject to the deadlines in paragraph (5) of subdivision (i)
21 of Section 7072, a targeted employment area shall be comprised
22 of census block groups from only one decennial census.

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25 **CORRECTIONS:**

26 **Text—Pages 3 and 4.**

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