

AMENDED IN SENATE MAY 1, 2012
AMENDED IN SENATE APRIL 9, 2012
AMENDED IN SENATE FEBRUARY 15, 2012
AMENDED IN ASSEMBLY MAY 27, 2011
AMENDED IN ASSEMBLY MARCH 29, 2011
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 484

Introduced by Assembly Member Alejo
(Principal coauthor: Assembly Member Knight)
(Coauthor: Senator Runner)

February 15, 2011

An act to amend Section 7074.2 of the Government Code, relating to enterprise zones.

LEGISLATIVE COUNSEL'S DIGEST

AB 484, as amended, Alejo. Enterprise zones: expiration of designation.

The Enterprise Zone Act requires the Department of Housing and Community Development to administer the act and to designate no more than 42 enterprise zones at any one time that may be proposed by a city, county, or city and county from applications selected on the basis of the most effective, innovative, and comprehensive regulatory, tax program, and other incentives in attracting private sector investment in the zone proposed. The act specifies that any enterprise zone designated by the department on or after January 1, 1997, may not exceed a designation period of 15 years. Existing law also authorizes an expiring

enterprise zone that applies for a new enterprise zone designation and receives a conditional designation letter from the department, to offer, and a taxpayer doing business within the geographic boundaries of the new zone referenced in the conditional designation letter is eligible to receive, all enterprise zone benefits until the department makes a final designation or declines to redesignate the zone, as specified.

This bill would authorize the jurisdiction of an expiring enterprise zone to send a letter to the department expressing the intent of the jurisdiction to reapply for a new enterprise zone designation before the expiration of the designation of the enterprise zone. The bill would provide that if that letter is sent and, if before the expiration of the designation of the enterprise zone, the department has not issued a request for proposal and has not conditionally designated the maximum number of enterprise zones within the state, then businesses within the geographic boundaries of the existing enterprise zone may continue to be eligible to receive all enterprise zone benefits until the department completes any regulatory or administrative review, issues a request for proposal, and issues conditional designation letters to the maximum number of enterprise zones within the state. *The bill would also require the department to notify the Franchise Tax Board of any extension of enterprise zone benefits pursuant to these provisions.*

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 7074.2 of the Government Code is
- 2 amended to read:
- 3 7074.2. (a) Notwithstanding any other law, a city, county, or
- 4 a city and county may designate a joint powers authority to
- 5 administer an enterprise zone.
- 6 (b) No more than 42 enterprise zones may be designated at any
- 7 one time pursuant to this chapter, including those deemed
- 8 designated pursuant to subdivision (e) of Section 7073. Upon the
- 9 expiration or termination of a designation, the department may
- 10 designate another enterprise zone to maintain a total of 42
- 11 enterprise zones.
- 12 (c) Notwithstanding any other law, an expiring enterprise zone
- 13 that applies for a new enterprise zone designation pursuant to
- 14 Section 7073 or 7073.1, and receives a conditional designation

1 letter from the department, may offer, and a taxpayer doing
2 business within the geographic boundaries of the new zone
3 referenced in the conditional designation letter shall be eligible to
4 receive, all enterprise zone benefits until the department makes a
5 final designation or declines to redesignate the zone. The
6 department shall make the effective date of the new zone the date
7 of expiration of the previous designation and the term of the new
8 zone shall begin on that date.

9 (d) Notwithstanding any other law, if the jurisdiction of an
10 expiring enterprise zone has sent a letter to the department
11 expressing the intent of the jurisdiction to reapply for a new
12 enterprise zone designation before the expiration of the designation
13 of the enterprise zone, and if before the expiration of the
14 designation of the enterprise zone the department has not issued
15 a request for proposal and has not conditionally designated the
16 maximum number of enterprise zones within the state, the
17 businesses within the geographic boundaries of the existing
18 enterprise zone shall continue to be eligible to receive all enterprise
19 zone benefits until the department completes any regulatory or
20 administrative review, issues a request for proposal, and issues
21 conditional designation letters to the maximum number of
22 enterprise zones within the state. *The department shall notify the*
23 *Franchise Tax Board of any extension of enterprise zone benefits*
24 *pursuant to this subdivision.*

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