

AMENDED IN SENATE JUNE 6, 2012  
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**

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

February 15, 2011

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An act to ~~amend Section 7074.2 of~~ *add and repeal Section 7074.4* 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 that expired in 2012~~ a letter to the department *in 2012* 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 *the enterprise zone shall be deemed to be temporarily redesignated* and businesses within the geographic boundaries of the ~~existing~~ *previous* enterprise zone may continue to be eligible to receive all enterprise zone benefits ~~until~~. *The bill would provide that the temporary redesignation of an enterprise zone pursuant to this section shall continue until the earlier of December 31, 2014, or the date that 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 within 60 days of any extension of enterprise zone benefits pursuant to these provisions. The bill would also require the department to notify the Franchise Tax Board and any affected taxpayers within an enterprise zone that has been temporarily redesignated pursuant to this section 60 days prior to the date that the temporary redesignation period is to expire or December 31, 2014.*

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 7074.4 is added to the Government Code,
- 2 to read:
- 3 7074.4. (a) Notwithstanding any other law, if an enterprise
- 4 zone that expired in 2012 had sent a letter to the department in

1 2012 expressing the intent to reapply for a new enterprise zone  
2 designation before the expiration of the designation of the  
3 enterprise zone, and if before the expiration of the designation of  
4 the enterprise zone the department has not issued a request for  
5 proposal and has not conditionally designated the maximum  
6 number of enterprise zones within the state, the enterprise zone  
7 shall be deemed to be temporarily redesignated and businesses  
8 within the geographic boundaries of the previous enterprise zone  
9 shall be eligible to receive all enterprise zone benefits as of the  
10 date that the previous enterprise zone expired. The temporary  
11 redesignation of an enterprise zone pursuant to this section shall  
12 continue until the earlier of December 31, 2014, or the date that  
13 the department completes any regulatory or administrative review,  
14 issues a request for proposal, and issues conditional designation  
15 letters to the maximum number of enterprise zones within the state.

16 (b) The department shall notify the Franchise Tax Board within  
17 60 days of any extension of enterprise zone benefits pursuant to  
18 this section. The department shall notify the Franchise Tax Board  
19 and any affected taxpayers within an enterprise zone that has been  
20 temporarily redesignated pursuant to this section 60 days prior  
21 to the date that the temporary redesignation period is to expire or  
22 December 31, 2014.

23 (c) This section shall remain in effect only until January 1, 2015,  
24 and as of that date is repealed, unless a later enacted statute, that  
25 is enacted before January 1, 2015, deletes or extends that date.

26 SECTION 1. ~~Section 7074.2 of the Government Code is~~  
27 ~~amended to read:~~

28 ~~7074.2. (a) Notwithstanding any other law, a city, county, or~~  
29 ~~a city and county may designate a joint powers authority to~~  
30 ~~administer an enterprise zone.~~

31 ~~(b) No more than 42 enterprise zones may be designated at any~~  
32 ~~one time pursuant to this chapter, including those deemed~~  
33 ~~designated pursuant to subdivision (c) of Section 7073. Upon the~~  
34 ~~expiration or termination of a designation, the department may~~  
35 ~~designate another enterprise zone to maintain a total of 42~~  
36 ~~enterprise zones.~~

37 ~~(c) Notwithstanding any other law, an expiring enterprise zone~~  
38 ~~that applies for a new enterprise zone designation pursuant to~~  
39 ~~Section 7073 or 7073.1, and receives a conditional designation~~  
40 ~~letter from the department, may offer, and a taxpayer doing~~

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

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