

ASSEMBLY BILL

No. 2673

Introduced by Committee on Jobs, Economic Development, and the Economy (Assembly Members V. Manuel Pérez (Chair), Beall, Block, and Hueso)

March 5, 2012

An act to amend Section 7085.1 of, and to add Section 7072.3 to, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2673, as introduced, Committee on Jobs, Economic Development, and the Economy. Economic development: enterprise zones.

The Enterprise Zone Act provides for the designation and oversight by the Department of Housing and Community Development of various types of economic development areas throughout the state, including enterprise zones, targeted tax areas, local agency military base recovery areas (LAMBRAs), and manufacturing enhancement areas, collectively known as geographically targeted economic development areas, or G-TEDAs. Pursuant to these provisions, qualifying entities in those areas may receive certain tax and regulatory incentives.

This bill would define, for purposes of the act, the term “census tract” to include the term “census block group,” and modify specified reporting requirements to the Department of Housing and Community Development.

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 7072.3 is added to the Government Code,
2 to read:

3 7072.3. For purposes of this chapter, “census tract” shall also
4 mean “census block group.”

5 SEC. 2. Section 7085.1 of the Government Code is amended
6 to read:

7 7085.1. (a) The governing board of the G-TEDA shall report
8 to the department by October 1, 2008, and by that date every other
9 year thereafter, on the activities of the G-TEDA in the previous
10 two fiscal years and its plans for the current and following fiscal
11 year. The biennial report shall include at least ~~both~~ *all* of the
12 following:

13 (1) The progress the G-TEDA has made during the period
14 covered by the report relative to its goals, objectives, and
15 commitments set forth in its original application and the
16 department’s memorandum of understanding with the G-TEDA.

17 (2) Identification of the previous two years’ funding, including
18 in-kind funding. The previous two years’ funding levels shall be
19 compared to the funding levels identified in its original application
20 and the department’s memorandum of understanding with the
21 G-TEDA, and the amount identified in the previous ~~year’s~~ biennial
22 report. An explanation of any meaningful discrepancies in these
23 amounts shall be provided.

24 (3) *Identification of the financial value of local incentives*
25 *provided during the report period, and of federal and other state*
26 *resources accessed to serve the residents, workers, and businesses*
27 *in the G-TEDA.*

28 (4) *The following information based on the certification*
29 *applications approved in the zones relating to the hiring credit:*

30 (A) *The number of jobs for which certifications have been issued.*

31 (B) *The number of new employees for whom certifications have*
32 *been issued.*

33 (C) *The number of employees replacing previous employees for*
34 *whom certifications were issued.*

35 (D) *The number of employees by qualified employee category*
36 *pursuant to Sections 17053.74 and 23622.7 of the Revenue and*
37 *Taxation Code.*

1 (E) *The total range of, and the average, median, and mean,*
2 *employee wage rates that were certified.*

3 (F) *The number of businesses obtaining certification for*
4 *qualified employees.*

5 (G) *The industry classification, based on the North American*
6 *Industry Classification System, of businesses obtaining certification*
7 *of qualified employees.*

8 (H) *The distribution of employee certifications among industry*
9 *sectors based on the North American Industry Classification*
10 *System.*

11 (I) *The distribution of employee certifications by the annual*
12 *receipts and asset value of the business obtaining qualified*
13 *employee certifications.*

14 (J) *The number of state-certified small businesses that submitted*
15 *qualified employee certification applications.*

16 (K) *The number of state-certified, disabled veteran-owned*
17 *business enterprises that submitted applications.*

18 (b) A copy of the biennial report developed pursuant to
19 subdivision (a) shall also be submitted to the legislative bodies of
20 the local jurisdictions comprising the G-TEDA. The progress of
21 the G-TEDA in meeting the goals, objectives, and commitments
22 set forth in the original application and the memorandum of
23 understanding with the department shall be reviewed at least
24 biennially by these legislative bodies, either as part of the approval
25 of the G-TEDA's annual work plan or separately, at the discretion
26 of the legislative body.

27 (c) (1) G-TEDAs designated prior to January 1, 2007, shall
28 have until April 15, 2008, to update their benchmarks, goals,
29 objectives, and funding levels for administering the G-TEDA
30 program, in order to make them measurable and conducive to the
31 successful completion of the economic development strategy. The
32 local legislative body and the department shall approve the updated
33 goals and objectives. The updated goals and objectives shall be
34 included as an update to the existing memorandum of
35 understanding between the G-TEDA and the department.

36 (2) G-TEDAs that fail to obtain approved updated goals and
37 objectives by April 15, 2008, shall be dedesignated effective July
38 1, 2008. The Director of Housing and Community Development
39 shall provide notice of prospective dedesignation to the local
40 government no later than May 1, 2008. The director may authorize

1 up to two 60-calendar-day extensions, if the local government and
2 G-TEDA are acting in good faith and the additional time would
3 allow them to meet the requirements of this subdivision. Businesses
4 located within a G-TEDA that have been dedesignated shall
5 continue to have access to tax incentives previously authorized
6 within the G-TEDA pursuant to Section 7082.2.

7 (3) G-TEDAs designated prior to January 1, 2007, are not
8 required to implement the biennial reporting requirements of
9 subdivisions (a) and (b) until October 1, 2009.

10 (4) G-TEDAs that expire prior to January 1, 2010, are not
11 required to meet the conditions of this subdivision.

12 (d) The department shall biennially make available to the
13 Legislature information related to the progress that each G-TEDA
14 is making toward implementing its goals, objectives, and
15 commitments set forth in the original application, the department's
16 memorandum of understanding with the G-TEDA, and the biennial
17 report.