

AMENDED IN ASSEMBLY MAY 20, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 562

Introduced by Assembly Member Williams

February 20, 2013

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

LEGISLATIVE COUNSEL'S DIGEST

AB 562, as amended, Williams. Economic development subsidies: review by local agencies.

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

This bill would, beginning January 1, 2014, require each local agency to provide specified information to the public before approving an economic development subsidy, as defined, within its jurisdiction, and to review, hold hearings, and report on those subsidies at specified intervals.

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

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, 2014, each local agency
4 shall, before approving any economic development subsidy within
5 its jurisdiction, provide all of the following information in written

1 form available to the public, and through its Internet Web site, if
2 applicable:

3 (1) The name and address of the entity or individual that is the
4 beneficiary of the economic development subsidy, if applicable,
5 *except that the address of the beneficiary does not need to be posted*
6 *on the local agency's Internet Web site if the beneficiary is a sole*
7 *proprietor.*

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

10 (3) A description of the economic development subsidy,
11 including the estimated total amount of the expenditure of public
12 funds by, or of revenue lost to, the local agency as a result of the
13 economic development subsidy.

14 (4) A statement of the public purposes for the economic
15 development subsidy.

16 (5) Projected tax revenue to the local agency as a result of the
17 economic development subsidy.

18 (6) Estimated number of jobs created by the economic
19 development subsidy, broken down by full-time, part-time, and
20 temporary positions.

21 (b) Before granting an economic development subsidy, each
22 local agency shall provide public notice and a hearing regarding
23 the economic development subsidy. A public hearing and notice
24 under this subdivision is not required if a hearing and notice
25 regarding the economic development subsidy is otherwise required
26 by law.

27 (c) The information required to be provided in subdivision (a)
28 shall remain available to the public under existing state and federal
29 law and be posted on the local agency's Internet Web site, if
30 applicable, for the entire term of the economic development
31 subsidy.

32 (d) On or before October 1, 2015, and on or before October 1
33 in each odd-numbered year thereafter, the local agency shall
34 prepare a report for each economic development subsidy approved
35 after January 1, 2014. Notwithstanding the requirement to prepare
36 a report every two years, for an economic development subsidy
37 that will exist for 40 years or more, the report shall be prepared
38 only once every six years after the initial report. The report shall
39 contain the information described in subdivision (a). The local
40 agency shall make the report available to the public and through

1 its Internet Web site, if applicable. The report shall also contain
2 the following information, if applicable:

3 (1) The name and address of each entity or individual that is
4 the beneficiary of the economic development subsidy, *except that*
5 *the address of the beneficiary does not need to be posted on the*
6 *local agency's Internet Web site if the beneficiary is a sole*
7 *proprietor.*

8 (2) The start and end dates and schedule for the economic
9 development subsidy.

10 (3) A description of the economic development subsidy,
11 including the estimated total amount of the expenditure of public
12 funds by, or of revenue lost to, the local agency as a result of the
13 economic development subsidy.

14 (4) The net tax revenue accruing to the local agency as a result
15 of the economic development subsidy.

16 (5) The net number of jobs created by the economic development
17 subsidy, broken down by full-time, part-time, and temporary
18 positions.

19 (e) On or before November 1, 2015, and on or before November
20 1 in each odd-numbered year thereafter, the local agency shall
21 hold a public hearing to consider any written or oral comments on
22 the information contained in the report prepared pursuant to
23 subdivision (d).

24 (f) The local agency shall provide a final report at the conclusion
25 of each economic development subsidy that shall contain the
26 information described in subdivision (d), in written form available
27 to the public, and through its Internet Web site, if applicable.

28 (g) Subsidies with a term of less than two years shall not be
29 subject to subdivision (d). However, the local agency shall
30 implement subdivision (f) within two years of the date the subsidy
31 is granted and hold a public hearing to consider any written or oral
32 comments on the information contained in the report prepared
33 pursuant to those provisions.

34 (h) As used in this section, the following terms have the
35 following meanings:

36 (1) "Economic development subsidy" means any expenditure
37 of public funds or loss of revenue to a local agency in the amount
38 of one hundred thousand dollars (\$100,000) or more, for the
39 purpose of stimulating economic development within the
40 jurisdiction of a local agency, including, but not limited to, bonds,

1 grants, loans, loan guarantees, enterprise zone or empowerment
2 zone incentives, tax-increment financing, fee waivers, land price
3 subsidies, matching funds, tax abatements, tax exemptions, and
4 tax credits. “Economic development subsidy” shall not include
5 expenditures of public funds by, or loss of revenue to, the local
6 agency for the purpose of providing housing affordable to persons
7 and families of low or moderate income, as defined in Section
8 50093 of the Health and Safety Code.

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

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