

Senate Bill No. 103

Passed the Senate September 6, 2007

Secretary of the Senate

Passed the Assembly September 5, 2007

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

SB 103, Cedillo. 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, 2008, 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.

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

SECTION 1. Section 53083 is added to the Government Code, to read:

53083. (a) On and after January 1, 2008, each local agency shall, prior to approving any economic development subsidy within its jurisdiction, provide all of the following information in written form available to the public, and through its Web site, if applicable:

(1) The name and address of the entity or individual that is the beneficiary of the economic development subsidy, if applicable.

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

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

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

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

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

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

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

(d) On or before October 1, 2009, and on or before October 1 in each odd-numbered year thereafter, the local agency shall prepare a report for each economic development subsidy approved after January 1, 2008. Notwithstanding the requirement to prepare a report every two years, for an economic development subsidy that will exist for 40 years or more, the report shall be prepared only once every six years after the initial report. The report shall contain the information described in subdivision (a). The local agency shall make the report available to the public and through its Web site, if applicable. The report shall also contain the following information, if applicable:

(1) The name and address of each entity or individual that is the beneficiary of the economic development subsidy.

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

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

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

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

(e) On or before November 1, 2009, and on or before November 1 in each odd-numbered year thereafter, the local agency shall hold a public hearing to consider any written or oral comments on

the information contained in the report prepared pursuant to subdivision (d).

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

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

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

(1) “Economic development subsidy” means any expenditure of public funds or loss of revenue to a local agency in the amount of one hundred thousand dollars (\$100,000) or more, for the purpose of stimulating economic development within a local agency, including, but not limited to, bonds, grants, loans, loan guarantees, enterprise zone or empowerment zone incentives, tax-increment financing, fee waivers, land price subsidies, matching funds, tax abatements, tax exemptions, and tax credits. “Economic development subsidy” does not include expenditures of public funds by, or loss of revenue to, the local agency for the purpose of providing housing affordable to persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

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

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

Approved _____, 2007

Governor