

AMENDED IN SENATE JULY 14, 2011
AMENDED IN SENATE MARCH 29, 2011
AMENDED IN SENATE MARCH 15, 2011

SENATE BILL

No. 156

Introduced by Senator Emmerson

(Principal coauthors: Assembly Members Cook and Silva)

(Coauthor: Senator Cannella)

(Coauthors: Assembly Members Gorell, Harkey, Jeffries, Nestande,
and Wagner)

February 2, 2011

~~An act to repeal and amend Sections 17053.80 and 23623 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy. An act to add Section 53065.10 to the Government Code, relating to sports teams and facilities.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 156, as amended, Emmerson. ~~Income tax: credits: full-time employees: hires.~~ *Professional sports teams and facilities.*

Existing law generally lists the powers common to cities, counties, and other agencies. Existing law sets forth generally the authority and duties of local agencies in the issuance and repayment of revenue bonds with respect to public works within their jurisdiction. Existing law grants local agencies various powers to secure certain types of bond investments.

This bill would require a professional sports team that will benefit from the issuance and sale of bonds by a public agency to post a bond or other undertaking at the time of issuance of the bonds in an amount adequate to ensure that all of the team's obligations under a financial

agreement will be satisfied in the event the professional sports team subsequently relocates.

This bill would provide that the sale by a public agency of a specified type of revenue bond affecting sports facilities may not proceed until the California Debt and Investment Advisory Commission has assessed and reported to the public agency on the future financial risk imposed on the taxpayers by the sale.

~~The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws, including a credit for taxable years beginning on or after January 1, 2009, in the amount of \$3,000 for each full-time employee hired by a qualified employer. Those laws define “qualified employer” as a taxpayer that employed 20 or fewer employees as of the last day of the preceding taxable year.~~

~~This bill would, under both laws, for taxable years beginning on or after January 1, 2012, expand the definition of “qualified employer” to mean a taxpayer that employed 50 or fewer employees as of the last day of the preceding taxable year.~~

~~This bill would require the Franchise Tax Board to report to the Legislature, on or before January 1, 2013, the number of employers that were allowed a credit, the amount of credits utilized and carried over, and the average number of employees hired, in connection with the above-described provisions.~~

~~This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.~~

~~This bill would take effect immediately as a tax levy.~~

~~Vote: $\frac{2}{3}$ -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 53065.10 is added to the Government*
- 2 *Code, to read:*
- 3 *53065.10. (a) A professional sports team that will benefit from*
- 4 *the issuance and sale of bonds by a public agency shall, at the*
- 5 *time of issuance, post a bond or other undertaking in an amount*
- 6 *adequate to ensure that all of the team’s obligations under a*

1 *financial agreement will be satisfied in the event the professional*
2 *sports team subsequently relocates.*

3 *(b) If a public agency redeems existing revenue bonds that were*
4 *issued to finance improvements at a sports facility by executing a*
5 *new revenue bond issuance to finance improvements at a new*
6 *sports facility in which the debt would be secured by revenue*
7 *generated by the use of the new facility, and the revenue generated*
8 *by the new facility would also be used to retire the earlier*
9 *indebtedness, the bond sale may not proceed until the California*
10 *Debt and Investment Advisory Commission has assessed and*
11 *reported to the public agency on the future financial risk imposed*
12 *on the taxpayers by the sale.*

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**All matter omitted in this version of the bill
appears in the bill as amended in the
Senate, March 29, 2011. (JR11)**