

AMENDED IN SENATE JULY 2, 2013

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, *as defined*, 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

1 its jurisdiction, provide all of the following information in written
2 form available to the public, and through its Internet Web site, if
3 applicable:

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

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

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

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

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

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

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

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

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

1 (d) *The local agency, within the term of the economic*
2 *development subsidy but not later than five years after the action*
3 *granting an economic development subsidy, as defined in*
4 *paragraph (1) of subdivision (g), shall issue a report for each*
5 *economic development subsidy. The report shall contain the*
6 *information described in subdivision (a). The local agency shall*
7 *make the report available to the public and through its Internet*
8 *Web site, if applicable. The report shall also contain the following*
9 *information, if applicable:*

10 (1) The name and address of each entity or individual that is
11 the beneficiary of the economic development subsidy, except that
12 the address of the beneficiary does not need to be posted on the
13 local agency's Internet Web site if the beneficiary is a sole
14 proprietor.

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

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

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

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

26 ~~(e) On or before November 1, 2015, and on or before November~~
27 ~~1 in each odd-numbered year thereafter, the local agency shall~~
28 ~~hold a public hearing to consider any written or oral comments on~~
29 ~~the information contained in the report prepared pursuant to~~
30 ~~subdivision (d).~~

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

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

(e) (1) The local agency, within the term of the economic development subsidy but no later than five years after the action granting an economic development subsidy, as defined in paragraph (1) of subdivision (g), shall hold a public hearing to consider any written or oral comments on the information contained in the report prepared pursuant to subdivision (d).

(2) For an economic development subsidy, as defined in paragraph (1) of subdivision (g), with a term of 10 years or more, the local agency shall hold a public hearing 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 Internet Web site, if applicable.

(f) Each public hearing required by this section shall be consolidated with a local agency's regularly scheduled hearing.

~~(h)~~

(g) 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 the jurisdiction of 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" shall 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, or city and county, and ~~community redevelopment agency~~ county.

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.

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