

State of California

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Legislative Change No.

04-22

Bill Number: AB 2398

Author: Maze

Chapter Number: 04-423

Laws Affecting Franchise Tax Board: Government Code Sections 7097 and 7099

Date Filed with the Secretary of the State: September 9, 2004

SUBJECT: Targeted Tax Areas/Credits/Department of Housing & Community Development Approve Expansion of No More Than 15%

Assembly Bill 2398 (Maze), as enacted September 9, 2004, made the following changes to California law:

Section 7097 of the Government Code is amended:

This act removes the reference to Technology, Trade, and Commerce Agency and inserts Department of Housing and Community Development (DHCD) as the designating authority for Targeted Tax Areas (TTAs).

Section 7099 of the Government Code is added:

This act allows DHCD to approve expansion of the existing TTA under the following conditions:

- The governing body of each city and county in which the TTA is located must approve an ordinance or resolution approving the proposed expansion.
- DHCD must determine the increased area meets the necessary criteria to be a TTA (unemployment, income levels, poverty levels, and percentages of people receiving Aid to Families with Dependent Children, based on the 1995-96 Cash Grant Caseload Movement and Expenditures Report).
- The proposed expansion, in combination with any previous expansions, must not exceed 15% of the size of the area on the date of the TTA's original designation.
- The expansion must be contiguous to the TTA.
- The expansion must meet the following criteria:
 - ❖ Each adjacent jurisdiction's governing bodies must approve the expansion by adoption of an ordinance or resolution.
 - ❖ The land within the proposed expansion must be zoned for industrial or commercial use.
 - ❖ Basic infrastructure, including, but not limited to, gas, water, electrical service, and sewer systems must be available to the expanded area.
- DHCD must respond in writing to any application for the proposed expansion within 90 days of the date the application is considered complete.

Bureau Director

Jana Howard for Brian Putler

Date

10/6/04

This act requests the Tulare County Economic Development Corporation to report to the Legislature on or before January 1, 2008, on the number of additional jobs created by the expansion of the TTA and the number of taxpayers, including subsidiaries, claiming tax incentives for doing business within the TTA.

This act is effective January 1, 2005.

This act will not require any reports by the department to the Legislature.