

NO ANALYSIS REQUIRED

Author: Kelley Analyst: Jeani Brent Bill Number: SB 200

Related Bills: See Prior Analysis Telephone: 845-3410 Amended Date: 09/10/97

Attorney: Doug Bramhall Sponsor: _____

SUBJECT: Manufacturing Enhancement Area Employers Hiring Credit/Wages Paid to an Individual

- ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- TECHNICAL BILL -- No program or fiscal changes to existing program.
- BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department and should be reviewed for reassignment to another department.
- TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is Neutral.
- MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
- MINOR AMENDMENT - No change in approved position of _____. See comments below.
- OTHER - See comments below.

COMMENTS:

Under the Government Code, this bill would authorize a new type of economic development area called "Manufacturing Enhancement Areas" (Areas). This bill would require the Trade and Commerce Agency (TCA) to designate two "Areas" in addition to the 39 enterprise zones. This bill would specify that TCA could designate only cities that meet certain additional criteria. This bill would specify that, to qualify for the tax credit, businesses located in these "Areas" must hire at least 50% of their workforce from the county in which the "region" is located.

Under the Revenue and Taxation Code, this bill would allow businesses operating in "Areas" a hiring credit similar to the hiring credit allowed to businesses operating in enterprise zones.

The September 10, 1997, amendments provided language to double-join this bill and SB 965 (relating to Enterprise Zones/1996 Legislation Clean-Up) to avoid chaptering problems since both bills would make changes to Revenue and Taxation Code Sections 17053.74, 17053.75, and 23622.7.

The department's analysis of the bill as introduced and as amended April 14, 1997, June 3, 1997, July 11, 1997, and July 30, 1997, still apply.

DEPARTMENTS THAT MAY BE AFFECTED:

____ STATE MANDATE		____ GOVERNOR'S APPOINTMENT	
Department Director Position: <input type="checkbox"/> S <input type="checkbox"/> O <input type="checkbox"/> SA <input type="checkbox"/> OUA <input type="checkbox"/> N <input type="checkbox"/> NP <input type="checkbox"/> NA <input type="checkbox"/> NAR <input type="checkbox"/> _____ PENDING	Agency Secretary Position: <input type="checkbox"/> S <input type="checkbox"/> O <input type="checkbox"/> SA <input type="checkbox"/> OUA <input type="checkbox"/> N <input type="checkbox"/> NP <input type="checkbox"/> NA <input type="checkbox"/> NAR <input type="checkbox"/> _____ DEFER TO _____	GOVERNOR'S OFFICE USE Position Approved _____ Position Disapproved _____ Position Noted _____	
Franchise Tax Board Staff	Date	Agency Secretary	Date
		By:	Date: