

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Washington Analyst: Roger Lackey Bill Number: AB 356

Related Bills: See Prior Analysis Telephone: 845-3627 Amended Date: August 14, 2000

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Enterprise Zones/Authorizes Additional Designation of One City Within Los Angeles County

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO _____.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED/AMENDED April 11, 1999 STILL APPLIES.
- OTHER - See comments below.

SUMMARY OF BILL

Under the Government Code, this bill would require the Trade and Commerce Agency (TCA) to designate one city within Los Angeles County as an additional enterprise zone. This bill would specify that TCA could designate only a city that meets certain additional criteria.

This bill would provide that all enterprise zone tax incentives would apply to the enterprise zone designated under this bill.

SUMMARY OF AMENDMENT

The August 14, 2000, amendments:

?? specify the duration of the new enterprise zone shall be no more than six years.

?? require that a business utilizing the tax incentives available from the new enterprise zone shall establish a hiring preference for individuals that live in the city in which the enterprise zone is established.

?? provide a repeal date of January 1, 2008, unless a later enacted statute deletes or extends that date.

Except for the discussion in this analysis, the department's analysis of AB 356 as amended April 5, 1999, still applies.

BOARD POSITION

Neutral.

At its March 23, 1999, meeting, the Franchise Tax Board voted 2-0 to take a neutral position on this bill as introduced February 11, 1999.

Board Position:

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<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

8/29/00