



Date: December 17, 2003
To: Inter-Regional Partnership Members
From: IRP Staff
RE: AB 723 Update

Background

AB 723 is modeled after the original Infrastructure Financing District (IFD) legislation SB 308 (Seymour, 1990), as well as SB 207 (Steve Peace, 1999), which was chaptered in October of 1999. SB 207 created tax increment financing districts in the border area near Mexico.

AB 723, sponsored by Assemblywoman Barbara Matthews, would allow for the creation of similar tax increment financing districts in opportunity zones created by the Inter-Regional Partnership. In order to give employers and home builders an incentive to locate in the zones, the bill would allow cities and counties to form tax increment financing districts in their respective zones. Revenues raised would be used to develop infrastructure that would improve the competitive position of the zones relative to other states and regions, and make the zones more attractive to prospective employers and developers.

Discussion

The final draft report of the “AB 723 Review & Analysis” was completed by Mr. Wong of Keyser Marston Associates. This report was distributed to the IRP Board of Directors during the October 15, 2003 meeting.

The proposed modifications to AB 723 were reviewed by Assemblywoman Barbara Matthews’ staff and forwarded to the Senate Legislative Consultant for review and comment. To date, comments have not been received.

Due to the transition of the new administration and efforts by State Senate and Assembly members regarding the state budget crisis, the Senate Sub Committee will not begin reviewing any new bills until late January 2004. During the first week in January 2004, a tentative meeting has been scheduled between Assembly Woman Barbara Matthews and her staff, IRP representation, and Michael Wong of Keyser Marston Associates. The purpose of the meeting is as follows:

- Review and respond to any concerns expressed by the Senate Legislative Consultant.
- Address questions/concerns expressed by Assembly Woman Barbara Matthews and her staff.
- Gain consensus on recommended changes that will be made the bill.
- Ensure language changes to legislation are made.
- Develop action plan regarding the delivery of AB 723 to the State Senate.

Requested Action

1. Once the bill is scheduled for the Senate Government Committee in late January 2004, direct staff to prepare letters of support for the IRP co-chairs to sign, and direct staff to solicit letters of support from other agencies to be sent to all the State Assembly members.

Assemblywoman Matthews' staff will communicate the time when this task needs to be delivered.

2. Ensure that IRP stakeholders are in attendance at the first Senate Sub Committee Hearing.