
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2019 - 2020 Regular Session

AB 1248 (Eduardo Garcia) - Capital Investment Incentive Program: local governments: property tax abatement

Version: June 24, 2019

Urgency: No

Hearing Date: August 30, 2019

Policy Vote: GOV. & F. 5 - 0

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 1248 would expand the Capital Investment Incentive Program (CIIP) by authorizing cities and counties to offer property tax abatements for up to 10 years to smaller manufacturers who make an investment of over \$5 million in a proposed manufacturing facility, as specified.

******* ANALYSIS ADDENDUM – SUSPENSE FILE *******

**The following information is revised to reflect amendments
adopted by the committee on August 30, 2019**

Fiscal Impact:

- Ongoing costs to the Governor's Office of Business and Economic Development (Go-Biz) of at least \$150,000 annually through 2023 in staff time to coordinate with cities, counties, and project proponents, provide technical assistance, review and approve applications for certification, compile specified information submitted by cities and counties, and report to the Legislature. Depending on the demand for the expanded program, Go-Biz administrative costs could be higher. (General Fund)
- No state costs related to the expansion of city and county property tax abatements, since local agencies that voluntarily participate in the CIIP are only entitled to offer their share of the property tax revenues, and the bill explicitly excludes participation by a school district or community college district. (Local funds)

Committee Amendments:

- Specify that a proposed production facility is included in the definition of a "qualified targeted manufacturing facility."
- Specify that a motion picture and video production business is included in the types of facilities that qualify for participation in the program, if other criteria are met.

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