

JUN 29 2010

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with concurrence of the Mayor; and

WHEREAS, SB 974 (Steinberg) is intended to reduce the secondary dropout rate and spur future job growth in the State of California by encouraging career education programs, it would do so at the expense of negatively impacting the Enterprise Zone Program in the State of California; and

WHEREAS, the City of Los Angeles is supportive of reducing the secondary dropout rate and job creation; and

WHEREAS, California State law provides for several types of geographically targeted economic development areas (G-TEDAs), including Enterprise Zones (EZs); and

WHEREAS, the Enterprise Zone Program provides special tax incentives for taxpayers conducting business activities within the EZ, and in particular provides hiring credits for employees; and

WHEREAS, SB 974 would eliminate the Targeted Employment Area (TEA) from the list of eligible criteria for the Enterprise Zone hiring credit, which would remove the incentive for employers to hire employees from low-income communities; and


WHEREAS, approximately 90 percent of the hiring credits processed for the City of Los Angeles are for employees who qualify under the Targeted Employment Area criteria; and

WHEREAS, SB 974 would eliminate retroactive vouchering, which would have a negative impact on small businesses; and

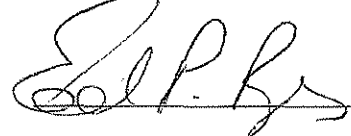
WHEREAS, SB 974 would implement a 21-day deadline to complete hiring credit vouchers, creating an arbitrary and impractical deadline that will preclude most employers, particularly small businesses, from claiming EZ hiring credits to which they are otherwise lawfully entitled.

NOW, THEREFORE BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2009-2010 State Legislative Program OPPOSITION to funding provisions within SB 974 which would reduce Enterprise Zone benefits.

PRESENTED BY:


ERIC GARCETTI
Councilmember, 13th District

SECONDED BY:



June 29, 2010

ORIGINAL