

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 have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, in its study "America's Top States for Business 2010", CNBC reports that after examining the tax burden, including individual income and property taxes, business taxes, gasoline tax, and costs for wages, utilities, insurance, and real estate, California ranks 48th in the Cost of Doing Business category, making it one of the most expensive states to conduct business; and

WHEREAS, according to a report from Dun & Bradstreet, California has lost 153 businesses to Texas, which CNBC awarded as America's top state for business; and

WHEREAS, a report commissioned by the California State Business Advocate titled "Cost of State Regulations on California Small Business Study" found that the total cost of regulations to California is \$493 billion, resulting in an employment loss of 3.8 million jobs; and

WHEREAS, since 1984 the California Enterprise Zone Program has provided businesses hiring credits, sales/use credits, and other tax incentives; and

WHEREAS, these incentives have provided California businesses nearly \$300 million in tax relief, enabling them to hire new employees, expand their business, and allow them to compete both nationally and internationally; and


WHEREAS, the City of Los Angeles features two massive enterprise zones that cover Sylmar, Warner Center, Canoga Park, Chatsworth, Northridge, Van Nuys, LAX, Hollywood, Mid-City, Koreatown, and Downtown; and

WHEREAS, in his 2011-2012 budget, Governor Jerry Brown proposes to eliminate all enterprise zone tax incentives, both for newly earned credits and deductions and for credits that have been earned in prior years; and

WHEREAS, by increasing the cost of doing business, elimination of the enterprise zones will be devastating to the economic recovery of both Los Angeles and the greater State;




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 2011-2012 State Legislative Program OPPOSITION to the elimination of the State Enterprise Zone Program.

PRESENTED BY:


GREIG SMITH
Councilmember, 12th District

JAN 11 2011

SECONDED BY:


Herb S. Kesson, E.G.
 Dennis Green
 Tony Cardenas

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