

AMENDED IN SENATE JULY 5, 2018
AMENDED IN SENATE JUNE 7, 2018
AMENDED IN ASSEMBLY APRIL 18, 2017
AMENDED IN ASSEMBLY MARCH 28, 2017
CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1445

Introduced by Assembly Member Reyes

February 17, 2017

An act to add Article 11 (commencing with Section 50574) to Chapter 2 of Part 1 of Division 1 of Title 5 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1445, as amended, Reyes. Designated qualified opportunity zones: sale or lease of property.

Existing law generally governs the sale or lease of property owned by a city or county under various circumstances, including, among others, surplus property and property sold for economic development purposes.

Existing federal law authorizes the governor of a state to nominate a specified number of census tracts that meet certain requirements as a qualified opportunity zone and authorizes the Secretary of the Treasury to designate those tracts as qualified opportunity zones. Existing federal law provides certain federal tax incentives to a taxpayer who invests in a qualified opportunity fund, which is an investment vehicle organized for the purpose of investing in qualified opportunity zone property, as prescribed.

This bill would direct a city or county to require a qualified opportunity zone fund to provide, as part of any transaction for the sale or lease of property owned by the city or county that is located within a designated qualified opportunity zone to a qualified opportunity zone fund for use as a qualified opportunity zone business property, a timeline for completion of the investment activity on the property and ~~specified~~ information relating to the development of the ~~property~~ *property, as specified*. The bill would require that information to be posted on the city or county’s Internet Web site. The bill would define various terms for these purposes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 11 (commencing with Section 50574) is
2 added to Chapter 2 of Part 1 of Division 1 of Title 5 of the
3 Government Code, to read:

4

5 Article 11. Property Within Designated Qualified Opportunity
6 Zones

7

8 50574. (a) For purposes of this article, the following terms
9 have the following meanings:

10 (1) “Designated qualified opportunity zone” means a qualified
11 opportunity zone, as defined in subsection (a) of Section 1400Z-1
12 of Title 26 of the United States Code, that has received a
13 designation pursuant to that section.

14 (2) “Qualified opportunity zone business property” has the same
15 meaning as defined in subparagraph (D) of paragraph (2) of
16 subsection (d) of Section 1400Z-2 of Title 26 of the United States
17 Code.

18 (3) “Qualified opportunity zone fund” has the same meaning
19 as defined in subsection (d) of Section 1400Z-2 of Title 26 of the
20 United States Code.

21 (b) (1) A city or county shall require a qualified opportunity
22 zone fund to provide all of the following as part of any transaction
23 for the sale or lease to a qualified opportunity zone fund for use
24 as a qualified opportunity zone business property of property

1 owned by the city or county that is located within a designated
2 qualified opportunity zone:

3 ~~(1)~~

4 (A) A timeline for completion of the investment activity on the
5 property.

6 ~~(2)~~

7 (B) An estimation of the number of jobs that will be created as
8 a result of the investment activity on the property.

9 ~~(3)~~

10 (C) A summary of local workforce utilization strategies that
11 will be employed as part of the investment activity on the property.

12 *(2) A qualified opportunity zone fund shall provide the*
13 *information required by paragraph (1) as part of its request for*
14 *the sale or lease of property owned by the city or county.*

15 *(3) A city or county shall not sell or lease property to a qualified*
16 *opportunity zone fund unless the qualified opportunity zone fund*
17 *has submitted the information required by paragraph (1).*

18 (c) The information required by *paragraph (1)* of subdivision
19 (b) shall be posted on the city or county's Internet Web site.