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Substantive

## AMENDMENTS TO SENATE BILL NO. 830

## Amendment 1

In line 1 of the heading, strike out "Committee on Governmental Organization (Senators)" strike out lines 2 to 4, inclusive, and insert:

Senator Wright

## Amendment 2

Below line 1 of the heading, insert:

(Principal coauthor: Senator Corbett)  
(Principal coauthor: Assembly Member Torrico)  
(Coauthor: Assembly Member Hill)

## Amendment 3

Strike out lines 1 and 2 of the title, and insert:

An act to add Section 7090 to the Government Code, to add Section 6616 to the Public Contract Code, to add Section 381.7 to the Public Utilities Code, to add Section 6377 to the Revenue and Taxation Code, and to add Section 14003.5 to the Unemployment Insurance Code, relating to enterprise zones, and declaring the urgency thereof, to take effect immediately.

## Amendment 4

On page 1, before line 1, insert:

SECTION 1. The Legislature finds and declares all of the following:

(a) At one time California had eight automobile manufacturing plants located in the state. Today, the New United Motor Manufacturing, Inc. (NUMMI) plant in Fremont, California, is the only automotive plant west of the Mississippi.

(b) The NUMMI plant employs 4,700 workers who each typically earn \$60,000 per year and uses more than 1,000 California suppliers. The NUMMI plant creates nearly 20,000 jobs in the state, representing approximately five hundred twenty-three million dollars (\$523,000,000) in annual payroll and benefits.

(c) Recent news reports indicate that the NUMMI plant is considering closing the plant because of the financial condition of General Motors, a part owner of the plant, and the high manufacturing costs in the state.

(d) The loss of thousands of additional jobs will directly impact state revenues as well as contribute to California's housing foreclosure crisis and declining economy.

(e) It is the intent of the Legislature to urge the Governor to immediately engage in talks with the NUMMI plant and to prepare beneficial financial incentives to offer the company as part of any agreement to retain the NUMMI plant in California.



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SEC. 2. Section 7090 is added to the Government Code, to read:

7090. (a) Notwithstanding any other provision of the Enterprise Zone Act, the Governor may designate a facility that manufactures automobiles in Fremont, California, to be an enterprise zone and waive any requirements for so designating that facility under the Enterprise Zone Act.

(b) The Governor shall exercise the authority under subdivision (a), to designate a facility that manufactures automobiles in Fremont, California, to be an enterprise zone or waive any requirements for the designation of that facility under the Enterprise Zone Act only by executive order.

SEC. 3. Section 6616 is added to the Public Contract Code, to read:

6616. (a) Every contract entered into by a state agency for the procurement of automobiles or trucks shall give preference to automobiles or trucks manufactured in an enterprise zone designated pursuant to Section 7090 of the Government Code.

(b) Whenever a state agency prepares a solicitation for a contract for the procurement of automobiles or trucks it shall award a 20-percent preference to automobile manufacturers operating in an enterprise zone designated pursuant to Section 7090 of the Government Code.

SEC. 4. Section 381.7 is added to the Public Utilities Code, to read:

381.7. The commission shall direct the Pacific Gas and Electric Company to reduce, by 70 percent for a period of two years, the public goods charges collected from an automobile manufacturer operating in an enterprise zone designated pursuant to Section 7090 of the Government Code. For purposes of this section, "public goods charges" mean the nonbypassable surcharges imposed upon retail sales of electricity and natural gas to fund low-income assistance programs, energy efficiency, renewable energy, and research, development, and demonstration authorized pursuant to Section 381, the Reliable Service Investments Act (Article 15 (commencing with Section 399)), and Article 10 (commencing with Section 890) of Chapter 4.

SEC. 5. Section 6377 is added to the Revenue and Taxation Code, to read:

6377. (a) There are exempted from the taxes imposed by this part the gross receipts from the sale of, and the storage, use, or other consumption in this state of, tangible personal property purchased for use primarily in any stage of the manufacturing of automobiles or trucks in an enterprise zone designated pursuant to Section 7090 of the Government Code.

(b) (1) "Manufacturing" means the activity of converting or conditioning property by changing the form, composition, quality, or character of the property for sale at retail or for use in the manufacturing of a product to be sold at retail. Manufacturing includes any improvements to tangible personal property that result in a greater service life or greater functionality than that of the original property.

(2) "Tangible personal property" includes, but is not limited to, machinery and equipment, including component parts and contrivances such as belts, shafts, moving parts, and operating structures.

SEC. 6. Section 14003.5 is added to the Unemployment Insurance Code, to read:

14003.5. Priority for grants awarded under the federal Workforce Investment Act, codified in Chapter 30 (commencing with Section 2801) of Title 29 of the United States Code, or any other state or federally funded workforce development program, shall be granted to automobile manufacturers operating in an enterprise zone designated

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pursuant to Section 7090 of the Government Code, to the extent permitted by federal and state law.

SEC. 7. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances and economic importance of automobile manufacturing in Fremont, California.

SEC. 8. Notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any sales and use tax revenues lost by it under this act.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to timely protect California's economy, it is necessary that this act take effect immediately.

Amendment 5

On page 1, strike out lines 1 to 8, inclusive, and strike out page 2