



May 28, 2024

The Honorable Maria Elena Durazo
Chair, California State Senate Local Government Committee
State Capitol 407
Sacramento, CA 95814

RE: AB 2922 (Garcia) Economic development: capital investment incentive programs.
Notice of SUPPORT (4/15/2024)

Dear Chair Durazo,

The League of California Cities (Cal Cities) and California State Association of Counties (CSAC) are proud to **support AB 2922 (Garcia)**. This measure seeks to extend the authorization for capital investment incentive programs until January 1, 2035.

Under prior law, until January 1, 2024, counties, city and counties, and cities were authorized to establish these programs, which allowed them to offer incentives, such as tax breaks, to attract large manufacturing facilities to invest in their communities. These programs aimed to encourage industries like high technology, aerospace, automotive, biotechnology, software, and environmental sources to locate and invest in California. These corporations can generate thousands of jobs, which are essential for the economic growth and regional development of cities and counties.

Additionally, this legislation is particularly important as California is currently experiencing a decline in manufacturing activity and an exodus of manufacturers. This is particularly concerning because there is enormous potential with the large amount of critical minerals, including lithium within the geothermal brine reserves in Lithium Valley. The capital incentives provided by CIIP incentivize businesses and encourage specific companies and strategic initiatives to remain in and continue investing in California.

By extending the authorization for capital investment incentive programs, this measure ensures that local governments can continue to drive economic growth, job creation, and community development across California. These programs have been effective in attracting investment from key industries, stimulating local economies, and enhancing the overall quality of life for residents.

For these reasons, Cal Cities and CSAC are pleased to **Support AB 2922**. If you have any questions, do not hesitate to contact brady at bguertin@calcities.org or Eric Lawyer at elawyer@counties.org.

Sincerely,



Brady Guertin
Legislative Affairs, Lobbyist
League of California Cities



Eric Lawyer
Legislative Advocate
California State Association of Counties

CC: The Honorable Eduardo Garcia
Members, Senate Local Government Committee
Johnathan Peterson, Consultant, Senate Local Government Committee
Ryan Eisberg, Minority Consultant