

AMENDED IN ASSEMBLY MAY 23, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1939

Introduced by Assembly Member Daucher

February 14, 2002

~~An act to add Article 4.2 (commencing with Section 53738) to Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code, and to amend Sections 96.1 and 96.5 of, and to add Section 96.51 to, the Revenue and Taxation Code, relating to local government finance. An act relating to local government finance.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1939, as amended, Daucher. Local government finance.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the

county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

This bill would require the California Research Bureau to submit a report to the Legislature, on or before January 1, 2004, on the fiscal impact on the state and local jurisdictions if a specified legislative measure relating to local government finance was enacted.

~~This bill would enact the Local Agency Empowerment Act of 2002. This bill would allow a qualified county, as defined, in a qualified fiscal year, as defined, to apply to the Governor to request that local agencies in that county be permitted to negotiate the allocation of that portion of the annual tax increment that exceeds 2% of total property tax revenues allocated in the county for the immediately preceding fiscal year. This bill would, in the event that the application is approved but the negotiations do not result in an agreement, provide for a revenue allocation determination by an allocation board, as provided, and the review of that allocation determination at least every 5 years. This bill would also allow a qualified county, in the same qualified fiscal year, to elect to allocate property tax revenues in a manner in which either (1) school entities in the county receive 50% of the total amount of property tax revenue collected in that county in that fiscal year with the balance allocated among local agencies in the county, as provided, or (2) 3% of the total amount of the property tax revenue collected in the county that would be allocated to school entities would instead be allocated among local agencies in the county, with the remaining school entities' property tax revenue share allocated among those school entities. This bill also would provide that school entities be reimbursed by the state for any revenue losses resulting from the bill, and provide that an amount of property tax revenue that is equal to 20% of these reimbursements be allocated among the county and the cities in the qualified county to meet affordable housing goals, as specified.~~

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

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

- 1 ~~SECTION 1.—Article 4.2 (commencing with Section 53738)~~
- 2 ~~SECTION 1. The California Research Bureau shall submit a~~
- 3 ~~report to the Legislature on or before January 1, 2004, that~~



1 *analyzes and evaluates the fiscal impact on the state and local*
2 *jurisdictions of a statute identical to Assembly Bill No. 1939 of the*
3 *2001–02 Regular Session, as introduced on February 14, 2002.*

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**All matter omitted in this version of the
bill appears in the bill as introduced in the
Assembly, February 14, 2002 (JR 11)**

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