

AMENDED IN SENATE JUNE 15, 2011

AMENDED IN SENATE JUNE 14, 2011

CALIFORNIA LEGISLATURE—2011–12 FIRST EXTRAORDINARY SESSION

**ASSEMBLY BILL**

**No. 27**

---

---

**Introduced by Assembly Member Blumenfield**

May 19, 2011

---

---

An act to add Part 1.9 (commencing with Section 34192) to Division 24 of the Health and Safety Code, relating to redevelopment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 27, as amended, Blumenfield. Voluntary Alternative Redevelopment Program.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in those communities and requires agencies to prepare, or cause to be prepared, and to approve a redevelopment plan for each project area.

This bill would, notwithstanding specified law, upon the enactment of specified legislation concerning redevelopment, establish a voluntary alternative redevelopment program whereby a redevelopment agency would be authorized to continue to exist upon the enactment of an ordinance by the community to comply with the bill's provisions. The bill would require the city or county that created a redevelopment agency to notify the county auditor-controller, the Controller, and the Department of Finance on or before November 1, 2011, that the community will comply with the bill's provisions. The bill would require

a participating city or county to make specified remittances to the county auditor-controller, who shall allocate the remittances for deposit into a Special District Allocation Fund, for specified allocation to certain special districts, and into to a county Educational Revenue Augmentation Fund, as prescribed. The bill would authorize the city or county to enter into an agreement with the redevelopment agency in that jurisdiction, whereby the redevelopment agency would transfer a portion of its tax increment to the city or county for the purpose of financing certain activities within the redevelopment area, as specified. The bill would impose specified sanctions on a city or county that fails to make the required remittances, as determined by the Director of Finance. This bill would authorize the county auditor-controller to charge a fee that does not exceed the reasonable costs to the county auditor-controller to implement the provisions of this bill.

This bill would authorize a community to establish a new redevelopment agency only after the debt obligations of the former redevelopment agency have been retired and the community satisfies the provisions of this bill, as specified.

~~This bill would require that the Community Redevelopment Agency of the City of Los Angeles be allocated specified tax increments from certain parcels that were previously subject to a court-imposed cap on tax increment for a previous project area, but that are now included within the new redevelopment project areas, as specified.~~

The bill would appropriate \$500,000 from the General Fund to the Department of Finance for the costs to comply with the bill.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. Governor Schwarzenegger issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 6, 2010. Governor Brown issued a proclamation on January 20, 2011, declaring and reaffirming that a fiscal emergency exists and stating that his proclamation supersedes the earlier proclamation for purposes of that constitutional provision.

This bill would state that it addresses the fiscal emergency declared and reaffirmed by the Governor by proclamation issued on January 20, 2011, pursuant to the California Constitution.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

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

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

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

3 (a) Section 16 of Article XVI of the California Constitution  
4 delegates authority to the Legislature to establish redevelopment  
5 agencies by statute. The Legislature retains the authority to dissolve  
6 redevelopment agencies by statute or to establish conditions for  
7 the continued operation of redevelopment agencies that apply to  
8 communities on a voluntary basis.

9 (b) The diversion of over five billion dollars (\$5,000,000,000)  
10 in property tax revenue to redevelopment agencies each year has  
11 made it increasingly difficult for the state to meet its funding  
12 obligations to the schools.

13 (c) The establishment of voluntary conditions on communities  
14 to allow for the continuation of redevelopment agencies provides  
15 a way to stabilize school funding in communities and allow  
16 redevelopment agencies to continue to make investments to  
17 remediate blight and create jobs in their communities.

18 SEC. 2. Part 1.9 (commencing with Section 34192) is added  
19 to Division 24 of the Health and Safety Code, to read:

20

21 PART 1.9. ALTERNATIVE VOLUNTARY REDEVELOPMENT  
22 PROGRAM

23

24 CHAPTER 1. APPLICATION OF THIS PART

25

26 34192. Notwithstanding any provision of law, if a city or county  
27 that includes a redevelopment agency participates in the program  
28 established pursuant to this part and complies with all requirements  
29 and obligations contained in this part, a redevelopment agency  
30 included in that city or county shall be exempt from Part 1.8  
31 (commencing with Section 34161), Part 1.85 (commencing with  
32 Section 34170), and any other conflicting provision of law.

33 34192.5. (a) This part shall be operative only if Part 1.8  
34 (commencing with Section 34161) and Part 1.85 (commencing  
35 with Section 34170) are enacted and operative at the time the act  
36 adding this part takes effect.

1 (b) To the extent that Part 1.8 (commencing with Section 34161)  
2 or Part 1.85 (commencing with Section 34170) conflict with this  
3 part, the provisions of this part shall control.

4  
5  
6

CHAPTER 2. CONTINUED AGENCY EXISTENCE

7 34193. (a) Notwithstanding Part 1.8 (commencing with Section  
8 34161), Part 1.85 (commencing with Section 34170), or any other  
9 law, a redevelopment agency may continue to exist and carry out  
10 the provisions of the Community Redevelopment Law (Part 1  
11 (commencing with Section 33000)) only upon the enactment of  
12 an ordinance enacted by the community to comply with this part  
13 on or before November 1, 2011, except as provided in clause (ii)  
14 of subparagraph (L) of paragraph (2) of subdivision (b) of Section  
15 34194.

16 (b) If a city or county intends to enact the ordinance provided  
17 for in this section after October 1, 2011, it shall indicate that  
18 intention by adopting a nonbinding resolution of intent to that  
19 effect prior to October 1, 2011, and notify the Department of  
20 Finance, the Controller, and the county auditor before October 1,  
21 2011, concerning the resolution. This action shall delay the  
22 dissolution of a redevelopment agency until November 1, 2011.  
23 If a city or county does not enact an ordinance pursuant to this  
24 part, Part 1.8 (commencing with Section 34161) and Part 1.85  
25 (commencing with Section 34170) shall apply, as applicable, to a  
26 redevelopment agency.

27 34193.1. On or before November 1, 2011, a city or county that  
28 has created a redevelopment agency and enacted an ordinance  
29 pursuant to Section 34193 shall notify the county auditor-controller,  
30 the Controller, and the Department of Finance that the city or  
31 county agree to comply with the provisions of this part.

32 34193.2. The community remittances that are made under this  
33 part are intended to benefit the community by ensuring improved  
34 educational and other community services in the areas served by  
35 the redevelopment agency.

36 (a) A city or county's agreement to remit revenues to school  
37 entities and special districts under this part is a precondition to  
38 continue redevelopment pursuant to this part.

39 (b) Participation in the alternative voluntary redevelopment  
40 program shall also constitute an agreement, on the part of a city

1 or county, that it assigns its rights to any payments owed from a  
2 redevelopment agency, including, but not limited to, payments  
3 from loan agreements, to the state, in the event that the city or  
4 county fails to make a remittance required pursuant to this part.

5 34193.3. The actions of any redevelopment agency of a  
6 participating city or county that has enacted an ordinance pursuant  
7 to Section 34193, taken after the date of the adoption of that  
8 ordinance, and which are subject to the provisions of Sections  
9 33500 or 33501, shall not be subject to subdivision (c) or (d) of  
10 Section 33500 or of subdivision (c) of Section 33501. Instead,  
11 these actions shall be subject to the other provisions of those  
12 sections notwithstanding that the actions occurred after January  
13 1, 2011.

14  
15 CHAPTER 3. COMMUNITY REMITTANCES  
16

17 34194. (a) A city or county that includes a redevelopment  
18 agency that has complied with this part shall make the remittances  
19 required by this section to the county auditor-controller. The county  
20 auditor-controller shall deposit an amount as determined by Section  
21 34194.4 into the Special District Allocation Fund, and remaining  
22 funds shall be remitted to the county Educational Revenue  
23 Augmentation Fund, created pursuant to Article 3 (commencing  
24 with Section 97) of Chapter 6 of Part 0.5 of Division 1 of the  
25 Revenue and Taxation Code.

26 (b) (1) For the 2011–12 fiscal year, a city or county shall remit  
27 an amount equal to the amount determined for the redevelopment  
28 agencies in that city or county pursuant to subparagraph (I) of  
29 paragraph (2).

30 (2) Utilizing the Controller’s redevelopment agency 2008–09  
31 annual report, the Director of Finance shall do all of the following  
32 for the 2011–12 fiscal year:

33 (A) Determine the net tax increment apportioned to each  
34 redevelopment agency pursuant to Section 33670, calculated as a  
35 redevelopment agency’s tax increment revenue, excluding any  
36 amounts apportioned to affected taxing agencies pursuant to  
37 Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676,  
38 and excluding all amounts used to pay for tax allocation bonds  
39 and interest payments specified in the Controller’s report, in the  
40 2008–09 fiscal year.

1 (B) Determine the net tax increment apportioned to all  
2 redevelopment agencies pursuant to Section 33670, calculated as  
3 all redevelopment agencies' tax increment revenue, excluding any  
4 amounts apportioned to affected taxing agencies pursuant to  
5 Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676,  
6 and excluding all amounts used to pay for tax allocation bonds  
7 and interest payments specified in the Controller's report, in the  
8 2008–09 fiscal year.

9 (C) Determine each redevelopment agency's proportionate share  
10 of statewide net tax increment by dividing the amount determined  
11 pursuant to subparagraph (A) by the amount determined pursuant  
12 to subparagraph (B).

13 (D) Determine a proportionate amount of net tax increment for  
14 each redevelopment agency by multiplying one billion seven  
15 hundred million dollars (\$1,700,000,000) by the proportionate  
16 share determined pursuant to subparagraph (C).

17 (E) Determine the total amount of property tax revenue  
18 apportioned to each redevelopment agency pursuant to Section  
19 33670, calculated as a redevelopment agency's tax increment  
20 revenue, including any amounts apportioned to affected taxing  
21 agencies pursuant to Section 33401, 33492.140, 33607, 33607.5,  
22 33607.7, or 33676, and including all amounts used for payments  
23 of tax allocation bonds and interest payments specified in the  
24 Controller's report, in the 2008–09 fiscal year.

25 (F) Determine the total amount of property tax revenue  
26 apportioned to all redevelopment agencies pursuant to Section  
27 33670, calculated as all redevelopment agencies' tax increment  
28 revenue, including any amounts apportioned to affected taxing  
29 agencies pursuant to Section 33401, 33492.140, 33607, 33607.5,  
30 33607.7, or 33676, and including all amounts used for payments  
31 of tax allocation bonds and interest payments specified in the  
32 Controller's report, in the 2008–09 fiscal year.

33 (G) Determine each redevelopment agency's proportionate share  
34 of property tax revenue by dividing the amount determined  
35 pursuant to subparagraph (E) by the amount determined pursuant  
36 to subparagraph (F).

37 (H) Determine a proportionate amount of property tax revenue  
38 for each redevelopment agency by multiplying one billion seven  
39 hundred million dollars (\$1,700,000,000) by the proportionate  
40 share determined pursuant to subparagraph (G).

1 (I) Average the amounts determined pursuant to subparagraphs  
2 (D) and (H).

3 (J) On or before August 1, 2011, notify each city or county of  
4 the amount determined pursuant to subparagraph (I) for a  
5 redevelopment agency of that city or county.

6 (K) Notify each county auditor-controller of the amounts  
7 determined pursuant to subparagraph (I) for each agency in his or  
8 her county.

9 (L) (i) After receiving the notification from the Director of  
10 Finance pursuant to subparagraph (J), a city or county may appeal  
11 the amount of remittance to the director on or before August 15,  
12 2011, on the basis that the information in the Controller's report  
13 was in error or that the percentage of tax increment necessary to  
14 pay for tax allocation bonds and interest payments has increased  
15 by 10 percent or more over the percentage calculated pursuant to  
16 the Controller's redevelopment agency 2008–09 annual report.  
17 Any appeal shall include documentation that clearly and  
18 convincingly establishes the basis of the appeal and the amount  
19 of the claimed discrepancy.

20 (ii) The director may reject the appeal or approve it, in whole  
21 or in part, at the director's sole discretion. The director shall notify  
22 the city or county and the county auditor-controller of the decision  
23 on the appeal by September 15, 2011. However, the director may  
24 extend the decision deadline, at the director's discretion and upon  
25 notification of the city or county and the county auditor-controller,  
26 until October 15, 2011, in which case the date by which the city  
27 or county must enact the ordinance required by this part shall be  
28 extended until December 1, 2011. If the director determines that  
29 the percentage of tax increment necessary to pay for tax allocation  
30 bonds or interest payments has increased by 10 percent or more,  
31 as described by this subparagraph, then the director shall recalculate  
32 the remittance amount for the city or county identified in  
33 subparagraph (I) by reducing the amount in subparagraph (D) to  
34 reflect any percentage increase that is in excess of 10 percent.

35 (c) For the 2012–13 fiscal year and each fiscal year thereafter  
36 a participating community shall remit an amount equal to the sum  
37 of the amounts specified in paragraphs (1) and (2):

38 (1) For a community subject to a remittance amount determined  
39 for the 2011–12 fiscal year pursuant to subdivision (b), a base  
40 payment equal to the base payment in the prior fiscal year,

1 increased by the percentage growth or decreased by the percentage  
2 reduction, as appropriate, from the prior fiscal year in the total  
3 adjusted amount of property tax increment revenue allocated to  
4 the redevelopment agency of the community pursuant to Section  
5 33670 with respect to project areas that were in existence, and for  
6 which the agency received allocations of tax increment revenue,  
7 during the 2011–12 fiscal year.

8 (A) For the 2012–13 fiscal year, the base payment in the prior  
9 fiscal year shall be the remittance amount determined pursuant to  
10 subdivision (b) for the 2011–12 fiscal year multiplied by the ratio  
11 of four hundred million dollars (\$400,000,000) to one billion seven  
12 hundred million dollars (\$1,700,000,000).

13 (B) The “adjusted amount of property tax increment revenue”  
14 described in this paragraph means an amount of property tax  
15 increment in any fiscal year for a project area that is calculated by  
16 subtracting the amount of any debt service or other payments for  
17 new debt issuances or obligations, as provided in paragraph (2),  
18 from the total amount of property tax increment revenue allocated  
19 in that year to the agency with respect to that project area.

20 (2) (A) An amount equivalent to 80 percent, or any lesser  
21 amount as may be authorized by law for qualifying projects, of  
22 the total net school share, as described in subparagraph (B), of  
23 debt service or other payments made in that fiscal year for new  
24 debt or obligations issued or incurred on or after November 1,  
25 2011, as shown on the agency’s statement of indebtedness,  
26 excluding any debts issued or incurred on behalf of the agency’s  
27 Low and Moderate Income Housing Fund, established pursuant  
28 to Section 33334.3. “New debt” means debt that is displayed on  
29 a statement of indebtedness filed after a statement of indebtedness  
30 filed on October 1, 2011, that was not displayed on the statement  
31 of indebtedness filed on October 1, 2011.

32 (B) For the purpose of subparagraph (A), the net school share  
33 shall be the school share of the property tax increment revenues,  
34 less any passthrough payments to school entities, that would have  
35 been received in the absence of redevelopment by school entities,  
36 as defined in subdivision (f) of Section 95 of the Revenue and  
37 Taxation Code, in the jurisdictional territory of the redevelopment  
38 agency, including, but not limited to, the amounts specified in  
39 Section 97.68 and 97.70 of the Revenue and Taxation Code.

1 (C) It is the intent of the Legislature to enact legislation in the  
2 2011–12 session to prescribe a schedule of reductions in the  
3 community remittance, described in subparagraph (A), that will  
4 authorize payments of less than 80 percent of the school share of  
5 property taxes to the Educational Revenue Augmentation Fund.  
6 The reductions shall apply for bonds issued for the purpose of  
7 funding projects that advance the achievement of statewide goals  
8 with respect to transportation, housing, economic development  
9 and job creation, environmental protection and remediation, and  
10 climate change, including, but not limited to, projects that are  
11 consistent with the Sustainable Communities Strategies developed  
12 pursuant to Chapter 4.2 (commencing with Section 21155) of  
13 Division 13 of the Public Resources Code.

14 (3) On or before November 1 of each year, the city or county  
15 shall notify the Department of Finance, the Controller, and the  
16 county auditor-controller of the remittance amount required by the  
17 calculations described in this subdivision. The Director of Finance,  
18 the Controller, and the county auditor-controller shall each be  
19 authorized to audit and verify the remittance amount that is  
20 determined by the city or county. The county auditor-controller,  
21 based upon an audit conducted by that office, or upon notification  
22 by the Director of Finance or the Controller based on an audit  
23 conducted by those offices, that determines that the city or county  
24 has miscalculated its remittance payment amount, shall adjust the  
25 amount of the next remittance payment that shall be paid by the  
26 city or county to reflect the correct amount of payment previously  
27 owed by the city or county as identified in that audit, as required  
28 by this subdivision.

29 (d) (1) A city or county shall pay one-half of the total remittance  
30 amount, as calculated pursuant to subdivision (b) or (c), on or  
31 before January 15 of each year and shall pay the remaining one-half  
32 of the remittance amount on or before May 15 of each year.

33 (2) If a city or county fails to make its remittance payment as  
34 required by paragraph (1), the county auditor-controller shall notify  
35 the Director of Finance of the failure to make the payment within  
36 30 days. Upon receipt of the notification, the Director of Finance  
37 may determine that the redevelopment agency in the city or county  
38 shall be subject to the requirements of Part 1.8 (commencing with  
39 Section 34161) and Part 1.85 (commencing with Section 34170)  
40 as described in Section 34195.

1 34194.1. (a) A city or county making remittances to the county  
2 auditor-controller pursuant to Section 34194 or 34194.5 may use  
3 any available funds not otherwise obligated for other uses.

4 (b) In the 2011–12 fiscal year, the total amount paid pursuant  
5 to this chapter to school districts, county offices of education,  
6 charter schools, and community college districts shall be considered  
7 to be property taxes for the purposes of Section 2558, paragraph  
8 (1) of subdivision (h) of Section 42238, and Section 84751 of the  
9 Education Code. In the 2011–12 fiscal year, notwithstanding any  
10 other law, funding provided to local education agencies pursuant  
11 to this chapter shall be considered allocated local proceeds of taxes  
12 for purposes of Section 8 of Article XVI of the California  
13 Constitution.

14 (c) In fiscal years on and after the 2012–13 fiscal year, the total  
15 amount paid each year pursuant to this chapter to school districts,  
16 county offices of education, charter schools, and community  
17 college districts shall not be considered to be property taxes for  
18 the purposes of Section 2558, paragraph (1) of subdivision (h) of  
19 Section 42238, and Section 84751 of the Education Code. In fiscal  
20 years on and after the 2012–13 fiscal year, notwithstanding any  
21 other law, funding provided to local education agencies pursuant  
22 to this chapter shall not be considered allocated local proceeds of  
23 taxes for purposes of Section 8 of Article XVI of the California  
24 Constitution.

25 (d) For purposes of computing a school district’s property tax  
26 revenue, remittances made pursuant to this chapter shall be treated  
27 as property tax revenues transferred to school districts, county  
28 offices of education, and community college districts pursuant to  
29 subdivision (a) of Section 34183 for purposes of Section 41204.3  
30 of the Education Code.

31 (e) (1) Notwithstanding Sections 97.2 and 97.3 of the Revenue  
32 and Taxation Code, the county auditor-controller shall distribute  
33 the funds that are remitted to the county Educational Revenue  
34 Augmentation Fund by a city or county pursuant to this section  
35 only to a K-12 school district or county office of education that is  
36 located partially or entirely within any project area of the  
37 redevelopment agency in an amount proportional to the average  
38 daily attendance of each school district.

39 (2) The county auditor-controller shall notify each K-12 school  
40 district, and the State Department of Education, of the amount of

1 Educational Revenue Augmentation Fund moneys a district  
2 receives pursuant to this section. The county auditor-controller  
3 shall also notify each K-12 school district receiving funds pursuant  
4 to paragraph (1) of the project area boundaries of the  
5 redevelopment agency.

6 (3) (A) The county superintendent of schools shall provide the  
7 average daily attendance reported for each school district as of the  
8 second principal apportionment for the preceding fiscal year to  
9 the county auditor-controller.

10 (B) The county auditor-controller shall, based on information  
11 provided by the county superintendent of schools pursuant to  
12 subparagraph (A), allocate the funding pursuant to this subdivision  
13 to those districts within the city or county.

14 (4) School districts and county offices of education shall use  
15 the funds received under this section to serve pupils living in the  
16 redevelopment areas or in housing supported by redevelopment  
17 agency funds. Redevelopment agencies shall provide whatever  
18 information school districts and county offices of education need  
19 to accomplish this purpose.

20 34194.2. In choosing to continue redevelopment pursuant to  
21 this part, a city or county may enter into an agreement with the  
22 redevelopment agency in that jurisdiction, whereby the  
23 redevelopment agency will transfer a portion of its tax increment  
24 to the city or county, in an amount not to exceed the annual  
25 remittance required that year pursuant to this chapter, for the  
26 purpose of financing activities within the redevelopment area that  
27 are related to accomplishing the redevelopment agency project  
28 goals.

29 34194.3. For the 2011–12 fiscal year only, a redevelopment  
30 agency included in a city or county that complies with the  
31 provisions of this part shall be exempt from making the full  
32 allocation required to be made to the Low and Moderate Income  
33 Housing Fund, pursuant to Sections 33334.2, 33334.4, and 33334.6.  
34 It is the intent of the Legislature that Low and Moderate Income  
35 Housing Fund allocations be maintained to the extent feasible. As  
36 a condition of reducing its allocation pursuant to this section, the  
37 agency shall make a finding that there are insufficient other moneys  
38 to meet its debt and other obligations, current priority program  
39 needs, or its obligations under Section 34194.2.

1 34194.4. (a) The county auditor-controller in each county in  
 2 which a redevelopment agency exists shall establish in the county  
 3 treasury a Special District Allocation Fund. The county  
 4 auditor-controller shall deposit the following amounts into the  
 5 fund out of each annual remittance by a city or county that includes  
 6 a special district under this section paid pursuant Section 34194  
 7 as follows:

8 (1) For the 2011–12 fiscal year, the amount shall be the city’s  
 9 or county’s remittance amount multiplied by the ratio of four  
 10 million three hundred thousand dollars (\$4,300,000) to one billion  
 11 seven hundred million dollars (\$1,700,000,000).

12 (2) For the 2012–13 fiscal year and each fiscal year thereafter,  
 13 the amount shall be the city’s or county’s remittance amount  
 14 multiplied by the ratio of sixty million dollars (\$60,000,000) to  
 15 four hundred million dollars (\$400,000,000).

16 (3) Amounts derived from the remittance payments of each city  
 17 or county shall be maintained in separate accounts in the fund.

18 (b) On or before May 15 each year, the county auditor-controller  
 19 shall make payments out of each account in the Special District  
 20 Allocation Fund to each special district whose boundaries include  
 21 all or any portion of a redevelopment project area of the city’s or  
 22 county’s redevelopment agency for special district services that  
 23 the district determines further redevelopment purposes. Each  
 24 special district shall receive a proportionate share of the total annual  
 25 deposit in the account, determined as follows:

26 (1) For each special district, the auditor-controller shall  
 27 determine the annual amount of tax increment revenue of the city’s  
 28 or county’s redevelopment agency that is attributable to the special  
 29 district. This amount shall be the amount of additional property  
 30 tax revenue that the special district would have received in that  
 31 year had property tax collected on incremental assessed value  
 32 within the redevelopment project areas been allocated to the district  
 33 under the property tax allocation laws then in effect. From this  
 34 amount, the auditor-controller shall subtract any passthrough  
 35 payments received in that year by the special district from the  
 36 redevelopment agency.

37 (2) The county auditor-controller shall sum all of the annual  
 38 amounts for individual special districts determined in paragraph  
 39 (1).

1 (3) For each special district, the county auditor-controller shall  
 2 calculate the ratio of the amount determined for that special district  
 3 under paragraph (1) to the total amount determined in paragraph  
 4 (2). This ratio shall be each special district’s proportion of the total  
 5 payment from the account.

6 (c) For the purposes of this section, “special district” means a  
 7 district that provides fire protection services and transit districts.  
 8 A special district that has both excluded and nonexcluded functions  
 9 and that serves nonexcluded functions within a redevelopment  
 10 project area shall receive a prorated share proportionate to the  
 11 special district’s overall share of countywide property tax that is  
 12 received for its nonexcluded functions.

13 (d) The auditor-controller shall report the payments made to  
 14 special districts pursuant to this section to the Controller by June  
 15 30 each year in a form and manner as specified by the Controller.

16 (e) The county auditor-controller may require special districts  
 17 to provide, as a condition of receiving payments from the Special  
 18 District Allocation Fund, any relevant information necessary to  
 19 the determination of the payments made pursuant to this section.  
 20

21 CHAPTER 3.5. POST DISSOLUTION VOLUNTARY REDEVELOPMENT  
 22 PROGRAM PARTICIPATION  
 23

24 34194.5. No community may establish a new redevelopment  
 25 agency if its former redevelopment agency has been dissolved  
 26 pursuant to Part 1.85 (commencing with Section 34170) until the  
 27 successor entity has retired all existing enforceable obligations  
 28 and debts of the former redevelopment agency and then only after  
 29 the community adopts the ordinance specified in Section 34193,  
 30 and the ordinance provides for payment of the remittances specified  
 31 in paragraph (2) of subdivision (c) of Section 34194.  
 32

33 CHAPTER 4. ENFORCEMENT AND SANCTIONS  
 34

35 34195. In the event that a city or county fails to make the  
 36 remittance required pursuant to the agreement specified in Section  
 37 34194 or 34194.5 and the Director of Finance makes the  
 38 determination described in those sections, the following shall apply:

39 (a) The city or county shall no longer be authorized to engage  
 40 in voluntary redevelopment pursuant to this part and the

1 redevelopment agency shall become immediately subject to the  
 2 provisions of Part 1.8 (commencing with Section 34161) and Part  
 3 1.85 (commencing with 34170).

4 (b) The state shall be entitled to an assignment of any rights of  
 5 a city or county, as applicable, to any payments from the  
 6 redevelopment agency to which the city or county is entitled, as  
 7 described in subdivision (b) of Section 34193.2, for purposes of  
 8 mitigating the fiscal impact to the state related to the failure of the  
 9 city or county to make the required remittance payment.

10  
 11 CHAPTER 5. AUDITOR-CONTROLLER FEE  
 12

13 34196. The auditor-controller may charge a city or county a  
 14 fee that does not exceed the reasonable costs of the  
 15 auditor-controller to implement the provisions of this part.

16 ~~SEC. 3. (a) The Legislature hereby finds and determines that~~  
 17 ~~the requirements of this section are necessary in order to comply~~  
 18 ~~with and refrain from impairing the requirements of that certain~~  
 19 ~~judgment in Case Nos. C136398 and C133458 of the Superior~~  
 20 ~~Court of the State of California for the County of Los Angeles,~~  
 21 ~~entitled Ernani Bernardi, et al, v. City Council of the City of Los~~  
 22 ~~Angeles, et al, and litigation related thereto, including, but not~~  
 23 ~~limited to, Bernardi v. City Council (1997) 54 Cal.App.4th 426~~  
 24 ~~and County of Los Angeles v. Community Redevelopment Agency~~  
 25 ~~of the City of Los Angeles (BC 276472).~~

26 ~~(b) The Legislature hereby finds and declares that the provisions~~  
 27 ~~of the judgment described in subdivision (a) relating to a tax~~  
 28 ~~increment cap expired on July 19, 2010, by the express terms of~~  
 29 ~~that judgment and shall by its own terms be of no force or effect~~  
 30 ~~after July 19, 2010.~~

31 ~~(c) Notwithstanding subdivision (b) or any other provision of~~  
 32 ~~law, the Community Redevelopment Agency of the City of Los~~  
 33 ~~Angeles shall not be allocated and shall not receive tax increment~~  
 34 ~~revenues pursuant to Section 33670 that were generated prior to~~  
 35 ~~July 1, 2011, from any parcel of real property which was located~~  
 36 ~~in the central business district redevelopment project on July 19,~~  
 37 ~~1975, the date of the adoption of that redevelopment project.~~

38 ~~(d) Commencing on July 1, 2011, and utilizing as the base year~~  
 39 ~~assessment roll only the assessment roll to be equalized for the~~  
 40 ~~2011-12 fiscal year, the Community Redevelopment Agency of~~

1 the City of Los Angeles shall be allocated tax increments from  
2 those parcels described in subdivision (c) that are included within  
3 the city center or central industrial redevelopment project areas,  
4 subject to, and consistent with, all other provisions of law.

5 (e) The Legislature finds and declares that the provisions of this  
6 section are necessary to carry out public policy and to accomplish  
7 the purposes of the redevelopment plans for the city center and  
8 central industrial redevelopment project areas.

9 (f) The provisions of this section are severable. If any provision  
10 of the act adding this section or its application is held invalid, that  
11 invalidity shall not affect the provisions of this section or  
12 applications that can be given effect without the invalid provision  
13 or application.

14 ~~SEC. 4.~~

15 *SEC. 3.* If any legal challenge to invalidate a provision of  
16 Section 2 of this act is successful, a redevelopment agency shall  
17 be prohibited from issuing new bonds, notes, interim certificates,  
18 debentures, or other obligations, whether funded, refunded,  
19 assumed, or otherwise, pursuant to Article 5 (commencing with  
20 Section 33640) of Chapter 6 of Part 1 of Division 24 of the Health  
21 and Safety Code.

22 ~~SEC. 5.~~

23 *SEC. 4.* The provisions of Section 2 of this act are distinct and  
24 severable from the provisions of Part 1.8 (commencing with 34161)  
25 and Part 1.85 (commencing with Section 34170) of Division 24  
26 of the Health and Safety Code and those provisions shall continue  
27 in effect if any of the provisions of this act are held invalid.

28 ~~SEC. 6.~~

29 *SEC. 5.* If Section 2 of this act, or the application thereof, is  
30 held invalid in a court of competent jurisdiction, the remaining  
31 provisions of this act are not severable and shall not be given, or  
32 otherwise have, any force or effect.

33 ~~SEC. 7.~~

34 *SEC. 6.* The sum of five hundred thousand dollars (\$500,000)  
35 is hereby appropriated to the Department of Finance from the  
36 General Fund for costs to comply with this act.

37 ~~SEC. 8.~~ The Legislature finds and declares that a special law  
38 is necessary and that a general law cannot be made applicable  
39 within the meaning of Section 16 of Article IV of the California

1 ~~Constitution because of unique circumstances concerning the Los~~  
2 ~~Angeles Redevelopment Agency.~~

3 ~~SEC. 9.~~

4 *SEC. 7.* This act addresses the fiscal emergency declared and  
5 reaffirmed by the Governor by proclamation on January 20, 2011,  
6 pursuant to subdivision (f) of Section 10 of Article IV of the  
7 California Constitution.

8 ~~SEC. 10.~~

9 *SEC. 8.* This act is a bill providing for appropriations related  
10 to the Budget Bill within the meaning of subdivision (e) of Section  
11 12 of Article IV of the California Constitution, has been identified  
12 as related to the budget in the Budget Bill, and shall take effect  
13 immediately.

O