

ASSEMBLY BILL

No. 1234

Introduced by Assembly Member Norby

February 18, 2011

An act to amend Section 33671 of, *and to add Section 33609 to*, the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1234, as amended, Norby. ~~Redevelopment: tax increment funds: payment of indebtedness: agencies: financing.~~

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, and to utilize various types of financing for that purpose.

This bill would prohibit redevelopment agencies from using specified revenue for the promotion, recruitment, or retention of any professional sports team, or any related activity, as defined or for the development, planning, design, site acquisition, subdivision, financing, leasing, construction, operation, or maintenance of infrastructure, as defined, related to the occupancy, recruitment, or retention of any professional sports team.

Existing

(2) The law authorizes redevelopment agencies to pay the principal of, and interest on, indebtedness incurred to finance or refinance redevelopment, from a portion of property tax revenues diverted from other taxing agencies. The portion of taxes diverted is the amount attributable to increases in assessed valuation of property in the redevelopment project area subsequent to establishment thereof. This

method of financing is commonly known as “tax increment” financing and is specifically authorized by Section 16 of Article XVI of the California Constitution.

~~Existing~~

The law also authorizes a redevelopment agency, in any redevelopment plan or in the proceedings for the advance of moneys or the making of loans or the incurring of any indebtedness, to finance or refinance, in whole or in part, a redevelopment project to irrevocably pledge its tax increment revenues for the payment of the principal of, and interest on, these loans, advances, or other indebtedness.

This bill would make technical, nonsubstantive changes in those provisions that authorize a redevelopment agency to pledge its tax increment revenues for the payment on loans, advances, or other indebtedness.

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. Section 33609 is added to the Health and Safety
- 2 Code, to read:
- 3 33609. (a) Notwithstanding any other law, a redevelopment
- 4 agency shall not use any tax increment revenue, revenue derived
- 5 from bond proceeds, or revenue derived from any other financing
- 6 authorized pursuant to this part for either of the following:
- 7 (1) The promotion, recruitment, or retention of any professional
- 8 sports team, or any related activity.
- 9 (2) The development, planning, design, site acquisition,
- 10 subdivision, financing, leasing, construction, operation, or
- 11 maintenance of infrastructure related to the occupancy,
- 12 recruitment, or retention of any professional sports team.
- 13 (b) For purposes of this section:
- 14 (1) “Related activity” includes, but is not limited to, legal
- 15 counsel, lobbying, and any other public relations or promotional
- 16 activity.
- 17 (2) “Infrastructure” includes, but is not limited to, a sports
- 18 facility and related development, and infrastructure improvements
- 19 associated with a sports facility and related development.

1 **SECTION 1.**

2 *SEC. 2.* Section 33671 of the Health and Safety Code is
3 amended to read:

4 33671. A redevelopment agency may, in a redevelopment plan
5 or in the proceedings for the advance of moneys, the making of
6 loans, or the incurring of any indebtedness, whether funded,
7 refunded, assumed, or otherwise, to finance or refinance, in whole
8 or in part, the redevelopment project, irrevocably pledge the portion
9 of taxes specified in subdivision (b) of Section 33670 for the
10 payment of the principal of and interest on these loans, advances,
11 or other indebtedness.

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