

AMENDED IN ASSEMBLY MARCH 6, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1555

Introduced by Assembly Member Norby

January 26, 2012

An act to add ~~Section 33601.5 to, and to repeal Article 4.4 (commencing with Section 33354.7) of Chapter 4 of Part 1 of Division 24 of, Section 34181.5 to~~ the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1555, as amended, Norby. Redevelopment: debt forgiveness agreements.

Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law imposes various requirements on successor agencies and subjects successor agency actions to the review of oversight boards. Existing law requires each oversight board to direct the successor agency to, among other things, cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations, as defined.

This bill would, in directing the successor agency to take a specified action, prohibit the oversight board from requiring the successor agency to take any action that results in the forgiveness, wholly or partially, of a loan, advance, or indebtedness that is owed by a public body to the dissolved redevelopment agency. The bill would authorize the oversight board, consistent with a specified provision of law, to set aside any agreements relating to the forgiveness of indebtedness, loans,

or advances owed by the dissolved redevelopment agency dating back to January 1, 2011.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in specified communities to address the effects of blight, as defined. Existing law imposes notice requirements on a redevelopment agency with respect to the forgiveness of debts and loans owed to an agency by a public body.

This bill would repeal the provisions of law with respect to redevelopment agency forgiveness of debts and loans. The bill would prohibit an agency from forgiving the repayment of a loan, advance, or indebtedness that is owed by a public body to the agency.

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 34181.5 is added to the Health and Safety
2 Code, to read:

3 34181.5. (a) In directing the successor agency to take any
4 action specified in Section 34181 or any provision of this part, the
5 oversight board shall not require the successor agency to take any
6 action that results in the forgiveness, wholly or partially, of a loan,
7 advance, or indebtedness that is owed by a public body to the
8 dissolved redevelopment agency.

9 (b) The oversight board may, consistent with subdivision (b) of
10 Section 34181, set aside any agreements relating to the forgiveness
11 of indebtedness, loans, or advances owed by the dissolved
12 redevelopment agency dating back to January 1, 2011.

13 SECTION 1. ~~Article 4.4 (commencing with Section 33354.7)~~
14 ~~of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code~~
15 ~~is repealed.~~

16 SEC. 2. ~~Section 33601.5 is added to the Health and Safety~~
17 ~~Code, to read:~~

18 33601.5. ~~Notwithstanding any other law, an agency shall not~~
19 ~~forgive the repayment, wholly or partially, of a loan, advance, or~~
20 ~~indebtedness that is owed by a public body to the agency.~~