

**Assembly Bill No. 2551**

\_\_\_\_\_

Passed the Assembly August 27, 2012

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_

Passed the Senate August 23, 2012

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2012, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Section 53395.27 to the Government Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2551, Hueso. Infrastructure financing districts: renewable energy zones.

Existing law authorizes counties and cities to form infrastructure financing districts, in accordance with a prescribed procedure, and requires that a district finance only public capital facilities of communitywide significance, as specified. Existing law authorizes a legislative body, by ordinance, to adopt an infrastructure financing plan and create the district with the full force and effect of law, if  $\frac{2}{3}$  of the registered voters within the territory of the proposed district are in favor of creating the district.

This bill would authorize a legislative body to establish an infrastructure financing district in a renewable energy zone area, as defined, for the purpose of promoting renewable energy projects. With respect to an infrastructure financing district created pursuant to these provisions, the bill would exempt the formation of the infrastructure financing district from the voter-approval requirement.

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

SECTION 1. Section 53395.27 is added to the Government Code, to read:

53395.27. (a) This section shall apply only to a city that created and approved a renewable energy infrastructure area.

(b) For purposes of this section, the following terms shall have the following meanings:

(1) "Renewable energy infrastructure area" means an area that contains a proposed development project or projects that would generate in total more than 50 megawatts of electricity using an eligible renewable energy resource, as defined in Article 16 (commencing with Section 399.11) of Part 1 of Division 1 of the Public Utilities Code, that is intended to be used for commercial

renewable energy production. A renewable energy infrastructure area may include property that is proposed to include a rooftop solar energy systems if the property owner provides written consent that the property be contained in the renewable energy infrastructure area.

(2) “Commercial renewable energy production” means that the project has an executed power purchase agreement for the sale of the electricity from an eligible renewable energy resource to a California retail seller, as defined by subdivision (j) of Section 399.12 of the Public Utilities Code, or a local publicly owned electric utility, as defined by Section 224.3 of the Public Utilities Code.

(c) A district created pursuant to this section shall only use tax increment (1) within the boundaries of that district, and (2) on renewable energy infrastructure or renewable energy upgrades.

(d) In determining whether an area constitutes a renewable energy infrastructure area, the legislative body may consider areas that are not contiguous and may aggregate the total megawatts of several areas.

(e) The legislative body of a city may use the provisions of this chapter to form an infrastructure financing district in renewable energy infrastructure areas for the purpose of promoting renewable energy projects.

(f) With respect to an infrastructure financing district created pursuant to this section, an election shall not be required to form an infrastructure financing district. All other provisions of this chapter, including those relating to elections and public notice, shall apply to the adoption of the infrastructure financing plan, the issuance of bonds of an infrastructure financing district, and the establishment or changing of an appropriations limit.

(g) (1) Notwithstanding any other law, this section is not intended to interfere with, or prevent the exercise of, the existing authority of an agency or department to carry out its programs, projects, or responsibilities to identify, review, approve, deny, or implement any mitigation requirements, and this section shall not be construed as a limitation on mitigation requirements for the project, or a limitation on compliance with requirements under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or any other provision of law.

(2) An infrastructure financing district created pursuant to this section shall not use property tax increment to pay for, in whole or in part, subsidize, or make affordable, conditions of project approval or mitigation requirements imposed on a private developer of a renewable energy development project.







Approved \_\_\_\_\_, 2012

---

*Governor*