

Introduced by Senator HuffFebruary 17, 2011

An act to add Section 33690.6 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 499, as introduced, Huff. Redevelopment: tax increment calculations.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in blighted areas in those communities known as project areas. The California Constitution authorizes a redevelopment agency to receive funding through tax increments attributable to increases in assessed property tax valuation in a project area due to redevelopment. Existing statutory law also requires an agency to remit specified funds based on net tax increment apportioned to the agency for deposit in separate funds for various purposes.

This bill would authorize a redevelopment plan to contain a provision that limits the dollar amount of property tax increment revenue that may be divided and allocated to the agency, as specified, in any single year. The bill would also require that a certain portion of taxes received by or apportioned to an agency be based on a prescribed amount in the course of making a calculation relating to a required agency payment or allocation.

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. Section 33690.6 is added to the Health and Safety
2 Code, to read:
3 33690.6. (a) A redevelopment plan may contain a provision
4 that limits the dollar amount of property tax increment revenue
5 that may be divided and allocated to the agency pursuant to Section
6 33670 in any single year. If a redevelopment plan includes this
7 provision, property taxes collected in excess of the annual limit
8 and otherwise allocable to the agency shall be allocated to, and
9 when collected shall be paid to, the respective taxing agencies as
10 taxes by or for the taxing agencies and shall not be considered tax
11 increment pursuant to subdivision (b) of Section 33670.
12 (b) Notwithstanding any other provision of this part, in
13 calculating any amount an agency is required to pay or allocate
14 and that is calculated as a percentage of a portion of the taxes
15 received by or apportioned to the agency pursuant to subdivision
16 (b) of Section 33670, that portion shall be based on the lesser of
17 the following amounts:
18 (1) The portion of taxes that may be allocated and paid to the
19 agency pursuant to subdivision (b) of Section 33670.
20 (2) The amount of taxes actually received by that agency
21 pursuant to the plan, taking into account any limitations on the
22 receipt of tax increment specified in the plan.
23 (c) The Legislature finds and declares that the provisions of this
24 section are declaratory of existing law.

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