

AMENDED IN ASSEMBLY JUNE 15, 2012

AMENDED IN ASSEMBLY JANUARY 13, 2012

AMENDED IN SENATE MAY 11, 2011

AMENDED IN SENATE MARCH 24, 2011

SENATE BILL

No. 659

Introduced by Senators Padilla and Rubio Senator Negrete McLeod
(Principal coauthor: Senator Hernandez)
(Coauthor: Senator Negrete McLeod)
(Coauthors: Assembly Members Ma, Perea, and Solorio)

February 18, 2011

An act to amend Sections 34170, 34172, 34173, 34175, 34177, 34178, 34179, 34182, 34183, 34185, and 34187 of, to add Section 34189.5 to, and to repeal Sections 34178.7, 34188.8, and 34191 of, the Health and Safety Code, and to amend Section 97.401 of the Revenue and Taxation Code, relating to community redevelopment. *An act to amend Section 120440 of the Health and Safety Code, relating to public health.*

LEGISLATIVE COUNSEL'S DIGEST

SB 659, as amended, *Padilla Negrete McLeod. Community redevelopment. Immunizations: disclosure of information: tuberculosis screening.*

Existing law regulates the sharing of a patient's or client's immunization information between a health care provider, local health department, the State Department of Public Health, and other agencies. Existing law prescribes the process by which a patient or client, or parent or guardian of a patient or client, may refuse to allow the information to be shared and requires the health care provider administering the immunization to provide the patient with designated

notice. Existing law permits local health departments and the department to share the name of a patient or client, or parent or guardian of a patient or client, with a state, local health department, health care provider, immunization information system, or any representative of an entity designated by federal or state law to receive this information, and authorizes the department to enter into written agreements to share this information with other states for specified purposes, unless the patient or client, or parent or guardian of the patient or client, refuses to allow the information to be shared. Under existing law, the patient or client, or parent or guardian of the patient or client, has the right to examine shared immunization-related information and to correct errors in it.

Under existing law, if the patient or client, or parent or guardian of a patient or client, refuses the sharing of immunization information, the patient's or client's physician is allowed to maintain access to this information for the purpose of patient care or protecting the public health. Existing law also allows the local health department and the department to maintain access to this information for the purpose of protecting the public health.

This bill would include tuberculosis screening, as defined, in the above immunization information provisions.

~~Existing law suspends various activities of redevelopment agencies and prohibits the agencies from incurring indebtedness for a specified period. Existing law also dissolves redevelopment agencies and community development agencies, as of October 1, 2011, and designates successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, repay enforceable obligations, as defined, and to remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities. Existing law imposes various requirements on successor agencies and subjects successor agency actions to the review of oversight boards.~~

~~In the case of California Redevelopment Association v. Matosantos, Case No. S194861, the California Supreme Court ruled that the dissolution of redevelopment agencies and community development agencies shall take effect on February 1, 2012, or 4 months after the effective date or the deadline for performance of an obligation, except as specified.~~

~~This bill would instead provide that dissolution of redevelopment agencies and community development agencies shall take effect on April 15, 2012, and as otherwise specified. Other specified provisions would become effective on May 1, 2012, or require performance of certain actions on or before July 1, 2012.~~

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 120440 of the Health and Safety Code is
2 amended to read:

3 120440. (a) For the purposes of this chapter, the following
4 definitions shall apply:

5 (1) “Health care provider” means any person licensed pursuant
6 to Division 2 (commencing with Section 500) of the Business and
7 Professions Code or a clinic or health facility licensed pursuant to
8 Division 2 (commencing with Section 1200).

9 (2) “Schools, child care facilities, and family child care homes”
10 means those institutions referred to in subdivision (b) of Section
11 120335, regardless of whether they directly provide immunizations
12 to patients or clients.

13 (3) “WIC service provider” means any public or private
14 nonprofit agency contracting with the department to provide
15 services under the California Special Supplemental Food Program
16 for Women, Infants, and Children, as provided for in Article 2
17 (commencing with Section 123275) of Chapter 1 of Part 2 of
18 Division 106.

19 (4) “Health care plan” means a health care service plan as
20 defined in subdivision (f) of Section 1345, a government-funded
21 program the purpose of which is paying the costs of health care,
22 or an insurer as described in Sections 10123.5 and 10123.55 of
23 the Insurance Code, regardless of whether the plan directly provides
24 immunizations to patients or clients.

25 (5) “County welfare department” means a county welfare agency
26 administering the California Work Opportunity and Responsibility
27 to Kids (CalWORKs) program, pursuant to Chapter 2 (commencing
28 with Section 11200.5) of Part 3 of Division 9 of the Welfare and
29 Institutions Code.

1 (6) “Foster care agency” means any of the county and state
2 social services agencies providing foster care services in California.

3 (7) “*Tuberculosis screening*” means an approved intradermal
4 *tuberculin test or any other test for tuberculosis infection that is*
5 *recommended by the federal Centers for Disease Control and*
6 *Prevention and licensed by the federal Food and Drug*
7 *Administration.*

8 (b) (1) Local health officers may operate immunization
9 information systems pursuant to their authority under Section
10 120175, in conjunction with the Immunization Branch of the State
11 Department of ~~Health Services~~. *Public Health*. Local health officers
12 and the State Department of *Public Health* ~~Services~~ may operate
13 these systems in either or both of the following manners:

14 (A) Separately within their individual jurisdictions.

15 (B) Jointly among more than one jurisdiction.

16 (2) Nothing in this subdivision shall preclude local health
17 officers from sharing the information set forth in paragraphs (1)
18 to ~~(9)~~, (10), inclusive, of subdivision (c) with other health officers
19 jointly operating the system.

20 (c) Notwithstanding Sections 49075 and 49076 of the Education
21 Code, Chapter 5 (commencing with Section 10850) of Part 2 of
22 Division 9 of the Welfare and Institutions Code, or any other
23 provision of law, unless a refusal to permit recordsharing is made
24 pursuant to subdivision (e), health care providers, and other
25 agencies, including, but not limited to, schools, child care facilities,
26 service providers for the California Special Supplemental Food
27 Program for Women, Infants, and Children (WIC), health care
28 plans, foster care agencies, and county welfare departments, may
29 disclose the information set forth in paragraphs (1) to ~~(9)~~, (10),
30 inclusive, from the patient’s medical record, or the client’s record,
31 to local health departments operating countywide or regional
32 immunization information and reminder systems and the State
33 Department of ~~Health Services~~. *Public Health*. Local health
34 departments and the State Department of *Public Health* ~~Services~~
35 may disclose the information set forth in paragraphs (1) to ~~(9)~~,
36 (10), inclusive, to each other and, upon a request for information
37 pertaining to a specific person, to health care providers taking care
38 of the patient. Local health departments and the State Department
39 of *Public Health* ~~Services~~ may disclose the information in
40 paragraphs (1) to ~~(6)~~, (7), inclusive, and paragraphs ~~(8)~~ (9) and

1 ~~(9)~~, (10), to schools, child care facilities, county welfare
2 departments, and family child care homes to which the person is
3 being admitted or in attendance, foster care agencies in assessing
4 and providing medical care for children in foster care, and WIC
5 service providers providing services to the person, health care
6 plans arranging for immunization services for the patient, and
7 county welfare departments assessing immunization histories of
8 dependents of CalWORKs participants, upon request for
9 information pertaining to a specific person. Determination of
10 benefits based upon immunization of a dependent CalWORKs
11 participant shall be made pursuant to Section 11265.8 of the
12 Welfare and Institutions Code. The following information shall
13 be subject to this subdivision:

14 (1) The name of the patient or client and names of the parents
15 or guardians of the patient or client.

16 (2) Date of birth of the patient or client.

17 (3) Types and dates of immunizations received by the patient
18 or client.

19 (4) Manufacturer and lot number for each immunization
20 received.

21 (5) Adverse reaction to immunizations received.

22 (6) Other nonmedical information necessary to establish the
23 patient's or client's unique identity and record.

24 (7) *Results of tuberculosis screening.*

25 ~~(7)~~

26 (8) Current address and telephone number of the patient or client
27 and the parents or guardians of the patient or client.

28 ~~(8)~~

29 (9) Patient's or client's gender.

30 ~~(9)~~

31 (10) Patient's or client's place of birth.

32 (d) (1) Health care providers, local health departments, and the
33 State Department of *Public Health Services* shall maintain the
34 confidentiality of information listed in subdivision (c) in the same
35 manner as other medical record information with patient
36 identification that they possess. These providers, departments, and
37 contracting agencies are subject to civil action and criminal
38 penalties for the wrongful disclosure of the information listed in
39 subdivision (c), in accordance with existing law. They shall use

1 the information listed in subdivision (c) only for the following
2 purposes:

3 (A) To provide immunization services to the patient or client,
4 including issuing reminder notifications to patients or clients or
5 their parents or guardians when immunizations are due.

6 (B) To provide or facilitate provision of third-party payer
7 payments for immunizations.

8 (C) To compile and disseminate statistical information of
9 immunization status on groups of patients or clients or populations
10 in California, without identifying information for these patients or
11 clients included in these groups or populations.

12 (D) In the case of health care providers only, as authorized by
13 Part 2.6 (commencing with Section 56) of Division 1 of the Civil
14 Code.

15 (2) Schools, child care facilities, family child care homes, WIC
16 service providers, foster care agencies, county welfare departments,
17 and health care plans shall maintain the confidentiality of
18 information listed in subdivision (c) in the same manner as other
19 client, patient, and pupil information that they possess. These
20 institutions and providers are subject to civil action and criminal
21 penalties for the wrongful disclosure of the information listed in
22 subdivision (c), in accordance with existing law. They shall use
23 the information listed in subdivision (c) only for those purposes
24 provided in subparagraphs (A) to (D), inclusive, of paragraph (1)
25 and as follows:

26 (A) In the case of schools, child care facilities, family child care
27 homes, and county welfare departments, to carry out their
28 responsibilities regarding required immunization for attendance
29 or participation benefits, or both, as described in Chapter 1
30 (commencing with Section 120325), and in Section 11265.8 of
31 the Welfare and Institutions Code.

32 (B) In the case of WIC service providers, to perform
33 immunization status assessments of clients and to refer those clients
34 found to be due or overdue for immunizations to health care
35 providers.

36 (C) In the case of health care plans, to facilitate payments to
37 health care providers, to assess the immunization status of their
38 clients, and to tabulate statistical information on the immunization
39 status of groups of patients, without including patient-identifying
40 information in these tabulations.

1 (D) In the case of foster care agencies, to perform immunization
2 status assessments of foster children and to assist those foster
3 children found to be due or overdue for immunization in obtaining
4 immunizations from health care providers.

5 (e) A patient or a patient's parent or guardian may refuse to
6 permit recordsharing. The health care provider administering
7 immunization and any other agency possessing any patient or client
8 information listed in subdivision (c), if planning to provide patient
9 or client information to an immunization system, as described in
10 subdivision (b), shall inform the patient or client, or the parent or
11 guardian of the patient or client, of the following:

12 (1) The information listed in subdivision (c) may be shared with
13 local health departments and the State Department of ~~Health~~
14 ~~Services~~. *Public Health*. The health care provider or other agency
15 shall provide the name and address of the State Department of
16 *Public Health* ~~Services~~ or of the immunization registry with which
17 the provider or other agency will share the information.

18 (2) Any of the information shared with local health departments
19 and the State Department of *Public Health* ~~Services~~ shall be treated
20 as confidential medical information and shall be used only to share
21 with each other, and, upon request, with health care providers,
22 schools, child care facilities, family child care homes, WIC service
23 providers, county welfare departments, foster care agencies, and
24 health care plans. These providers, agencies, and institutions shall,
25 in turn, treat the shared information as confidential, and shall use
26 it only as described in subdivision (d).

27 (3) The patient or client, or parent or guardian of the patient or
28 client, has the right to examine any immunization-related
29 information *or tuberculosis screening results* shared in this manner
30 and to correct any errors in it.

31 (4) The patient or client, or the parent or guardian of the patient
32 or client, may refuse to allow this information to be shared in the
33 manner described, or to receive immunization reminder
34 notifications at any time, or both. After refusal, the patient's or
35 client's physician may maintain access to this information for the
36 purposes of patient care or protecting the public health. After
37 refusal, the local health department and the State Department of
38 *Public Health* ~~Services~~ may maintain access to this information
39 for the purpose of protecting the public health pursuant to Sections

1 100325, 120140, and 120175, as well as Sections 2500 to 2643.20,
2 inclusive, of Title 17 of the California Code of Regulations.

3 (f) (1) The health care provider administering the immunization
4 *or tuberculosis screening* and any other agency possessing any
5 patient or client information listed in subdivision (c), may inform
6 the patient or client, or the parent or guardian of the patient or
7 client, by ordinary mail, of the information in paragraphs (1) to
8 (4), inclusive, of subdivision (e). The mailing must include a
9 reasonable means for refusal, such as a return form or contact
10 telephone number.

11 (2) The information in paragraphs (1) to (4), inclusive, of
12 subdivision (e) may also be presented to the parent or guardian of
13 the patient or client during any hospitalization of the patient or
14 client.

15 (g) If the patient or client, or parent or guardian of the patient
16 or client, refuses to allow the information to be shared, pursuant
17 to paragraph (4) of subdivision (e), the health care provider or
18 other agency may not share this information in the manner
19 described in subdivision (c), except as provided in subparagraph
20 (D) of paragraph (1) of subdivision (d).

21 (h) (1) Upon request of the patient or client, or the parent or
22 guardian of the patient or client, in writing or by other means
23 acceptable to the recipient, a local health department or the State
24 Department of *Public Health Services* that has received information
25 about a person pursuant to subdivision (c) shall do all of the
26 following:

27 (A) Provide the name and address of other persons or agencies
28 with whom the recipient has shared the information.

29 (B) Stop sharing the information in its possession after the date
30 of the receipt of the request.

31 (2) After refusal, the patient's or client's physician may maintain
32 access to this information for the purposes of patient care or
33 protecting the public health. After refusal, the local health
34 department and the State Department of *Public Health Services*
35 may maintain access to this information for the purpose of
36 protecting the public health pursuant to Sections 100325, 120140,
37 and 120175, as well as Sections 2500 to 2643.20, inclusive, of
38 Title 17 of the California Code of Regulations.

39 (i) Upon notification, in writing or by other means acceptable
40 to the recipient, of an error in the information, a local health

1 department or the State Department of *Public Health Services* that
2 has information about a person pursuant to subdivision (c) shall
3 correct the error. If the recipient is aware of a disagreement about
4 whether an error exists, information to that effect may be included.

5 (j) (1) Any party authorized to make medical decisions for a
6 patient or client, including, but not limited to, those authorized by
7 Section 6922, 6926, or 6927 of, Part 1.5 (commencing with Section
8 6550), Chapter 2 (commencing with Section 6910) of Part 4, or
9 Chapter 1 (commencing with Section 7000) of Part 6, of Division
10 11 of, the Family Code, Section 1530.6 of the Health and Safety
11 Code, or Sections 727 and 1755.3 of, and Article 6 (commencing
12 with Section 300) of Chapter 2 of Part 1 of Division 2 of, the
13 Welfare and Institutions Code, may permit sharing of the patient's
14 or client's record with any of the immunization information
15 systems authorized by this section.

16 (2) For a patient or client who is a dependent of a juvenile court,
17 the court or a person or agency designated by the court may permit
18 this recordsharing.

19 (3) For a patient or client receiving foster care, a person or
20 persons licensed to provide residential foster care, or having legal
21 custody, may permit this recordsharing.

22 (k) For purposes of supporting immunization information
23 systems, the State Department of *Public Health Services* shall
24 assist the Immunization Branch of the State Department of *Public*
25 *Health Services* in both of the following:

26 (1) Providing department records containing information about
27 publicly funded immunizations.

28 (2) Supporting efforts for the reporting of publicly funded
29 immunizations into immunization information systems by health
30 care providers and health care plans.

31 (l) Subject to any other provisions of state and federal law or
32 regulation that limit the disclosure of health information and protect
33 the privacy and confidentiality of personal information, local health
34 departments and the State Department of *Public Health Services*
35 may share the information listed in subdivision (c) with a state,
36 local health departments, health care providers, immunization
37 information systems, or any representative of an entity designated
38 by federal or state law or regulation to receive this information.
39 The State Department of *Public Health Services* may enter into
40 written agreements to exchange confidential immunization

1 information with other states for the purposes of patient care,
 2 protecting the public health, entrance into school, child care and
 3 other institutions requiring immunization prior to entry, and the
 4 other purposes described in subdivision (d). The written agreement
 5 shall provide that the state that receives confidential immunization
 6 information must maintain its confidentiality and may only use it
 7 for purposes of patient care, protecting the public health, entrance
 8 into school, child care and other institutions requiring immunization
 9 prior to entry, and the other purposes described in subdivision (d).
 10 Information may not be shared pursuant to this subdivision if a
 11 patient or client, or parent or guardian of a patient or client, refuses
 12 to allow the sharing of immunization information pursuant to
 13 subdivision (e).

14 ~~SECTION 1. The Legislature finds and declares all of the~~
 15 ~~following:~~

16 ~~(a) The Legislature's sole objective in enacting this act is to~~
 17 ~~temporarily delay the dissolution of redevelopment agencies in~~
 18 ~~order to provide the opportunity to address significant legal,~~
 19 ~~financial, and practical issues related to the dissolution of~~
 20 ~~redevelopment agencies that cannot be addressed once the~~
 21 ~~dissolution occurs.~~

22 ~~(b) In enacting this act, the Legislature hereby intends to codify~~
 23 ~~the California Supreme Court's December 29, 2011, holding in~~
 24 ~~California Redevelopment Association v. Matosantos, Case No.~~
 25 ~~S194861, while temporarily extending the timeframe for~~
 26 ~~implementing Section 7 of Chapter 5 of the First Extraordinary~~
 27 ~~Session of the Statutes of 2011.~~

28 ~~(c) This act shall not be construed as permitting any~~
 29 ~~redevelopment agency to incur new or expand existing monetary,~~
 30 ~~legal, or contractual obligations, institute any condemnation~~
 31 ~~proceedings, or issue any additional bonds, notes, or other~~
 32 ~~indebtedness between the date of the California Supreme Court's~~
 33 ~~holding in California Redevelopment Association v. Matosantos,~~
 34 ~~Case No. S194861, and April 15, 2012.~~

35 ~~SEC. 2. Section 34170 of the Health and Safety Code is~~
 36 ~~amended to read:~~

37 ~~34170. (a) Unless otherwise specified, all provisions of this~~
 38 ~~part shall become operative on April 15, 2012. The operative date~~
 39 ~~of this part, and any amendments thereto, shall have no effect on~~
 40 ~~the effective date of Chapter 5 of the First Extraordinary Session~~

1 of the Statutes of 2011, or the operative date of Part 1.8 of Division
2 24.

3 (b) If any provision of this part or the application thereof to any
4 person or circumstance is held invalid, the invalidity shall not
5 affect other provisions or applications of this part which can be
6 given effect without the invalid provision or application, and to
7 this end, the provisions of this part are severable.

8 SEC. 3. Section 34172 of the Health and Safety Code is
9 amended to read:

10 34172. (a) (1) ~~All redevelopment agencies and redevelopment~~
11 ~~agency components of community development agencies created~~
12 ~~under Part 1 (commencing with Section 33000), Part 1.5~~
13 ~~(commencing with Section 34000), Part 1.6 (commencing with~~
14 ~~Section 34050), and Part 1.7 (commencing with Section 34100)~~
15 ~~shall remain in existence until the operative date of this part and~~
16 ~~are hereby dissolved and shall no longer exist as a public body,~~
17 ~~corporate or politic effective April 15, 2012. Nothing in this part~~
18 ~~dissolves or otherwise affects the authority of a community~~
19 ~~redevelopment commission, other than in its authority to act as a~~
20 ~~redevelopment agency, in its capacity as a housing authority or~~
21 ~~for any other community development purpose of the jurisdiction~~
22 ~~in which it operates. For those other nonredevelopment purposes,~~
23 ~~the community development commission derives its authority~~
24 ~~solely from federal or local laws, or from state laws other than the~~
25 ~~Community Redevelopment Law (Part 1 (commencing with~~
26 ~~Section 33000)):~~

27 (2) ~~A community in which an agency will be dissolved under~~
28 ~~this section may not create a new agency pursuant to Part 1~~
29 ~~(commencing with Section 33000), Part 1.5 (commencing with~~
30 ~~Section 34000), Part 1.6 (commencing with Section 34050), or~~
31 ~~Part 1.7 (commencing with Section 34100). However, a community~~
32 ~~in which the agency has been dissolved and the successor entity~~
33 ~~has paid off all of the former agency's enforceable obligations~~
34 ~~may create a new agency pursuant to Part 1 (commencing with~~
35 ~~Section 33000), Part 1.5 (commencing with Section 34000), Part~~
36 ~~1.6 (commencing with Section 34050), or Part 1.7 (commencing~~
37 ~~with Section 34100), subject to the tax increment provisions~~
38 ~~contained in Chapter 3.5 (commencing with Section 34194.5) of~~
39 ~~Part 1.9 (commencing with Section 34192).~~

1 ~~(b) Except as expressly provided in Section 34169, all authority~~
2 ~~to transact business or exercise powers previously granted under~~
3 ~~the Community Redevelopment Law (Part 1 (commencing with~~
4 ~~Section 33000) is hereby withdrawn from the former~~
5 ~~redevelopment agencies effective October 1, 2011.~~

6 ~~(e) Solely for purposes of Section 16 of Article XVI of the~~
7 ~~California Constitution, the Redevelopment Property Tax Trust~~
8 ~~Fund shall be deemed to be a special fund of the redevelopment~~
9 ~~agency that will be dissolved to pay the principal of and interest~~
10 ~~on loans, moneys advanced to, or indebtedness, whether funded,~~
11 ~~refunded, assumed, or otherwise incurred by the redevelopment~~
12 ~~agency to finance or refinance, in whole or in part, the~~
13 ~~redevelopment projects of each redevelopment agency dissolved~~
14 ~~pursuant to this part.~~

15 ~~(d) Revenues equivalent to those that would have been allocated~~
16 ~~pursuant to subdivision (b) of Section 16 of Article XVI of the~~
17 ~~California Constitution shall be allocated to the Redevelopment~~
18 ~~Property Tax Trust Fund of each successor agency for making~~
19 ~~payments on the principal of and interest on loans, and moneys~~
20 ~~advanced to or indebtedness incurred by the dissolved~~
21 ~~redevelopment agencies. Amounts in excess of those necessary to~~
22 ~~pay obligations of the former redevelopment agency shall be~~
23 ~~deemed to be property tax revenues within the meaning of~~
24 ~~subdivision (a) of Section 1 of Article XIII A of the California~~
25 ~~Constitution.~~

26 ~~SEC. 4. Section 34173 of the Health and Safety Code is~~
27 ~~amended to read:~~

28 ~~34173. (a) Successor agencies, as defined in this part, are~~
29 ~~hereby designated as successor entities to the former redevelopment~~
30 ~~agencies.~~

31 ~~(b) Except for those provisions of the Community~~
32 ~~Redevelopment Law that are repealed, restricted, or revised~~
33 ~~pursuant to the act adding this part, all authority, rights, powers,~~
34 ~~duties, and obligations previously vested with the former~~
35 ~~redevelopment agencies, under the Community Redevelopment~~
36 ~~Law, are hereby vested in the successor agencies.~~

37 ~~(e) (1) Where the redevelopment agency was in the form of a~~
38 ~~joint powers authority, and where the joint powers agreement~~
39 ~~governing the formation of the joint powers authority addresses~~
40 ~~the allocation of assets and liabilities upon dissolution of the joint~~

1 powers authority, then each of the entities that created the former
2 redevelopment agency may be a successor agency within the
3 meaning of this part and each shall have a share of assets and
4 liabilities based on the provisions of the joint powers agreement.

5 (2) Where the redevelopment agency was in the form of a joint
6 powers authority, and where the joint powers agreement governing
7 the formation of the joint powers authority does not address the
8 allocation of assets and liabilities upon dissolution of the joint
9 powers authority, then each of the entities that created the former
10 redevelopment agency may be a successor agency within the
11 meaning of this part, a proportionate share of the assets and
12 liabilities shall be based on the assessed value in the project areas
13 within each entity's jurisdiction, as determined by the county
14 assessor, in its jurisdiction as compared to the assessed value of
15 land within the boundaries of the project areas of the former
16 redevelopment agency.

17 (d) (1) A city, county, city and county, or the entities forming
18 the joint powers authority that authorized the creation of each
19 redevelopment agency may elect not to serve as a successor agency
20 under this part. A city, county, city and county, or any member of
21 a joint powers authority that elects not to serve as a successor
22 agency under this part must file a copy of a duly authorized
23 resolution of its governing board to that effect with the county
24 auditor-controller no later than January 13, 2012. Any city, county,
25 city and county, or any member of a joint powers authority that
26 elects not to serve as a successor agency may seek reconsideration
27 of its decision not to serve as a successor agency by submitting a
28 written petition for reconsideration to the Governor on or before
29 February 15, 2012. The Governor shall possess the sole authority
30 to grant a petition for reconsideration. If the Governor grants a
31 petition for reconsideration, the petitioner shall serve as a successor
32 agency notwithstanding its prior election declining to serve as a
33 successor agency.

34 (2) The determination of the first local agency that elects to
35 become the successor agency shall be made by the county
36 auditor-controller based on the earliest receipt by the county
37 auditor-controller of a copy of a duly adopted resolution of the
38 local agency's governing board authorizing such an election. As
39 used in this section, "local agency" means any city, county, city

1 and county, or special district in the county of the former
2 redevelopment agency.

3 (3) If no local agency elects to serve as a successor agency for
4 a dissolved redevelopment agency, a public body, referred to herein
5 as a “designated local authority” shall be immediately formed,
6 pursuant to this part, in the county and shall be vested with all the
7 powers and duties of a successor agency as described in this part.
8 The Governor shall appoint three residents of the county to serve
9 as the governing board of the authority. The designated local
10 authority shall serve as successor agency until a local agency elects
11 to become the successor agency in accordance with this section.

12 (e) The liability of any successor agency, acting pursuant to the
13 powers granted under the act adding this part, shall be limited to
14 the extent of the total sum of property tax revenues it receives
15 pursuant to this part and the value of assets transferred to it as a
16 successor agency for a dissolved redevelopment agency.

17 SEC. 5. Section 34175 of the Health and Safety Code is
18 amended to read:

19 34175. (a) It is the intent of this part that pledges of revenues
20 associated with enforceable obligations of the former
21 redevelopment agencies are to be honored. It is intended that the
22 cessation of any redevelopment agency shall not affect either the
23 pledge, the legal existence of that pledge, or the stream of revenues
24 available to meet the requirements of the pledge.

25 (b) All assets, properties, contracts, leases, books and records,
26 buildings, and equipment of the former redevelopment agency are
27 transferred on April 15, 2012, to the control of the successor
28 agency, for administration pursuant to the provisions of this part.
29 This includes all cash or cash equivalents and amounts owed to
30 the redevelopment agency as of April 15, 2012.

31 SEC. 6. Section 34177 of the Health and Safety Code is
32 amended to read:

33 34177. Successor agencies are required to do all of the
34 following:

35 (a) Continue to make payments due for enforceable obligations.
36 (1) On and after April 15, 2012, and until a Recognized
37 Obligation Payment Schedule becomes operative, only payments
38 required pursuant to an enforceable obligations payment schedule
39 shall be made. The initial enforceable obligation payment schedule
40 shall be the last schedule adopted by the redevelopment agency

1 under Section 34169. However, payments associated with
2 obligations excluded from the definition of enforceable obligations
3 by paragraph (2) of subdivision (c) of Section 34171 shall be
4 excluded from the enforceable obligations payment schedule and
5 be removed from the last schedule adopted by the redevelopment
6 agency under Section 34169 prior to the successor agency adopting
7 it as its enforceable obligations payment schedule pursuant to this
8 subdivision. The enforceable obligation payment schedule may
9 be amended by the successor agency at any public meeting and
10 shall be subject to the approval of the oversight board as soon as
11 the board has sufficient members to form a quorum.

12 (2) The Department of Finance and the Controller shall each
13 have the authority to require any documents associated with the
14 enforceable obligations to be provided to them in a manner of their
15 choosing. Any taxing entity, the department, and the Controller
16 shall each have standing to file a judicial action to prevent a
17 violation under this part and to obtain injunctive or other
18 appropriate relief.

19 (3) Commencing on May 1, 2012, or the date on which a
20 Recognized Obligation Payment Schedule is deemed valid pursuant
21 to paragraph (2) of subdivision (l), whichever is later, only those
22 payments listed in the Recognized Obligation Payment Schedule
23 may be made by the successor agency from the funds specified in
24 the Recognized Obligation Payment Schedule. In addition,
25 commencing May 1, 2012, the Recognized Obligation Payment
26 Schedule shall supersede the Statement of Indebtedness, which
27 shall no longer be prepared nor have any effect under the
28 Community Redevelopment Law.

29 (4) Nothing in the act adding this part is to be construed as
30 preventing a successor agency, with the prior approval of the
31 oversight board, as described in Section 34179, from making
32 payments for enforceable obligations from sources other than those
33 listed in the Recognized Obligation Payment Schedule.

34 (5) From April 15, 2012, to July 1, 2012, inclusive, a successor
35 agency shall have no authority and is hereby prohibited from
36 accelerating payment or making any lump-sum payments that are
37 intended to prepay loans unless such accelerated repayments were
38 required prior to the effective date of this part.

1 ~~(b) Maintain reserves in the amount required by indentures,~~
2 ~~trust indentures, or similar documents governing the issuance of~~
3 ~~outstanding redevelopment agency bonds.~~

4 ~~(c) Perform obligations required pursuant to any enforceable~~
5 ~~obligation.~~

6 ~~(d) Remit unencumbered balances of redevelopment agency~~
7 ~~funds to the county auditor-controller for distribution to the taxing~~
8 ~~entities, including, but not limited to, the unencumbered balance~~
9 ~~of the Low and Moderate Income Housing Fund of a former~~
10 ~~redevelopment agency. In making the distribution, the county~~
11 ~~auditor-controller shall utilize the same methodology for allocation~~
12 ~~and distribution of property tax revenues provided in Section~~
13 ~~34188.~~

14 ~~(e) Dispose of assets and properties of the former redevelopment~~
15 ~~agency as directed by the oversight board; provided, however, that~~
16 ~~the oversight board may instead direct the successor agency to~~
17 ~~transfer ownership of certain assets pursuant to subdivision (a) of~~
18 ~~Section 34181. The disposal is to be done expeditiously and in a~~
19 ~~manner aimed at maximizing value. Proceeds from asset sales and~~
20 ~~related funds that are no longer needed for approved development~~
21 ~~projects or to otherwise wind down the affairs of the agency, each~~
22 ~~as determined by the oversight board, shall be transferred to the~~
23 ~~county auditor-controller for distribution as property tax proceeds~~
24 ~~under Section 34188.~~

25 ~~(f) Enforce all former redevelopment agency rights for the~~
26 ~~benefit of the taxing entities, including, but not limited to,~~
27 ~~continuing to collect loans, rents, and other revenues that were due~~
28 ~~to the redevelopment agency.~~

29 ~~(g) Effectuate transfer of housing functions and assets to the~~
30 ~~appropriate entity designated pursuant to Section 34176.~~

31 ~~(h) Expeditiously wind down the affairs of the redevelopment~~
32 ~~agency pursuant to the provisions of this part and in accordance~~
33 ~~with the direction of the oversight board.~~

34 ~~(i) Continue to oversee development of properties until the~~
35 ~~contracted work has been completed or the contractual obligations~~
36 ~~of the former redevelopment agency can be transferred to other~~
37 ~~parties. Bond proceeds shall be used for the purposes for which~~
38 ~~bonds were sold unless the purposes can no longer be achieved,~~
39 ~~in which case, the proceeds may be used to defease the bonds.~~

- 1 ~~(j) Prepare a proposed administrative budget and submit it to~~
2 ~~the oversight board for its approval. The proposed administrative~~
3 ~~budget shall include all of the following:~~
 - 4 ~~(1) Estimated amounts for successor agency administrative costs~~
5 ~~for the upcoming six-month fiscal period.~~
 - 6 ~~(2) Proposed sources of payment for the costs identified in~~
7 ~~paragraph (1).~~
 - 8 ~~(3) Proposals for arrangements for administrative and operations~~
9 ~~services provided by a city, county, city and county, or other entity.~~
- 10 ~~(k) Provide administrative cost estimates, from its approved~~
11 ~~administrative budget that are to be paid from property tax revenues~~
12 ~~deposited in the Redevelopment Property Tax Trust Fund, to the~~
13 ~~county auditor-controller for each six-month fiscal period.~~
- 14 ~~(l) (1) Before each six-month fiscal period, prepare a~~
15 ~~Recognized Obligation Payment Schedule in accordance with the~~
16 ~~requirements of this paragraph. For each recognized obligation,~~
17 ~~the Recognized Obligation Payment Schedule shall identify one~~
18 ~~or more of the following sources of payment:~~
 - 19 ~~(A) Low and Moderate Income Housing Fund.~~
 - 20 ~~(B) Bond proceeds.~~
 - 21 ~~(C) Reserve balances.~~
 - 22 ~~(D) Administrative cost allowance.~~
 - 23 ~~(E) The Redevelopment Property Tax Trust Fund, but only to~~
24 ~~the extent no other funding source is available or when payment~~
25 ~~from property tax revenues is required by an enforceable obligation~~
26 ~~or by the provisions of this part.~~
 - 27 ~~(F) Other revenue sources, including rents, concessions, asset~~
28 ~~sale proceeds, interest earnings, and any other revenues derived~~
29 ~~from the former redevelopment agency, as approved by the~~
30 ~~oversight board in accordance with this part.~~
- 31 ~~(2) A Recognized Obligation Payment Schedule shall not be~~
32 ~~deemed valid unless all of the following conditions have been met:~~
 - 33 ~~(A) A draft Recognized Obligation Payment Schedule is~~
34 ~~prepared by the successor agency for the enforceable obligations~~
35 ~~of the former redevelopment agency by May 1, 2012. From April~~
36 ~~15, 2012, to July 1, 2012, inclusive, the initial draft of that schedule~~
37 ~~shall project the dates and amounts of scheduled payments for~~
38 ~~each enforceable obligation for the remainder of the time period~~
39 ~~during which the redevelopment agency would have been~~
40 ~~authorized to obligate property tax increment had such a~~

1 redevelopment agency not been dissolved, and shall be reviewed
2 and certified, as to its accuracy, by an external auditor designated
3 pursuant to Section 34182.

4 (B) The certified Recognized Obligation Payment Schedule is
5 submitted to and duly approved by the oversight board.

6 (C) A copy of the approved Recognized Obligation Payment
7 Schedule is submitted to the county auditor-controller and both
8 the Controller's office and the Department of Finance and be posted
9 on the successor agency's Internet Web site.

10 (3) The Recognized Obligation Payment Schedule shall be
11 forward looking to the next six months. The first Recognized
12 Obligation Payment Schedule shall be submitted to the Controller's
13 office and the Department of Finance by May 15, 2012, for the
14 period of June 1, 2012, to June 30, 2012, inclusive. Redevelopment
15 agency enforceable obligation payments due, and reasonable or
16 necessary administrative costs due or incurred, prior to April 15,
17 2012, shall be made from property tax revenues received in the
18 spring of 2011 property tax distribution, from property tax revenues
19 received pursuant to Section 34183, and from other revenues and
20 balances transferred to the successor agency.

21 SEC. 7. Section 34178 of the Health and Safety Code is
22 amended to read:

23 34178. (a) Commencing on October 1, 2011, agreements,
24 contracts, or arrangements between the city or county, or city and
25 county that created the redevelopment agency and the
26 redevelopment agency are invalid and shall not be binding on the
27 successor agency; provided, however, that a successor entity
28 wishing to enter or reenter into agreements with the city, county,
29 or city and county that formed the redevelopment agency that it
30 is succeeding may do so upon obtaining the approval of its
31 oversight board.

32 (b) Notwithstanding subdivision (a), any of the following
33 agreements are not invalid and may bind the successor agency:

34 (1) A duly authorized written agreement entered into at the time
35 of issuance, but in no event later than December 31, 2010, of
36 indebtedness obligations, and solely for the purpose of securing
37 or repaying those indebtedness obligations.

38 (2) A written agreement between a redevelopment agency and
39 the city, county, or city and county that created it that provided
40 loans or other startup funds for the redevelopment agency that

1 were entered into within two years of the formation of the
2 redevelopment agency.

3 ~~(3) A joint exercise of powers agreement in which the~~
4 ~~redevelopment agency is a member of the joint powers authority.~~
5 ~~However, upon assignment to the successor agency by operation~~
6 ~~of the act adding this part, the successor agency's rights, duties,~~
7 ~~and performance obligations under that joint exercise of powers~~
8 ~~agreement shall be limited by the constraints imposed on successor~~
9 ~~agencies by the act adding this part.~~

10 ~~SEC. 8. Section 34178.7 of the Health and Safety Code is~~
11 ~~repealed.~~

12 ~~SEC. 9. Section 34179 of the Health and Safety Code is~~
13 ~~amended to read:~~

14 ~~34179. (a) Each successor agency shall have an oversight~~
15 ~~board composed of seven members. The members shall elect one~~
16 ~~of their members as the chairperson and shall report the name of~~
17 ~~the chairperson and other members to the Department of Finance~~
18 ~~on or before May 1, 2012. Members shall be selected as follows:~~

19 ~~(1) One member appointed by the county board of supervisors.~~

20 ~~(2) One member appointed by the mayor for the city that formed~~
21 ~~the redevelopment agency.~~

22 ~~(3) One member appointed by the largest special district, by~~
23 ~~property tax share, with territory in the territorial jurisdiction of~~
24 ~~the former redevelopment agency, which is of the type of special~~
25 ~~district that is eligible to receive property tax revenues pursuant~~
26 ~~to Section 34188.~~

27 ~~(4) One member appointed by the county superintendent of~~
28 ~~education to represent schools if the superintendent is elected. If~~
29 ~~the county superintendent of education is appointed, then the~~
30 ~~appointment made pursuant to this paragraph shall be made by the~~
31 ~~county board of education.~~

32 ~~(5) One member appointed by the Chancellor of the California~~
33 ~~Community Colleges to represent community college districts in~~
34 ~~the county.~~

35 ~~(6) One member of the public appointed by the county board~~
36 ~~of supervisors.~~

37 ~~(7) One member representing the employees of the former~~
38 ~~redevelopment agency appointed by the mayor or chair of the~~
39 ~~board of supervisors, as the case may be, from the recognized~~
40 ~~employee organization representing the largest number of former~~

1 redevelopment agency employees employed by the successor
2 agency at that time.

3 (8) If the county or a joint powers agency formed the
4 redevelopment agency, then the largest city by acreage in the
5 territorial jurisdiction of the former redevelopment agency may
6 select one member. If there are no cities with territory in a project
7 area of the redevelopment agency, the county superintendent of
8 education may appoint an additional member to represent the
9 public.

10 (9) If there are no special districts of the type that are eligible
11 to receive property tax pursuant to Section 34188, within the
12 territorial jurisdiction of the former redevelopment agency, then
13 the county may appoint one member to represent the public.

14 (10) Where a redevelopment agency was formed by an entity
15 that is both a charter city and a county, the oversight board shall
16 be composed of seven members selected as follows: three members
17 appointed by the mayor of the city, where such appointment is
18 subject to confirmation by the county board of supervisors, one
19 member appointed by the largest special district, by property tax
20 share, with territory in the territorial jurisdiction of the former
21 redevelopment agency, which is the type of special district that is
22 eligible to receive property tax revenues pursuant to Section 34188,
23 one member appointed by the county superintendent of education
24 to represent schools, one member appointed by the Chancellor of
25 the California Community Colleges to represent community college
26 districts, and one member representing employees of the former
27 redevelopment agency appointed by the mayor of the city where
28 such an appointment is subject to confirmation by the county board
29 of supervisors, to represent the largest number of former
30 redevelopment agency employees employed by the successor
31 agency at that time.

32 (b) The Governor may appoint individuals to fill any oversight
33 board member position described in subdivision (a) that has not
34 been filled by May 15, 2012, or any member position that remains
35 vacant for more than 60 days.

36 (c) The oversight board may direct the staff of the successor
37 agency to perform work in furtherance of the oversight board's
38 duties and responsibilities under this part. The successor agency
39 shall pay for all of the costs of meetings of the oversight board
40 and may include such costs in its administrative budget. Oversight

1 board members shall serve without compensation or reimbursement
2 for expenses.

3 ~~(d) Oversight board members shall have personal immunity~~
4 ~~from suit for their actions taken within the scope of their~~
5 ~~responsibilities as oversight board members.~~

6 ~~(e) A majority of the total membership of the oversight board~~
7 ~~shall constitute a quorum for the transaction of business. A majority~~
8 ~~vote of the total membership of the oversight board is required for~~
9 ~~the oversight board to take action. The oversight board shall be~~
10 ~~deemed to be a local entity for purposes of the Ralph M. Brown~~
11 ~~Act, the California Public Records Act, and the Political Reform~~
12 ~~Act of 1974.~~

13 ~~(f) All notices required by law for proposed oversight board~~
14 ~~actions shall also be posted on the successor agency's Internet~~
15 ~~Web site or the oversight board's Internet Web site.~~

16 ~~(g) Each member of an oversight board shall serve at the~~
17 ~~pleasure of the entity that appointed such member.~~

18 ~~(h) The Department of Finance may review an oversight board~~
19 ~~action taken pursuant to the act adding this part. As such, all~~
20 ~~oversight board actions shall not be effective for three business~~
21 ~~days, pending a request for review by the department. Each~~
22 ~~oversight board shall designate an official to whom the department~~
23 ~~may make such requests and who shall provide the department~~
24 ~~with the telephone number and e-mail contact information for the~~
25 ~~purpose of communicating with the department pursuant to this~~
26 ~~subdivision. In the event that the department requests a review of~~
27 ~~a given oversight board action, it shall have 10 days from the date~~
28 ~~of its request to approve the oversight board action or return it to~~
29 ~~the oversight board for reconsideration and such oversight board~~
30 ~~action shall not be effective until approved by the department. In~~
31 ~~the event that the department returns the oversight board action to~~
32 ~~the oversight board for reconsideration, the oversight board shall~~
33 ~~resubmit the modified action for department approval and the~~
34 ~~modified oversight board action shall not become effective until~~
35 ~~approved by the department.~~

36 ~~(i) Oversight boards shall have fiduciary responsibilities to~~
37 ~~holders of enforceable obligations and the taxing entities that~~
38 ~~benefit from distributions of property tax and other revenues~~
39 ~~pursuant to Section 34188. Further, the provisions of Division 4~~
40 ~~(commencing with Section 1000) of the Government Code shall~~

1 apply to oversight boards. Notwithstanding Section 1099 of the
2 Government Code, or any other law, any individual may
3 simultaneously be appointed to up to five oversight boards and
4 may hold an office in a city, county, city and county, special
5 district, school district, or community college district.

6 (j) ~~Commencing on and after July 1, 2016, in each county where
7 more than one oversight board was created by operation of the act
8 adding this part, there shall be only one oversight board appointed
9 as follows:~~

10 (1) ~~One member may be appointed by the county board of
11 supervisors.~~

12 (2) ~~One member may be appointed by the city selection
13 committee established pursuant to Section 50270 of the
14 Government Code. In a city and county, the mayor may appoint
15 one member.~~

16 (3) ~~One member may be appointed by the independent special
17 district selection committee established pursuant to Section 56332
18 of the Government Code, for the types of special districts that are
19 eligible to receive property tax revenues pursuant to Section 34188.~~

20 (4) ~~One member may be appointed by the county superintendent
21 of education to represent schools if the superintendent is elected.
22 If the county superintendent of education is appointed, then the
23 appointment made pursuant to this paragraph shall be made by the
24 county board of education.~~

25 (5) ~~One member may be appointed by the Chancellor of the
26 California Community Colleges to represent community college
27 districts in the county.~~

28 (6) ~~One member of the public may be appointed by the county
29 board of supervisors.~~

30 (7) ~~One member may be appointed by the recognized employee
31 organization representing the largest number of successor agency
32 employees in the county.~~

33 (k) ~~The Governor may appoint individuals to fill any oversight
34 board member position described in subdivision (j) that has not
35 been filled by July 15, 2016, or any member position that remains
36 vacant for more than 60 days.~~

37 (l) ~~Commencing on and after July 1, 2016, in each county where
38 only one oversight board was created by operation of the act adding
39 this part, then there will be no change to the composition of that
40 oversight board as a result of the operation of subdivision (b).~~

1 ~~(m) Any oversight board for a given successor agency shall~~
2 ~~cease to exist when all of the indebtedness of the dissolved~~
3 ~~redevelopment agency has been repaid.~~

4 ~~SEC. 10. Section 34182 of the Health and Safety Code is~~
5 ~~amended to read:~~

6 ~~34182. (a) (1) The county auditor-controller shall conduct or~~
7 ~~cause to be conducted an agreed-upon procedures audit of each~~
8 ~~redevelopment agency in the county that is subject to this part, to~~
9 ~~be completed by July 1, 2012.~~

10 ~~(2) The purpose of the audits shall be to establish each~~
11 ~~redevelopment agency's assets and liabilities, to document and~~
12 ~~determine each redevelopment agency's passthrough payment~~
13 ~~obligations to other taxing agencies, and to document and~~
14 ~~determine both the amount and the terms of any indebtedness~~
15 ~~incurred by the redevelopment agency and certify the initial~~
16 ~~Recognized Obligation Payment Schedule.~~

17 ~~(3) The county auditor-controller may charge the Redevelopment~~
18 ~~Property Tax Trust Fund for any costs incurred by the county~~
19 ~~auditor-controller pursuant to this part.~~

20 ~~(b) By July 1, 2012, the county auditor-controller shall provide~~
21 ~~the Controller's office a copy of all audits performed pursuant to~~
22 ~~this section. The county auditor-controller shall maintain a copy~~
23 ~~of all documentation and working papers for use by the Controller.~~

24 ~~(e) (1) The county auditor-controller shall determine the amount~~
25 ~~of property taxes that would have been allocated to each~~
26 ~~redevelopment agency in the county had the redevelopment agency~~
27 ~~not been dissolved pursuant to the operation of the act adding this~~
28 ~~part. These amounts are deemed property tax revenues within the~~
29 ~~meaning of subdivision (a) of Section 1 of Article XIII A of the~~
30 ~~California Constitution and are available for allocation and~~
31 ~~distribution in accordance with the provisions of the act adding~~
32 ~~this part. The county auditor-controller shall calculate the property~~
33 ~~tax revenues using current assessed values on the last equalized~~
34 ~~roll on August 20, pursuant to Section 2052 of the Revenue and~~
35 ~~Taxation Code, and pursuant to statutory formulas or contractual~~
36 ~~agreements with other taxing agencies, as of the effective date of~~
37 ~~this section, and shall deposit that amount in the Redevelopment~~
38 ~~Property Tax Trust Fund.~~

39 ~~(2) Each county auditor-controller shall administer the~~
40 ~~Redevelopment Property Tax Trust Fund for the benefit of the~~

1 holders of former redevelopment agency enforceable obligations
2 and the taxing entities that receive passthrough payments and
3 distributions of property taxes pursuant to this part.

4 (3) In connection with the allocation and distribution by the
5 county auditor-controller of property tax revenues deposited in the
6 Redevelopment Property Tax Trust Fund, in compliance with this
7 part, the county auditor-controller shall prepare estimates of
8 amounts to be allocated and distributed, and provide those estimates
9 to both the entities receiving the distributions and the Department
10 of Finance, no later than November 1 and May 1 of each year.

11 (4) Each county auditor-controller shall disburse proceeds of
12 asset sales or reserve balances, which have been received from the
13 successor entities pursuant to Sections 34177 and 34187, to the
14 taxing entities. In making such a distribution, the county
15 auditor-controller shall utilize the same methodology for allocation
16 and distribution of property tax revenues provided in Section
17 34188.

18 (d) By October 1, 2012, the county auditor-controller shall report
19 the following information to the Controller's office and the Director
20 of Finance:

21 (1) The sums of property tax revenues remitted to the
22 Redevelopment Property Tax Trust Fund related to each former
23 redevelopment agency.

24 (2) The sums of property tax revenues remitted to each agency
25 under paragraph (1) of subdivision (a) of Section 34183.

26 (3) The sums of property tax revenues remitted to each successor
27 agency pursuant to paragraph (2) of subdivision (a) of Section
28 34183.

29 (4) The sums of property tax revenues paid to each successor
30 agency pursuant to paragraph (3) of subdivision (a) of Section
31 34183.

32 (5) The sums paid to each city, county, and special district, and
33 the total amount allocated for schools pursuant to paragraph (4)
34 of subdivision (a) of Section 34183.

35 (6) Any amounts deducted from other distributions pursuant to
36 subdivision (b) of Section 34183.

37 (e) A county auditor-controller may charge the Redevelopment
38 Property Tax Trust Fund for the costs of administering the
39 provisions of this part.

1 ~~(f) The Controller may audit and review any county~~
2 ~~auditor-controller action taken pursuant to the act adding this part.~~
3 ~~As such, all county auditor-controller actions shall not be effective~~
4 ~~for three business days, pending a request for review by the~~
5 ~~Controller. In the event that the Controller requests a review of a~~
6 ~~given county auditor-controller action, he or she shall have 10 days~~
7 ~~from the date of his or her request to approve the county~~
8 ~~auditor-controller's action or return it to the county~~
9 ~~auditor-controller for reconsideration and such county~~
10 ~~auditor-controller action shall not be effective until approved by~~
11 ~~the Controller. In the event that the Controller returns the county~~
12 ~~auditor-controller's action to the county auditor-controller for~~
13 ~~reconsideration, the county auditor-controller must resubmit the~~
14 ~~modified action for Controller approval and such modified county~~
15 ~~auditor-controller action shall not become effective until approved~~
16 ~~by the Controller.~~

17 ~~SEC. 11. Section 34183 of the Health and Safety Code is~~
18 ~~amended to read:~~

19 ~~34183. (a) Notwithstanding any other law, from April 15,~~
20 ~~2012, to July 1, 2012, inclusive, and for each fiscal year thereafter,~~
21 ~~the county auditor-controller shall, after deducting administrative~~
22 ~~costs allowed under Section 34182 and Section 95.3 of the Revenue~~
23 ~~and Taxation Code, allocate moneys in each Redevelopment~~
24 ~~Property Tax Trust Fund as follows:~~

25 ~~(1) Subject to any prior deductions required by subdivision (b),~~
26 ~~first, the county auditor-controller shall remit from the~~
27 ~~Redevelopment Property Tax Trust Fund to each local agency and~~
28 ~~school entity an amount of property tax revenues in an amount~~
29 ~~equal to that which would have been received under Section 33401,~~
30 ~~33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections~~
31 ~~read on January 1, 2011, or pursuant to any passthrough agreement~~
32 ~~between a redevelopment agency and a taxing jurisdiction that~~
33 ~~was entered into prior to January 1, 1994, that would be in force~~
34 ~~during that fiscal year, had the redevelopment agency existed at~~
35 ~~that time. The amount of the payments made pursuant to this~~
36 ~~paragraph shall be calculated solely on the basis of passthrough~~
37 ~~payment obligations, existing prior to the effective date of this part~~
38 ~~and continuing as obligations of successor entities, shall occur no~~
39 ~~later than June 1, 2012, and each January 16 and June 1 thereafter.~~
40 ~~Notwithstanding subdivision (c) of Section 33670, that portion of~~

1 the taxes in excess of the amount identified in subdivision (a) of
2 Section 33670, which are attributable to a tax rate levied by a
3 taxing agency for the purpose of producing revenues in an amount
4 sufficient to make annual repayments of the principal of, and the
5 interest on, any bonded indebtedness for the acquisition or
6 improvement of real property shall be allocated to, and when
7 collected shall be paid into, the fund of that taxing agency.

8 (2) ~~Second, on June 1, 2012, for the period beginning April 15,~~
9 ~~2012, and ending December 31, 2012, and each January 16 and~~
10 ~~June 1 thereafter, to each successor agency for payments listed in~~
11 ~~its Recognized Obligation Payment Schedule for the six-month~~
12 ~~fiscal period beginning each January 16 and June 1, in the~~
13 ~~following order of priority:~~

14 (A) ~~Debt service payments scheduled to be made for tax~~
15 ~~allocation bonds.~~

16 (B) ~~Payments scheduled to be made on revenue bonds, but only~~
17 ~~to the extent the revenues pledged for them are insufficient to make~~
18 ~~the payments and only where the agency's tax increment revenues~~
19 ~~were also pledged for the repayment of the bonds.~~

20 (C) ~~Payments scheduled for other debts and obligations listed~~
21 ~~in the Recognized Obligation Payment Schedule that are required~~
22 ~~to be paid from former tax increment revenue.~~

23 (3) ~~Third, on June 1, 2012, and each January 16 and June 1~~
24 ~~thereafter, to each successor agency for the administrative cost~~
25 ~~allowance, as defined in Section 34171, for administrative costs~~
26 ~~set forth in an approved administrative budget for those payments~~
27 ~~required to be paid from former tax increment revenues.~~

28 (4) ~~Fourth, on June 1, 2012, and each January 16 and June 1~~
29 ~~thereafter, any moneys remaining in the Redevelopment Property~~
30 ~~Tax Trust Fund after the payments and transfers authorized by~~
31 ~~paragraphs (1) to (3), inclusive, shall be distributed to local~~
32 ~~agencies and school entities in accordance with Section 34188.~~

33 (b) ~~If the successor agency reports, no later than May 15, 2012,~~
34 ~~and each December 1 and May 1 thereafter, to the county~~
35 ~~auditor-controller that the total amount available to the successor~~
36 ~~agency from the Redevelopment Property Tax Trust Fund~~
37 ~~allocation to that successor agency's Redevelopment Obligation~~
38 ~~Retirement Fund, from other funds transferred from each~~
39 ~~redevelopment agency, and from funds that have or will become~~
40 ~~available through asset sales and all redevelopment operations,~~

1 are insufficient to fund the payments required by paragraphs (1)
2 to (3), inclusive, of subdivision (a) in the next six-month fiscal
3 period, the county auditor-controller shall notify the Controller
4 and the Department of Finance no later than 10 days from the date
5 of that notification. The county auditor-controller shall verify
6 whether the successor agency will have sufficient funds from which
7 to service debts according to the Recognized Obligation Payment
8 Schedule and shall report the findings to the Controller. If the
9 Controller concurs that there are insufficient funds to pay required
10 debt service, the amount of the deficiency shall be deducted first
11 from the amount remaining to be distributed to taxing entities
12 pursuant to paragraph (4), and if that amount is exhausted, from
13 amounts available for distribution for administrative costs in
14 paragraph (3). If an agency, pursuant to the provisions of Section
15 33492.15, 33492.72, 33607.5, 33671.5, 33681.15, or 33688, made
16 passthrough payment obligations subordinate to debt service
17 payments required for enforceable obligations, funds for servicing
18 bond debt may be deducted from the amounts for passthrough
19 payments under paragraph (1), as provided in those sections, but
20 only to the extent that the amounts remaining to be distributed to
21 taxing entities pursuant to paragraph (4) and the amounts available
22 for distribution for administrative costs in paragraph (3) have all
23 been exhausted.

24 (e) The county treasurer may loan any funds from the county
25 treasury that are necessary to ensure prompt payments of
26 redevelopment agency debts.

27 (d) The Controller may recover the costs of audit and oversight
28 required under this part from the Redevelopment Property Tax
29 Trust Fund by presenting an invoice therefor to the county
30 auditor-controller who shall set aside sufficient funds for and
31 disburse the claimed amounts prior to making the next distributions
32 to the taxing jurisdictions pursuant to Section 34188. Subject to
33 the approval of the Director of Finance, the budget of the Controller
34 may be augmented to reflect the reimbursement, pursuant to
35 Section 28.00 of the Budget Act.

36 (e) Notwithstanding any other law, on February 1, 2012, for the
37 period February 1, 2012, to April 15, 2012, inclusive, the county
38 auditor-controller shall, after deducting administrative costs
39 allowed under Section 95.3 of the Revenue and Taxation Code,
40 allocate to redevelopment agencies revenues equivalent to those

1 that would have been allocated to a community redevelopment
2 agency to make the payments listed on the enforceable obligation
3 payment schedule adopted pursuant to Section 34169. On April
4 15, 2012, for the period April 15, 2012, to June 1, 2012, inclusive,
5 the county auditor-controller shall, after deducting administrative
6 costs allowed under Section 95.3 of the Revenue and Taxation
7 Code allocate to successor agencies revenue equivalent to those
8 that would have been allocated to a community redevelopment
9 agency to make the payments listed on the enforceable obligation
10 payment schedule adopted pursuant to Section 34177.

11 SEC. 12. Section 34185 of the Health and Safety Code is
12 amended to read:

13 34185. Commencing on May 1, 2012, and on each January 16
14 and June 1 thereafter, the county auditor-controller shall transfer,
15 from the Redevelopment Property Tax Trust Fund of each
16 successor agency into the Redevelopment Obligation Retirement
17 Fund of that agency, an amount of property tax revenues equal to
18 that specified in the Recognized Obligation Payment Schedule for
19 that successor agency as payable from the Redevelopment Property
20 Tax Trust Fund subject to the limitations of Sections 34173 and
21 34183.

22 SEC. 13. Section 34187 of the Health and Safety Code is
23 amended to read:

24 34187. Commencing May 1, 2012, whenever a recognized
25 obligation that had been identified in the Recognized Payment
26 Obligation Schedule is paid off or retired, either through early
27 payment or payment at maturity, the county auditor-controller
28 shall distribute to the taxing entities, in accordance with the
29 provisions of the Revenue and Taxation Code, all property tax
30 revenues that were associated with the payment of the recognized
31 obligation.

32 SEC. 14. Section 34188.8 of the Health and Safety Code is
33 repealed.

34 SEC. 15. Section 34189.5 is added to the Health and Safety
35 Code, to read:

36 34189.5. In enacting the act that adds this section, it is the
37 intent of the Legislature to preserve the California Supreme Court's
38 December 29, 2011, holding in California Redevelopment
39 Association v. Matosantos, Case No. S194861, while extending

1 the timeframe for implementing Chapter 5 of the First
2 Extraordinary Session of the Statutes of 2011.

3 (a) Notwithstanding any other provision of this act or any other
4 law, a redevelopment agency shall not incur new or expand existing
5 monetary, legal, or contractual obligations, institute any
6 condemnation proceedings, or issue any additional bonds, notes,
7 or other indebtedness commencing December 29, 2011, to April
8 15, 2012, inclusive.

9 (b) This section shall not be construed to alter or limit any
10 restriction on redevelopment agency activities contained in Part
11 1.8 (commencing with Section 34161).

12 SEC. 16. Section 34191 of the Health and Safety Code is
13 repealed.

14 SEC. 17. Section 97.401 of the Revenue and Taxation Code
15 is amended to read:

16 97.401. Commencing April 15, 2012, the county auditor shall
17 make the calculations required by Section 97.4 based on the amount
18 deposited on behalf of each former redevelopment agency into the
19 Redevelopment Property Tax Trust Fund pursuant to paragraph
20 (1) of subdivision (c) of Section 34182 of the Health and Safety
21 Code. The calculations required by Section 97.4 shall result in
22 cities, counties, and special districts annually remitting to the
23 Educational Revenue Augmentation Fund the same amounts they
24 would have remitted but for the operation of Part 1.8 (commencing
25 with Section 34161) and Part 1.85 (commencing with Section
26 34170) of Division 24 of the Health and Safety Code.

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