

**ASSEMBLY BILL**

**No. 229**

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**Introduced by Assembly Member John A. Pérez  
(Coauthors: Assembly Members Atkins, Bonilla, Bonta, Cooley,  
Dickinson, and Gordon)**

February 4, 2013

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An act to add Chapter 2.10 (commencing with Section 53399) to Part 1 of Division 2 of Title 5 of the Government Code, and to amend Section 33459 of the Health and Safety Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 229, as introduced, John A. Pérez. Local government: infrastructure and revitalization financing districts.

Existing law authorizes the creation of infrastructure financing districts, as defined, for the sole purpose of financing public facilities, subject to adoption of a resolution by the legislative body and affected taxing entities proposed to be subject to division of taxes and  $\frac{2}{3}$  voter approval. Existing law authorizes the legislative body to, by majority vote, initiate proceedings to issue bonds for the financing of district projects by adopting a resolution, subject to specified procedures and  $\frac{2}{3}$  voter approval. Existing law requires an infrastructure financing plan to include the date on which an infrastructure financing district will cease to exist, which may not be more than 30 years from the date on which the ordinance forming the district is adopted. Existing law prohibits a district from including any portion of a redevelopment project area. Existing law, the Polanco Redevelopment Act, authorizes a redevelopment agency to take any action that the agency determines is necessary and consistent with state and federal laws to remedy or remove a release of hazardous substances on, under, or from property within a

project area, whether the agency owns that property or not, subject to specified conditions. Existing law also declares the intent of the Legislature that the areas of the district created be substantially undeveloped, and that the establishment of a district should not ordinarily lead to the removal of dwelling units.

This bill would authorize the creation of an infrastructure and revitalization financing district, as defined, and the issuance of debt with  $\frac{2}{3}$  voter approval. The bill would authorize the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years, as specified. The bill would authorize a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases. The bill would authorize the legislative body of a city to dedicate any portion of its funds received from the Redevelopment Property Tax Trust Fund to the district, if specified criteria are met. The bill would authorize a city to form a district to finance a project or projects on a former military base, if specified conditions are met.

The bill would authorize a district to fund various projects, including, among others, watershed land used for the collection and treatment of water for urban uses, flood management, levees, bypasses, open space, habitat restoration, brownfields restoration, environmental mitigation, purchase of land and property for development purposes, including commercial property, hazardous cleanup, former military bases, and specified transportation purposes. The bill would authorize a district to implement hazardous cleanup pursuant to the Polanco Redevelopment Act, as specified. The bill would impose a specified reporting requirement on districts. The bill would state that it is the intent of the Legislature that the establishment of a district should not ordinarily lead to the removal of existing functional, habitable, and safe dwelling units, as specified. The bill would define the term “public works” for purposes of these provisions.

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. Chapter 2.10 (commencing with Section 53399)
- 2 is added to Part 1 of Division 2 of Title 5 of the Government Code,
- 3 to read:

1 CHAPTER 2.10. INFRASTRUCTURE AND REVITALIZATION  
2 FINANCING DISTRICTS

3  
4 Article 1. General Provisions  
5

6 53399. It is the intent of the Legislature in enacting this chapter  
7 to establish a long-term permanent program that provides local  
8 governments with tools and resources for specified purposes,  
9 including, but not limited to, public infrastructure, affordable  
10 housing, economic development and job creation, and  
11 environmental protection and remediation, in a manner that  
12 encourages local cooperation and includes appropriate protections  
13 for state and local taxpayers.

14 53399.1. Unless the context otherwise requires, the definitions  
15 contained in this article shall govern the construction of this  
16 chapter.

17 (a) “Affected taxing entity” means any governmental taxing  
18 agency that levied or had levied on its behalf a property tax on all  
19 or a portion of the property located in the proposed district in the  
20 fiscal year prior to the designation of the district, but not including  
21 any county office of education, school district, or community  
22 college district.

23 (b) “City” means a city, county, city and county, or joint powers  
24 authority that is acting as the military base reuse authority  
25 established pursuant to Title 7.86 (commencing with Section  
26 67800).

27 (c) “Debt” means any binding obligation to repay a sum of  
28 money, including obligations in the form of bonds, certificates of  
29 participation, long-term leases, loans from government agencies,  
30 or loans from banks, other financial institutions, private businesses,  
31 or individuals.

32 (d) “Designated official” means the city engineer or other  
33 appropriate official designated pursuant to Section 53399.13.

34 (e) (1) “District” means an infrastructure and revitalization  
35 financing district.

36 (2) An infrastructure and revitalization financing district is a  
37 “district” within the meaning of Section 1 of Article XIII A of the  
38 California Constitution.

39 (f) “Infrastructure and revitalization financing district” means  
40 a legally constituted governmental entity established pursuant to

1 this chapter for the sole purpose of financing facilities authorized  
 2 by this chapter.

3 (g) “Landowner” or “owner of land” means any person shown  
 4 as the owner of land on the last equalized assessment roll or  
 5 otherwise known to be the owner of the land by the legislative  
 6 body. The legislative body does not have any obligation to obtain  
 7 other information as to the ownership of land, and its determination  
 8 of ownership shall be final and conclusive for the purposes of this  
 9 chapter. A public agency is not a landowner or owner of land for  
 10 purposes of this chapter, unless the public agency owns all of the  
 11 land to be included within the proposed district.

12 (h) “Legislative body” means the city council, board of  
 13 supervisors, or joint powers authority that is acting as the military  
 14 base reuse authority established pursuant to Title 7.86  
 15 (commencing with Section 67800).

16 (i) “Project area” means a defined area within a district in which  
 17 the activities of the district share a common purpose or goal and  
 18 an overall financing plan.

19 (j) “Public works” means public facilities or any other facilities  
 20 described in Section 53399.3 that are to be financed in whole or  
 21 in part by the district.

22 (k) “Net available revenue” means periodic distributions to the  
 23 city from the Redevelopment Property Tax Trust Fund, created  
 24 pursuant to Section 34170.5 of the Health and Safety Code, that  
 25 are available to the city after all preexisting legal commitments  
 26 and statutory obligations funded from that revenue are made  
 27 pursuant to Part 1.85 (commencing with Section 34170) of Division  
 28 24 of the Health and Safety Code. Net available revenue shall only  
 29 include revenue remaining after all current distributions, including,  
 30 but not limited to, payment of enforceable obligations, all  
 31 distributions to other taxing entities, and applicable administrative  
 32 fees, have been made.

33 53399.2. (a) The revenues available pursuant to Article 3  
 34 (commencing with Section 53399.30) may be used directly for  
 35 work allowed pursuant to Section 53399.3, may be accumulated  
 36 for a period not to exceed five years to provide a fund for that  
 37 work, may be pledged to pay the principal of, and interest on,  
 38 bonds issued pursuant to Article 4 (commencing with Section  
 39 53399.40), or may be pledged to pay the principal of, and interest  
 40 on, bonds issued pursuant to the Improvement Bond Act of 1915

1 (Division 10 (commencing with Section 8500) of the Streets and  
2 Highways Code) or the Mello-Roos Community Facilities Act of  
3 1982 (Chapter 2.5 (commencing with Section 53311)), the proceeds  
4 of which have been or will be used entirely for allowable purposes  
5 of the district. The revenue of the district may also be advanced  
6 for allowable purposes of the district to an Integrated Financing  
7 District established pursuant to Chapter 1.5 (commencing with  
8 Section 53175), in which case the district may be party to a  
9 reimbursement agreement established pursuant to that chapter.  
10 The revenues of the district may also be committed to paying for  
11 any completed facility acquired pursuant to Section 53399.3 over  
12 a period of time, including the payment of a rate of interest not to  
13 exceed the bond buyer index rate on the day that the agreement to  
14 repay is entered into by the city.

15 (b) The legislative body may enter into an agreement with any  
16 affected taxing entity providing for the construction of, or  
17 assistance in, financing facilities.

18 53399.3. (a) A district may finance (1) the purchase,  
19 construction, expansion, improvement, seismic retrofit, or  
20 rehabilitation of any real or other tangible property with an  
21 estimated useful life of 15 years or longer which satisfies the  
22 requirements of subdivision (b), (2) planning and design work that  
23 is directly related to the purchase, construction, expansion,  
24 improvement, rehabilitation, or seismic retrofit of that property,  
25 and (3) the costs described in Sections 53399.6 and 53399.31. The  
26 facilities need not be physically located within the boundaries of  
27 the district. A district may not finance routine maintenance, repair  
28 work, or the costs of ongoing operation or providing services of  
29 any kind.

30 (b) The district shall finance only facilities or projects of  
31 communitywide significance, including, but not limited to, any of  
32 the following:

33 (1) Highways, interchanges, ramps and bridges, arterial streets,  
34 parking facilities, and transit facilities.

35 (2) Sewage treatment and water reclamation plants and  
36 interceptor pipes.

37 (3) Facilities and watershed lands used for the collection and  
38 treatment of water for urban uses.

39 (4) Flood management, including levees, bypasses, dams,  
40 retention basins, and drainage channels.

- 1 (5) Child care facilities.
- 2 (6) Libraries.
- 3 (7) Parks, recreational facilities, open space, and habitat
- 4 restoration.
- 5 (8) Facilities for the transfer and disposal of solid waste,
- 6 including transfer stations and vehicles.
- 7 (9) Brownfields restoration and other environmental mitigation.
- 8 (10) Purchase of land and property for development purposes
- 9 and related site improvements.
- 10 (11) Acquisition, construction, or repair of housing for rental
- 11 or purchase, including multipurpose facilities.
- 12 (12) Acquisition, construction, or repair of commercial or
- 13 industrial structures for private use.
- 14 (13) The repayment of the transfer of funds to a military base
- 15 reuse authority pursuant to Section 67851.
- 16 (c) Any district that constructs dwelling units shall set aside not
- 17 less than 20 percent of those units to increase and improve the
- 18 community’s supply of low- and moderate-income housing
- 19 available at an affordable housing cost, as defined by Section
- 20 50052.5 of the Health and Safety Code, or at an affordable rent,
- 21 as defined by Section 50053 of the Health and Safety Code, to
- 22 persons and families of low and moderate income, as defined in
- 23 Section 50093 of the Health and Safety Code.
- 24 (d) A district may utilize any powers under the Polanco
- 25 Redevelopment Act (Article 12.5 (commencing with Section
- 26 33459) of Chapter 4 of Part 1 of Division 24 of the Health and
- 27 Safety Code), and finance any action necessary to implement that
- 28 act.
- 29 (e) A district may finance any project that implements a
- 30 sustainable communities strategy prepared pursuant to Section
- 31 65080.
- 32 53399.4. (a) A city may form a district to finance a project or
- 33 projects on a former military base pursuant to the requirements set
- 34 forth in this chapter.
- 35 (b) A district formed under this section may finance a project
- 36 pursuant to this section or Section 53399.3 only if the project is
- 37 consistent with the authority reuse plan and is approved by the
- 38 military base reuse authority, if applicable.
- 39 53399.5. (a) A district may finance only the facilities or
- 40 services authorized in this chapter. The additional facilities or

1 services may not supplant facilities or services already available  
2 within that territory when the district was created, except if those  
3 facilities or services are essentially nonfunctional, obsolete,  
4 hazardous, or in need of upgrading or rehabilitation. The additional  
5 facilities or services may supplement those facilities and services  
6 as needed to serve new developments.

7 (b) A district may include areas that are not contiguous. A  
8 district may be divided into project areas, each of which may be  
9 subject to distinct limitations established under this chapter. The  
10 legislative body may, at any time, add territory to a district or  
11 amend the infrastructure financing plan for the district by  
12 conducting the same procedures for the formation of a district or  
13 approval of bonds, if applicable, as provided pursuant to this  
14 chapter.

15 (c) Any district may finance any project or portion of a project  
16 that is located in, or overlaps with, any redevelopment project area  
17 or former redevelopment project area or former military base.

18 (d) Notwithstanding subdivision (c), any debt or obligation of  
19 a district shall be subordinate to an enforceable obligation of a  
20 former redevelopment agency, as defined in Section 34171 of the  
21 Health and Safety Code.

22 (e) The legislative body of the city forming the district may  
23 choose to dedicate any portion of its net available revenue to the  
24 district through the financing plan described in Section 53399.14.

25 53399.6. It is the intent of the Legislature that the establishment  
26 of a district should not ordinarily lead to the removal of existing  
27 functional, habitable, and safe dwelling units. If, however, any  
28 dwelling units are proposed to be removed or destroyed in the  
29 course of private development or facilities construction within the  
30 area of the district, the legislative body shall do all of the following:

31 (a) Within four years of the removal or destruction, cause or  
32 require the construction or rehabilitation, for rental or sale to  
33 persons or families of low or moderate income, of an equal number  
34 of replacement dwelling units at affordable housing cost, as defined  
35 in Section 50052.5 of the Health and Safety Code, or affordable  
36 rent, as defined in Section 50053 of the Health and Safety Code,  
37 within the territory of the district if the dwelling units removed  
38 were inhabited by persons or families of low or moderate income,  
39 as defined in Section 50093 of the Health and Safety Code.

1 (b) Within four years of the removal or destruction, cause or  
2 require the construction or rehabilitation, for rental or sale to  
3 persons of low or moderate income, a number of dwelling units  
4 which is at least one unit but not less than 20 percent of the total  
5 dwelling units removed at affordable housing cost, as defined in  
6 Section 50052.5 of the Health and Safety Code, or affordable rent,  
7 as defined in Section 50053 of the Health and Safety Code, within  
8 the territory of the district if the dwelling units removed or  
9 destroyed were not inhabited by persons of low or moderate  
10 income, as defined in Section 50093 of the Health and Safety Code.

11 (c) In the case of dwelling units located on a former military  
12 base that are destroyed or removed in connection with a base reuse  
13 plan, replacement dwelling units required by subdivision (a) or  
14 (b) may be located anywhere within the territory of the former  
15 military base consistent with the base reuse plan, local general  
16 plan, and infrastructure financing plan, as applicable.

17 (d) Provide relocation assistance and make all the payments  
18 required by Chapter 16 (commencing with Section 7260) of  
19 Division 7 of Title 1, to persons displaced by any public or private  
20 development occurring within the territory of the district. This  
21 displacement shall be deemed to be the result of public action.

22 (e) Ensure that removal or destruction of any dwelling units  
23 occupied by persons or families of low or moderate income not  
24 take place unless and until there are suitable housing units, at  
25 comparable cost to the units from which the persons or families  
26 were displaced, available and ready for occupancy by the residents  
27 of the units at the time of their displacement. The housing units  
28 shall be suitable to the needs of these displaced persons or families  
29 and shall be decent, safe, sanitary, and otherwise standard  
30 dwellings.

31 53399.7. Any action or proceeding to attack, review, set aside,  
32 void, or annul the creation of a district, adoption of an infrastructure  
33 financing plan, including a division of taxes thereunder, or an  
34 election pursuant to this chapter shall be commenced within 30  
35 days after the enactment of the ordinance creating the district  
36 pursuant to Section 53399.23. Consistent with the time limitations  
37 of this section, such an action or proceeding with respect to a  
38 division of taxes under this chapter may be brought pursuant to  
39 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of

1 the Code of Civil Procedure, except that Section 869 of the Code  
2 of Civil Procedure shall not apply.

3 53399.8. An action to determine the validity of the issuance  
4 of bonds pursuant to this chapter may be brought pursuant to  
5 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of  
6 the Code of Civil Procedure. However, notwithstanding the time  
7 limits specified in Section 860 of the Code of Civil Procedure, the  
8 action shall be commenced within 30 days after adoption of the  
9 resolution pursuant to Section 53399.44 providing for issuance of  
10 the bonds if the action is brought by an interested person pursuant  
11 to Section 863 of the Code of Civil Procedure. Any appeal from  
12 a judgment in that action or proceeding shall be commenced within  
13 30 days after entry of judgment.

14  
15 Article 2. Preparation and Adoption of Infrastructure  
16 Revitalization Financing District Plans  
17

18 53399.10. A legislative body of a city may designate one or  
19 more proposed infrastructure revitalization financing districts  
20 pursuant to this chapter. Proceedings for the establishment of a  
21 district shall be instituted by the adoption of a resolution of  
22 intention to establish the proposed district and shall do all of the  
23 following:

24 (a) State that an infrastructure revitalization financing district  
25 is proposed to be established under the terms of this chapter and  
26 describe the boundaries of the proposed district and any project  
27 area proposed within the district, which may be accomplished by  
28 reference to a map on file in the office of the clerk of the city.

29 (b) State the type of facilities proposed to be financed by the  
30 district. The district may only finance facilities authorized by  
31 Section 53399.3.

32 (c) State that incremental property tax revenue from the city  
33 and some or all affected taxing entities within the district may be  
34 used to finance these facilities.

35 (d) State that net available revenue from the city may be used  
36 to finance these facilities and state the maximum portion of the  
37 net available revenue to be committed to the district for each year  
38 during which the district will receive these revenues.

39 (e) Fix a time and place for a public hearing on the proposal.

1 53399.11. The legislative body shall direct the clerk to mail a  
2 copy of the resolution of intention to create the district to each  
3 owner of land within the district.

4 53399.12. The legislative body shall direct the clerk to mail a  
5 copy of the resolution to each affected taxing entity.

6 53399.13. After adopting the resolution pursuant to Section  
7 53399.10, the legislative body shall designate and direct the city  
8 engineer or other appropriate official to prepare an infrastructure  
9 plan pursuant to Section 53399.14.

10 53399.14. After receipt of a copy of the resolution of intention  
11 to establish a district, the official designated pursuant to Section  
12 53399.13 shall prepare a proposed infrastructure financing plan.  
13 The infrastructure financing plan shall be consistent with the  
14 general plan of the city within which the district is located and  
15 shall include all of the following:

16 (a) A map and legal description of the proposed district, which  
17 may include all or a portion of the district designated by the  
18 legislative body in its resolution of intention.

19 (b) A description of the facilities required to serve the  
20 development proposed in the area of the district including those  
21 to be provided by the private sector, those to be provided by  
22 governmental entities without assistance under this chapter, those  
23 improvements and facilities to be financed with assistance from  
24 the proposed district, and those to be provided jointly. The  
25 description shall include the proposed location, timing, and costs  
26 of the improvements and facilities.

27 (c) A finding that the facilities are of communitywide  
28 significance.

29 (d) A financing section, which shall contain all of the following  
30 information:

31 (1) A specification of the maximum portion of the incremental  
32 tax revenue of the city and of each affected taxing entity proposed  
33 to be committed to the district for each year during which the  
34 district will receive incremental tax revenue. The portion need not  
35 be the same for all affected taxing entities. The portion may change  
36 over time.

37 (2) A projection of the amount of tax revenues expected to be  
38 received by the district in each year during which the district will  
39 receive tax revenues, including an estimate of the amount of tax  
40 revenues attributable to each affected taxing entity proposed to be

1 committed to the district for each year. If applicable, the plan shall  
2 also include a specification of the maximum portion of the net  
3 available revenue of the city proposed to be committed to the  
4 district for each year during which the district will receive revenue.  
5 The portion may vary over time.

6 (3) A plan for financing the facilities to be assisted by the  
7 district, including a detailed description of any intention to incur  
8 debt.

9 (4) A limit on the total number of dollars of taxes that may be  
10 allocated to the district pursuant to the plan.

11 (5) A date on which the district shall cease to exist, by which  
12 time all tax allocation, including any allocation of net available  
13 revenue, to the district will end. The date shall not be more than  
14 40 years from the date on which the ordinance forming the district  
15 is adopted pursuant to Section 53399.23, or a later date, if specified  
16 by the ordinance, on which the allocation of tax increment will  
17 begin. The district may issue debt with a final maturity date of up  
18 to 30 years from the date of issuance of each debt issue, subject  
19 to the time limit on tax allocation to the district.

20 (6) An analysis of the costs to the city of providing facilities  
21 and services to the area of the district while the area is being  
22 developed and after the area is developed. The plan shall also  
23 include an analysis of the tax, fee, charge, and other revenues  
24 expected to be received by the city as a result of expected  
25 development in the area of the district.

26 (7) An analysis of the projected fiscal impact of the district and  
27 the associated development upon each affected taxing entity that  
28 is proposed to participate in financing the district.

29 (8) A plan for financing any potential costs that may be incurred  
30 by reimbursing a developer of a project that is both located entirely  
31 within the boundaries of that district and qualifies for the Transit  
32 Priority Project Program, pursuant to Section 65470, including  
33 any permit and affordable housing expenses related to the project.

34 (e) If any dwelling units occupied by persons or families of low  
35 or moderate income are proposed to be removed or destroyed in  
36 the course of private development or facilities construction within  
37 the area of the district, a plan providing for replacement of those  
38 units and relocation of those persons or families consistent with  
39 the requirements of Section 53399.6.

1 53399.15. The infrastructure financing plan shall be sent to  
2 each owner of land within the proposed district and to each affected  
3 taxing entity together with any report required by the California  
4 Environmental Quality Act (Division 13 (commencing with Section  
5 21000) of the Public Resources Code) that pertains to the proposed  
6 facilities or the proposed development project for which the  
7 facilities are needed, and shall be made available for public  
8 inspection. The report shall also be sent to the planning commission  
9 and the legislative body.

10 53399.16. The designated official shall consult with each  
11 affected taxing entity, and, at the request of any affected taxing  
12 entity, shall meet with representatives of an affected taxing entity.  
13 Any affected taxing entity may suggest revisions to the plan.

14 53399.17. The legislative body shall conduct a public hearing  
15 prior to adopting the proposed infrastructure financing plan. The  
16 public hearing shall be called no sooner than 60 days after the plan  
17 has been sent to each affected taxing entity. In addition to the  
18 notice given to landowners and affected taxing entities pursuant  
19 to Sections 53399.11 and 53399.12, notice of the public hearing  
20 shall be given by publication not less than once a week for four  
21 successive weeks in a newspaper of general circulation published  
22 in the city in which the proposed district is located. The notice  
23 shall state that the district will be used to finance public works,  
24 briefly describe the public works, briefly describe the proposed  
25 financial arrangements, including the proposed commitment of  
26 incremental tax revenue, describe the boundaries of the proposed  
27 district and state the day, hour, and place when and where any  
28 persons having any objections to the proposed infrastructure  
29 financing plan, or the regularity of any of the prior proceedings,  
30 may appear before the legislative body and object to the adoption  
31 of the proposed plan by the legislative body.

32 53399.18. At the hour set in the required notices, the legislative  
33 body shall proceed to hear and pass upon all written and oral  
34 objections. The hearing may be continued from time to time. The  
35 legislative body shall consider the recommendations, if any, of  
36 affected taxing entities, and all evidence and testimony for and  
37 against the adoption of the plan. The legislative body may modify  
38 the plan by eliminating or reducing the size and cost of proposed  
39 public works, by reducing the amount of proposed debt, or by

1 reducing the portion, amount, or duration of incremental tax  
2 revenues to be committed to the district.

3 53399.19. (a) The legislative body shall not enact a resolution  
4 proposing formation of a district and providing for the division of  
5 taxes of any affected taxing entity pursuant to Article 3  
6 (commencing with Section 53399.30) unless a resolution approving  
7 the plan has been adopted by the governing body of each affected  
8 taxing entity which is proposed to be subject to division of taxes  
9 pursuant to Article 3 (commencing with Section 53399.30) has  
10 been filed with the legislative body at or prior to the time of the  
11 hearing.

12 (b) In the case of an affected taxing entity that is a special district  
13 that provides fire protection services and where the county board  
14 of supervisors is the governing authority or has appointed itself as  
15 the governing board of the district, the plan shall be adopted by a  
16 separate resolution approved by the district's governing authority  
17 or governing board.

18 (c) This section shall be construed to prevent the legislative  
19 body from amending its infrastructure financing plan and adopting  
20 a resolution proposing formation of the infrastructure revitalization  
21 financing district without allocation of the tax revenues of any  
22 affected taxing entity which has not approved the infrastructure  
23 financing plan by resolution of the governing body of the affected  
24 taxing entity.

25 53399.20. (a) At the conclusion of the hearing, the legislative  
26 body may adopt a resolution proposing adoption of the  
27 infrastructure financing plan, as modified, and formation of the  
28 infrastructure revitalization financing district in a manner consistent  
29 with Section 53399.19, or it may abandon the proceedings. If the  
30 legislative body adopts a resolution proposing formation of the  
31 district, it shall then submit the proposal to create the district to  
32 the qualified electors of the proposed district in the next general  
33 election or in a special election to be held, notwithstanding any  
34 other requirement, including any requirement that elections be  
35 held on specified dates, contained in the Elections Code, at least  
36 90 days, but not more than 180 days, following the adoption of  
37 the resolution of formation. The legislative body shall provide the  
38 resolution of formation, a certified map of sufficient scale and  
39 clarity to show the boundaries of the district, and a sufficient  
40 description to allow the election official to determine the

1 boundaries of the district to the official conducting the election  
 2 within three business days after the adoption of the resolution of  
 3 formation. The assessor’s parcel numbers for the land within the  
 4 district shall be included if it is a landowner election or the district  
 5 does not conform to an existing district’s boundaries and if  
 6 requested by the official conducting the election. If the election is  
 7 to be held less than 125 days following the adoption of the  
 8 resolution of formation, the concurrence of the election official  
 9 conducting the election shall be required. However, any time limit  
 10 specified by this section or requirement pertaining to the conduct  
 11 of the election may be waived with the unanimous consent of the  
 12 qualified electors of the proposed district and the concurrence of  
 13 the election official conducting the election.

14 (b) If at least 12 persons have been registered to vote within the  
 15 territory of the proposed district for each of the 90 days preceding  
 16 the close of the hearing, the vote shall be by the registered voters  
 17 of the proposed district, who need not necessarily be the same  
 18 persons, with each voter having one vote. Otherwise, the vote shall  
 19 be by the landowners of the proposed district and each landowner  
 20 who is the owner of record at the close of the protest hearing, or  
 21 the authorized representative thereof, shall have one vote for each  
 22 acre or portion of an acre of land that he or she owns within the  
 23 proposed district. The number of votes to be voted by a particular  
 24 landowner shall be specified on the ballot provided to that  
 25 landowner.

26 (c) Ballots for the special election authorized by subdivision (a)  
 27 may be distributed to qualified electors by mail with return postage  
 28 prepaid or by personal service by the election official. The official  
 29 conducting the election may certify the proper mailing of ballots  
 30 by an affidavit, which shall be exclusive proof of mailing in the  
 31 absence of fraud. The voted ballots shall be returned to the election  
 32 officer conducting the election not later than the hour specified in  
 33 the resolution calling the election. However, if all the qualified  
 34 voters have voted, the election shall be closed.

35 53399.21. (a) Except as otherwise provided in this chapter,  
 36 laws regulating elections of the local agency that calls an election  
 37 pursuant to this chapter, insofar as they may be applicable, shall  
 38 govern all elections conducted pursuant to this chapter. Except as  
 39 provided in subdivision (b), there shall be prepared and included  
 40 in the ballot material provided to each voter, an impartial analysis

1 pursuant to Section 9160 or 9280 of the Elections Code, arguments  
2 and rebuttals, if any, pursuant to Sections 9162 to 9167, inclusive,  
3 and 9190 of the Elections Code or pursuant to Sections 9281 to  
4 9287, inclusive, and 9295 of the Elections Code.

5 (b) If the vote is to be by the landowners of the proposed district,  
6 analysis and arguments may be waived with the unanimous consent  
7 of all the landowners and shall be so stated in the order for the  
8 election.

9 53399.22. (a) If the election is to be conducted by mail ballot,  
10 the election official conducting the election shall provide ballots  
11 and election materials pursuant to subdivision (d) of Section 53326  
12 and Section 53327, together with all supplies and instructions  
13 necessary for the use and return of the ballot.

14 (b) The identification envelope for return of mail ballots used  
15 in landowner elections shall contain the following:

16 (1) The name of the landowner.

17 (2) The address of the landowner.

18 (3) A declaration, under penalty of perjury, stating that the voter  
19 is the owner of record or the authorized representative of the  
20 landowner entitled to vote and is the person whose name appears  
21 on the identification envelope.

22 (4) The printed name and signature of the voter.

23 (5) The address of the voter.

24 (6) The date of signing and place of execution of the declaration  
25 pursuant to paragraph (3).

26 (7) A notice that the envelope contains an official ballot and is  
27 to be opened only by the canvassing board.

28 53399.23. After the canvass of returns of any election pursuant  
29 to Section 53399.20, the legislative body may, by ordinance, adopt  
30 the infrastructure financing plan and create the district with full  
31 force and effect of law, if two-thirds of the votes upon the question  
32 of creating the district are in favor of creating the district.

33 53399.24. After the canvass of returns of any election  
34 conducted pursuant to Section 53399.20, the legislative body shall  
35 take no further action with respect to the proposed infrastructure  
36 revitalization financing district for one year from the date of the  
37 election if the question of creating the district fails to receive  
38 approval of two-thirds of the votes cast upon the question.

39 53399.25. The legislative body may submit a proposition to  
40 establish or change the appropriations limit, as defined by

1 subdivision (h) of Section 8 of Article XIII B of the California  
 2 Constitution, of a district to the qualified electors of a proposed  
 3 or established district. The proposition establishing or changing  
 4 the appropriations limit shall become effective if approved by the  
 5 qualified electors voting on the proposition and shall be adjusted  
 6 for changes in the cost of living and changes in populations, as  
 7 defined by subdivisions (b) and (c) of Section 7901, except that  
 8 the change in population may be estimated by the legislative body  
 9 in the absence of an estimate by the Department of Finance, and  
 10 in accordance with Section 1 of Article XIII B of the California  
 11 Constitution. For purposes of adjusting for changes in population,  
 12 the population of the district shall be deemed to be at least one  
 13 person during each calendar year. Any election held pursuant to  
 14 this section may be combined with any election held pursuant to  
 15 Section 53395.20 in any convenient manner.

16 53399.26. No later than June 30 of each year after the adoption  
 17 of an infrastructure financing plan, the legislative body shall post  
 18 an annual report in an easily identifiable and accessible location  
 19 on the legislative body’s Internet Web site. The annual report shall  
 20 contain all of the following:

- 21 (a) A summary of the district’s expenditures.
- 22 (b) A description of the progress made toward the district’s  
 23 adopted goals.
- 24 (c) An assessment of the status regarding completion of the  
 25 district’s projects.

26  
 27 Article 3. Division of Taxes  
 28

29 53399.30. Any infrastructure financing plan may contain a  
 30 provision that taxes, if any, levied upon taxable property in the  
 31 area included within the infrastructure revitalization financing  
 32 district each year by or for the benefit of the State of California,  
 33 or any affected taxing entity after the effective date of the ordinance  
 34 adopted pursuant to Section 53399.23 to create the district, shall  
 35 be divided as follows:

- 36 (a) That portion of the taxes which would be produced by the  
 37 rate upon which the tax is levied each year by or for each of the  
 38 affected taxing entities upon the total sum of the assessed value  
 39 of the taxable property in the district as shown upon the assessment  
 40 roll used in connection with the taxation of the property by the

1 affected taxing entity, last equalized prior to the effective date of  
2 the ordinance adopted pursuant to Section 53399.23 to create the  
3 district, shall be allocated to, and when collected shall be paid to,  
4 the respective affected taxing entities as taxes by or for the affected  
5 taxing entities on all other property are paid.

6 (b) That portion of the levied taxes each year specified in the  
7 adopted infrastructure financing plan for the city and each affected  
8 taxing entity which has agreed to participate pursuant to Section  
9 53399.19 in excess of the amount specified in subdivision (a) shall  
10 be allocated to, and when collected shall be paid into a special  
11 fund of, the district for all lawful purposes of the district. Unless  
12 and until the total assessed valuation of the taxable property in a  
13 district exceeds the total assessed value of the taxable property in  
14 the district as shown by the last equalized assessment roll referred  
15 to in subdivision (a), all of the taxes levied and collected upon the  
16 taxable property in the district shall be paid to the respective  
17 affected taxing entities. When the district ceases to exist pursuant  
18 to the adopted infrastructure financing plan, all moneys thereafter  
19 received from taxes upon the taxable property in the district shall  
20 be paid to the respective affected taxing entities as taxes on all  
21 other property are paid.

22 53399.31. All costs incurred by a county in connection with  
23 the division of taxes pursuant to Section 53399.30 for a district  
24 shall be paid by that district.

25  
26 Article 4. Tax Increment Bonds  
27

28 53399.40. The legislative body may, by majority vote, initiate  
29 proceedings to issue bonds pursuant to this chapter by adopting a  
30 resolution stating its intent to issue the bonds.

31 53399.41. The resolution adopted pursuant to Section 53399.40  
32 shall contain all of the following information:

33 (a) A description of the facilities to be financed with the  
34 proceeds of the proposed bond issue.

35 (b) The estimated cost of the facilities, the estimated cost of  
36 preparing and issuing the bonds, and the principal amount of the  
37 proposed bond issuance.

38 (c) The maximum interest rate and discount on the proposed  
39 bond issuance.

1 (d) The date of the election on the proposed bond issuance and  
 2 the manner of holding the election.

3 (e) A determination of the amount of tax revenue available or  
 4 estimated to be available, for the payment of the principal of, and  
 5 interest on, the bonds.

6 (f) A finding that the amount necessary to pay the principal of,  
 7 and interest on, the proposed bond issuance will be less than, or  
 8 equal to, the amount determined pursuant to subdivision (e).

9 53399.42. The clerk of the legislative body shall publish the  
 10 resolution adopted pursuant to Section 53399.40 once a day for at  
 11 least seven successive days in a newspaper published in the city  
 12 or county at least six days a week, or at least once a week for two  
 13 successive weeks in a newspaper published in the city or county  
 14 less than six days a week.

15 If there are no newspapers meeting these criteria, the resolution  
 16 shall be posted in three public places within the territory of the  
 17 district for two succeeding weeks.

18 53399.43. The legislative body shall submit the proposal to  
 19 issue the bonds to the voters who reside within the district. The  
 20 election shall be conducted in the same manner as the election to  
 21 create the district pursuant to Section 53399.20 and the two  
 22 elections may be consolidated.

23 53399.44. (a) Bonds may be issued only if two-thirds of the  
 24 voters voting on the proposition vote in favor of authorizing the  
 25 issuance of the bonds.

26 (b) If the voters authorize the issuance of the bonds as provided  
 27 by subdivision (a), the legislative body may subsequently proceed  
 28 with the issuance of the bonds by adopting a resolution which shall  
 29 provide for all of the following:

30 (1) The issuance of the bonds in one or more series.

31 (2) The principal amount of the bonds, which shall be consistent  
 32 with the amount specified in subdivision (b) of Section 53399.41.

33 (3) The date the bonds will bear.

34 (4) The date of maturity of the bonds.

35 (5) The denomination of the bonds.

36 (6) The form of the bonds.

37 (7) The manner of execution of the bonds.

38 (8) The medium of payment in which the bonds are payable.

39 (9) The place or manner of payment and any requirements for  
 40 registration of the bonds.

1 (10) The terms of call or redemption, with or without premium.

2 53399.45. If any proposition submitted to the voters pursuant  
3 to this chapter is defeated by the voters, the legislative body shall  
4 not submit, or cause to be submitted, a similar proposition to the  
5 voters for at least one year after the first election.

6 53399.46. The legislative body may, by majority vote, provide  
7 for refunding of bonds issued pursuant to this chapter. However,  
8 refunding bonds shall not be issued if the total net interest cost to  
9 maturity on the refunding bonds plus the principal amount of the  
10 refunding bonds exceeds the total net interest cost to maturity on  
11 the bonds to be refunded. The legislative body may not extend the  
12 time to maturity of the bonds.

13 53399.47. The legislative body or any person executing the  
14 bonds shall not be personally liable on the bonds by reason of their  
15 issuance. The bonds and other obligations of a district issued  
16 pursuant to this chapter are not a debt of the city, county, or state  
17 or of any of its political subdivisions, other than the district, and  
18 none of those entities, other than the district, shall be liable on the  
19 bonds and the bonds or obligations shall be payable exclusively  
20 from funds or properties of the district. The bonds shall contain a  
21 statement to this effect on their face. The bonds do not constitute  
22 an indebtedness within the meaning of any constitutional or  
23 statutory debt limitation.

24 53399.48. (a) The bonds may be sold at discount not to exceed  
25 5 percent of par at a negotiated or public sale. At least five days  
26 prior to a public sale, notice shall be published, pursuant to Section  
27 6061, in a newspaper of general circulation and in a financial  
28 newspaper published in the City and County of San Francisco and  
29 in the City of Los Angeles. The bonds may be sold at not less than  
30 par to the federal government at private sale without any public  
31 advertisement.

32 (b) Any negotiated sale of bonds pursuant to this section shall  
33 be limited to bond issuances of an infrastructure and revitalization  
34 financing district that do not exceed five million dollars  
35 (\$5,000,000).

36 53399.49. If any member of the legislative body whose  
37 signature appears on bonds ceases to be a member of the legislative  
38 body before delivery of the bonds, his or her signature is as  
39 effective as if he or she had remained in office. Bonds issued  
40 pursuant to this chapter are fully negotiable.

1 SEC. 2. Section 33459 of the Health and Safety Code is  
2 amended to read:

3 33459. For purposes of this article, the following terms shall  
4 have the following meanings:

5 (a) “Department” means the Department of Toxic Substances  
6 Control.

7 (b) “Director” means the Director of Toxic Substances Control.

8 (c) “Hazardous substance” means any hazardous substance as  
9 defined in subdivision (h) of Section 25281, and any reference to  
10 hazardous substance in the definitions referenced in this section  
11 shall be deemed to refer to hazardous substance, as defined in this  
12 subdivision.

13 (d) “Local agency” means a single local agency that is one of  
14 the following:

15 (1) A local agency authorized pursuant to Section 25283 to  
16 implement Chapter 6.7 (commencing with Section 25280) of, and  
17 Chapter 6.75 (commencing with Section 25299.10) of, Division  
18 20.

19 (2) A local officer who is authorized pursuant to Section 101087  
20 to supervise a remedial action.

21 (3) *An infrastructure and revitalization financing district.*

22 (e) “Qualified independent contractor” means an independent  
23 contractor who is any of the following:

24 (1) An engineering geologist who is certified pursuant to Section  
25 7842 of the Business and Professions Code.

26 (2) A geologist who is registered pursuant to Section 7850 of  
27 the Business and Professions Code.

28 (3) A civil engineer who is registered pursuant to Section 6762  
29 of the Business and Professions Code.

30 (f) “Release” means any release, as defined in Section 25320.

31 (g) “Remedy” or “remove” means any action to assess, evaluate,  
32 investigate, monitor, remove, correct, clean up, or abate a release  
33 of a hazardous substance or to develop plans for those actions.  
34 “Remedy” includes any action set forth in Section 25322 and  
35 “remove” includes any action set forth in Section 25323.

36 (h) “Responsible party” means any person described in  
37 subdivision (a) of Section 25323.5 of this code or subdivision (a)  
38 of Section 13304 of the Water Code.

O