

AMENDED IN SENATE JUNE 18, 2013

AMENDED IN SENATE JUNE 5, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 243

**Introduced by Assembly Member Dickinson
(Principal coauthors: Assembly Members Atkins, Bonta, and
John A. Pérez)**

February 6, 2013

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 243, as amended, Dickinson. 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.

This bill would authorize the creation of an infrastructure and revitalization financing district, as defined, and the issuance of debt with 55% 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 provide that the formation of the district and the issuance of debt by such a district on land of a former military base that is publicly owned is not subject to voter approval, as specified.

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.

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, a county, or a city and county.

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

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

31 (e) (1) “District” means an infrastructure and revitalization
32 financing district.

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

36 (f) “Infrastructure and revitalization financing district” means
37 a legally constituted governmental entity established pursuant to
38 this chapter for the sole purpose of financing facilities authorized
39 by this chapter.

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

10 (h) “Legislative body” means the city council or board of
11 supervisors.

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

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

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

29 53399.2. (a) The revenues available pursuant to Article 3
30 (commencing with Section 53399.30) may be used directly for
31 work allowed pursuant to Section 53399.3, may be accumulated
32 for a period not to exceed five years to provide a fund for that
33 work, may be pledged to pay the principal of, and interest on,
34 bonds issued pursuant to Article 4 (commencing with Section
35 53399.40), or may be pledged to pay the principal of, and interest
36 on, bonds issued pursuant to the Improvement Bond Act of 1915
37 (Division 10 (commencing with Section 8500) of the Streets and
38 Highways Code) or the Mello-Roos Community Facilities Act of
39 1982 (Chapter 2.5 (commencing with Section 53311)), the proceeds
40 of which have been or will be used entirely for allowable purposes

1 of the district. The revenue of the district may also be advanced
2 for allowable purposes of the district to an Integrated Financing
3 District established pursuant to Chapter 1.5 (commencing with
4 Section 53175), in which case the district may be party to a
5 reimbursement agreement established pursuant to that chapter.
6 The revenues of the district may also be committed to paying for
7 any completed facility acquired pursuant to Section 53399.3 over
8 a period of time, including the payment of a rate of interest not to
9 exceed the bond buyer index rate on the day that the agreement to
10 repay is entered into by the city.

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

14 53399.3. (a) A district may finance (1) the purchase,
15 construction, expansion, improvement, seismic retrofit, or
16 rehabilitation of any real or other tangible property with an
17 estimated useful life of 15 years or longer which satisfies the
18 requirements of subdivision (b), (2) may finance planning and
19 design work which is directly related to the purchase, construction,
20 expansion, improvement, rehabilitation, or seismic retrofit of that
21 property, and (3) the costs described in Sections 53399.6 and
22 53399.31. The facilities need not be physically located within the
23 boundaries of the district. A district may not finance routine
24 maintenance, repair work, or the costs of ongoing operation or
25 providing services of any kind.

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

29 (1) Highways, interchanges, ramps and bridges, arterial streets,
30 parking facilities, and transit facilities.

31 (2) Sewage treatment and water reclamation plants and
32 interceptor pipes.

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

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

37 (5) Child care facilities.

38 (6) Libraries.

39 (7) Parks, recreational facilities, open space, and habitat
40 restoration.

- 1 (8) Facilities for the transfer and disposal of solid waste,
2 including transfer stations and vehicles.
- 3 (9) Brownfields restoration and other environmental mitigation.
- 4 (10) Purchase of land and property for development purposes
5 and related site improvements.
- 6 (11) Acquisition, construction, or repair of housing for rental
7 or purchase, including multipurpose facilities.
- 8 (12) Acquisition, construction, or repair of commercial or
9 industrial structures for private use.
- 10 (13) The repayment of the transfer of funds to a military base
11 reuse authority pursuant to Section 67851.
- 12 (c) Any district that constructs dwelling units shall set aside not
13 less than 20 percent of those units to increase and improve the
14 community's supply of low- and moderate-income housing
15 available at an affordable housing cost, as defined by Section
16 50052.5 of the Health and Safety Code, or at an affordable rent,
17 as defined by Section 50053 of the Health and Safety Code, to
18 persons and families of low and moderate income, as defined in
19 Section 50093 of the Health and Safety Code.
- 20 (d) A district may utilize any powers under the Polanco
21 Redevelopment Act (Article 12.5 (commencing with Section
22 33459) of Chapter 4 of Part 1 of Division 24 of the Health and
23 Safety Code), and finance any action necessary to implement that
24 act.
- 25 (e) A district may finance any project that implements a
26 sustainable communities strategy prepared pursuant to Section
27 65080.
- 28 53399.4. (a) A city may form a district to finance a project or
29 projects on a former military base pursuant to the requirements set
30 forth in this chapter.
- 31 (b) A district formed under this section may finance a project
32 pursuant to this section or Section 53399.3 only if the project is
33 consistent with the authority reuse plan and is approved by the
34 military base reuse authority, if applicable.
- 35 (c) Notwithstanding Sections 53399.20, 53399.21, 53399.22,
36 53399.23, and 53399.44, the following actions shall not be subject
37 to voter approval in the case of a district formed under this section:
38 (1) The formation of the district, provided that, at the time of
39 approval of the formation of the district, all of the land within the
40 proposed district is owned by one or more public entities, military

1 base reuse authorities, or entities controlled by governmental
2 agencies.

3 (2) The authorization to issue debt and the issuance of debt by
4 a district formed under this section to finance facilities described
5 in the infrastructure financing plan, provided that, at the time of
6 approval of the formation of the district, all of the land within the
7 proposed district, or a designated project area within the district
8 on which the facilities to be financed with the bonds will be located
9 is owned by one or more public entities, military base reuse
10 authorities, or entities controlled by governmental agencies. The
11 bonds authorized by this paragraph may be issued in one or more
12 series upon the adoption by the district of the resolution described
13 in subdivision (b) of Section 53399.44.

14 53399.5. (a) A district may finance only the facilities or
15 services authorized in this chapter. The additional facilities or
16 services may not supplant facilities or services already available
17 within that territory when the district was created, except if those
18 facilities or services are essentially nonfunctional, obsolete,
19 hazardous, or in need of upgrading or rehabilitation. The additional
20 facilities or services may supplement those facilities and services
21 as needed to serve new developments.

22 (b) A district may include areas that are not contiguous. A
23 district may be divided into project areas, each of which may be
24 subject to distinct limitations established under this chapter. The
25 legislative body may, at any time, add territory to a district or
26 amend the infrastructure financing plan for the district by
27 conducting the same procedures for the formation of a district or
28 approval of bonds, if applicable, as provided pursuant to this
29 chapter.

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

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

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

1 53399.6. It is the intent of the Legislature that the establishment
2 of a district should not ordinarily lead to the removal of existing
3 functional, habitable, and safe dwelling units. If, however, any
4 dwelling units are proposed to be removed or destroyed in the
5 course of private development or facilities construction within the
6 area of the district, the legislative body shall do all of the following:
7 (a) Within four years of the removal or destruction, cause or
8 require the construction or rehabilitation, for rental or sale to
9 persons or families of low or moderate income, of an equal number
10 of replacement dwelling units at affordable housing cost, as defined
11 in Section 50052.5 of the Health and Safety Code, or affordable
12 rent, as defined in Section 50053 of the Health and Safety Code,
13 within the territory of the district if the dwelling units removed
14 were inhabited by persons or families of low or moderate income,
15 as defined in Section 50093 of the Health and Safety Code.
16 (b) Within four years of the removal or destruction, cause or
17 require the construction or rehabilitation, for rental or sale to
18 persons of low or moderate income, a number of dwelling units
19 which is at least one unit but not less than 20 percent of the total
20 dwelling units removed at affordable housing cost, as defined in
21 Section 50052.5 of the Health and Safety Code, or affordable rent,
22 as defined in Section 50053 of the Health and Safety Code, within
23 the territory of the district if the dwelling units removed or
24 destroyed were not inhabited by persons of low or moderate
25 income, as defined in Section 50093 of the Health and Safety Code.
26 (c) In the case of dwelling units located on a former military
27 base that are destroyed or removed in connection with a base reuse
28 plan, replacement dwelling units required by subdivision (a) or
29 (b) may be located anywhere within the territory of the former
30 military base consistent with the base reuse plan, local general
31 plan, and infrastructure financing plan, as applicable.
32 (d) Provide relocation assistance and make all the payments
33 required by Chapter 16 (commencing with Section 7260) of
34 Division 7 of Title 1, to persons displaced by any public or private
35 development occurring within the territory of the district. This
36 displacement shall be deemed to be the result of public action.
37 (e) Ensure that removal or destruction of any dwelling units
38 occupied by persons or families of low or moderate income not
39 take place unless and until there are suitable housing units, at
40 comparable cost to the units from which the persons or families

1 were displaced, available and ready for occupancy by the residents
 2 of the units at the time of their displacement. The housing units
 3 shall be suitable to the needs of these displaced persons or families
 4 and shall be decent, safe, sanitary, and otherwise standard
 5 dwellings.

6 53399.7. Any action or proceeding to attack, review, set aside,
 7 void, or annul the creation of a district, adoption of an infrastructure
 8 financing plan, including a division of taxes thereunder, or an
 9 election pursuant to this chapter shall be commenced within 30
 10 days after the enactment of the ordinance creating the district
 11 pursuant to Section 53399.23. Consistent with the time limitations
 12 of this section, such an action or proceeding with respect to a
 13 division of taxes under this chapter may be brought pursuant to
 14 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
 15 the Code of Civil Procedure, except that Section 869 of the Code
 16 of Civil Procedure shall not apply.

17 53399.8. An action to determine the validity of the issuance
 18 of bonds pursuant to this chapter may be brought pursuant to
 19 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
 20 the Code of Civil Procedure. However, notwithstanding the time
 21 limits specified in Section 860 of the Code of Civil Procedure, the
 22 action shall be commenced within 30 days after adoption of the
 23 resolution pursuant to Section 53399.44 providing for issuance of
 24 the bonds if the action is brought by an interested person pursuant
 25 to Section 863 of the Code of Civil Procedure. Any appeal from
 26 a judgment in that action or proceeding shall be commenced within
 27 30 days after entry of judgment.

28
 29 Article 2. Preparation and Adoption of Infrastructure
 30 ~~and Revitalization~~ and Revitalization Financing District Plans

31
 32 53399.10. A legislative body of a city may designate one or
 33 more proposed infrastructure and revitalization financing districts
 34 pursuant to this chapter. Proceedings for the establishment of a
 35 district shall be instituted by the adoption of a resolution of
 36 intention to establish the proposed district and shall do all of the
 37 following:

38 (a) State that an infrastructure and revitalization financing
 39 district is proposed to be established under the terms of this chapter
 40 and describe the boundaries of the proposed district and any project

1 area proposed within the district, which may be accomplished by
2 reference to a map on file in the office of the clerk of the city.

3 (b) State the type of facilities proposed to be financed by the
4 district. The district may only finance facilities authorized by
5 Section 53399.3.

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

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

13 (e) Fix a time and place for a public hearing on the proposal.
14 53399.11. The legislative body shall cause a copy of the
15 resolution of intention to create the district to be mailed to each
16 owner of land within the district.

17 53399.12. The legislative body shall cause a copy of the
18 resolution to be mailed to each affected taxing entity.

19 53399.13. After adopting the resolution pursuant to Section
20 53399.10, the legislative body shall designate and direct the city
21 engineer or other appropriate official to prepare an infrastructure
22 plan pursuant to Section 53399.14.

23 53399.14. After receipt of a copy of the resolution of intention
24 to establish a district, the official designated pursuant to Section
25 53399.13 shall prepare a proposed infrastructure financing plan.
26 The infrastructure financing plan shall be consistent with the
27 general plan of the city within which the district is located and
28 shall include all of the following:

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

32 (b) A description of the facilities required to serve the
33 development proposed in the area of the district including those
34 to be provided by the private sector, those to be provided by
35 governmental entities without assistance under this chapter, those
36 improvements and facilities to be financed with assistance from
37 the proposed district, and those to be provided jointly. The
38 description shall include the proposed location, timing, and costs
39 of the improvements and facilities.

1 (c) A finding that the facilities are of communitywide
2 significance.

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

5 (1) A specification of the maximum portion of the incremental
6 tax revenue of the city and of each affected taxing entity proposed
7 to be committed to the district for each year during which the
8 district will receive incremental tax revenue. The portion need not
9 be the same for all affected taxing entities. The portion may change
10 over time.

11 (2) A projection of the amount of tax revenues expected to be
12 received by the district in each year during which the district will
13 receive tax revenues, including an estimate of the amount of tax
14 revenues attributable to each affected taxing entity proposed to be
15 committed to the district for each year. If applicable, the plan shall
16 also include a specification of the maximum portion of the net
17 available revenue of the city proposed to be committed to the
18 district for each year during which the district will receive revenue.
19 The portion may vary over time.

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

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

25 (5) A date on which the district shall cease to exist, by which
26 time all tax allocation, including any allocation of net available
27 revenue, to the district will end. The date shall not be more than
28 40 years from the date on which the ordinance forming the district
29 is adopted pursuant to Section 53399.23, or a later date, if specified
30 by the ordinance, on which the allocation of tax increment will
31 begin. The district may issue debt with a final maturity date of up
32 to 30 years from the date of issuance of each debt issue, subject
33 to the time limit on tax allocation to the district.

34 (6) An analysis of the costs to the city of providing facilities
35 and services to the area of the district while the area is being
36 developed and after the area is developed. The plan shall also
37 include an analysis of the tax, fee, charge, and other revenues
38 expected to be received by the city as a result of expected
39 development in the area of the district.

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

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

9 (e) If any dwelling units occupied by persons or families of low
10 or moderate income are proposed to be removed or destroyed in
11 the course of private development or facilities construction within
12 the area of the district, a plan providing for replacement of those
13 units and relocation of those persons or families consistent with
14 the requirements of Section 53399.6.

15 53399.15. The infrastructure financing plan shall be sent to
16 each owner of land within the proposed district and to each affected
17 taxing entity together with any report required by the California
18 Environmental Quality Act (Division 13 (commencing with Section
19 21000) of the Public Resources Code) that pertains to the proposed
20 facilities or the proposed development project for which the
21 facilities are needed, and shall be made available for public
22 inspection. The report shall also be sent to the planning commission
23 and the legislative body.

24 53399.16. The designated official shall consult with each
25 affected taxing entity, and, at the request of any affected taxing
26 entity, shall meet with representatives of an affected taxing entity.
27 Any affected taxing entity may suggest revisions to the plan.

28 53399.17. The legislative body shall conduct a public hearing
29 prior to adopting the proposed infrastructure financing plan. The
30 public hearing shall be called no sooner than 60 days after the plan
31 has been sent to each affected taxing entity. In addition to the
32 notice given to landowners and affected taxing entities pursuant
33 to Sections 53399.11 and 53399.12, notice of the public hearing
34 shall be given by publication not less than once a week for four
35 successive weeks in a newspaper of general circulation published
36 in the city in which the proposed district is located. The notice
37 shall state that the district will be used to finance public works,
38 briefly describe the public works, briefly describe the proposed
39 financial arrangements, including the proposed commitment of
40 incremental tax revenue, describe the boundaries of the proposed

1 district and state the day, hour, and place when and where any
2 persons having any objections to the proposed infrastructure
3 financing plan, or the regularity of any of the prior proceedings,
4 may appear before the legislative body and object to the adoption
5 of the proposed plan by the legislative body.

6 53399.18. At the hour set in the required notices, the legislative
7 body shall proceed to hear and pass upon all written and oral
8 objections. The hearing may be continued from time to time. The
9 legislative body shall consider the recommendations, if any, of
10 affected taxing entities, and all evidence and testimony for and
11 against the adoption of the plan. The legislative body may modify
12 the plan by eliminating or reducing the size and cost of proposed
13 public works, by reducing the amount of proposed debt, or by
14 reducing the portion, amount, or duration of incremental tax
15 revenues to be committed to the district.

16 53399.19. (a) The legislative body shall not enact a resolution
17 proposing formation of a district and providing for the division of
18 taxes of any affected taxing entity pursuant to Article 3
19 (commencing with Section 53399.30) unless a resolution approving
20 the plan has been adopted by the governing body of each affected
21 taxing entity which is proposed to be subject to division of taxes
22 pursuant to Article 3 (commencing with Section 53399.30) has
23 been filed with the legislative body at or prior to the time of the
24 hearing.

25 (b) In the case of an affected taxing entity that is a special district
26 that provides fire protection services and where the county board
27 of supervisors is the governing authority or has appointed itself as
28 the governing board of the district, the plan shall be adopted by a
29 separate resolution approved by the district's governing authority
30 or governing board.

31 (c) This section shall not be construed to prevent the legislative
32 body from amending its infrastructure financing plan and adopting
33 a resolution proposing formation of the infrastructure and
34 revitalization financing district without allocation of the tax
35 revenues of any affected taxing entity which has not approved the
36 infrastructure financing plan by resolution of the governing body
37 of the affected taxing entity.

38 53399.20. (a) At the conclusion of the hearing, the legislative
39 body may adopt a resolution proposing adoption of the
40 infrastructure financing plan, as modified, and formation of the

1 infrastructure and revitalization financing district in a manner
2 consistent with Section 53399.19, or it may abandon the
3 proceedings. If the legislative body adopts a resolution proposing
4 formation of the district, it shall then submit the proposal to create
5 the district to the qualified electors of the proposed district in the
6 next general election or in a special election to be held,
7 notwithstanding any other requirement, including any requirement
8 that elections be held on specified dates, contained in the Elections
9 Code, at least 90 days, but not more than 180 days, following the
10 adoption of the resolution of formation. The legislative body shall
11 provide the resolution of formation, a certified map of sufficient
12 scale and clarity to show the boundaries of the district, and a
13 sufficient description to allow the elections official to determine
14 the boundaries of the district to the official conducting the election
15 within three business days after the adoption of the resolution of
16 formation. The assessor's parcel numbers for the land within the
17 district shall be included if it is a landowner election or the district
18 does not conform to an existing district's boundaries and if
19 requested by the official conducting the election. If the election is
20 to be held less than 125 days following the adoption of the
21 resolution of formation, the concurrence of the elections official
22 conducting the election shall be required. However, any time limit
23 specified by this section or requirement pertaining to the conduct
24 of the election may be waived with the unanimous consent of the
25 qualified electors of the proposed district and the concurrence of
26 the elections official conducting the election.

27 (b) If at least 12 persons have been registered to vote within the
28 territory of the proposed district for each of the 90 days preceding
29 the close of the hearing, the vote shall be by the registered voters
30 of the proposed district, who need not necessarily be the same
31 persons, with each voter having one vote. Otherwise, the vote shall
32 be by the landowners of the proposed district and each landowner
33 who is the owner of record at the close of the protest hearing, or
34 the authorized representative thereof, shall have one vote for each
35 acre or portion of an acre of land that he or she owns within the
36 proposed district. The number of votes to be voted by a particular
37 landowner shall be specified on the ballot provided to that
38 landowner.

39 (c) Ballots for the special election authorized by subdivision (a)
40 may be distributed to qualified electors by mail with return postage

1 prepaid or by personal service by the elections official. The official
2 conducting the election may certify the proper mailing of ballots
3 by an affidavit, which shall be exclusive proof of mailing in the
4 absence of fraud. The voted ballots shall be returned to the elections
5 official conducting the election not later than the hour specified
6 in the resolution calling the election. However, if all the qualified
7 voters have voted, the election shall be closed.

8 53399.21. (a) Except as otherwise provided in this chapter,
9 the provisions of law regulating elections of the local agency that
10 calls an election pursuant to this chapter, insofar as they may be
11 applicable, shall govern all elections conducted pursuant to this
12 chapter. Except as provided in subdivision (b), there shall be
13 prepared and included in the ballot material provided to each voter,
14 an impartial analysis pursuant to Section 9160 or 9280 of the
15 Elections Code, arguments and rebuttals, if any, pursuant to
16 Sections 9162 to 9167, inclusive, and 9190 of the Elections Code
17 or pursuant to Sections 9281 to 9287, inclusive, and 9295 of the
18 Elections Code.

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

23 53399.22. (a) If the election is to be conducted by mail ballot,
24 the elections official conducting the election shall provide ballots
25 and election materials pursuant to subdivision (d) of Section 53326
26 and Section 53327, together with all supplies and instructions
27 necessary for the use and return of the ballot.

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

- 30 (1) The name of the landowner.
- 31 (2) The address of the landowner.
- 32 (3) A declaration, under penalty of perjury, stating that the voter
33 is the owner of record or the authorized representative of the
34 landowner entitled to vote and is the person whose name appears
35 on the identification envelope.
- 36 (4) The printed name and signature of the voter.
- 37 (5) The address of the voter.
- 38 (6) The date of signing and place of execution of the declaration
39 pursuant to paragraph (3).

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

3 53399.23. After the canvass of returns of any election pursuant
4 to Section 53399.20, the legislative body may, by ordinance, adopt
5 the infrastructure financing plan and create the district with full
6 force and effect of law, if 55 percent of the votes upon the question
7 of creating the district are in favor of creating the district.

8 53399.24. After the canvass of returns of any election
9 conducted pursuant to Section 53399.20, the legislative body shall
10 take no further action with respect to the proposed infrastructure
11 and revitalization financing district for one year from the date of
12 the election if the question of creating the district fails to receive
13 approval of 55 percent of the votes cast upon the question.

14 53399.25. The legislative body may submit a proposition to
15 establish or change the appropriations limit, as defined by
16 subdivision (h) of Section 8 of Article XIII B of the California
17 Constitution, of a district to the qualified electors of a proposed
18 or established district. The proposition establishing or changing
19 the appropriations limit shall become effective if approved by the
20 qualified electors voting on the proposition and shall be adjusted
21 for changes in the cost of living and changes in populations, as
22 defined by subdivisions (b) and (c) of Section 7901, except that
23 the change in population may be estimated by the legislative body
24 in the absence of an estimate by the Department of Finance, and
25 in accordance with Section 1 of Article XIII B of the California
26 Constitution. For purposes of adjusting for changes in population,
27 the population of the district shall be deemed to be at least one
28 person during each calendar year. Any election held pursuant to
29 this section may be combined with any election held pursuant to
30 Section 53395.20 in any convenient manner.

31 53399.26. No later than June 30 of each year after the adoption
32 of an infrastructure financing plan, the legislative body shall post
33 an annual report in an easily identifiable and accessible location
34 on the legislative body's Internet Web site. The annual report shall
35 contain all of the following:

36 (a) A summary of the district's expenditures.

37 (b) A description of the progress made toward the district's
38 adopted goals.

39 (c) An assessment of the status regarding completion of the
40 district's projects.

1 Article 3. Division of Taxes
2

3 53399.30. Any infrastructure financing plan may contain a
4 provision that taxes, if any, levied upon taxable property in the
5 area included within the infrastructure and revitalization financing
6 district each year by or for the benefit of the State of California,
7 or any affected taxing entity after the effective date of the ordinance
8 adopted pursuant to Section 53399.23 to create the district, shall
9 be divided as follows:

10 (a) That portion of the taxes which would be produced by the
11 rate upon which the tax is levied each year by or for each of the
12 affected taxing entities upon the total sum of the assessed value
13 of the taxable property in the district as shown upon the assessment
14 roll used in connection with the taxation of the property by the
15 affected taxing entity, last equalized prior to the effective date of
16 the ordinance adopted pursuant to Section 53399.23 to create the
17 district, shall be allocated to, and when collected shall be paid to,
18 the respective affected taxing entities as taxes by or for the affected
19 taxing entities on all other property are paid.

20 (b) That portion of the levied taxes each year specified in the
21 adopted infrastructure financing plan for the city and each affected
22 taxing entity which has agreed to participate pursuant to Section
23 53399.19 in excess of the amount specified in subdivision (a) shall
24 be allocated to, and when collected shall be paid into a special
25 fund of, the district for all lawful purposes of the district. Unless
26 and until the total assessed valuation of the taxable property in a
27 district exceeds the total assessed value of the taxable property in
28 the district as shown by the last equalized assessment roll referred
29 to in subdivision (a), all of the taxes levied and collected upon the
30 taxable property in the district shall be paid to the respective
31 affected taxing entities. When the district ceases to exist pursuant
32 to the adopted infrastructure financing plan, all moneys thereafter
33 received from taxes upon the taxable property in the district shall
34 be paid to the respective affected taxing entities as taxes on all
35 other property are paid.

36 53399.31. All costs incurred by a county in connection with
37 the division of taxes pursuant to Section 53399.30 for a district
38 shall be paid by that district.

Article 4. Tax Increment Bonds

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

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

- (a) A description of the facilities to be financed with the proceeds of the proposed bond issue.
- (b) The estimated cost of the facilities, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance.
- (c) The maximum interest rate and discount on the proposed bond issuance.
- (d) The date of the election on the proposed bond issuance and the manner of holding the election.
- (e) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.
- (f) A finding that the amount necessary to pay the principal of, and interest on, the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subdivision (e).

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

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

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

53399.44. (a) Except as provided in Section 53399.4, bonds may be issued if 55 percent of the voters voting on the proposition vote in favor of authorizing the issuance of the bonds.

1 (b) If the voters authorize the issuance of the bonds as provided
2 by subdivision (a), the legislative body may subsequently proceed
3 with the issuance of the bonds by adopting a resolution which shall
4 provide for all of the following:

- 5 (1) The issuance of the bonds in one or more series.
- 6 (2) The principal amount of the bonds, which shall be consistent
7 with the amount specified in subdivision (b) of Section 53399.41.
- 8 (3) The date the bonds will bear.
- 9 (4) The date of maturity of the bonds.
- 10 (5) The denomination of the bonds.
- 11 (6) The form of the bonds.
- 12 (7) The manner of execution of the bonds.
- 13 (8) The medium of payment in which the bonds are payable.
- 14 (9) The place or manner of payment and any requirements for
15 registration of the bonds.

16 (10) The terms of call or redemption, with or without premium.
17 53399.45. If any proposition submitted to the voters pursuant
18 to this chapter is defeated by the voters, the legislative body shall
19 not submit, or cause to be submitted, a similar proposition to the
20 voters for at least one year after the first election.

21 53399.46. The legislative body may, by majority vote, provide
22 for refunding of bonds issued pursuant to this chapter. However,
23 refunding bonds shall not be issued if the total net interest cost to
24 maturity on the refunding bonds plus the principal amount of the
25 refunding bonds exceeds the total net interest cost to maturity on
26 the bonds to be refunded. The legislative body may not extend the
27 time to maturity of the bonds.

28 53399.47. The legislative body or any person executing the
29 bonds shall not be personally liable on the bonds by reason of their
30 issuance. The bonds and other obligations of a district issued
31 pursuant to this chapter are not a debt of the city, county, or state
32 or of any of its political subdivisions, other than the district, and
33 none of those entities, other than the district, shall be liable on the
34 bonds and the bonds or obligations shall be payable exclusively
35 from funds or properties of the district. The bonds shall contain a
36 statement to this effect on their face. The bonds do not constitute
37 an indebtedness within the meaning of any constitutional or
38 statutory debt limitation.

39 53399.48. (a) The bonds may be sold at discount not to exceed
40 5 percent of par at a negotiated or public sale. At least five days

1 prior to a public sale, notice shall be published, pursuant to Section
2 6061, in a newspaper of general circulation and in a financial
3 newspaper published in the City and County of San Francisco and
4 in the City of Los Angeles. The bonds may be sold at not less than
5 par to the federal government at private sale without any public
6 advertisement.

7 (b) Any negotiated sale of bonds pursuant to this section shall
8 be limited to bond issuances of an infrastructure and revitalization
9 financing district that do not exceed five million dollars
10 (\$5,000,000).

11 53399.49. If any member of the legislative body whose
12 signature appears on bonds ceases to be a member of the legislative
13 body before delivery of the bonds, his or her signature is as
14 effective as if he or she had remained in office. Bonds issued
15 pursuant to this chapter are fully negotiable.

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

18 33459. For purposes of this article, the following terms shall
19 have the following meanings:

20 (a) “Department” means the Department of Toxic Substances
21 Control.

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

23 (c) “Hazardous substance” means any hazardous substance as
24 defined in subdivision (h) of Section 25281, and any reference to
25 hazardous substance in the definitions referenced in this section
26 shall be deemed to refer to hazardous substance, as defined in this
27 subdivision.

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

30 (1) A local agency authorized pursuant to Section 25283 to
31 implement Chapter 6.7 (commencing with Section 25280) of, and
32 Chapter 6.75 (commencing with Section 25299.10) of, Division
33 20.

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

36 (3) An infrastructure and revitalization financing district created
37 pursuant to Chapter 2.6 (commencing with Section 53369) or
38 Chapter 2.10 (commencing with Section ~~52299~~ 53399), of Part 1
39 of Division 2 of Title 5 of the Government Code.

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

3 (1) An engineering geologist who is certified pursuant to Section
4 7842 of the Business and Professions Code.

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

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

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

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

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

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