

AMENDED IN ASSEMBLY APRIL 10, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1320

Introduced by Assembly Member Bloom

February 22, 2013

An act to ~~amend~~ add Section ~~34187~~ of 34187.1 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1320, as amended, Bloom. Redevelopment: ~~successor agencies.~~ *allocation of property tax: passthrough payments.*

Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law requires the successor agency to dispose of all remaining assets and terminate its existence within one year of the final debt payment and requires any passthrough payment obligations to cease at that time. On and after May 1, 2012, existing law requires the county auditor-controller to distribute to the taxing entities, including school entities, all property tax revenues that were associated with the payment of a recognized obligation that has been paid off or retired. Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenues to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain

modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing law establishes a public school financing system that requires funding for each county superintendent of schools and school district to be calculated pursuant to a revenue limit, as specified, and requires the revenue limit and general-purpose entitlement for a school entity to be composed of, among other things, certain types of revenues, including ad valorem property tax revenues, and that additional amount of revenues in the form of state aid, that is necessary to fully fund the entity's revenue limit.

This bill would provide that a specified amount of ad valorem property tax revenues allocated to a school entity, defined with reference to former passthrough payments made by a redevelopment agency, will not be included as ad valorem property tax revenues counted against the revenue limit for that entity.

~~The Community Redevelopment Law authorized the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies, subject to review by oversight boards. Existing law requires a successor agency to, among other things, continue to make payments due for enforceable obligations, dispose of all assets of the former redevelopment agency, and remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities. Existing law requires the successor agency to dispose of all remaining assets and terminate its existence within one year of the final debt payment, requires any passthrough payment obligations to cease at that time, and prohibits the allocation of property tax to the Redevelopment Property Tax Trust Fund for that agency following termination of the agency.~~

~~This bill would eliminate the requirement that the successor agency dispose of all remaining assets and terminate its existence within one year of the final debt payment. The bill would additionally eliminate the requirement that passthrough payment obligations cease at that time, and would eliminate the prohibition on the allocation of property tax to the Redevelopment Property Tax Trust Fund for that agency.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 *SECTION 1. Section 34187.1 is added to the Health and Safety*
2 *Code, to read:*

3 *34187.1. (a) Notwithstanding any other law, for each fiscal*
4 *year until and including the last fiscal year in which a former*
5 *redevelopment agency would have been permitted to receive*
6 *property taxes pursuant to Section 33670 had the redevelopment*
7 *agency not been dissolved pursuant this part, the amount of the*
8 *property taxes distributed to local education agencies pursuant to*
9 *this part, or otherwise distributed to local education agencies*
10 *under the Revenue and Taxation Code if no property taxes remain*
11 *to be distributed under this part, that is equal to that portion of*
12 *the passthrough payments that would have been due to those local*
13 *education agencies in that fiscal year if the redevelopment agency*
14 *had not been dissolved, under Sections 33401, 33492.140, 33607,*
15 *33607.5, 33607.7, and 33676; pursuant to any passthrough*
16 *agreement between a redevelopment agency and a local education*
17 *agency that was entered into prior to January 1, 1994; or pursuant*
18 *to any agreement between a redevelopment agency and a local*
19 *education agency under Section 33445, and would not have been*
20 *considered to be property taxes for the purposes of subdivision*
21 *(h) of Section 42238, subdivision (c) of Section 2558, or subdivision*
22 *(d) of Section 42238 of the Education Code, under the law as it*
23 *existed on January 1, 2011, shall not be considered to be property*
24 *taxes for the purposes of those sections of the Education Code.*

25 *(b) For the purpose of this section, the last fiscal year in which*
26 *a former redevelopment agency would have been permitted to*
27 *receive property taxes pursuant to Section 33670 had the*
28 *redevelopment agency not been dissolved shall be either the last*
29 *year under the time limit to receive property taxes pursuant to*
30 *Section 33670 or the last year consistent with the limitation on the*
31 *number of dollars of taxes that may be divided and allocated to*
32 *the former redevelopment agency, whichever occurs first, as set*
33 *forth in the redevelopment plans of the redevelopment project*
34 *areas of that dissolved redevelopment agency adopted or amended*
35 *pursuant to Section 33331.5, 33333.2, 33333.4, or 33333.6.*

36 *(c) The auditor-controller shall calculate the amounts specified*
37 *in subdivision (a) and shall provide the county office of education*

1 and each local education agency with the underlying data
2 calculation.

3 (d) As used in this section, the term “local education agency”
4 means a school district, community college district, or county
5 office of education.

6 SECTION 1. ~~Section 34187 of the Health and Safety Code is~~
7 ~~amended to read:~~

8 34187. (a) ~~Commencing May 1, 2012, whenever a recognized~~
9 ~~obligation that had been identified in the Recognized Payment~~
10 ~~Obligation Schedule is paid off or retired, either through early~~
11 ~~payment or payment at maturity, the county auditor-controller~~
12 ~~shall distribute to the taxing entities, in accordance with the~~
13 ~~provisions of the Revenue and Taxation Code, all property tax~~
14 ~~revenues that were associated with the payment of the recognized~~
15 ~~obligation.~~

16 (b) ~~Notwithstanding paragraph (a), the Department of Finance~~
17 ~~may authorize a successor agency to retain property tax that~~
18 ~~otherwise would be distributed to affected taxing entities pursuant~~
19 ~~to this subdivision, to the extent the department determines the~~
20 ~~successor agency requires those funds for the payment of~~
21 ~~enforceable obligations. Upon making a determination, the~~
22 ~~department shall provide the county auditor-controller with~~
23 ~~information detailing the amounts that it has authorized the~~
24 ~~successor agency to retain. Upon determining the successor agency~~
25 ~~no longer requires additional funds pursuant to this subdivision,~~
26 ~~the department shall notify the successor agency and the county~~
27 ~~auditor-controller. The county auditor-controller shall then~~
28 ~~distribute the funds in question to the affected taxing entities in~~
29 ~~accordance with the provisions of the Revenue and Taxation Code.~~