

Introduced by Senator WrightJanuary 28, 2014

An act to amend Section 34183 of the Health and Safety Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 921, as introduced, Wright. Local government: redevelopment: revenues from property tax override rates.

Existing law requires, from February 1, 2012, to July 1, 2012, and for each fiscal year thereafter, the county auditor-controller, after deducting administrative costs, to allocate property tax revenues in each Redevelopment Property Tax Trust Fund first to each local agency and school entity, as provided. Existing law requires certain revenues attributable to a tax rate levied by a taxing entity for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property to instead be allocated to, and when collected to be paid into, the fund of that taxing entity.

This bill would clarify that any revenues derived from the imposition of a property tax rate, approved by the voters before January 1, 1948, to make payments in support of pension programs and levied in addition to the general property tax rate, be allocated to, and when collected be paid into, the fund of that taxing entity.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

1 SECTION 1. Section 34183 of the Health and Safety Code is
2 amended to read:

3 34183. (a) Notwithstanding any other law, from February 1,
4 2012, to July 1, 2012, and for each fiscal year thereafter, the county
5 auditor-controller shall, after deducting administrative costs
6 allowed under Section 34182 and Section 95.3 of the Revenue and
7 Taxation Code, allocate moneys in each Redevelopment Property
8 Tax Trust Fund as follows:

9 (1) Subject to any prior deductions required by subdivision (b),
10 first, the county auditor-controller shall remit from the
11 Redevelopment Property Tax Trust Fund to each local agency and
12 school entity an amount of property tax revenues in an amount
13 equal to that which would have been received under Section 33401,
14 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections
15 read on January 1, 2011, or pursuant to any passthrough agreement
16 between a redevelopment agency and a taxing entity that was
17 entered into prior to January 1, 1994, that would be in force during
18 that fiscal year, had the redevelopment agency existed at that time.
19 The amount of the payments made pursuant to this paragraph shall
20 be calculated solely on the basis of passthrough payment
21 obligations, existing prior to the effective date of this part and
22 continuing as obligations of successor entities, shall occur no later
23 than May 16, 2012, and no later than June 1, 2012, and each
24 January 2 and June 1 thereafter. Notwithstanding subdivision (e)
25 of Section 33670, that portion of the taxes in excess of the amount
26 identified in subdivision (a) of Section 33670, which are
27 attributable to a tax rate levied by a taxing entity for the purpose
28 of producing revenues in an amount sufficient to make annual
29 repayments of the principal of, and the interest on, any bonded
30 indebtedness for the acquisition or improvement of real property
31 shall be allocated to, and when collected shall be paid into, the
32 fund of that taxing entity. *Notwithstanding any other law, any*
33 *revenues derived from the imposition of a property tax rate,*
34 *approved by the voters before January 1, 1948, to make payments*
35 *in support of pension programs and levied in addition to the*
36 *property tax role limited by subdivision (a) of Section 1 of Article*
37 *XIII A of the California Constitution, shall be allocated to, and*
38 *when collected shall be paid into, the fund of that taxing entity.*

1 The amount of passthrough payments computed pursuant to this
2 section, including any passthrough agreements, shall be computed
3 as though the requirement to set aside funds for the Low and
4 Moderate Income Housing Fund was still in effect.

5 (2) Second, on June 1, 2012, and each January 2 and June 1
6 thereafter, to each successor agency for payments listed in its
7 Recognized Obligation Payment Schedule for the six-month fiscal
8 period beginning January 1, 2012, and July 1, 2012, and each
9 January 2 and June 1 thereafter, in the following order of priority:

10 (A) Debt service payments scheduled to be made for tax
11 allocation bonds.

12 (B) Payments scheduled to be made on revenue bonds, but only
13 to the extent the revenues pledged for them are insufficient to make
14 the payments and only if the agency's tax increment revenues were
15 also pledged for the repayment of the bonds.

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

19 (3) Third, on June 1, 2012, and each January 2 and June 1
20 thereafter, to each successor agency for the administrative cost
21 allowance, as defined in Section 34171, for administrative costs
22 set forth in an approved administrative budget for those payments
23 required to be paid from former tax increment revenues.

24 (4) Fourth, on June 1, 2012, and each January 2 and June 1
25 thereafter, any moneys remaining in the Redevelopment Property
26 Tax Trust Fund after the payments and transfers authorized by
27 paragraphs (1) to (3), inclusive, shall be distributed to local
28 agencies and school entities in accordance with Section 34188.

29 (b) If the successor agency reports, no later than April 1, 2012,
30 and May 1, 2012, and each December 1 and May 1 thereafter, to
31 the county auditor-controller that the total amount available to the
32 successor agency from the Redevelopment Property Tax Trust
33 Fund allocation to that successor agency's Redevelopment
34 Obligation Retirement Fund, from other funds transferred from
35 each redevelopment agency, and from funds that have or will
36 become available through asset sales and all redevelopment
37 operations, are insufficient to fund the payments required by
38 paragraphs (1) to (3), inclusive, of subdivision (a) in the next
39 six-month fiscal period, the county auditor-controller shall notify
40 the Controller and the Department of Finance no later than 10 days

1 from the date of that notification. The county auditor-controller
2 shall verify whether the successor agency will have sufficient funds
3 from which to service debts according to the Recognized
4 Obligation Payment Schedule and shall report the findings to the
5 Controller. If the Controller concurs that there are insufficient
6 funds to pay required debt service, the amount of the deficiency
7 shall be deducted first from the amount remaining to be distributed
8 to taxing entities pursuant to paragraph (4) *of subdivision (a)*, and
9 if that amount is exhausted, from amounts available for distribution
10 for administrative costs in paragraph (3) *of subdivision (a)*. If an
11 agency, pursuant to the provisions of Section 33492.15, 33492.72,
12 33607.5, 33671.5, 33681.15, or 33688 or as expressly provided in
13 a passthrough agreement entered into pursuant to Section 33401,
14 made passthrough payment obligations subordinate to debt service
15 payments required for enforceable obligations, funds for servicing
16 bond debt may be deducted from the amounts for passthrough
17 payments under paragraph (1), as provided in those sections, but
18 only to the extent that the amounts remaining to be distributed to
19 taxing entities pursuant to paragraph (4) *of subdivision (a)* and the
20 amounts available for distribution for administrative costs in
21 paragraph (3) *of subdivision (a)* have all been exhausted.

22 (c) The county treasurer may loan any funds from the county
23 treasury to the Redevelopment Property Tax Trust Fund of the
24 successor agency for the purpose of paying an item approved on
25 the Recognized Obligation Payment Schedule at the request of the
26 Department of Finance that are necessary to ensure prompt
27 payments of redevelopment agency debts. An enforceable
28 obligation is created for repayment of those loans.

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

38 (e) Within 10 days of each distribution of property tax, the
39 county auditor-controller shall provide a report to the department
40 regarding the distribution for each successor agency that includes

1 information on the total available for allocation, the passthrough
2 amounts and how they were calculated, the amounts distributed
3 to successor agencies, and the amounts distributed to taxing entities
4 in a manner and form specified by the department. This reporting
5 requirement shall also apply to distributions required under
6 subdivision (b) of Section 34183.5.

7 SEC. 2. This act is an urgency statute necessary for the
8 immediate preservation of the public peace, health, or safety within
9 the meaning of Article IV of the Constitution and shall go into
10 immediate effect. The facts constituting the necessity are:

11 In order to avoid underfunded public retirement systems, it is
12 necessary that this act take effect immediately.