

ASSEMBLY BILL

No. 654

Introduced by Assembly Member Brown

February 24, 2015

An act relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 654, as introduced, Brown. Community redevelopment.

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. Existing law requires revenues equivalent to those that would have been allocated to each redevelopment agency, had the agency not been dissolved, to be allocated to the Redevelopment Property Tax Trust Fund of each successor agency for, among other things, making payments on the principal of, and interest on, loans and moneys advanced to, or indebtedness incurred by, the dissolved redevelopment agencies. Existing law requires the county auditor-controller, after deducting administrative costs, to allocate property tax revenues in each Redevelopment Property Tax Trust Fund in a specified manner.

This bill would state the intent of the Legislature that the use of residual revenues, derived from an additional property tax rate approved by the voters of a city, county, city and county, or special district to make payments in support of capital projects and programs related to the State Water Project, be consistent with the use of those revenues approved by the voters of the relevant jurisdiction.

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

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The California Constitution limits property-based tax levies,
4 with exceptions to these limits only when a local jurisdiction
5 obtains the approval of its voting electorate to use additional
6 property-based tax levies for specific purposes, in accordance with
7 applicable constitutional and statutory provisions.

8 (b) With the enactment of Chapter 5 of the 2011–12 First
9 Extraordinary Session (Assembly Bill 26), the Legislature intended
10 that, upon dissolution of redevelopment agencies in the State of
11 California, property taxes that would have been allocated to
12 redevelopment agencies are no longer deemed tax increment.

13 (c) It is important to minimize the potential erosion of property
14 tax residuals being returned to the local taxing entities, both in the
15 short and long term, while transitioning the state from detailed
16 review of enforceable obligations to a streamlined process.

17 (d) It is appropriate to clarify and refine various provisions in
18 the relevant statutes to eliminate ambiguity and make the statutes
19 operate more successfully for all parties without rewarding
20 previously questionable behavior.

21 (e) It is essential to maintain the expeditious wind-down of
22 former redevelopment agency activities while adding new
23 incentives for substantial compliance with the law.

24 (f) It is the intent of the Legislature, in enacting this act, that as
25 the redevelopment agency dissolution process winds down the use
26 of residual revenues derived from the imposition of a property tax
27 rate, approved by the voters of a city, county, city and county, or
28 special district to make payments in support of capital projects and
29 programs related to the State Water Project, and levied in addition
30 to the property tax rate limited by subdivision (a) of Section 1 of
31 Article XIII A of the California Constitution, is consistent with the
32 use approved by the voters of a city, county, city and county, or
33 special district.

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