

AMENDED IN SENATE APRIL 1, 1997
AMENDED IN SENATE MARCH 12, 1997

SENATE BILL

No. 275

Introduced by Senator Kopp

February 5, 1997

An act to amend Section 33080.1 of, and to add Section 33763.5 to, the Health and Safety Code, ~~and to amend Section 97.4 of the Revenue and Taxation Code,~~ relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 275, as amended, Kopp. Redevelopment.

(1) The existing Community Redevelopment Law requires each redevelopment agency to present an annual report to its legislative body containing specified information including an independent financial audit, a fiscal statement for the previous fiscal year, a description of the agency's activities affecting housing and displacement, and any other information the agency believes useful to explain its programs.

This bill would impose a state-mandated local program by requiring each redevelopment agency to include in its annual report a description of the agency's progress in alleviating blight, as specified, a list of, and status report on, all loans made by the redevelopment agency that are \$50,000 or more that are in default, or not in compliance with the terms of the loan approved by the redevelopment agency, and a description of

the number and nature of the properties that the agency has acquired.

(2) Under existing law, a redevelopment agency is authorized to make mortgage or construction loans to finance residential construction.

This bill would require all loans made by a redevelopment agency to be made according to a regulation that contains standards, qualifications, and criteria for the making and approval of loans and that has been adopted by the redevelopment agency at a public meeting. These requirements would constitute a state-mandated local program.

~~Existing 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 property tax law modifies these provisions by requiring that, for purposes of determining property tax revenue allocations in each county for the 1992-93 and 1993-94 fiscal years, the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education. It also prohibits any reduction, in connection with the funding of a redevelopment agency allocation made pursuant to a specified statute, of the amount of revenue that is allocated to a county's Educational Revenue Augmentation Fund.~~

~~This bill would revise and recast this reduction prohibition to limit its application to those amounts of ad valorem property tax revenue that are required by specified reduction and transfer statutes to be allocated to a county's Educational Revenue Augmentation fund in either the 1992-93 or 1993-94~~



~~fiscal year. By requiring county auditors to calculate and implement adjustments in ad valorem property tax revenue allocations, this bill would impose a state-mandated local program.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

~~This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.~~

~~With respect to other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

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

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

1 SECTION 1. Section 33080.1 of the Health and Safety
2 Code is amended to read:

3 33080.1. Every redevelopment agency shall present
4 an annual report to its legislative body within six months
5 of the end of the agency’s fiscal year. The annual report
6 shall contain all of the following:

7 (a) (1) An independent financial audit report for the
8 previous fiscal year. “Audit report” means an
9 examination of, and opinion on, the financial statements
10 of the agency which present the results of the operations
11 and financial position of the agency, including all
12 financial activities with moneys required to be held in a
13 separate Low and Moderate Income Housing Fund
14 pursuant to Section 33334.3, and including an opinion
15 with respect to the accuracy of the statement of the
16 information contained in the resolution adopted pursuant



1 to Section 33682 and the existence of other funds to make
2 the payments required by Section 33681. This audit shall
3 be conducted in accordance with generally accepted
4 auditing standards and the rules governing audit reports
5 promulgated by the State Board of Accountancy. The
6 audit report shall also include an opinion of the agency's
7 compliance with laws, regulations, and administrative
8 requirements governing activities of the agency.

9 (2) However, the legislative body may elect to omit
10 from inclusion in the audit report any distinct activity of
11 the agency that is funded exclusively by the federal
12 government and that is subject to audit by the federal
13 government.

14 (b) A fiscal statement for the previous fiscal year that
15 contains the information required pursuant to Section
16 33080.5.

17 (c) A description of the agency's activities affecting
18 housing and displacement that contains the information
19 required by Sections 33080.4 and 33080.7.

20 (d) A description of the agency's progress in
21 alleviating blight pursuant to Article 2 (commencing
22 with Section 33020).

23 (e) A list of, and status report on, all loans made by the
24 redevelopment agency that are fifty thousand dollars
25 (\$50,000) or more, that are in default, or not in
26 compliance with the terms of the loan approved by the
27 redevelopment agency.

28 (f) A description of the number and nature of the
29 properties that the agency has acquired.

30 (g) Any other information that the agency believes
31 useful to explain its programs, including, but not limited
32 to, the number of jobs created as a result of its activities.

33 SEC. 2. Section 33763.5 is added to the Health and
34 Safety Code, to read:

35 33763.5. All loans made by a redevelopment agency
36 shall be made according to a regulation that contains
37 standards, qualifications, and criteria for the making and
38 approval of loans and that has been adopted by the
39 redevelopment agency at a public meeting.



1 ~~SEC. 3. Section 97.4 of the Revenue and Taxation~~
2 ~~Code is amended to read:~~

3 ~~97.4. (a) Notwithstanding Section 97.2 or 97.3 or any~~
4 ~~other provision of this chapter, in implementing the~~
5 ~~changes in allocations of property tax revenues required~~
6 ~~by Sections 97, 97.1, 97.2, and 97.3, the county auditor may~~
7 ~~elect to determine and give effect to the changes in~~
8 ~~allocations of property tax revenues required by Sections~~
9 ~~97, 97.1, 97.2, and 97.3 on a countywide, rather than tax~~
10 ~~rate area, basis. If the county auditor so elects, he or she~~
11 ~~shall ensure adequate recognition of year-to-year~~
12 ~~revenue growth so that the results of changes~~
13 ~~implemented on a countywide basis do not differ~~
14 ~~materially from the results which would be obtained from~~
15 ~~the use of a tax rate area basis.~~

16 ~~(b) (1) Notwithstanding any other provision of law, in~~
17 ~~any county in which property tax increment revenues are~~
18 ~~allocated to a redevelopment agency pursuant to Section~~
19 ~~33670 of the Health and Safety Code, the county auditor~~
20 ~~shall, in depositing ad valorem property tax revenue in~~
21 ~~the county's Educational Revenue Augmentation Fund~~
22 ~~for the 1992-93 fiscal year pursuant to Sections 97 and 97.2,~~
23 ~~and in depositing ad valorem property tax revenues in~~
24 ~~that same fund for the 1993-94 fiscal year pursuant to~~
25 ~~Sections 97.1 and 97.3, deposit an amount of revenues that~~
26 ~~is equal to the total amount of revenues that would be so~~
27 ~~deposited in that fiscal year pursuant to the relevant pair~~
28 ~~of sections if no reduction were made in that amount of~~
29 ~~revenues, for purposes of allocations to a redevelopment~~
30 ~~agency pursuant to Section 33670 of the Health and Safety~~
31 ~~Code. Any additional amount of revenue that is deposited~~
32 ~~in the Educational Revenue Augmentation Fund as a~~
33 ~~result of this paragraph shall be allocated or transferred~~
34 ~~only to school districts, county offices of education, or~~
35 ~~community college districts, in accordance with~~
36 ~~subdivision (d) of either Section 97.2 or 97.3. Except as~~
37 ~~specifically described in this paragraph, this paragraph~~
38 ~~does not prohibit the auditor from reducing for any fiscal~~
39 ~~year, for purposes of allocations to a redevelopment~~
40 ~~agency pursuant to Section 33670 of the Health and Safety~~



1 Code, the amount of ad valorem property tax revenue
2 deposited in the county's Educational Revenue
3 Augmentation Fund.

4 (2) The deposit of property tax revenue in the
5 Educational Revenue Augmentation Fund in accordance
6 with paragraph (1) shall not reduce or otherwise affect
7 the amount of property tax revenue to be allocated to a
8 redevelopment agency pursuant to subdivision (b) of
9 Section 33670 of the Health and Safety Code, and any
10 additional amount required to be allocated to the
11 Educational Revenue Augmentation Fund as a result of
12 paragraph (1) shall be deducted from those amounts
13 allocated to the county, cities, and special districts with
14 respect to each tax rate area in which property tax
15 increment revenues are allocated to a redevelopment
16 agency. These reductions shall be made in proportion to
17 the total amount of the reductions required with respect
18 to the county and each city and special district in each of
19 these redevelopment agency tax rate areas under
20 Sections 97, 97.1, 97.2, and 97.3, as applicable.

21 (3) This subdivision shall not require the modification
22 of any property tax revenue allocation that was made by
23 the county auditor for the 1992-93 fiscal year in a manner
24 inconsistent with paragraph (1) or (2), if that allocation
25 was implemented on or before June 30, 1993. However,
26 property tax revenue allocations made in the 1993-94
27 fiscal year and any fiscal year thereafter shall be
28 determined by the county auditor as if the allocations
29 made for the 1992-93 fiscal year had been made in a
30 manner consistent with paragraph (1).

31 ~~SEC. 4.—~~

32 *SEC. 3.* Notwithstanding Section 17610 of the
33 Government Code, if the Commission on State Mandates
34 determines that Section 1 or 2 of this act contains costs
35 mandated by the state, reimbursement to local agencies
36 and school districts for those costs shall be made pursuant
37 to Part 7 (commencing with Section 17500) of Division 4
38 of Title 2 of the Government Code. If the statewide cost
39 of the claim for reimbursement does not exceed one



1 million dollars (\$1,000,000), reimbursement shall be
2 made from the State Mandates Claims Fund.

3 ~~However, no reimbursement is required by Section 3~~
4 ~~of this act pursuant to Section 6 of Article XIII B of the~~
5 ~~California Constitution because Section 3 of this act~~
6 ~~provides for offsetting savings to local agencies or school~~
7 ~~districts that result in no net costs to the local agencies or~~
8 ~~school districts within the meaning of Section 17556 of the~~
9 ~~Government Code.~~

10 Notwithstanding Section 17580 of the Government
11 Code, unless otherwise specified, the provisions of this act
12 shall become operative on the same date that the act
13 takes effect pursuant to the California Constitution.

