

ASSEMBLY BILL

No. 1870

Introduced by Assembly Member Norby

February 12, 2010

An act to amend Section 33671 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1870, as introduced, Norby. Redevelopment: tax increment funds: payment of indebtedness.

Existing law authorizes redevelopment agencies to pay the principal of, and interest on, indebtedness incurred to finance or refinance redevelopment, from a portion of property tax revenues diverted from other taxing agencies. The portion of taxes diverted is the amount attributable to increases in assessed valuation of property in the redevelopment project area subsequent to establishment thereof. This method of financing is commonly known as "tax increment" financing and is specifically authorized by Section 16 of Article XVI of the California Constitution.

Existing law also authorizes a redevelopment agency, in any redevelopment plan or in the proceedings for the advance of moneys or the making of loans or the incurring of any indebtedness, to finance or refinance, in whole or in part, a redevelopment project to irrevocably pledge its tax increment revenues for the payment of the principal of, and interest on, these loans, advances, or other indebtedness.

This bill would make technical, nonsubstantive changes in those provisions that authorize a redevelopment agency to pledge its tax increment revenues for the payment on loans, advances, or other indebtedness.

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. Section 33671 of the Health and Safety Code is
2 amended to read:
3 33671. ~~In any~~ *A redevelopment agency may, in a redevelopment*
4 *plan or in the proceedings for the advance of moneys, or the*
5 *making of loans, or the incurring of any indebtedness (whether,*
6 *whether funded, refunded, assumed, or otherwise) by the*
7 ~~redevelopment agency otherwise, to finance or refinance, in whole~~
8 *or in part, the redevelopment project, irrevocably pledge the portion*
9 *of taxes mentioned specified in subdivision (b) of Section 33670*
10 ~~may be irrevocably pledged for the payment of the principal of~~
11 ~~and interest on such these loans, advances, or other indebtedness.~~