

AMENDED IN ASSEMBLY MAY 1, 2012

AMENDED IN ASSEMBLY MARCH 6, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1555

Introduced by Assembly Member Norby

January 26, 2012

An act to add Section 34181.5 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1555, as amended, Norby. Redevelopment: debt forgiveness agreements.

Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law imposes various requirements on successor agencies and subjects successor agency actions to the review of oversight boards. Existing law requires each oversight board to direct the successor agency to, among other things, cease performance in connection with and terminate all existing agreements that do not qualify as enforceable obligations, as defined.

This bill would, in directing the successor agency to take a specified action, prohibit the oversight board from requiring the successor agency to take any action that results in the forgiveness, wholly or partially, of a loan, advance, or indebtedness that is owed by a ~~public body~~ *private entity* to the dissolved redevelopment agency. The bill would authorize the oversight board, consistent with a specified provision of law, to set aside any agreements relating to the forgiveness of indebtedness, loans,

or advances owed by *a private entity* to the dissolved redevelopment agency dating back to January 1, 2011.

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 34181.5 is added to the Health and Safety
- 2 Code, to read:
- 3 34181.5. (a) In directing the successor agency to take any action
- 4 specified in Section 34181 or any provision of this part, the
- 5 oversight board shall not require the successor agency to take any
- 6 action that results in the forgiveness, wholly or partially, of a loan,
- 7 advance, or indebtedness that is owed by a ~~public body~~ *private*
- 8 *entity* to the dissolved redevelopment agency.
- 9 (b) The oversight board may, consistent with subdivision (b) of
- 10 Section 34181, set aside any agreements relating to the forgiveness
- 11 of indebtedness, loans, or advances owed by *a private entity* to the
- 12 dissolved redevelopment agency dating back to January 1, 2011.