

AMENDED IN SENATE MARCH 20, 2019

**SENATE BILL**

**No. 15**

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**Introduced by Senator Portantino**

December 3, 2018

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~~An act relating to redevelopment.~~ *An act to add Section 97.82 to the Revenue and Taxation Code, relating to local government finance.*

LEGISLATIVE COUNSEL'S DIGEST

SB 15, as amended, Portantino. ~~Redevelopment.~~ *Property tax revenue allocations: successor agencies.*

*Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall 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 also reduces the amount of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amount 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. Existing property tax law 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.*

*This bill, for the 2020–21 fiscal year and each fiscal year thereafter, would require the county auditor of a county in which a successor agency, as defined, is located to decrease the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund by the countywide local-state sustainable investment amount and to allocate a commensurate amount to the successor agencies that are located within the county. The bill would require the successor agencies to use these funds for specified purposes, including to increase the availability of affordable housing.*

*By imposing new duties upon local officials in the allocation of ad valorem property tax revenues, 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.*

*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 the statutory provisions noted above.*

~~The Community Redevelopment Law authorized the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined, to wind down the affairs of the dissolved redevelopment agencies.~~

~~This bill would state the intent of the Legislature to enact legislation relating to redevelopment.~~

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

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

- 1     SECTION 1. Section 97.82 is added to the Revenue and
- 2     Taxation Code, to read:
- 3     97.82. (a) Notwithstanding any other provision of law, for the
- 4     2020–21 fiscal year and for each fiscal year thereafter, the county
- 5     auditor of a county in which a successor agency, as defined in
- 6     paragraph (2), is located shall do both of the following:

1 (1) Decrease the total amount of ad valorem property tax  
2 revenue that is otherwise required to be allocated to a county's  
3 Educational Revenue Augmentation Fund by the countywide  
4 local-state sustainable investment amount.

5 (2) Allocate funds in the amount of the reduction described in  
6 paragraph (1) to successor agencies, as defined in Part 1.85  
7 (commencing with Section 34170) of Division 24 of the Health  
8 and Safety Code, that are located within the county.

9 (b) A successor agency shall use the funds allocated by the  
10 county auditor pursuant to this section for the following purposes:

11 (1) To increase the availability of affordable housing.

12 (2) To increase the availability of high-quality jobs through the  
13 rehabilitation, construction, and maintenance of housing  
14 infrastructure, including public safety facilities.

15 (3) To promote strong neighborhoods by supporting local  
16 community planning and engagement efforts to revitalize and  
17 restore neighborhoods, including by repairing parks, aging  
18 infrastructure, and public safety facilities.

19 (c) Any ad valorem property tax revenue that would have  
20 otherwise been allocated to schools had this section not been  
21 enacted shall be backfilled with moneys from the General Fund.  
22 This subdivision does not constitute a change in, but is declaratory  
23 of existing law.

24 (d) The revenue allocation modifications made pursuant to  
25 subdivision (a) shall not be considered in determining, for purposes  
26 of Section 96.1, the amount of property tax revenue allocated to  
27 a jurisdiction in the prior fiscal year.

28 SEC. 2. If the Commission on State Mandates determines that  
29 this act contains costs mandated by the state, reimbursement to  
30 local agencies and school districts for those costs shall be made  
31 pursuant to Part 7 (commencing with Section 17500) of Division  
32 4 of Title 2 of the Government Code.

33 SECTION 1. ~~It is the intent of the Legislature to enact~~  
34 ~~legislation relating to redevelopment.~~