

ASSEMBLY BILL

No. 1079

Introduced by Assembly Member Obernolte

February 27, 2015

An act to add Section 34179.11 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1079, as introduced, Obernolte. Successor agencies: due diligence review: finding of completion.

Existing law dissolved redevelopment agencies and community development agencies, as of February 1, 2012, and provides for the designation of successor agencies to, among other things, wind down the affairs of the dissolved redevelopment agencies and to make payments for enforceable obligations, as defined. Existing law requires a successor agency to employ a licensed accountant to conduct a due diligence review to determine the unobligated balances of the former redevelopment agency that are available for transfer to taxing entities. Existing law requires the Department of Finance to issue a finding of completion to a successor agency that completes the due diligence review and meets other requirements.

This bill would provide that the requirements of a due diligence review have been satisfied if specified conditions with respect to a transfer of assets are met, and would provide in that event, that the successor agency is entitled to a finding of completion by the department.

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

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

1 SECTION 1. Section 34179.11 is added to the Health and
2 Safety Code, to read:
3 34179.11. (a) The requirements of Section 34179.5 shall be
4 deemed satisfied if all of the following conditions have been met:
5 (1) The Controller has determined, in the report prepared under
6 Section 34167.5, that the transfer of assets by a redevelopment
7 agency to a government agency, which assets were expended by
8 the governmental agency under a contractual commitment to a
9 third party, was an allowable transfer.
10 (2) The assets described in paragraph (1) were expended prior
11 to February 1, 2012, for the construction of public improvements.
12 (3) The government agency to which the assets described in
13 paragraph (1) were transferred is not in possession of any other
14 assets of the former redevelopment agency or its successor agency.
15 (4) The successor agency has made all payments due under
16 Section 34183.5 and 34179.5, other than the assets described in
17 paragraph (1).
18 (b) (1) A successor agency meeting all of the conditions of
19 subdivision (a) shall be entitled to a finding of completion by the
20 department.
21 (2) For purposes of this subdivision, “finding of completion”
22 means a finding of completion as described in Section 34179.7.

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