

CALIFORNIA LEGISLATURE

2011–12 FIRST EXTRAORDINARY SESSION

ASSEMBLY JOURNAL

APPENDIX NO. 2

APPENDIX TO THE ASSEMBLY JOURNAL
FOR THE 2011–12 FIRST EXTRAORDINARY SESSION

Assembly Chamber, Sacramento
Thursday, January 12, 2012

The following is an appendix to the Assembly Journal for the 2011–12 First Extraordinary Session containing information received subsequent to the adjournment *sine die* of the Session.

MOTION TO PRINT IN JOURNAL WITHOUT OBJECTION

Without objection, pursuant to Assembly Rule 42(c), Assembly Member Blumenfield was granted permission to print a letter in the Journal for the Regular Session and in an Appendix to the Journal for the First Extraordinary Session, relative to Assembly Bill No. 26 in the First Extraordinary Session. (See the Assembly Journal for the Regular Session for this day, page 3482.)

Legislative Intent—Assembly Bill No. 26 in the First Extraordinary Session

January 10, 2012

E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California

RE: AB 26 X1

Dear Mr. Wilson: AB 26 X1 (Blumenfield) Chapter 5, Statutes of 2011–12 First Extraordinary Session, passed by the Legislature and approved by the Governor as part of the 2011–12 Budget, dissolves redevelopment agencies and directs the resolution of their affairs. As part of the dissolution process, successor agencies (generally the city or county that created a redevelopment agency), would fulfill various obligations of the former redevelopment agencies. By virtue of the State Supreme Court decision in this matter filed December 29, 2011, cities or counties must decide by January 13, 2012, whether they will serve as the successor agency for their respective redevelopment agency.

I am writing regarding the intent of legislative action regarding this bill and specifically to make clear the distinction between liabilities of a former redevelopment agency and of any city or county that acts as a successor agency under the legislation. Nothing in the bill implies that cities or counties are anything but distinct legal entities from successor agencies, and therefore the liabilities of the former redevelopment agencies and the successor agencies do not become the liabilities of the corresponding cities or counties.

Part 1.85 of the legislation addresses “Dissolution of Redevelopment Agencies and Designation of Successor Agencies,” and indicates that obligations of the former redevelopment agency become obligations of the successor agency. Health & Safety Code Section 34173(b), added by AB 26 X1, states in part that “...obligations previously vested with the former redevelopment agencies...are hereby vested with the successor agencies.” Section 34173(e) goes on to indicate that the liability of the successor agency is limited to the extent of the property tax revenues it receives and the value of assets transferred to it as the successor agency.

This Part further defines enforceable obligations payable from property taxes of the former redevelopment agency to include various employee payments. Specifically, Health & Safety Code Section 34171(d)(1)(D) indicates that enforceable obligations that are to be paid from revenues that would have been received by the redevelopment agency include “...legally enforceable payments required in connection with the agencies’ employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement.”

As directed in Health & Safety Code Section 34172(d), revenues that would have been received by the redevelopment agency absent its dissolution are to be deposited in the “Redevelopment Property Tax Trust Fund” and used to pay obligations of the former redevelopment agency. Section 34190(e) restates and reemphasizes that a collective bargaining agreement, which would include any negotiated pension agreements, represents an enforceable obligation.

The intent of AB 26 X1 is clear: the assets and liabilities of successor agencies are separate and distinct from those of the cities and counties themselves.

Sincerely,

BOB BLUMENFIELD, Assembly Member
Fortieth District

JOHN A. PÉREZ, Speaker

AMY LEACH, Minute Clerk