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An act to amend Sections 53398.58, 53398.63, 53398.69, 53398.77, 53398.78, 53398.80.5, and 53398.88 of, and to repeal Sections 53398.70, 53398.71, 53398.79, 53398.80, and 53398.81 of, the Government Code, relating to local government.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 53398.58 of the Government Code is amended to read:

53398.58. An action to determine the validity of the issuance of bonds pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. However, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, the action shall be commenced within 30 days after adoption of the resolution pursuant to Section ~~53398.81~~ 53398.77 providing for issuance of the bonds if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.

SEC. 2. Section 53398.63 of the Government Code is amended to read:

53398.63. After receipt of a copy of the resolution of intention to establish a district, the official designated pursuant to Section 53395.62 shall prepare a proposed infrastructure financing plan. The infrastructure financing plan shall be consistent with the general plan of the city or county within which the district is located and shall include all of the following:

(a) A map and legal description of the proposed district, which may include all or a portion of the district designated by the legislative body in its resolution of intention.

(b) A description of the public facilities and other forms of development or financial assistance that is proposed in the area of the district, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance.

(c) If funding from affected taxing entities is incorporated into the financing plan, a finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the district.

(d) A financing section, which shall contain all of the following information:

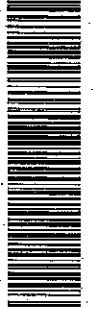
(1) A specification of the maximum portion of the incremental tax revenue of the city or county and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time.

(2) A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.

(3) A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt.

(4) A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan.

(5) A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 45 years from the date on which



the issuance of bonds is approved pursuant to ~~subdivision (a) of Section 53398.81, 53398.77,~~ or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53398.87.

(6) An analysis of the costs to the city or county of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district.

(7) An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity.

(8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project.

(e) If any dwelling units within the territory of the district are proposed to be removed or destroyed in the course of public works construction within the area of the district or private development within the area of the district that is subject to a written agreement with the district or that is financed in whole or in part by the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53398.56.

(f) The goals the district proposes to achieve for each project financed pursuant to Section 53398.52.

SEC. 3. Section 53398.69 of the Government Code is amended to read:

53398.69. (a) (1) At the conclusion of the hearing, the public financing authority may adopt a resolution proposing adoption of the infrastructure financing plan, as modified, and formation of the enhanced infrastructure financing district in a manner consistent with Section 53398.68, or it may adopt a resolution abandoning the proceedings. If the proceedings are abandoned, then the public financing authority shall cease to exist by operation of this section with no further action required of the legislative body and the legislative body may not enact a resolution of intention to establish a district that includes the same geographic area within one year of the date of the resolution abandoning the proceedings.

(2) In the case of an infrastructure financing plan adopted pursuant to Section 53398.75.7, the proceedings set forth in subdivision (e) of that section shall govern the adoption of the infrastructure financing plan.

(b) The infrastructure financing plan shall take effect upon the adoption of the resolution. The infrastructure financing plan shall specify if the district shall be funded solely through the district's share of tax increment, governmental or private loans, grants, bonds, assessments, fees, or some combination thereof. However, the public financing authority shall not issue bonds or levy assessments or fees that may be included in the infrastructure financing plan before one or more of the following:

(1) An affirmative vote, pursuant to ~~subdivision (a) of Section 53398.81 53398.77,~~ and, if applicable, subdivision (c) of Section 53398.80.5, to issue bonds to finance the infrastructure financing plan.

(2) Compliance with the procedures required in subdivision (f) of Section 53398.75, to levy assessments or fees to finance the infrastructure financing plan.



(c) In addition, the district may expend up to 10 percent of any accrued tax increment in the first two years of the effective date of the enhanced infrastructure financing district on planning and dissemination of information to the residents within the district's boundaries about the infrastructure financing plan and planned activities to be funded by the district.

SEC. 4. Section 53398.70 of the Government Code is repealed.

~~53398.70. (a) Except as otherwise provided in this chapter, the provisions of law regulating elections of the local agency that calls an election pursuant to this chapter, insofar as they may be applicable, shall govern all elections conducted pursuant to this chapter. Except as provided in subdivision (b), there shall be prepared and included in the ballot material provided to each voter, an impartial analysis pursuant to Section 9160 or 9280 of the Elections Code, arguments and rebuttals, if any, pursuant to Sections 9162 to 9167, inclusive, and Section 9190 of the Elections Code or pursuant to Sections 9281 to 9287, inclusive, and Section 9295 of the Elections Code.~~

~~(b) If the vote is to be by the landowners of the proposed district, analysis and arguments may be waived with the unanimous consent of all the landowners and shall be so stated in the order for the election.~~

SEC. 5. Section 53398.71 of the Government Code is repealed.

~~53398.71. (a) If the election is to be conducted by mail ballot, the election official conducting the election shall provide ballots and election materials pursuant to subdivision (d) of Section 53326 and Section 53327, together with all supplies and instructions necessary for the use and return of the ballot.~~

~~(b) The identification envelope for return of mail ballots used in landowner elections shall contain the following:~~

~~(1) The name of the landowner.~~

~~(2) The address of the landowner.~~

~~(3) A declaration, under penalty of perjury, stating that the voter is the owner of record or the authorized representative of the landowner entitled to vote and is the person whose name appears on the identification envelope.~~

~~(4) The printed name and signature of the voter.~~

~~(5) The address of the voter.~~

~~(6) The date of signing and place of execution of the declaration pursuant to paragraph (3).~~

~~(7) A notice that the envelope contains an official ballot and is to be opened only by the canvassing board.~~

SEC. 6. Section 53398.77 of the Government Code is amended to read:

53398.77. The public financing authority may, by majority vote, initiate proceedings to issue bonds pursuant to this chapter by adopting a resolution stating its intent to issue the bonds, bonds, except as provided in Section 53398.80.5.

SEC. 7. Section 53398.78 of the Government Code is amended to read:

53398.78. The resolution adopted pursuant to Section 53398.77 shall contain all of the following information:

(a) A description of the facilities or developments to be financed with the proceeds of the proposed bond issue.

(b) The estimated cost of the facilities or developments, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance.



(c) The maximum interest rate and discount on the proposed bond issuance.

~~(d) The date of the election on the proposed bond issuance and the manner of holding the election.~~

~~(e)~~

(d) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.

~~(f)~~

(e) A finding that the amount necessary to pay the principal of, and interest on, the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subdivision ~~(e)~~; (d).

SEC. 8. Section 53398.79 of the Government Code is repealed.

~~53398.79. The clerk of the public financing authority shall publish the resolution adopted pursuant to Section 53398.77 once a day for at least seven successive days in a newspaper published in the city or county at least six days a week, or at least once a week for two successive weeks in a newspaper published in the city or county less than six days a week.~~

~~If there are no newspapers meeting these criteria, the resolution shall be posted in three public places within the territory of the district for two succeeding weeks.~~

SEC. 9. Section 53398.80 of the Government Code is repealed.

~~53398.80. (a) The public financing authority shall submit the proposal to issue the bonds to the voters who reside within the district. If the public financing authority adopts a resolution proposing initiation of proceedings to issue bonds pursuant to Section 53398.77, it shall then submit that proposal, together with the information specified in subdivisions (a) to (e), inclusive, of Section 53398.78, to the qualified electors of the district in the next general election or in a special election to be held, notwithstanding any other requirement, including any requirement that elections be held on specified dates, contained in the Elections Code, at least 90 days but not more than 180 days following the adoption of the resolution of bond issuance. The public financing authority shall provide the resolution of bond issuance, a certified map of sufficient scale and clarity to show the boundaries of the district, and a sufficient description to allow the election official to determine the boundaries of the district to the official conducting the election within three business days after the adoption of the resolution of bond issuance. The assessor's parcel numbers for the land within the district shall be included if it is a landowner election or the district does not conform to an existing district's boundaries and if requested by the official conducting the election. If the election is to be held less than 125 days following the adoption of the resolution of bond issuance, the concurrence of the election official conducting the election shall be required. However, any time limit specified by this section or requirement pertaining to the conduct of the election may be waived with the unanimous consent of the qualified electors of the proposed district and the concurrence of the election official conducting the election.~~

~~(b) (1) If at least 12 persons have been registered to vote within the territory of the district for each of the 90 days preceding the close of the hearing, the vote shall be by the registered voters of the district, who need not necessarily be the same persons, with each voter having one vote. Otherwise, the vote shall be by the landowners of the district and each landowner who is the owner of record at the close of the protest hearing, or the authorized representative thereof, shall have one vote for each acre or~~



portion of an acre of land that he or she owns within the district. The number of votes to be voted by a particular landowner shall be specified on the ballot provided to that landowner.

(2) For purposes of this subdivision, for an entity paying possessory interest tax on state-owned land, "landowner" means the entity that is paying the possessory interest tax.

(c) Ballots for the special election authorized by subdivision (a) may be distributed to qualified electors by mail with return postage prepaid or by personal service by the election official. The official conducting the election may certify the proper mailing of ballots by an affidavit, which shall be exclusive proof of mailing in the absence of fraud. The voted ballots shall be returned to the election officer conducting the election not later than the hour specified in the resolution calling the election. However, if all the qualified voters have voted, the election shall be closed.

SEC. 10. Section 53398.80.5 of the Government Code is amended to read:

53398.80.5. (a) ~~If Before~~ the public financing authority adopts a resolution proposing initiation of proceedings to issue bonds pursuant to Section 53398.77 for port or harbor infrastructure, it shall, before submitting the proposal to the voters pursuant to Section 53398.80, shall submit the proposal, together with the information specified in subdivisions (a) to ~~(e)~~, (e), inclusive, and ~~(e) and (f)~~ of Section 53398.78, to the affected harbor agency pursuant to Section 1713 of the Harbors and Navigation Code for its preliminary approval.

(b) If the harbor agency grants preliminary approval, the proposal shall be considered by the State Lands Commission for final approval pursuant to Section 1714 of the Harbors and Navigation Code.

(c) If the State Lands Commission votes in favor of the issuance of the bonds as provided in Section 1714 of the Harbors and Navigation Code, the public financing authority shall proceed with the ~~submission of the proposal to the voters.~~ issuance of bonds.

SEC. 11. Section 53398.81 of the Government Code is repealed.

~~53398.81. (a) (1) Except as specified in paragraph (2), the bonds may be issued if 55 percent of the voters voting on the proposition vote in favor of issuing the bonds.~~

~~(2) For a seaport infrastructure financing district, the bonds may be issued if two-thirds of the voters voting on the proposition vote in favor of issuing the bonds.~~

~~(b) If the voters approve the issuance of the bonds as provided by subdivision (a), the public financing authority shall proceed with the issuance of the bonds by adopting a resolution that shall provide for all of the following:~~

~~(1) The issuance of the bonds in one or more series.~~

~~(2) The principal amount of the bonds that shall be consistent with the amount specified in subdivision (b) of Section 53398.78.~~

~~(3) The date the bonds will bear.~~

~~(4) The date of maturity of the bonds.~~

~~(5) The denomination of the bonds.~~

~~(6) The form of the bonds.~~

~~(7) The manner of execution of the bonds.~~

~~(8) The medium of payment in which the bonds are payable.~~

~~(9) The place or manner of payment and any requirements for registration of the bonds.~~



~~(10) The terms of call or redemption, with or without premium.~~

SEC. 12. Section 53398.88 of the Government Code is amended to read:

53398.88. (a) Every two years after the issuance of debt pursuant to Section ~~53398.81, 53398.77,~~ the district shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and to the Joint Legislative Budget Committee.

(b) Upon the request of the Governor or of the Legislature, the Bureau of State Audits shall be authorized to conduct financial and performance audits of districts. The results of the audits shall be provided to the district, the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

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LEGISLATIVE COUNSEL'S DIGEST

Bill No. _____
as introduced, _____
General Subject: Enhanced infrastructure financing districts: bonds.

Existing law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district, with a governing body referred to as a public financing authority, to finance public capital facilities or other specified projects of communitywide significance. Existing law authorizes the public financing authority to issue bonds for these purposes upon approval by 55% of the voters voting on a proposal to issue the bonds. Existing law requires the proposal submitted to the voters by the public financing authority and the resolution for the issuance of bonds following approval by the voters to include specified information regarding the bond issuance.

This bill would instead authorize the public financing authority to issue bonds for these purposes without submitting a proposal to the voters and make conforming changes.

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

