



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code: Section:

[Up^](#) [Add To My Favorites](#)

HEALTH AND SAFETY CODE - HSC

DIVISION 24. COMMUNITY DEVELOPMENT AND HOUSING [33000 - 37964] (*Heading of Division 24 amended by Stats. 1975, Ch. 1137.*)

PART 1.85. DISSOLUTION OF REDEVELOPMENT AGENCIES AND DESIGNATION OF SUCCESSOR AGENCIES [34170 - 34191.6] (*Part 1.85 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.*)

CHAPTER 5. Duties of the Auditor-Controller [34182 - 34188.8] (*Chapter 5 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.*)

34182. (a) (1) The county auditor-controller shall conduct or cause to be conducted an agreed-upon procedures audit of each redevelopment agency in the county that is subject to this part, to be completed by October 1, 2012.

(2) The purpose of the audits shall be to establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's passthrough payment obligations to other taxing entities, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency pursuant to the initial Recognized Obligation Payment Schedule.

(3) The county auditor-controller may charge the Redevelopment Property Tax Trust Fund for any costs incurred by the county auditor-controller pursuant to this part.

(b) By October 5, 2012, the county auditor-controller shall provide the Controller's office and the Department of Finance a copy of all audits performed pursuant to this section. The county auditor-controller shall maintain a copy of all documentation and working papers for use by the Controller.

(c) (1) The county auditor-controller shall determine the amount of property taxes that would have been allocated to each redevelopment agency in the county had the redevelopment agency not been dissolved pursuant to the operation of the act adding this part. These amounts are deemed property tax revenues within the meaning of subdivision (a) of Section 1 of Article XIII A of the California Constitution and are available for allocation and distribution in accordance with the provisions of the act adding this part. The county auditor-controller shall calculate the property tax revenues using current assessed values on the last equalized roll on August 20, pursuant to Section 2052 of the Revenue and Taxation Code, and pursuant to statutory formulas or contractual agreements with other taxing entities, as of the effective date of this section, and shall deposit that amount in the Redevelopment Property Tax Trust Fund.

(2) Each county auditor-controller shall administer the Redevelopment Property Tax Trust Fund for the benefit of the holders of former redevelopment agency enforceable obligations and the taxing entities that receive passthrough payments and distributions of property taxes pursuant to this part.

(3) In connection with the allocation and distribution by the county auditor-controller of property tax revenues deposited in the Redevelopment Property Tax Trust Fund, in compliance with this part, the county auditor-controller shall prepare estimates of amounts of property tax to be allocated and distributed and the amounts of passthrough payments to be made in the upcoming six-month period, and provide those estimates to both the entities receiving the distributions and the Department of Finance, no later than October 1 and April 1 of each year.

(4) Each county auditor-controller shall disburse proceeds of asset sales or reserve balances, which have been received from the successor entities pursuant to Sections 34177 and 34187, to the taxing entities. In making such a distribution, the county auditor-controller shall utilize the same methodology for allocation and distribution of property tax revenues provided in Section 34188.

(d) By October 1, 2012, the county auditor-controller shall report the following information to the Controller's office and the Director of Finance:

(1) The sums of property tax revenues remitted to the Redevelopment Property Tax Trust Fund related to each former redevelopment agency.

(2) The sums of property tax revenues remitted to each agency under paragraph (1) of subdivision (a) of Section 34183.

(3) The sums of property tax revenues remitted to each successor agency pursuant to paragraph (2) of subdivision (a) of Section 34183.

(4) The sums of property tax revenues paid to each successor agency pursuant to paragraph (3) of subdivision (a) of Section 34183.

(5) The sums paid to each city, county, and special district, and the total amount allocated for schools pursuant to paragraph (4) of subdivision (a) of Section 34183.

(6) Any amounts deducted from other distributions pursuant to subdivision (b) of Section 34183.

(e) A county auditor-controller may charge the Redevelopment Property Tax Trust Fund for the costs of administering the provisions of this part.

(f) The Controller may audit and review any county auditor-controller action taken pursuant to the act adding this part. As such, all county auditor-controller actions shall not be effective for three business days, pending a request for review by the Controller. In the event that the Controller requests a review of a given county auditor-controller action, he or she shall have 10 days from the date of his or her request to approve the county auditor-controller's action or return it to the county auditor-controller for reconsideration and the county auditor-controller's action shall not be effective until approved by the Controller. In the event that the Controller returns the county auditor-controller's action to the county auditor-controller for reconsideration, the county auditor-controller must resubmit the modified action for Controller approval and the modified county auditor-controller's action shall not become effective until approved by the Controller.

(Amended by Stats. 2012, Ch. 26, Sec. 23. (AB 1484) Effective June 27, 2012.)

34182.1. (a) Until a final resolution of dissolution for the successor agency to the former Orange County Development Agency has been submitted to the Orange County Auditor-Controller pursuant to subdivision (f) of Section 34187, the Orange County Auditor-Controller shall allocate property tax revenues attributable to the El Toro Project Area between the Redevelopment Property Tax Fund established for the former Orange County Development Agency and the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency as follows:

(1) All property tax revenues deposited by the Orange County Auditor-Controller pursuant to paragraph (1) of subdivision (c) of Section 34182 during each fiscal year that are attributable to the Neighborhood Preservation and Development Project Area, including the El Toro Project Area, shall initially be placed into the Redevelopment Property Tax Trust Fund for the former Orange County Development Agency.

(2) After deducting the administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, as described in subdivision (a) of Section 34183, and remitting the amounts required under paragraph (1) of subdivision (a) of Section 34183, the Orange County Auditor-Controller shall transfer the sum of both of the following, determined for the entire fiscal year, into the redevelopment obligation retirement fund of the successor agency to the Orange County Development Agency for distribution as required by law and applicable bond covenants:

(A) The amount required by Section 33670.9.

(B) All other obligations secured by a prior claim on, or pledge of, moneys in the Redevelopment Property Tax Trust Fund of the former Orange County Development Agency, including tax allocation bonds, as applicable, that are payable on a basis prior to any transfer to the former Lake Forest Redevelopment Agency pursuant to the transfer agreement or pursuant to Part 1.8 (commencing with Section 34161), this part, or other law.

(3) After depositing the amount described in paragraph (2) into the redevelopment obligation retirement fund of the successor agency to the Orange County Development Agency, the Orange County Auditor-Controller shall deposit into the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency the transfer agreement amount, as set forth in the applicable Recognized Obligation Payment Schedule submitted by the successor agency to the Orange County Development Agency and approved by the Department of Finance, to the extent moneys are available from the portion of the former Orange County Development Agency's Redevelopment Property Tax Trust Fund attributable to the El Toro Project Area.

(4) The payment described in paragraph (3) shall be paid prior to all payments listed on the recognized obligation payment schedule of the successor agency to the former Orange County Development Agency other than the payments described in

paragraph (2), unless otherwise required by statute or applicable bond covenants.

(b) Upon receipt of the final resolution of dissolution for the successor agency to the former Orange County Development Agency submitted pursuant to subdivision (f) of Section 34187, the Orange County Auditor-Controller shall allocate property tax revenues attributable to the El Toro Project Area, to the Redevelopment Property Tax Trust Fund for the former Lake Forest Redevelopment Agency and allocate money in this fund pursuant to Section 34183.

(c) This section is intended to implement the transfer agreement in light of the enactment of Part 1.8 (commencing with Section 34161) and this part and the dissolution of the successor agency to the former Orange County Development Agency. Notwithstanding Section 34187, the allocation of revenues into the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency pursuant to the transfer agreement and the listing of those payments by the successor agency to the Orange County Development Agency on its Recognized Obligation Payment Schedule shall not preclude the approval of a request for dissolution of the successor agency to the Orange County Development Agency.

(d) For purposes of this section, both of the following definitions shall apply:

(1) "El Toro Project Area" means the portion of the former Orange County Development Agency's Neighborhood Preservation and Development Project Area that was transferred to the Lake Forest Redevelopment Agency pursuant to the transfer agreement and Sections 33216 and 33216.1.

(2) "Transfer agreement" means the Agreement to Transfer Territorial Jurisdiction of a Noncontiguous Portion of a Redevelopment Project Area dated as of July 6, 1999, entered into among the County of Orange, the Orange County Development Agency, the City of Lake Forest, the Lake Forest Redevelopment Agency, and the City of Laguna Hills.

(3) "Transfer agreement amount" means the amount of the payment required to be made by the former Orange County Development Agency to the former Lake Forest Redevelopment Agency pursuant to the transfer agreement, less the amount of passthrough payments attributable to the El Toro Project Area that are disbursed by the Orange County Auditor-Controller pursuant to paragraph (1) of subdivision (a) of Section 34183.

(Amended by Stats. 2024, Ch. 80, Sec. 90. (SB 1525) Effective January 1, 2025.)

34182.5. A county auditor-controller may review the Recognized Obligation Payment Schedules and object to the inclusion of any items that are not demonstrated to be enforceable obligations and may object to the funding source proposed for any items. This review may take place prior to the submission of the Recognized Obligation Payment Schedule to the oversight board or subsequent to oversight board action. The county auditor-controller shall promptly transmit notice of any of those objections to the successor agency, the oversight board, and the Department of Finance. Notice shall be given at least 60 days prior to an allocation date specified in Section 34183, except that for the January 1, 2013 to June 30, 2013 Recognized Obligation Payment Schedule, notice shall be given no later than October 1, 2012. If an oversight board disputes the finding of the county auditor-controller, it may refer the matter to the Department of Finance for a determination of what will be approved for inclusion in the Recognized Obligation Payment Schedule.

(Added by Stats. 2012, Ch. 26, Sec. 24. (AB 1484) Effective June 27, 2012.)

34183. (a) Notwithstanding any other law, from February 1, 2012, to July 1, 2012, and for each fiscal year thereafter, the county auditor-controller shall, after deducting administrative costs allowed under Section 34182 and Section 95.3 of the Revenue and Taxation Code, allocate moneys in each Redevelopment Property Tax Trust Fund as follows:

(1) (A) Subject to any prior deductions required by subdivision (b), first, the county auditor-controller shall remit from the Redevelopment Property Tax Trust Fund to each local agency and school entity an amount of property tax revenues in an amount equal to that which would have been received under Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676, as those sections read on January 1, 2011, or pursuant to any passthrough agreement between a redevelopment agency and a taxing entity that was entered into before January 1, 1994, that would be in force during that fiscal year, had the redevelopment agency existed at that time. The amount of the payments made pursuant to this paragraph shall be calculated solely on the basis of passthrough payment obligations, existing before the effective date of this part and continuing as obligations of successor entities, shall occur no later than May 16, 2012, and no later than June 1, 2012, and each January 2 and June 1 thereafter. Notwithstanding subdivision (e) of Section 33670, that portion of the taxes in excess of the amount identified in subdivision (a) of Section 33670, which are attributable to a tax rate levied by a taxing entity for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property, shall be allocated to, and when collected shall be paid into, the fund of that taxing entity. The amount of passthrough payments computed pursuant to this section, including any passthrough agreements, shall be computed in accordance with the following:

(i) The amount of passthrough payments computed pursuant to this section shall be computed as though the requirement to set aside funds for the Low and Moderate Income Housing Fund was still in effect.

(ii) The computation of the amount of passthrough payments made in accordance with this section shall take into account any modification of a passthrough agreement made pursuant to Section 34183.1.

(B) Notwithstanding subdivision (b) of Section 33670, that portion of the taxes in excess of the amount identified in subdivision (a) of Section 33670, which are attributable to a property tax rate approved by the voters of a city, county, city and county, or special district to make payments in support of pension programs or in support of capital projects and programs related to the State Water Project, and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, shall be allocated to, and when collected shall be paid into, the fund of that taxing entity, unless the amounts in question are pledged as security for the payment of any indebtedness obligation, as defined in subdivision (e) of Section 34171, and needed for payment thereof. Notwithstanding any other law, all allocations of revenues above one cent (\$0.01) derived from the imposition of a property tax rate, approved by the voters of a city, county, city and county, or special district to make payments in support of pension programs or in support of capital projects and programs related to the State Water Project and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution, made by any county auditor-controller before June 15, 2015, are valid and shall not be affected by this section. A city, county, city and county, county auditor-controller, successor agency, department, or affected taxing entity shall not be subject to any claim for money, damages, or reallocated revenues based on any allocation of such revenues above one cent (\$0.01) before June 15, 2015.

(2) Second, on June 1, 2012, and each January 2 and June 1 thereafter, to each successor agency for payments listed in its Recognized Obligation Payment Schedule for the six-month fiscal period beginning January 1, 2012, and July 1, 2012, and each January 2 and June 1 thereafter, in the following order of priority:

(A) Debt service payments scheduled to be made for tax allocation bonds.

(B) Payments scheduled to be made on revenue bonds, but only to the extent the revenues pledged for them are insufficient to make the payments and only if the agency's tax increment revenues were also pledged for the repayment of the bonds.

(C) Payments scheduled for other debts and obligations listed in the Recognized Obligation Payment Schedule that are required to be paid from former tax increment revenue.

(3) Third, on June 1, 2012, and each January 2 and June 1 thereafter, to each successor agency for the administrative cost allowance, as defined in Section 34171, for administrative costs set forth in an approved administrative budget for those payments required to be paid from former tax increment revenues.

(4) Fourth, on June 1, 2012, and each January 2 and June 1 thereafter, any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by paragraphs (1) to (3), inclusive, shall be distributed to local agencies and school entities in accordance with Section 34188. The only exception shall be for moneys remaining in the Redevelopment Property Tax Trust Fund that are attributable to a property tax rate approved by the voters of a city, county, city and county, or special district to make payments in support of pension programs or in support of capital projects and programs related to the State Water Project, and levied in addition to the property tax rate limited by subdivision (a) of Section 1 of Article XIII A of the California Constitution. The county auditor-controller shall return these particular remaining moneys to the levying taxing entity.

(b) If the successor agency reports, no later than April 1, 2012, and May 1, 2012, and each December 1 and May 1 thereafter, to the county auditor-controller that the total amount available to the successor agency from the Redevelopment Property Tax Trust Fund allocation to that successor agency's Redevelopment Obligation Retirement Fund, from other funds transferred from each redevelopment agency, and from funds that have or will become available through asset sales and all redevelopment operations, are insufficient to fund the payments required by paragraphs (1) to (3), inclusive, of subdivision (a) in the next six-month fiscal period, the county auditor-controller shall notify the Controller and the Department of Finance no later than 10 days from the date of that notification. The county auditor-controller shall verify whether the successor agency will have sufficient funds from which to service debts according to the Recognized Obligation Payment Schedule and shall report the findings to the Controller. If the Controller concurs that there are insufficient funds to pay required debt service, the amount of the deficiency shall be deducted first from the amount remaining to be distributed to taxing entities pursuant to paragraph (4), and if that amount is exhausted, from amounts available for distribution for administrative costs in paragraph (3). If an agency, pursuant to the provisions of Section 33492.15, 33492.72, 33607.5, 33671.5, 33681.15, or 33688 or as expressly provided in a passthrough agreement entered into pursuant to Section 33401, made passthrough payment obligations subordinate to debt service payments required for enforceable obligations, funds for servicing bond debt may be deducted from the amounts for passthrough payments under paragraph (1), as provided in those sections, but only to the extent that the amounts remaining to be distributed to taxing entities pursuant to paragraph (4) and the amounts available for distribution for administrative costs in paragraph (3) have all been exhausted.

(c) The county treasurer may loan any funds from the county treasury to the Redevelopment Property Tax Trust Fund of the successor agency for the purpose of paying an item approved on the Recognized Obligation Payment Schedule at the request of the

Department of Finance that are necessary to ensure prompt payments of redevelopment agency debts. An enforceable obligation is created for repayment of those loans.

(d) The Controller may recover the costs of audit and oversight required under this part from the Redevelopment Property Tax Trust Fund by presenting an invoice therefor to the county auditor-controller who shall set aside sufficient funds for and disburse the claimed amounts before making the next distributions to the taxing entities pursuant to Section 34188. Subject to the approval of the Director of Finance, the budget of the Controller may be augmented to reflect the reimbursement, pursuant to Section 28.00 of the Budget Act.

(e) Within 10 days of each distribution of property tax, the county auditor-controller shall provide a report to the department regarding the distribution for each successor agency that includes information on the total available for allocation, the passthrough amounts and how they were calculated, the amounts distributed to successor agencies, and the amounts distributed to taxing entities in a manner and form specified by the department. This reporting requirement shall also apply to distributions required under subdivision (b) of Section 34183.5.

(Amended by Stats. 2021, Ch. 221, Sec. 1. (SB 734) Effective January 1, 2022.)

34183.1. (a) Notwithstanding paragraph (1) of subdivision (a) of Section 34183 or any other law, a successor agency and one or more taxing entities may enter into an agreement to modify the interest owed by a former redevelopment agency under a passthrough agreement that was entered into before January 1, 1994, or owed under any successive amendment of that passthrough agreement, and which is owed as interest on passthrough payments agreed to be deferred by the taxing entity under the passthrough agreement.

(b) An agreement entered into pursuant to this section shall be subject to the following:

(1) Beginning on the effective date of the agreement entered into pursuant to this section, the interest rate for any passthrough agreement as modified pursuant to this section shall be 0 percent.

(2) The term of any passthrough agreement that is modified pursuant to this section shall not exceed 40 years from the effective date of an agreement entered into pursuant to this section.

(3) An agreement entered into pursuant to this section, in addition to modifying the interest owed on deferred passthrough payments as provided in subdivision (a), may provide for the forgiveness of the entirety or a portion of the outstanding principal amount of deferred passthrough payment owed by the former redevelopment agency to a taxing entity under the passthrough agreement.

(c) A taxing entity benefiting from the resulting modification of a passthrough agreement under this section shall not be liable for, or otherwise obligated to pay, any amount under the passthrough agreement in excess of the amount provided under the passthrough agreement, as modified in accordance with this section.

(Added by Stats. 2021, Ch. 221, Sec. 2. (SB 734) Effective January 1, 2022.)

34183.5. (a) The Legislature hereby finds and declares that due to the delayed implementation of this part due to the California Supreme Court's ruling in the case California Redevelopment Association v. Matosantos (2011) 53 Cal.4th 231, some disruption to the intended application of this part and other law with respect to passthrough payments may have occurred.

(1) If a redevelopment agency or successor agency did not pay any portion of an amount owed for the 2011–12 fiscal year to an affected taxing entity pursuant to Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676, or pursuant to any passthrough agreement entered into before January 1, 1994, between a redevelopment agency and an affected taxing entity, and to the extent the county auditor-controller did not remit the amounts owed for passthrough payments during the 2011–12 fiscal year, the county auditor-controller shall make the required payments to the taxing entities owed passthrough payments and shall reduce the amounts to which the successor agency would otherwise be entitled pursuant to paragraph (2) of subdivision (a) of Section 34183 at the next allocation of property tax under this part, subject to subdivision (b) of Section 34183. If the amount of available property tax allocation to the successor agency is not sufficient to make the required payment, the county auditor-controller shall continue to reduce allocations to the successor agency under paragraph (2) of subdivision (a) of Section 34183 until the time that the owed amount is fully paid. Alternatively, the county auditor-controller may accept payment from the successor agency's reserve funds for payments of passthrough payments owed as defined in this subdivision.

(2) If a redevelopment agency did not pay any portion of the amount owed for the 2011–12 fiscal year to an affected taxing entity pursuant to Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676, or pursuant to any passthrough agreement entered into before January 1, 1994, between a redevelopment agency and an affected taxing entity, but the county auditor-controller did pay the difference that was owing, the county auditor-controller shall deduct from the next allocation of property tax to the successor agency under paragraph (2) of subdivision (a) of Section 34183, the amount of the payment made on behalf of the successor agency by the county auditor-controller, not to exceed one-half the amount of passthrough payments owed for the

2011–12 fiscal year. If the amount of available property tax allocation to the successor agency is not sufficient to make the required deduction, the county auditor-controller shall continue to reduce allocations to the successor agency under paragraph (2) of subdivision (a) of Section 34183 until the time that the amount is fully deducted. Alternatively, the auditor-controller may accept payment from the successor agency's reserve funds for deductions of passthrough payments owed as defined in this subdivision. Amounts reduced from successor agency payments under this paragraph are available for the purposes of paragraphs (2) to (4), inclusive, of subdivision (a) of Section 34183 for the six-month period for which the property tax revenues are being allocated.

(b) In recognition of the fact that county auditor-controllers were unable to make the payments required by paragraph (4) of subdivision (a) of Section 34183 for the period January 1, 2012, through June 30, 2012, on January 16, 2012, due to the California Supreme Court's ruling in the case of California Redevelopment Association v. Matosantos (2011) 53 Cal.4th 231, in addition to taking the actions specified in Section 34183 with respect to the June 1 property tax allocations, county auditor-controllers should have made allocations as provided in paragraph (1).

(1) From the allocations made on June 1, 2012, for the Recognized Obligation Payment Schedule covering the period July 1, 2012, through December 31, 2012, deduct from the amount that otherwise would be deposited in the Redevelopment Property Tax Trust Fund on behalf of the successor agency an amount equivalent to the amount that each affected taxing entity was entitled to pursuant to paragraph (4) of subdivision (a) of Section 34183 for the period January 1, 2012, through June 30, 2012. The amount to be retained by taxing entities pursuant to paragraph (4) of subdivision (a) of Section 34183 for the January 1, 2012, through June 30, 2012, period is determined based on the Recognized Obligation Payment Schedule approved by the Department of Finance pursuant to subdivision (h) of Section 34179 and any amount determined to be owed pursuant to this subdivision. Any amounts so computed shall not be offset by any shortages in funding for recognized obligations for the period covering July 1, 2012, through December 31, 2012.

(2) (A) If an affected taxing entity has not received the full amount to which it was entitled pursuant to paragraph (4) of subdivision (a) of Section 34183 of the property tax distributed for the period January 1, 2012, through June 30, 2012, and paragraph (1), no later than July 9, 2012, the county auditor-controller shall determine the amount, if any, that is owed by each successor agency to taxing entities and send a demand for payment from the funds of the successor agency for the amount owed to taxing entities if it has distributed the June 1, 2012, allocation to the successor agencies. No later than July 12, 2012, successor agencies shall make payment of the amounts demanded to the county auditor-controller for deposit into the Redevelopment Property Tax Trust Fund and subsequent distribution to taxing entities. No later than July 16, 2012, the county auditor-controller shall make allocations of all money received by that date from successor agencies in amounts owed to taxing entities under this paragraph to taxing entities in accordance with Section 34183. The county auditor-controller shall make allocations of any money received after that date under this paragraph within five business days of receipt. These duties are not discretionary and shall be carried out with due diligence.

(B) If a county auditor-controller fails to determine the amounts owed to taxing entities and present a demand for payment by July 9, 2012, to the successor agencies, the Department of Finance or any affected taxing entity may request a writ of mandate to require the county auditor-controller to immediately perform this duty. Such actions may be filed only in the County of Sacramento and shall have priority over other civil matters. Any county in which the county auditor-controller fails to perform the duties under this paragraph shall be subject to a civil penalty of 10 percent of the amount owed to taxing entities plus 1.5 percent of the amount owed to taxing entities for each month that the duties are not performed. The civil penalties shall be payable to the taxing entities under Section 34183. Additionally, any county in which the county auditor-controller fails to make the required determinations and demands for payment under this paragraph by July 9, 2012, or fails to distribute the full amount of funds received from successor agencies as required by this paragraph shall not receive the distribution of sales and use tax scheduled for July 18, 2012, or any subsequent payment, up to the amount owed to taxing entities, until the county auditor-controller performs the duties required by this paragraph.

(C) If a successor agency fails to make the payment demanded under subparagraph (A) by July 12, 2012, the Department of Finance or any affected taxing entity may file for a writ of mandate to require the successor agency to immediately make this payment. Such actions may be filed only in the County of Sacramento and shall have priority over other civil matters. Any successor agency that fails to make payment by July 12, 2012, under this paragraph shall be subject to a civil penalty of 10 percent of the amount owed to taxing entities plus one and one-half percent of the amount owed to taxing entities for each month that the payments are not made. Additionally, the city or county or city and county that created the redevelopment agency shall also be subject to a civil penalty of 10 percent of the amount owed to taxing entities plus 1.5 percent of the amount owed to taxing entities for each month the payment is late. The civil penalties shall be payable to the taxing entities under Section 34183. If the Department of Finance finds that the imposition of penalties will jeopardize the payment of enforceable obligations it may request the court to waive some or all of the penalties. A successor agency that does not pay the amount required under this subparagraph by July 12, 2012, shall not pay any obligations other than bond debt service until full payment is made to the county auditor-controller. Additionally, any city, county or city and county that created the redevelopment agency that fails to make the required payment under this paragraph by July 12, 2012, shall not receive the

distribution of sales and use tax scheduled for July 18, 2012, or any subsequent payment, up to the amount owed to taxing entities, until the payment required by this paragraph is made.

(D) The Legislature hereby finds and declares that time is of the essence. Funds that should have been received and were expected and spent in anticipation of receipt by community colleges, schools, counties, cities, and special districts have not been received resulting in significant fiscal impact to the state and taxing entities. Continued delay and uncertainty whether funds will be received warrants the availability of extraordinary relief as authorized herein.

(3) If an affected taxing entity has not received the full amount to which it was entitled pursuant to paragraph (4) of subdivision (a) of Section 34183 for the period January 1, 2012, through June 30, 2012, and paragraph (1), the county auditor-controller shall reapply paragraph (1) to each subsequent property tax allocation until such time as the affected taxing entity has received the full amount to which it was entitled pursuant to paragraph (4) of subdivision (a) of Section 34183 for the period January 1, 2012, through June 30, 2012.

(Amended by Stats. 2013, Ch. 76, Sec. 114. (AB 383) Effective January 1, 2014.)

34185. Commencing on June 1, 2012, and on each January 2 and June 1 thereafter, the county auditor-controller shall transfer, from the Redevelopment Property Tax Trust Fund of each successor agency into the Redevelopment Obligation Retirement Fund of that agency, an amount of property tax revenues equal to that specified in the Recognized Obligation Payment Schedule for that successor agency as payable from the Redevelopment Property Tax Trust Fund subject to the limitations of subdivision (l) of Section 34177 and Section 34183.

(Amended by Stats. 2012, Ch. 26, Sec. 27. (AB 1484) Effective June 27, 2012.)

34186. (a) (1) Differences between actual payments and past estimated obligations on recognized obligation payment schedules shall be reported in subsequent Recognized Obligation Payment Schedules and shall adjust the amount to be transferred to the Redevelopment Obligation Retirement Fund pursuant to this part. These estimates and accounts, as well as cash balances, shall be subject to review by the county auditor-controller. The county auditor-controller's review shall be subject to the department's review and approval.

(2) Audits initiated by the Controller pursuant to this section prior to July 1, 2015, shall be continued by the Controller and completed no later than June 30, 2016. Nothing in this section shall be construed in a manner which precludes, or in any way restricts, the Controller from conducting audits of successor agencies pursuant to Section 12410 of the Government Code.

(b) Differences between actual passthrough obligations and property tax amounts and the amounts used by the county auditor-controller in determining the amounts to be allocated under Sections 34183 and 34188 for a prior six-month or annual period, whichever is applicable, shall be applied as adjustments to the property tax and passthrough amounts in subsequent periods as they become known. County auditor-controllers shall not delay payments under this part to successor agencies or taxing entities based on pending transactions, disputes, or for any other reason, other than a court order, and shall use the Recognized Obligation Payment Schedule approved by the department and the most current data for passthroughs and property tax available prior to the statutory distribution dates to make the allocations required on the dates required.

(c) Commencing on October 1, 2018, and each October 1 thereafter, the differences between actual payments and past estimated obligations on a Recognized Obligation Payment Schedule shall be submitted by the successor agency to the county auditor-controller for review. The county auditor-controller shall provide to the department in a manner of the department's choosing a review of the differences between actual payments and past estimated obligations, including cash balances, no later than February 1, 2019, and each February 1 thereafter.

(Amended by Stats. 2015, Ch. 325, Sec. 17. (SB 107) Effective September 22, 2015.)

34187. (a) (1) Commencing May 1, 2012, whenever a recognized obligation that had been identified in the Recognized Payment Obligation Schedule is paid off or retired, either through early payment or payment at maturity, the county auditor-controller shall distribute to the taxing entities, in accordance with the provisions of the Revenue and Taxation Code, all property tax revenues that were associated with the payment of the recognized obligation.

(2) Notwithstanding paragraph (1), the department may authorize a successor agency to retain property tax that otherwise would be distributed to affected taxing entities pursuant to this subdivision, to the extent the department determines the successor agency requires those funds for the payment of enforceable obligations. Upon making a determination, the department shall provide the county auditor-controller with information detailing the amounts that it has authorized the successor agency to retain. Upon determining the successor agency no longer requires additional funds pursuant to this subdivision, the department shall notify the successor agency and the county auditor-controller. The county auditor-controller shall then distribute the funds in question to the affected taxing entities in accordance with the provisions of the Revenue and Taxation Code.

(b) When all of the enforceable obligations have been retired or paid off, all real property has been disposed of pursuant to Section 34181 or 34191.4, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the oversight board a request, with a copy of the request to the county auditor-controller, to formally dissolve the successor agency. The oversight board shall approve the request within 30 days, and shall submit the request to the department.

(c) If a redevelopment agency was not allocated property tax revenue pursuant to either subdivision (b) of Section 16 of Article XVI of the California Constitution or Section 33670 prior to February 1, 2012, the successor agency shall, no later than November 1, 2015, submit to the oversight board a request to formally dissolve the successor agency. The oversight board shall approve this request within 30 days, and shall submit the request to the department.

(d) The department shall have 30 days to approve or deny a request submitted pursuant to subdivisions (b) or (c).

(e) When the department has approved a request to formally dissolve a successor agency, the successor agency shall take both of the following steps within 100 days of the department's notification:

(1) Dispose of all remaining assets as directed by the oversight board. Any proceeds from the disposition of assets shall be transferred to the county auditor-controller for distribution to the affected taxing entities pursuant to Section 34183.

(2) Notify the oversight board that it has complied with paragraph (1).

(f) Upon receipt of the notification required in paragraph (2) of subdivision (e), the oversight board shall verify all obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed of with any proceeds remitted to the county auditor-controller for distribution to the affected taxing entities. Within 14 days of verification, the oversight board shall adopt a final resolution of dissolution for the successor agency, which shall be effective immediately. This resolution shall be submitted to the sponsoring entity, the county auditor-controller, the State Controller's Office, and the department by electronic means and in a manner of each entity's choosing.

(g) Subdivisions (b) to (f), inclusive, does not apply to those entities specifically recognized as already dissolved by the department by October 1, 2015.

(h) When all enforceable obligations have been retired or paid off as specified in subdivision (b), all passthrough payment obligations required pursuant to Sections 33401, 33492.140, 33607, 33607.5, 33607.7, and 33676, or any passthrough agreement between a redevelopment agency and a taxing entity that was entered into prior to January 1, 1994, shall cease, and no property tax shall be allocated to the Redevelopment Property Tax Trust Fund for that agency. The Legislature finds and declares that this subdivision is declaratory of existing law.

(i) When a successor agency is finally dissolved under subdivision (b), with respect to any existing community facilities district formed by a redevelopment agency, the legislative body of the city or county that formed the redevelopment agency shall become the legislative body of the community facilities district, and any existing obligations of the former redevelopment agency or its successor agency, in its capacity as the legislative body of the community facilities district, shall become the obligations of the new legislative body of the community facilities district. This subdivision shall not be construed to result in the continued payment of any of the passthrough payment obligations identified in subdivision (h).

(Amended by Stats. 2015, Ch. 325, Sec. 18. (SB 107) Effective September 22, 2015.)

34188. For all distributions of property tax revenues and other moneys pursuant to this part, the distribution to each taxing entity shall be in an amount proportionate to its share of property tax revenues in the tax rate area in that fiscal year, as follows:

(a) (1) For distributions from the Redevelopment Property Tax Trust Fund, the share of each taxing entity shall be applied to the amount of property tax available in the Redevelopment Property Tax Trust Fund after deducting the amount of any distributions under paragraphs (2) and (3) of subdivision (a) of Section 34183.

(2) For each taxing entity that receives passthrough payments, that agency shall receive the amount of any passthrough payments identified under paragraph (1) of subdivision (a) of Section 34183, in an amount not to exceed the amount that it would receive pursuant to this section in the absence of the passthrough agreement. However, to the extent that the passthrough payments received by the taxing entity are less than the amount that the taxing entity would receive pursuant to this section in the absence of a passthrough agreement, the taxing entity shall receive an additional payment that is equivalent to the difference between those amounts.

(b) Property tax shares of local agencies shall be determined based on property tax allocation laws in effect on the date of distribution, without the revenue exchange amounts allocated pursuant to Section 97.68 of the Revenue and Taxation Code, and without the property taxes allocated pursuant to Section 97.70 of the Revenue and Taxation Code.

(c) The total school share, including passthroughs, shall be the share of the property taxes that would have been received by school entities, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, in the jurisdictional territory of the former

redevelopment agency, including, but not limited to, the amounts specified in Sections 97.68 and 97.70 of the Revenue and Taxation Code.

(d) This section shall not be construed to increase any allocations of excess, additional, or remaining funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2, clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3, or Article 4 (commencing with Section 98) of Chapter 6 of Part 0.5 of Division 1, of the Revenue and Taxation Code, had this section not been enacted.

(Amended by Stats. 2012, Ch. 26, Sec. 30. (AB 1484) Effective June 27, 2012.)

34188.8. For purposes of a redevelopment agency that becomes subject to this part pursuant to Section 34195, a date certain identified in this chapter shall not be subject to Section 34191, except for dates certain in Section 34182 and references to "October 1, 2011," or to the "operative date of this part." However, for purposes of those redevelopment agencies, a date certain identified in this chapter shall be appropriately modified, as necessary to reflect the appropriate fiscal year or portion of a fiscal year.

(Amended by Stats. 2012, Ch. 162, Sec. 92. (SB 1171) Effective January 1, 2013.)