

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 782

Introduced by Senator Pérez

February 21, 2025

~~An act to amend Section 53398.50 of the Government Code, relating to local agencies. An act to add Section 62313 to the Government Code, relating to local government.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 782, as amended, Pérez. ~~Enhanced infrastructure financing district.~~ *Enhanced infrastructure financing district: climate resilience districts.*

Existing law authorizes the legislative body of a city or a county to designate a proposed enhanced infrastructure financing district to finance public capital facilities or other specified projects, with a governing body referred to as the public financing authority, by adopting a resolution of intention to establish the proposed district.

Existing law authorizes a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district, as described, for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. Existing law deems each district to be an enhanced infrastructure financing district and requires each district to comply with existing law concerning enhanced infrastructure financing districts, except as specified. Existing law requires a district to finance only specified projects that meet the definition of an eligible project, including projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified.

This bill would authorize a city or county to adopt a resolution providing for the division of taxes of any participating entity without

following specified procedures for the preparation and adoption of an infrastructure financing plan, if certain conditions are met. The bill would require the district to hold a public meeting to consider the resolution of intention to establish the district and a second public meeting to consider the adoption of the infrastructure financing plan, and would require the district to post specified notices prior to the meetings. The bill would require the resolution to include specified information, including that incremental property tax revenue from the city or county and all affected taxing entities within the district may be used to finance the district's activities. The bill would require the district to make the infrastructure financing plan available for public inspection at least 10 days before the hearing to approve the formation of the district, and would require the designated official of the district to consult with each affected taxing entity prior to development of the infrastructure financing plan.

This bill would limit the use of the district's revenue to repairing or replacing buildings, low- and moderate-income housing, facilities, structures, or other improvements within the district, that have been damaged or destroyed by a disaster, as defined, or addressing the risk of a future disaster. The bill would define disaster for these purposes to mean any flood, fire, hurricane, earthquake, storm, tidal wave, or other catastrophe for which the Governor has certified the need for assistance and which the President of the United States has determined to be a major disaster, as specified.

~~Existing law authorizes the legislative body of a city or a county to designate a proposed enhanced infrastructure financing district, with a governing body referred to as the public financing authority, to finance public capital facilities and specified other projects that provide significant benefits to the district or surrounding community. Existing law makes findings and declarations related to these provisions.~~

~~This bill would make additional findings and declarations that public benefits will accrue if local agencies, excluding schools, are provided a means to, among other things, mitigate wildfires by financing heavy equipment for vegetation clearance, undergrounding of local publicly owned electric utilities, and other firefighting equipment.~~

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

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

1 *SECTION 1. Section 62313 is added to the Government Code,*
2 *to read:*

3 62313. (a) *Notwithstanding subdivision (b) of Section 62304,*
4 *a city or county may adopt a resolution providing for the division*
5 *of taxes of any participating entity without following the procedures*
6 *for the preparation and adoption of an infrastructure financing*
7 *plan described in Sections 53398.59 to 53398.66, inclusive, if both*
8 *of the following are met:*

9 (1) *The boundaries of the proposed district are limited to an*
10 *area in which the disaster damage has caused conditions that are*
11 *so prevalent and so substantial that they have caused a reduction,*
12 *or a lack, of the normal predisaster usage of the area to an extent*
13 *that causes a serious physical and economic burden that cannot*
14 *reasonably be expected to be reversed or alleviated during the*
15 *term of the infrastructure financing plan by private enterprise or*
16 *governmental action, or both, without redevelopment.*

17 (2) *The resolution does all of the following:*

18 (A) *State that a district is proposed to be established under the*
19 *terms of this chapter and describe the boundaries of the proposed*
20 *district, which may be accomplished by reference to a map on file*
21 *in the office of the clerk of the city or in the office of the recorder*
22 *of the county, as applicable. The map may identify, within a district,*
23 *certain areas which shall be referred to as “project areas.”*

24 (B) *State the type of public facilities and development proposed*
25 *to be financed or assisted by the district in accordance with Section*
26 *53398.52.*

27 (C) *State the need for the district and the goals the district*
28 *proposes to achieve.*

29 (D) *State that incremental property tax revenue from the city*
30 *or county and all affected taxing entities within the district, if*
31 *approved by resolution pursuant to Section 53398.68, may be used*
32 *to finance these activities.*

33 (E) (i) *State that a city, county, or city and county may allocate*
34 *tax revenues derived from local sales and use taxes imposed*
35 *pursuant to the Bradley-Burns Uniform Local Sales and Use Tax*
36 *Law (Part 1.5 (commencing with Section 7200) of Division 2 of*
37 *the Revenue and Taxation Code) or transactions and use taxes*
38 *imposed in accordance with the Transactions and Use Tax Law*

1 *(Part 1.6 (commencing with Section 7251) of Division 2 of the*
2 *Revenue and Taxation Code) to a district pursuant to Section*
3 *53398.75.5, if applicable.*

4 *(ii) The legislative body of the city or county that elects to make*
5 *an allocation pursuant to clause (i) shall adopt an ordinance to*
6 *establish the following:*

7 *(I) The procedure by which the city or county will calculate the*
8 *revenues derived from sales and use taxes and transactions and*
9 *use taxes to be allocated to the enhanced infrastructure financing*
10 *district.*

11 *(II) The decision process by which the city or county will*
12 *determine the amount that will be dedicated to the proposed*
13 *district.*

14 *(F) Fix a time and place for public meetings on the proposal.*

15 *(b) The district shall hold two public meetings on the proposal.*
16 *The first public meeting shall be to consider the resolution of*
17 *intention to establish the district. The second public meeting shall*
18 *be to consider the adoption of the infrastructure financing plan.*

19 *(c) The district shall post notice of each meeting required by*
20 *this section in an easily identifiable and accessible location on the*
21 *district's internet website at least 10 days before the meeting. The*
22 *notice shall do all of the following:*

23 *(1) Describe specifically the boundaries of the proposed area.*

24 *(2) Describe the purpose of the infrastructure financing plan.*

25 *(3) State the day, hour, and place when and where the public*
26 *can inspect documents related to the district.*

27 *(d) After adopting the resolution of intention to establish a*
28 *district, the city or county shall designate an official to prepare a*
29 *proposed infrastructure financing plan. This plan shall include*
30 *all of the information required in Section 53398.63. The*
31 *infrastructure financing plan shall be made available for public*
32 *inspection at least 10 days before the hearing to approve the*
33 *formation of the district. The designated official shall consult with*
34 *each affected taxing entity, and, at the request of any affected*
35 *taxing entity, shall meet with representatives of an affected taxing*
36 *entity. Any affected taxing entity may suggest revisions to the plan.*

37 *(e) The district shall follow the procedures for amending the*
38 *infrastructure financing plan and providing an annual report*
39 *described in subdivision (j) of Section 53398.66, except that it*
40 *shall not be required to mail any written notices.*

(f) A district established pursuant to this section shall limit the use of its revenue to either of the following:

(1) The purpose of acquiring, demolishing, removing, relocating, repairing, restoring, rehabilitating, or replacing buildings, low- and moderate-income housing, facilities, structures, or other improvements, in accordance with applicable laws, which are within the district, and which have been damaged or destroyed by the disaster, which are unsafe to occupy, or which are required to be acquired, demolished, altered, or removed because of the disaster.

(2) The purpose of addressing the risk of a future disaster.

(g) Except as specifically provided in this section, a district established pursuant to this section shall comply with the provisions of Chapter 2.99 (commencing with Section 53398.50) of Part 1 of Division 2 of Title 5.

(h) Notwithstanding Section 53398.63, a district established pursuant to this section may plan, adopt, and implement an infrastructure financing plan, and the legislative body of the city or county that created it may approve projects in the disaster area even if it is inconsistent with the general plan, and specific plan, if applicable, of the city or county within which the district is located.

(i) Prior to the termination of the district, a city or county may include all or a portion of the district within a separate district. However, any portion of the district included within the separate district shall meet all the requirements of this division.

(j) For the purposes of this section, “disaster” means any flood, fire, hurricane, earthquake, storm, tidal wave, or other catastrophe occurring on or after January 1, 1996, for which the Governor of the state has certified the need for assistance and which the President of the United States has determined to be a major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93–288), as it may be from time to time amended.

~~SECTION 1. Section 53398.50 of the Government Code is amended to read:~~

~~53398.50. The Legislature finds and declares that with the dissolution of redevelopment agencies, public benefits will accrue if local agencies, excluding schools, are provided a means to finance the reuse and revitalization of former military bases, fund~~

1 the creation of transit priority projects and the implementation of
2 sustainable communities plans, fund projects that enable
3 communities to adapt to the impacts of climate change, including
4 to improve air quality, mitigate wildfires, including financing
5 heavy equipment for vegetation clearance, undergrounding of local
6 publicly owned electric utilities, and other firefighting equipment,
7 construct and rehabilitate affordable housing units, fund port and
8 harbor infrastructure, fund projects to improve broadband internet
9 access service, construct facilities for nonprofit community
10 organizations that provide health, youth, homeless, and social
11 services, and construct facilities to house providers of consumer
12 goods and services in the communities served by these efforts.

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