

AMENDED IN SENATE MAY 20, 2025

AMENDED IN SENATE MAY 8, 2025

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 782

Introduced by Senator Pérez

February 21, 2025

An act to add Section 62313 to the Government Code, relating to local ~~government~~; *government, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 782, as amended, Pérez. 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 entity proposing formation of 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 entity proposing formation of 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 30 days before the second public meeting, 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, mitigating the risk of a future disaster, or supporting economic recovery from a disaster, as specified. The bill would define disaster for these purposes to mean a disaster for which the Governor has declared a state of emergency, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. 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
- 6 procedures for the preparation and adoption of an infrastructure

1 financing plan described in Sections 53398.59 to 53398.66,
2 inclusive, if all of the following are met:

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

11 (B) Areas adjacent to the disaster area may be included within
12 the boundaries of the proposed district, but those adjacent areas
13 shall be no more than 20 percent of the total district area.

14 (C) The city or county adopts the resolution no more than two
15 years after the proclamation of the disaster.

16 (2) The resolution does all of the following:

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

23 (B) State the type of public facilities and development proposed
24 to be financed or assisted by the district in accordance with
25 subdivision (f).

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

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

32 (E) (i) State that a city, county, or city and county may allocate
33 tax revenues derived from local sales and use taxes imposed
34 pursuant to the Bradley-Burns Uniform Local Sales and Use Tax
35 Law (Part 1.5 (commencing with Section 7200) of Division 2 of
36 the Revenue and Taxation Code) or transactions and use taxes
37 imposed in accordance with the Transactions and Use Tax Law
38 (Part 1.6 (commencing with Section 7251) of Division 2 of the
39 Revenue and Taxation Code) to a district pursuant to Section
40 53398.75.5, if applicable.

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

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

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

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

(b) The entity proposing formation of the district shall hold two public meetings on the proposal. The first public meeting shall be to consider the resolution of intention to establish the district. The second public meeting shall be to consider the adoption of the infrastructure financing plan.

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

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

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

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

(d) After adopting the resolution of intention to establish a district, the city or county shall designate an official to prepare a proposed infrastructure financing plan. This plan shall include all of the information required in Section 53398.63. The infrastructure financing plan shall be made available for public inspection at least 30 days before the second public meeting. The designated official shall consult with each affected taxing entity, and, at the request of any affected taxing entity, shall meet with representatives of an affected taxing entity. Any affected taxing entity may suggest revisions to the plan.

(e) The district shall follow the procedures for amending the infrastructure financing plan and providing an annual report described in subdivision (j) of Section 53398.66, except that it 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 only 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 mitigating the risk of a future disaster, including, but not limited to, both of the following:

(A) Water and energy resource access and availability during emergencies and natural disasters

(B) Undergrounding and hardening of electrical lines and other utilities.

(3) The purpose of supporting economic recovery from a disaster, including, but not limited to, all of the following:

(A) Residential and commercial reconstruction.

(B) Affordable housing development pursuant to the provisions of Section 53398.52.

(C) Prevention of displacement.

(D) Low-interest construction loans.

(E) Capital access programs for small businesses.

(F) Workforce development and job training programs.

(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) For a district established pursuant to this section, both of the following shall apply:

(1) Bond proceeds shall not be used for costs of operations, programs, or providing services of any kind.

(2) Notwithstanding Section 54902, the statement required by Section 54900 may be filed with the auditor of each levying county,

1 and the statement and the map or plat shall be filed with each
2 assessor whose roll is used for the levy and with the State Board
3 of Equalization in Sacramento, no later than January 31 of the year
4 in which the assessments or taxes are to be levied.

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

9 (k) For the purposes of this section, “disaster” means a disaster
10 for which the Governor has declared a state of emergency pursuant
11 to Section 8625 of the California Emergency Services Act (Chapter
12 7 (commencing with Section 8550) of Division 1 of Title 2).

13 *SEC. 2. This act is an urgency statute necessary for the*
14 *immediate preservation of the public peace, health, or safety within*
15 *the meaning of Article IV of the California Constitution and shall*
16 *go into immediate effect. The facts constituting the necessity are:*

17 *In order to ensure the safety of all students, teachers, faculty,*
18 *and staff by preventing panic and to promote a greater sense of*
19 *calm and security on schoolsites and campuses, it is necessary*
20 *that this act take effect immediately.*