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May 3, 2011

Legislative counsel says Brown's redevelopment plan illegal

The Legislature's lawyers said in a recent memo that part of Gov. **Jerry Brown's** plan to eliminate redevelopment agencies is unconstitutional because the state cannot reimburse itself with local property taxes.

The Legislative Counsel Bureau focused on the \$1.7 billion in redevelopment money Brown hopes will help balance the remaining \$15.4 billion state deficit. His proposal calls for the elimination of redevelopment agencies, which use property tax revenues to finance projects in blighted areas. The Democratic governor wants to use that money instead for deficit reduction in the first year and greater payments to schools and general local government services in later years.

Brown's plan calls for local governments to send \$1.7 billion to the state in 2011-12 as reimbursement for trial court and health care services. The state is responsible for financing those activities, though they are delivered by local governments.

Legislative Counsel said the state cannot force local governments to send that money to the state. Instead, it said that money must remain locally.

The bill does establish Redevelopment Property Tax Trust Funds in each county that serve as a local collector of the redevelopment tax revenues before sending them to the state. But Legislative Counsel said that mechanism is "not sufficient" to comply with the constitution.

Department of Finance spokesman **H.D. Palmer** disputed that interpretation, saying Legislative Counsel was "finding intent that cannot be found in the constitution."

"The administration's opinion remains unchanged," Palmer said. "We think this proposal crafted in such a way we think it will withstand any legal challenge."

The opinion does not deem the elimination of redevelopment agencies illegal, but rather the method in which the state intends to take the money in first year.

The proposal is contained in Assembly Bill 101 and Senate Bill 77. The latter failed to receive support from two-thirds of lawmakers in March when Republicans objected to the plan. Assemblywoman **Diane Harkey**, R-Dana Point, asked Legislative Counsel to determine whether AB 101 complies with the constitution.

It was made available Tuesday by the California League of Cities, which has vigorously opposed Brown's

redevelopment plan. The League's executive director, Chris McKenzie, said his group was "pleased" with the opinion and was anticipating another review on whether the governor's plan violates Proposition 22, a local government measure approved by voters in 2010.

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Tamra Bailey

I'm curious what makes you think the LAO is right wing? They've been acting in concert with JB's agenda on pro-criminal, anti-public safety legislation (i.e. AB109 and others). I wish they'd point out the illegalities of how JB and the legislature are intentionally subverting the normal legislative process to push through their agenda, but they are a part of it too.

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