DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

July 20, 2012

TO REDEVELOPMENT SUCCESSOR AGENCY REPRESENTATIVES

As part of our ongoing effort to work with Successor Agencies on the implementation of Assembly Bill 26, First Extraordinary Session, the Department of Finance (Finance) would like to update you on the status of the July billing process required by Assembly Bill 1484 (AB 1484, Chapter 26, Statutes of 2012).

By July 9, 2012, county auditor-controllers were required to calculate and bill Successor Agencies for the amount of residual property tax revenue owed to cities, counties, special districts, and K-14 schools (collectively known as Affected Taxing Entities) for the period covered by the January 2012 through June 2012 Recognized Obligation Payment Schedule.

Successor Agencies were required to remit the billed amount of residual property tax revenue to the county auditor-controller by July 12, 2012. By July 16, 2012, county auditor-controllers were required to distribute the remitted sums to the Affected Taxing Entities.

To ensure that these laws are implemented in a fair and efficient manner, Finance staff are currently reviewing the billing information that county auditor-controllers provided to the Successor Agencies. We have identified discrepancies between the amounts expected to be billed, and the amounts that actually were billed on July 9 by county auditor-controllers. In some cases these discrepancies are significant.

Finance will soon begin working with county auditor-controllers' offices to determine the methodology used to calculate the billing amounts. If we identify areas where it appears the county auditor-controller's office used incorrect calculations, we will work with their staff to attempt to resolve the matter, and gain a full understanding of the circumstances that contributed to the differences. In cases where Finance staff conclude an error was made that modified the amount to which an Affected Taxing Entity was legally entitled, we will request a revision to the Successor Agency's billing amount.

We want to assure you that until Finance has completed this review, and no sooner than September 2012, there will be no action to interrupt the sales and use tax distribution as authorized by Health and Safety Code section 34183.5.

If you have any questions at the present time, please call (916) 445-1546, or direct an e-mail inquiry to redevelopment_administration@dof.ca.gov.

Sincerely

ANA J. MATOSANTOS
Director

cc: County Auditor-Controllers