Question: How should county auditor-controllers distribute to affected taxing entities (ATEs) the cash assets resulting from the Due Diligence Reviews required by HSC sections 34179.5 and 34179.6 Specifically, should the distributions be “haircut”, or reduced, to account for AB 1290 or pre-AB 1290 passthrough payments, or for HSC 34183 (a) (4) “residual” passthrough payments? Similarly, how should proceeds from the sale of assets be distributed?

Answer: An ATE’s share of the cash assets resulting from the Due Diligence Reviews or from asset sales should not be haircut to account for either AB 1290/pre-AB 1290 passthrough payments, or for HSC 34183 (a) (4) “residual” passthrough payments.

Finance believes the statutes clearly require that an ATE’s share of the Due Diligence Review assets, and of any monies resulting from asset sales, should be determined based on the ATE’s share of property tax revenues generated from within the tax rate area of the former redevelopment agency.