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GOVERNMENT CODE - GOV

TITLE 1. GENERAL [100 - 7931.000] (Title 1 enacted by Stats. 1943, Ch. 134.)

DIVISION 6. PUBLIC BONDS AND OBLIGATIONS [5000 - 5979] (Division 6 enacted by Stats. 1943, Ch. 134.)

CHAPTER 10. Sale of Local Securities [5800 - 5809] (Chapter 10 added by Stats. 1972, Ch. 292.)

5800. As used in this chapter, "nonprofit corporation" means any nonprofit corporation formed under the Corporations Code, or otherwise, which proposes to aid any public body by issuing securities to finance any one or more public projects.

(Added by Stats. 1972, Ch. 292.)

5801. As used in this chapter, "joint powers authority" means any entity defined in Section 6542.

(Added by Stats. 1972, Ch. 292.)

5802. As used in this chapter, "parking authority" means any entity created pursuant to Division 18 (commencing with Section 31500) of the Streets and Highways Code.

(Added by Stats. 1972, Ch. 292.)

5803. As used in this chapter, "issuer" means a nonprofit corporation, a joint powers authority or a parking authority.

(Added by Stats. 1972, Ch. 292.)

5804. As used in this chapter, "public body" means any county, city and county, city, municipal corporation, political subdivision, public district, public corporation or public authority, or any agency of any thereof, but does not include the federal government or any federal department or agency, this state, an adjoining state or any state department or agency.

(Added by Stats. 1972, Ch. 292.)

5805. As used in this chapter, "securities" means any bonds, notes, warrants or other evidences of indebtedness and the interest coupons, if any, attached thereto, issued or proposed to be issued in an aggregate principal amount of five hundred thousand dollars (\$500,000) or more by any issuer to finance a public project.

(Added by Stats. 1972, Ch. 292.)

5806. As used in this chapter, "public project" means any land, structure, facility or equipment or other personal property, the acquisition, construction or completion of which is to be financed by securities of an issuer if any of the payments of principal of and interest on such securities is to be paid by such issuer from funds derived from rental or other payments which any one or more public bodies has agreed to pay to such issuer under a public leaseback.

(Added by Stats. 1972, Ch. 292.)

5807. As used in this chapter, "public leaseback" means any lease by a public body of all or any part of a public project where the lease is between such public body as lessee and an issuer as lessor and the lease is executed before the public project is acquired, constructed or completed.

(Added by Stats. 1972, Ch. 292.)

5808. (a) Before selling any securities, any issuer shall advertise such securities for sale at public sale and shall invite sealed bids therefor by publication of a notice once at least 10 days before the date of such public sale in a newspaper of general circulation circulated within the boundaries of each public body to be aided by the public project to be financed by the issuance of such

securities. If one or more satisfactory bids are received pursuant to such notice, such securities shall be awarded to the highest responsible bidder. If no bids are received or if the issuer determines that the bids received are not satisfactory as to price or responsibility of the bidders, the issuer may reject all bids received, if any, and either readvertise or sell such securities at private sale.

(b) Any issuer may privately negotiate the acquisition of a private water company or the capital stock of such a company with the owner or owners thereof and issue its securities directly to such owner or owners without complying with any of the provisions of subdivision (a), provided that such acquisition is made pursuant to a written agreement entered into prior to January 1, 1978.

(c) Any issuer utilizing the provisions of subdivision (b) may issue its securities to the holders of outstanding securities issued by the same issuer in connection with the exercise of a conversion privilege embodied in any such outstanding security.

(Amended by Stats. 1977, Ch. 1220.)

5809. All securities as defined in Section 5805, and all bonds, notes, warrants or other evidences of indebtedness of an issuer in an aggregate principal amount less than five hundred thousand dollars (\$500,000), that are issued to finance a public project either by public leaseback or by any lease between a public body as lessee and an issuer as lessor executed after the public project is acquired, constructed or completed and the interest thereon or income therefrom are exempt from all taxation in the state other than gift, inheritance and estate taxes. This section is declaratory of existing law as to the securities, bonds, notes, warrants or other evidences of indebtedness of any issuer that is a joint powers authority or parking authority.

(Added by Stats. 1974, Ch. 1162.)