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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 5.5. Collateral Security for Bonds [5450 - 5452]** ( Chapter 5.5 added by Stats. 1990, Ch. 966, Sec. 1. )

**5450.** (a) "Bonds" means any bonds, notes, bond anticipation notes, commercial paper, or other evidences of indebtedness, or lease, installment purchase, or other agreements, or certificates of participation therein, that are not issued pursuant to statutory authority containing a provision governing the perfection and priority of pledges of collateral unless the provision provides that this chapter shall govern.

(b) "Collateral" means any revenues, moneys, accounts receivable, contractual rights to payment, and other rights to payment of whatever kind, subject to the pledge provided for or created in a pledge document.

(c) "Pledge document" means the resolution, ordinance, indenture, trust agreement, loan agreement, lease, installment sale agreement, reimbursement or similar agreement with any provider of credit enhancement for bonds, pledge agreement, or similar agreement in which the pledge is provided for or created.

(d) "Pledge" means, and as used in any pledge document shall be deemed to create, a grant of a lien on and a security interest in and pledge of the collateral referred to in a pledge document.

(e) "Public body" means the state or any city, county, city and county, district, other political subdivision of the state, public authority, or other public corporation which is authorized to issue bonds. "Public body" shall not include any private person, partnership, corporation, or other private entity, including any nonprofit private entity.

(f) "Security interest" means a prior claim on any revenues, moneys, accounts receivable, contractual rights to payment, or other rights to payment, which are pledged in a pledge document, unless otherwise provided in the pledge document.

(Added by Stats. 1990, Ch. 966, Sec. 1.)

**5451.** (a) A pledge of collateral by any public body to secure, directly or indirectly, the payment of the principal or redemption price of, or interest on, any bonds, or any reimbursement or similar agreement with any provider of credit enhancement for bonds, which is issued by or entered into by a public body, shall be valid and binding in accordance with the terms of the pledge document from the time the pledge is made for the benefit of pledgees and successors thereto.

(b) The collateral shall immediately be subject to the pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the collateral and be effective, binding, and enforceable against the pledgor, its successors, purchasers of the collateral, creditors, and all others asserting the rights therein, to the extent set forth, and in accordance with, the pledge document irrespective of whether those parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

(Added by Stats. 1990, Ch. 966, Sec. 1.)

**5451.5.** (a) All obligations of the West Contra Costa Healthcare District in connection with any and all certificates of participation executed and delivered by or on behalf of the district between June 8, 2004, and December 31, 2012, including certificates of participation executed and delivered before January 1, 2035, to refund those certificates of participation, shall be secured by a statutory lien on all of the revenues generated from parcel taxes levied pursuant to Measure D, approved by the voters of the district at the special election held on June 8, 2004.

(b) This lien shall arise automatically without the need for any action or authorization by the district or the board of directors of the district. The lien shall be valid and binding from the time the certificates of participation are executed and delivered.

(c) The parcel tax revenue shall immediately be subject to this lien, and the lien shall immediately attach to the parcel tax revenue and be effective, binding, and enforceable against the district, its successors, purchasers of those revenues, creditors, and all others

asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

*(Added by Stats. 2011, Ch. 742, Sec. 1. (SB 644) Effective October 9, 2011.)*

**5451.7.** (a) All obligations of the Palm Drive Health Care District in connection with any and all certificates of participation executed and delivered, or revenue bonds issued, by or on behalf of the district between January 1, 2005, and December 31, 2014, including certificates of participation executed and delivered or revenue bonds issued before 2035 to refund the revenue bonds or certificates of participation, shall be secured by a statutory lien on all of the revenues generated from parcel taxes levied pursuant to Measure W, approved by the voters of the district at the general election held on November 2, 2004.

(b) This lien shall arise automatically without the need for any action or authorization by the district or the board of directors of the district. The lien shall be valid and binding from the time the certificates of participation are executed and delivered or the revenue bonds are issued.

(c) The parcel tax revenue shall immediately be subject to this lien, and the lien shall immediately attach to the parcel tax revenue and be effective, binding, and enforceable against the district, its successors, purchasers of those revenues, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

*(Added by Stats. 2014, Ch. 23, Sec. 1. (AB 582) Effective June 16, 2014.)*

**5451.8.** (a) (1) All obligations of the City of Alameda Health Care District in connection with any and all certificates of participation executed and delivered by or on behalf of the district between January 1, 2024, and December 31, 2034, including certificates of participation executed and delivered before 2064 to refund the certificates of participation, shall be secured by a statutory lien on all of the revenues generated from parcel taxes levied pursuant to Measure A, approved by the voters of the district at the general election held on April 9, 2002.

(2) The proceeds of the certificates of participation shall only be used to finance construction projects and shall not be used to cover operational costs.

(b) This lien shall arise automatically without the need for any action or authorization by the district or the board of directors of the district. The lien shall be valid and binding from the time the certificates of participation are executed and delivered.

(c) The parcel tax revenue shall immediately be subject to this lien, and the lien shall immediately attach to the parcel tax revenue and be effective, binding, and enforceable against the district, its successors, purchasers of those revenues, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

*(Added by Stats. 2024, Ch. 148, Sec. 2. (AB 2157) Effective July 18, 2024.)*

**5452.** Nothing in this chapter shall be construed to authorize new or increased authority to issue bonds.

*(Added by Stats. 1990, Ch. 966, Sec. 1.)*