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TITLE 10. CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ACT [91500 - 91562] (Title 10 added by Stats. 1980, Ch. 1358.)

CHAPTER 1. California Industrial Development Financing [91500 - 91562] (Chapter 1 added by Stats. 1980, Ch. 1358.)

ARTICLE 2. Industrial Development Authorities [91520 - 91549] (Article 2 added by Stats. 1980, Ch. 1358.)

91520. (a) There is in each public agency a public, corporate instrumentality of the State of California, known as the industrial development authority of the public agency. Each public agency is authorized to utilize that authority in the issuance of revenue bonds in the accomplishment of the public purposes as provided in Section 91502. The purposes provided in Section 91502 shall be deemed to constitute public purposes of the public agency, and the exercise by each authority of the powers conferred by this title, including the power to issue revenue bonds, shall be deemed to be the performance of an essential governmental function of the public agency; provided, however, that exercise of the powers conferred by this title in the achievement of the purposes provided in Section 91502 shall be subject to the provisions of, and exclusively as provided in, this article.

(b) An authority shall not transact any business or exercise any powers under this article unless, by ordinance, or, in the case of a redevelopment agency, by resolution, the governing body declares that there is a need for the authority and that the authority shall function. The ordinance shall be subject to referendum in the manner prescribed by law for ordinances of the public agency. With respect to a redevelopment agency, the resolution provided for herein shall be subject to referendum in the manner prescribed by law for ordinances of the community in which the agency is located.

(c) An authority shall conclusively be deemed to have been established and authorized to transact business and exercise its powers upon proof of the adoption of such an ordinance or resolution.

(d) Notwithstanding any other provision contained in this article, a public agency shall have the power to transact any business or exercise any powers of an authority conferred by this title without having to establish an authority. However, a public agency may, at its option, establish an authority pursuant to the provisions of this article to exercise any powers conferred by this article. In the event that a public agency acts as an industrial development authority, any reference to authority and board contained in this title shall mean public agency and governing body, respectively.

(Amended by Stats. 1999, Ch. 61, Sec. 3. Effective January 1, 2000.)

91521. (a) The sole purpose of an authority is to undertake projects through the issuance of bonds in accomplishment of the purposes provided in Section 91502, and to carry out and complete such projects and perform and exercise derivative obligations and powers.

(b) The jurisdiction of an authority to undertake projects shall be coincident as to territory with the territory of the public agency.

(Added by Stats. 1980, Ch. 1358.)

91522. (a) All powers vested in authorities shall be exercisable as their respective boards shall provide, solely in the accomplishment of the purposes of authorities.

(b) A board shall consist of any authorized number of directors not less than three. The authorized number of directors shall be established by resolution of the governing body from time to time, except that when the resolution provided for by Section 91523 shall have been adopted, the authorized number of directors shall be the same as the authorized number of members of the governing body.

(c) Each director shall reside within the territory of the public agency and, unless the resolution provided for by Section 91523 has been adopted, shall not be an officer or employee of the public agency. Failure of a director to reside within the territory of the public agency or the existence of an official or employment relationship with the public agency shall not affect the validity of any project agreements, indentures, bonds or other proceedings or actions taken by an authority or public agency.

(d) Unless the resolution provided for by Section 91523 has been adopted, the directors shall be appointed by the governing body and they shall be appointed in such a manner that they shall hold office for overlapping terms. At the time of the appointment of the first directors, the governing body shall divide the directors into three groups containing as nearly equal whole numbers as possible. The first term of the directors included in the first group shall be approximately one year, the first term of the directors included in the second group shall be approximately two years, the first term of the directors included in the third group shall be approximately three years, as determined by the governing body, and thereafter the terms of all directors shall be three years. Directors shall be eligible for reappointment for an unlimited number of terms.

(e) The directors shall serve without compensation, except that they may be reimbursed for their actual and necessary expenses incurred in the performance of their duties, or at the discretion of the governing body, may receive a reasonable per diem payment and mileage charge as reimbursement for living and traveling expenses incurred in the performance of duties away from the principal office. In addition, at the discretion of the governing body, they may also receive a reasonable mileage charge as reimbursement for traveling expenses to and from the principal office of the authority or the place of meeting, if other than at the principal office.

(f) Should the authorized number of directors be increased by a resolution authorized by subdivision (b), the additional directors shall be appointed for terms such that, when the number of directors is divided into three groups containing as nearly equal whole numbers as possible, the expiration of the first terms of the additional directors shall coincide with the expiration of the current terms of the directors within the same group. Should the authorized number of directors be reduced by such a resolution, the reduction shall be accomplished in accordance with the same criterion, except that a reduction, the effect of which would be to shorten the tenure of any director, shall not become effective until vacancy or expiration of term.

(g) Vacancies shall be filled by appointment of the governing body for the unexpired term, unless the authorized number of directors is reduced as provided in subdivision (f).

(h) A director's tenure shall continue until his successor has been appointed and qualified; provided, however, that a director may be removed from office by the governing body for cause after notice and opportunity for hearing.

(Amended by Stats. 1982, Ch. 1605, Sec. 3.)

91523. As an alternate to the appointment of directors pursuant to Section 91522, the governing body may, at its sole discretion and at any time regardless of the incumbency of any directors appointed pursuant to Section 91522, by resolution, declare itself to be the board, in which case all the rights, powers, privileges, duties, liabilities, disabilities, and immunities vested in a board shall be vested in the governing body as such board and the terms of office of any incumbents appointed pursuant to Section 91522 shall be deemed terminated. A governing body which has adopted a resolution pursuant to this section may at any time adopt the resolution provided for by Section 91522 and, thereupon, the resolution provided for by this section shall, upon the effectiveness of such resolution, be deemed repealed.

(Added by Stats. 1980, Ch. 1358.)

91524. (a) The principal office of an authority shall be located at the principal office of the public agency.

(b) Each authority shall have a chairperson of its board, who shall be elected by the members of the board from among its membership.

(c) Public officers of an authority consist of the chairperson and members of the board, a secretary, a treasurer, and such assistants for the secretary and the treasurer as the board may appoint. The corresponding officers of the public agency may, by designation by resolution of the board, be the secretary, the treasurer, and assistants of the authority. The secretary, the treasurer, and assistants may be compensated.

(d) An authority shall file, with the clerk of the public agency, a certificate of a majority of the authorized number of directors as to the secretary and any assistant secretaries of the authority, and such certificate shall, until superseded by a later certificate, be conclusive with respect to the authority that such person is the secretary or assistant secretary, as the case may be, of the authority.

(e) A certificate of the clerk of the public agency as to the secretary or assistant secretary of the authority, and of the secretary or assistant secretary so certified as to the incumbents of any offices, shall be conclusive with respect to the public agency and the authority that such persons are the incumbents of such offices in any transactions of the authority authorized by this title.

(Added by Stats. 1980, Ch. 1358.)

91525. (a) An authority may appoint such employees and agents, including without limitation financial advisers or consultants, accountants, architects, engineers, or other experts or advisers as it requires, and determine their qualifications, duties, terms of employment or engagement, and compensation. Officers, agents, or employees of a public agency may also be agents or employees of an authority. Officers, agents, or employees of an authority shall not, by reason thereof, be deemed to be officers, agents, or employees of a public agency. An authority shall adopt personnel rules and regulations applicable to its employees.

(b) An authority may contract for such legal counsel as in its judgment is necessary or advisable to enable it to carry out its purposes, including such bond counsel as it deems advisable in connection with any proceedings.

(c) No attorney or firm of attorneys employed as counsel by a company may serve at the same time as legal counsel, including bond counsel, and no person or firm employed as financial adviser by a company may at the same time serve as financial adviser, to the authority in connection with any project or proposed project for such company.

(Added by Stats. 1980, Ch. 1358.)

91525.5. A member of the board or other officer of an authority or a member of the governing body who has any financial interest, other than an interest as defined by Section 1091 or 1091.5, in any project, project agreement, indenture, bonds, or the sale thereof, shall fully disclose the nature of the interest to the board, or governing body, and shall not cast a vote upon any matter concerning that project, project agreement, indenture, bonds, or the sale thereof, in any manner whatsoever, except that the presence of the member may be considered in determining the existence of a quorum.

(Added by Stats. 1982, Ch. 1605, Sec. 4.)

91526. An authority may:

(a) Sue and be sued in its own name.

(b) Have an official seal.

(c) Have perpetual succession.

(d) Make and execute contracts and other instruments and documents.

(e) Make, amend, and repeal bylaws governing procedures and meetings of the board and the duties of its officers, and make, amend, and repeal rules, regulations, and policies governing the transaction of its business and the exercise of its powers.

(f) Use premises of, subject to the regulation thereof by, the public agency.

(g) Administer its funds and deposit, invest, and reinvest funds in the types of securities or obligations permitted the public agency in accordance with law.

(h) Use discretion in the undertaking of projects, including the establishment of reasonable priorities and criteria among the types and locations of projects and regarding companies.

(Amended by Stats. 1982, Ch. 1605, Sec. 5.)

91527. Authorities shall have all powers necessary or appropriate for carrying out the purposes of this title including, without limitation, the following powers, together with all powers incidental thereto:

(a) To acquire property by purchase, exchange, gift, lease, contract, or otherwise, except by eminent domain. The power to acquire real property shall not be exercised for other than authority use except pursuant to project agreement or indenture.

(b) To maintain property.

(c) To dispose of property by lease, sale, exchange, donation, release, relinquishment, or otherwise.

(d) With respect to property, to: (1) charge and collect rent under any lease; (2) sell at public or private sale, with or without public notice; (3) sell at a discount or below appraised value or for a nominal consideration, only; (4) sell on an installment payment or a conditional sales basis; (5) convey, or provide for the transfer of, property without further act of the authority, upon exercise of an option; (6) sell at a fixed or formula price, and receive for any such sale the note or notes of a company and mortgages, deeds of trust, or other security agreements respecting the property.

(e) To acquire and hold property, including funds, project agreements and other obligations of any kind, and pledge, encumber or assign the same, or the revenues therefrom or any portion of such revenues, or other rights, whether then owned or possessed, or thereafter acquired, for the benefit of the bondholders, and as security or additional security for any bonds or the performance of obligations under an indenture.

(f) To provide for the advance of bond proceeds and other funds pursuant to project agreements as necessary to pay or reimburse for project costs.

(g) To exercise all rights and to perform all obligations of the authority under the project agreements and indenture, including the right, upon any event of default by or the failure to comply with any of the obligations thereof by the lessee, purchaser, or other company thereunder, to dispose of all or part of the property to the extent authorized by the project agreements or indenture.

(h) To borrow money and issue its bonds for the purpose of paying all or any part of the costs of a project, and for any other authorized purpose, as provided in this title.

(i) To contract and pay compensation for professional, financial, and other services.

(j) To refund outstanding bonds of the authority without regard to the purposes of this title when the board determines that the refunding will be of benefit to a company or holders of the bonds, subject to the provisions of the proceedings.

(k) To invest, deposit, and reinvest funds under the control of an authority and bond proceeds in the types of securities or obligations authorized, pending application thereof to the purposes authorized by, subject to the provisions of, the proceedings.

(l) To acquire insurance against any liability or loss in connection with property, in such amounts as it deems desirable.

(m) To expressly waive any immunity of the political subdivisions of this state provided by the Constitution or laws of the United States of America to taxation by the United States of interest on bonds issued by an authority, in obtaining federal benefits.

(n) To fund administration and cost of issuance expenses (1) by the establishment and collection of reasonable fees in amounts as may be determined by the board, but in no event shall the fees exceed 1 percent of the estimated maximum amount of bonds proposed by an application to be issued, (2) by the acceptance of funds and other aid from the public agency and from other governmental sources authorized to provide such funds or aid, (3) by the acceptance of contributions from business, trade, labor, community, and other associations, and (4) by other authorized means.

(Amended by Stats. 2009, Ch. 648, Sec. 7. (AB 1009) Effective November 5, 2009.)

91528. An authority shall not have the power to operate any facility as a business, except in the event of a default on any bonds, through a trustee, for the minimum reasonable time needed to sell or otherwise dispose of the facility in accordance with the resolution or indenture.

(Added by Stats. 1980, Ch. 1358.)

91529. Companies may apply for financing pursuant to this article by filing with an authority an application therefor which includes all of the following:

(a) Such financial, legal, and other information as is required by an authority.

(b) An estimate of the amount of bonds proposed to be issued, of the sources of amounts otherwise required for the project, and an itemization of the estimated cost and any other expenses which aggregate not less than the estimated amount of bonds.

(c) Sufficient other information as is necessary to the determinations required to be made by subdivision (c) of Section 91530.

An application may be amended, supplemented, or clarified from time to time, with any information that is required for the making of the determinations desired at the time, in accordance with procedures established by the authority.

(Amended by Stats. 2018, Ch. 645, Sec. 2. (AB 1547) Effective September 21, 2018.)

91530. (a) Applications for projects or companies not in accordance with the reasonable priorities and criteria that an authority may establish need not be accepted and further processed by an authority.

(b) Acceptance of any application in no way obligates an authority to adopt a resolution of intention or undertake the project proposed.

(c) Upon acceptance of any application and request of a company, the board shall determine whether it is likely that the undertaking of the project by the authority will be a substantial factor in the accrual of one or more of the public benefits from the use of the facilities, including equipment, as proposed in the application, whether the activities or uses are in accord with Section 91503, and whether the project is otherwise in accord with the purposes and requirements of this title.

(d) Upon affirmative determinations under subdivision (c), the board may express the present intention of the authority to issue bonds in connection with the project and shall evidence the same by the adoption of a resolution of intention to undertake the project. The resolution of intention shall briefly describe the facilities, state the estimated principal amount of the bond issue (which estimate shall not limit the amount of bonds which may be issued), indicate whether it is expected that the bonds will be tax-exempt or taxable, and identify the company that is the applicant, and may include other provisions as the board shall prescribe.

(e) A notice of the filing of an application, naming the company that is the applicant, briefly describing the facilities, stating the estimated principal amount of the bond issue and referring to the application for further particulars, shall be published by the secretary of the authority pursuant to Section 6061, and in the event the facilities are proposed to be located in a city and the project is proposed to be undertaken by an authority the jurisdiction of which is countywide, a copy of the notice shall be mailed by the secretary of the authority to the governing body of the city. Any amendment, supplement, or clarification of an application that changes the company that is the applicant, the description of the facilities, or the estimated principal amount of the bond issue, as previously noticed, shall be noticed in the same manner.

(f) A copy of the application shall be filed with the public agency. The authority shall not issue bonds with respect to any project unless the public agency shall approve, conditionally or unconditionally, the project, including the issuance of bonds therefor. Action to approve or disapprove a project shall be taken within 45 days of the filing with the public agency. Certification of approval or disapproval shall be made by the clerk of the public agency to the authority. If the governing body has declared itself to be the board

pursuant to Section 91523, the approvals and other actions required of the authority or the public agency by this section may be taken and performed on a joint and consolidated basis, as may be deemed practicable in the discretion of the public agency.

(g) A resolution of intention may be revoked, amended, supplemented or clarified by the board, at any time prior to entry into the project agreements. The project agreements, indenture, bonds and other proceedings shall be consistent with the resolution of intention, and shall supersede it except to the extent otherwise expressed.

(Amended by Stats. 2010, Ch. 328, Sec. 104. (SB 1330) Effective January 1, 2011.)

91533. Authorities shall undertake projects by entry into project agreements in substance not inconsistent with the following:

(a) The company shall comply with (or cause to be complied with) all legal requirements relating to the project and the operation, repair, and maintenance of the facilities, including (1) obtaining any rezonings or variances, building, development, and other permits and approvals, and licenses and other entitlements for use, without regard to any exemption for public projects and (2) securing the issuance of any certificates of need, convenience, and necessity or other certificates or franchises; and shall provide satisfactory evidence of compliance.

(b) The company shall comply with all conditions imposed by the public agency in its approval of the project pursuant to subdivision (f) of Section 91530.

(c) The company shall provide, or cause to be provided by others, all amounts required for the project and all property relating to the project that are not to be provided as or by expenditure of bond proceeds, and in the case of any amounts and property that the company proposes to cause to be provided by others, as by contract, grant, subsidy, loan, or other form of assistance, shall provide satisfactory evidence that those amounts and property will be provided when required.

(d) Expenditure of bond proceeds shall be supervised to assure proper application to the project.

(e) The company shall at its own expense insure, repair, and maintain the facilities, pay taxes with respect to its interests in the property relating to the project as Part 1 (commencing with Section 101) of Division 1 of the Revenue and Taxation Code requires, and pay assessments and other public charges secured by liens, upon those interests as constitute the tax base for property taxation on the same basis as other property, or shall cause the same to be provided by others to the satisfaction of the authority.

(f) The amounts payable pursuant to the project agreements to or for the benefit of an authority shall in the aggregate not be less than amounts sufficient (1) to pay any bonds that shall be issued by the authority to pay the cost of the project, (2) to maintain any required reserves, (3) to make payments as may be required into any sinking fund or other similar fund, and (4) to pay those administration expenses that relate to the administration of the project agreements, the indenture, and the bonds.

(g) The term shall extend at least until the date on which all those bonds and all other obligations incurred by an authority in connection with a project shall have been paid in full or adequate funds for that payment shall have been otherwise provided.

(h) The additional provisions as in the determination of the board are necessary or appropriate to effectuate the purposes of this article, including provisions for the following:

(1) For payments pursuant to the project agreements that include amounts for administration expenses in addition to the amounts that the agreement is required to obligate the company or others to pay.

(2) For payment before a facility exists or becomes functional, or after a facility has ceased to exist or be functional to any extent and from any cause.

(3) For payment whether or not the company is in possession or is entitled to be in possession of the facilities or for payment in the event of sale or other transfer of ownership of or the encumbering of the facilities.

(4) Relating to the carrying out and completion of the project, including the allocation of responsibility between the authority and the company regarding the payment of administrative expenses and costs of issuance, the acquisition of property, the making of other purchases, the contracting for construction of the facilities, with or without competitive bidding, and the payment therefor and the designation of particular deposits or investments otherwise authorized for the deposit, investment, and reinvestment of revenues.

(5) That some or all of the obligations of a company shall be unconditional and shall be binding and enforceable in all circumstances whatsoever notwithstanding any other law.

(6) Relating to the use, maintenance, repair, insurance, and replacement of property relating to the project, such as the authority and the company deem necessary for the protection of themselves or others, including, but not limited to, liability insurance, and indemnification in the event of default.

(7) Defining events of default and providing remedies therefor, which may include an acceleration of future payments thereunder.

(i) The company shall provide for the payment of relocation assistance as provided by Chapter 16 (commencing with Section 7260) of Division 7 of Title 1, and shall reimburse the authority or the public agency, as the case may be, for relocation assistance services, and notwithstanding any other provision of this title, the authority shall determine that those services are provided and that relocation assistance payments are made.

(j) Notwithstanding any other provision of this title, projects undertaken and carried out pursuant to this title shall be consistent with the requirements of the general plan as contained in Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 at the time of entry into the project agreement, or in the event inconsistent at that time, then at the time of delivery of any bonds.

(k) The company may, pursuant to project agreements, provide or cause to be provided other security, such as, but not limited to, an agreement of guaranty, either of itself or another person, or other consideration directly to the bondholders, their agent or the trustee under an indenture, and neither the company nor any such other person shall be precluded by the project agreements from having other contractual relationships with those bondholders or that agent or trustee.

(l) Authorities shall require, whether or not authorities, companies, or others are the contract-awarding bodies, that on any construction, improvement, reconstruction, or rehabilitation financed in whole or in part by means of bonds issued pursuant to this title, the resolution of intention for which is adopted on or after January 1, 1983, all workers employed in that work, exclusive of maintenance work, shall be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work. Those rates shall be determined by the Director of Industrial Relations in accordance with the standards set forth in Section 1773 of the Labor Code. The director's determination shall be final, and Sections 1773.1, 1773.5, 1774, and 1776 (excepting subdivision (f) of Section 1776) of the Labor Code shall apply.

(Amended by Stats. 2010, Ch. 328, Sec. 105. (SB 1330) Effective January 1, 2011.)

91534. No company shall, by reason of any project agreement, be deemed the agent of an authority in the carrying out of such agreement unless (and in such case only to the extent) such agreement specifically provides otherwise.

(Added by Stats. 1980, Ch. 1358.)

91535. (a) All bonds issued by an authority in connection with a project shall be special obligations, only, of the authority, payable solely out of the revenues or out of the other sources specified in the proceedings.

(b) The bonds prescribed by subdivision (a) may:

(1) Be executed and delivered by the authority at any time and from time to time;

(2) Be in such type and denominations and of such terms and maturities;

(3) Be in registered or bearer form either as to principal or interest or both and carry such conversion and reconversion privileges;

(4) Be payable as term bonds or in such installments and at such time or times not exceeding 40 years from the date thereof;

(5) Be payable in such mediums and at such place or places within or without the state;

(6) Be sold below par or face value thereof, but the sale price of tax-exempt bonds shall not be less than 95 percent of the par or face value of the bond;

(7) Be exchangeable for, or issuable in lieu of, such bonds;

(8) Be issuable in temporary form pending preparation of and exchange for definitive bonds; and

(9) Be executed by such officers, be authenticated, and contain such provisions not inconsistent with this article; all as shall be provided in the proceedings.

(c) If deemed advisable by the board, there may be retained in or granted by the proceedings an option to redeem or to cause to be redeemed prior to maturity all or any part of any bonds as may be specified in the proceedings, at the price or prices and after any notice or notices and on any terms and conditions which may be set forth in the proceedings and as may be briefly recited in the bond. Nothing in this title shall be construed to confer on an authority or any bondholder or trustee any right or option to redeem or cause the redemption of any bonds, except as may be provided in the proceedings under which they shall have been issued.

(d) Issuance by an authority of one or more issues of bonds for one or more purposes shall not preclude it from issuing other bonds in connection with the same project or any other project, subject to any agreements with bondholders which may then exist.

(e) Any bonds of an authority at any time outstanding may at any time, and from time to time, be refunded, including the payment of any redemption premium and accrued interest to the date of redemption, by an authority by the issuance of its refunding bonds in any amount which the board may deem necessary or appropriate. Bonds may be issued as one issue for refunding and other authorized purposes. Any refunding may be effected whether the bonds to be refunded shall have then matured or shall thereafter mature, either by sale of the refunding bonds and the application of the proceeds to the payment, purchase or redemption of the bonds to be refunded thereby or to the deposit or investment in securities or obligations yielding amounts sufficient to pay or redeem the bonds to be refunded thereby, or by the exchange of the refunding bonds for the bonds to be refunded thereby or bonds and claims with the consent of the holders of the bonds so to be refunded and with such cash or property adjustments as may be agreed, and regardless of whether or not the bonds proposed to be refunded shall be payable at the same date or different dates or shall be due serially or otherwise.

(f) Each bond shall be deemed to be an investment security under the Uniform Commercial Code and a negotiable instrument, subject only to any provisions thereof for registration or other provisions restricting transfer, and shall be deemed to have been issued for an authorized purpose of the authority in exercise of the powers granted by this article, provided that the board so determines in the proceedings and the determination is recited in the bond.

(Amended by Stats. 1987, Ch. 1109, Sec. 8. Effective September 25, 1987.)

91536. In the discretion of an authority, any bonds issued under the provisions of this title may be secured by an indenture. Such indenture may vest in bondholders the right to remove and appoint a new trustee or agent. The trustee or agent may at any time own all or any part of the bonds, unless otherwise provided in the indenture. Such indenture may vest in such trustee, bondholder, or agent, as provided therein, property, rights, powers and duties, and may pledge, encumber, or assign the revenues, the project agreements and any other rights as security for the bonds and for the benefit of the bondholders, subject to such agreements with bondholders as may then exist. Such indenture may contain covenants of the authority as to the acquisition of property, the disposition of any property, or part thereof, the subjecting of additional property thereto or to the lien thereof, the issuance of additional bonds, the custody, deposit, investment and application of all moneys, the creation and maintenance of reserves, the disposition of insurance or condemnation proceeds, and the use of surplus bond proceeds. Any such indenture may define events of default thereunder, which may include events of default of a company under the project agreements, may specify the action to be taken by the trustee, bondholder, or agent upon an event of default, may set forth the rights and remedies of the bondholders and of the trustee or agent, and may, in the case of a trustee, restrict the individual right of action by bondholders. In addition, any such indenture may contain such other provisions as the board may deem reasonable and proper and which relate in any way to the security or protection of bondholders. All expenses incurred in carrying out the provisions of such indenture shall be treated as an administration expense. Any lien or other interest established by any indenture shall be valid and binding from the date thereof, and any revenues or amounts to cover administration expenses thereafter received by, or on behalf of, an authority or trustee or agent thereunder shall immediately be subject to the lien thereof or other interest established thereby without any further act, which lien or other interest shall be valid and binding as against all persons, irrespective of notice, without any filing or recording except a filing in the records of the authority. If so provided in the indenture, all or designated revenues shall further be deemed to be trust funds and shall be held and applied solely as provided in such indenture, and no bondholder shall, as such, be in any manner obligated to see to the proper application thereof.

(Amended by Stats. 1982, Ch. 1605, Sec. 13.)

91537. The issuance of bonds shall be authorized by resolution of the board adopted at any time following the determinations provided for in subdivision (j) of Section 91527 or Section 91530. The resolution may, as the board deems advisable and in accordance with the provisions of this article, provide for, or authorize the execution of a loan agreement, the repayment obligation of which is evidenced by the bonds, providing for, or authorize the execution of an indenture providing for:

- (a) The fixing and collection of revenues;
- (b) The creation and maintenance of special funds, including reserve and sinking funds;
- (c) Limitations on expenditures of bond proceeds;
- (d) The procedure, if any, by which any contract represented by bonds may be amended or abrogated;
- (e) The acts and omissions which shall constitute, and the rights and remedies available, in an event of default. In such an event of default, the obligations of the authority may be enforced, as appropriate, by mandamus, by the appointment of a receiver, by foreclosure or sale, by injunction, by specific performance, by equitable relief, or by any one or more of such remedies or any other remedy; and
- (f) Any additional matters authorized to be included in an indenture or which relate to the security, protection, or return of bondholders.

(Amended by Stats. 1982, Ch. 1605, Sec. 14.)

91537.5. The bonds may bear interest on the amount or amounts, payable at the time or times, evidenced in the manner and at the fixed or variable rate or rates as shall be established by or pursuant to a method approved by the board, but the maximum rate of interest to be paid on any tax-exempt bonds shall not exceed 12 percent per annum or such higher rate as is at the time of accrual of interest then stated in Section 53531 or other applicable law. In the case of taxable bonds, or tax-exempt bonds the interest on which becomes includable in federal gross income after original issuance, the maximum rate of interest to be paid on the bonds shall not exceed 16 percent per annum. Project agreements may bear up to the same rate of interest as the underlying bonds.

(Amended by Stats. 1987, Ch. 1109, Sec. 9. Effective September 25, 1987.)

91538. Bonds may be sold at the prices that the board directs, at public or private sale, subject to subdivision (b) of Section 91535.

(Amended by Stats. 2009, Ch. 648, Sec. 11. (AB 1009) Effective November 5, 2009.)

91539. Notwithstanding any other provision of law:

(a) Authorities and their revenues, amounts for administration or costs of issuance expenses, and any other income shall be exempt from all taxes on, or measured by, income.

(b) Bonds issued by authorities shall be exempt from all property taxation and the interest on such bonds shall be exempt from all taxes on income.

(c) All property owned by authorities shall be exempt from property taxes, assessments, and other public charges secured by liens.

(d) All interests of companies in the property of projects shall, for purposes of property taxation, be subject to the provisions of Division 1 (commencing with Section 101) of the Revenue and Taxation Code, and such interests as constitute the tax base for property taxation shall be subject to such assessments and charges on the same basis as other property.

(e) "Sale" and "purchase," for the purposes of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code, do not include any lease or transfer of title of tangible or intangible personal property constituting any project or facility to an authority by a company, nor any lease or transfer of title of tangible or intangible personal property constituting any project or facility by such authority to any company, when the transfer or lease is made pursuant to this title.

(Amended by Stats. 2009, Ch. 648, Sec. 12. (AB 1009) Effective November 5, 2009.)

91540. (a) All property, revenues, and funds, owned or possessed by an authority for the purposes of this title, shall be exempt from levy and sale by virtue of execution or other judicial process. Execution or other judicial process shall not issue against such property, revenues, or funds nor shall any judgment against an authority be a charge or lien upon such property, revenues, or funds.

(b) This section does not apply to or limit the right of obligees to enforce, as appropriate, any indenture or the right of obligees to pursue any remedies for the enforcement of any assignment by an authority of or any pledge or lien given by an authority on revenues, project agreements, administration expenses or any other assets.

(c) This section does not apply to interests of companies.

(Amended by Stats. 1982, Ch. 1605, Sec. 16.)

91541. (a) None of the bonds of an authority or any other obligations of an authority shall be deemed to constitute a debt or liability of the state or any public agency, or a pledge of the faith and credit of the state or any public agency, but shall be payable solely from the funds provided therefor in the proceedings.

(b) The issuance of bonds shall not directly or indirectly or contingently obligate the state or any public agency to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment.

(c) All bonds shall contain on the face thereof a statement to the following effect:

"Neither the faith and credit nor the taxing power of the State of California or the (insert name of public agency) is pledged to the payment of the principal of, premium, if any, or interest on any bond, nor is the state or such (insert "city," "county," or "city and county" as appropriate) in any manner obligated to make any appropriation for payment."

(d) Neither the members of governing bodies or of boards nor any persons executing the bonds shall in any event be subject to any personal liability or accountability by reason of the issuance of those bonds.

(e) The bonds shall be only a special obligation of an authority as provided by subdivision (a) of Section 91535, and an authority shall under no circumstances be obligated to pay bonds or project costs (other than administration expenses), except from revenues and other funds received under the project agreements for those purposes, nor to pay administration and costs of issuance expenses except from funds received under project agreements for those purposes or from funds that are made available as otherwise authorized by the proceeding or by law. All bonds shall contain on the face thereof a statement of their special obligation nature.

(Amended by Stats. 2009, Ch. 648, Sec. 13. (AB 1009) Effective November 5, 2009.)

91542. At such time as all obligations under the project agreements respecting any particular project have been satisfied or otherwise discharged or adequately provided for and all the bonds issued to finance such project have been repaid or payment thereof has been adequately provided for, and all other obligations of the authority of any nature whatsoever with respect to such project have been satisfied or otherwise discharged or adequately provided for, the authority is authorized to execute such deeds and conveyances as may be necessary to convey the funds and property provided by the project agreements to be conveyed to the company and shall deliver and pay over to the public agency any remaining funds and properties of the authority which were derived from or are attributable to such project.

(Amended by Stats. 1982, Ch. 1605, Sec. 17.)

91543. All general or special laws or parts thereof inconsistent with this title shall be inapplicable to the exercise of any of the powers conferred under the provisions of this title. Without limiting the generality of the foregoing, the provisions of Divisions 3 (commencing with Section 11000), 4 (commencing with Section 16100), and 5 (commencing with Section 18000) of Title 2 of this code, relating to the executive department of the state, and of Division 13 (commencing with Section 21000) of the Public Resources Code, shall not be applicable to authorities.

(Amended by Stats. 1982, Ch. 1605, Sec. 18.)

91544. (a) Whenever the governing body, by ordinance, shall declare that there is no longer a need for an authority to, and that the authority shall not further, function, thereafter the authority shall transact no further business and exercise no further powers, the offices shall be deemed vacated, and all funds and properties shall vest in the public agency. Any net earnings of an authority shall, pursuant to this section or Section 91542, inure solely to the benefit of the public agency and not to the benefit of any company or other private person. The ordinance shall be subject to referendum in the manner prescribed by law for ordinances of the public agency. The adoption of such an ordinance shall not preclude the subsequent adoption of an ordinance pursuant to Section 91520.

(b) The state may, by appropriate legislation at any time and at its sole discretion, alter or change, consistent with the other provisions of this title, the structure, organization, programs, or activities of authorities, including cause their dissolution. Any funds or properties, or net earnings, of an authority shall, upon dissolution, be disposed of as provided in subdivision (a).

(Added by Stats. 1980, Ch. 1358.)

91545. Any action pursuant to Section 91544 shall have no effect on, and shall not be deemed to impair, any contracts previously entered into by an authority, including any bonds theretofore issued or other obligations theretofore incurred (relating to the subsequent issuance of bonds or otherwise), and, in the event that at the time of the taking of such action any such contracts remain unsatisfied or otherwise undischarged, the governing body shall, in such ordinance, or by other appropriate means in the event of state action and a failure of the state to provide otherwise, make provision for their satisfaction or discharge, and to that end, the public agency may undertake any performance or observance the authority is authorized to perform or observe relating to their satisfaction or discharge.

(Added by Stats. 1980, Ch. 1358.)

91546. This title, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect its purposes.

(Added by Stats. 1980, Ch. 1358.)

91547. The State of California does hereby pledge to and agree with the holders of any bonds issued, and with those companies which may enter into project agreements with authorities, pursuant to the provisions of this article, that the state will not alter or change the structure, organization, programs, or activities hereby vested in public agencies or authorities until such bonds are fully met or discharged and such project agreements are fully performed or discharged, on the part of authorities or public agencies, as the case may be; provided, however, that nothing herein contained shall preclude such alteration or change, if, and when, adequate provision shall have been made by law for the protection from impairment of the contracts represented by such bonds and project agreements, and such right to so alter or change is hereby reserved. Authorities are authorized to include this pledge and undertaking of the state in such bonds and project agreements.

(Added by Stats. 1980, Ch. 1358.)

91548. An action may be brought pursuant to Chapter 9 (commencing with Section 860) of Part 2 of Title 10 of the Code of Civil Procedure, to determine the validity of bonds, proceedings, project agreements, or indentures, including, without limiting the generality of the foregoing, the legality of all proceedings theretofore taken for or in any way connected with the establishment of the authority and its authorization to transact business and exercise its powers, and also including the legality of all proceedings, as proposed to be taken in the proceedings, project agreements, and indentures theretofore undertaken, for the authorization,

issuance, sale, and delivery of bonds and the payment thereof and interest thereon, and all such matters respecting which an action may be brought pursuant to such chapter shall be subject to the provisions thereof regarding validity and incontestability.

(Added by Stats. 1980, Ch. 1358.)

91549. (a) Except as may be authorized by other state legislation, this title provides the exclusive authority of public agencies for the undertaking, carrying out, and completion of projects authorized by this title.

(b) Except as limited by subdivision (a), the authorizations of this title shall be regarded as supplemental and additional to powers conferred by other laws. However, all projects authorized by this title which are undertaken, carried out, or completed by redevelopment agencies shall be subject to the terms and limitations of this title, notwithstanding the authorities and provisions created by and under other laws.

(c) In the exercise of any of the powers conferred, including powers relating to the offer, issuance, and sale of bonds, under this title, authorities need not comply with any law applicable to the exercise of similar powers except as referred to in this article.

(d) A charter city which is otherwise authorized to undertake, carry out and complete projects hereunder authorized need not comply with this title as to warehousing activities.

(Amended by Stats. 1987, Ch. 1109, Sec. 11. Effective September 25, 1987.)