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TITLE 11. CALIFORNIA PASSENGER RAIL FINANCING COMMISSION ACT [92000 - 92354] (Title 11 added by Stats. 1982, Ch. 1553, Sec. 2.)

CHAPTER 6. Construction and Lease of Facilities [92300 - 92310] (Chapter 6 added by Stats. 1982, Ch. 1553, Sec. 2.)

92300. The commission may contract with any participating party for the construction of a project by the participating party.

All contracts for the construction of a project by a participating party shall provide that the participating party shall be responsible for the architectural and engineering design and for the construction and completion thereof, subject to those standards for architectural and engineering design that may be established, and subject to any supervision that the commission deems necessary.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92301. The commission may agree to pay the cost of a project constructed by any participating party and to advance the costs from time to time in installments or otherwise as required by the contract for the construction thereof.

Title to all projects shall be vested in the commission, subject to the terms of any lease thereof to the participating party or the rights of a participating party under any contract for the purchase of the project, including the payment of the purchase price under installment sales contracts.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92302. The commission may, as lessor or lessee, enter into leases and agreements with any participating party relating to the acquisition, construction, and installation of any project or part thereof.

The terms and conditions of the leases may be as mutually agreed upon.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92303. Any lease may provide the means or methods by which title shall vest in a participating party upon the termination of the lease and shall contain other terms and conditions that the commission may determine.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92304. The commission may fix, revise, charge, and collect rates, rents, fees, and charges for each project.

The rates, rents, fees, and charges shall be fixed and adjusted with respect to the aggregate of rates, rents, fees, and charges from all projects so as to provide funds sufficient with other revenues and moneys available therefor, if any, to do all of the following:

(a) Pay the principal of, and the interest on, outstanding bonds, notes, or other evidences of indebtedness of the commission financing project that shall become due and payable.

(b) Create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, the bonds, notes, or other evidences of indebtedness. A sufficient amount of the revenues derived from a project may be set aside at such regular intervals as may be provided in the resolution or trust agreement in a sinking or other similar fund which is hereby pledged to, and charged with, the payment of the principal of, and interest on, the bonds, notes, or other evidences of indebtedness as they become due, and the redemption price or the purchase price of bonds, notes, or other evidences of indebtedness retired by call or purchase as therein provided. The pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees, and charges and other revenues or other moneys so pledged and thereafter received by the commission shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commission, regardless of whether the parties have notice thereof. No resolution, trust agreement or other agreement, or lease by which a pledge is created need be filed or recorded except in the records of the commission. The use and disposition of money to the credit of sinking or other similar

fund shall be subject to the resolution authorizing the issuance of the bonds or of the trust agreement. Except as may be otherwise provided in the resolution or the trust agreement, the sinking or other similar fund may be a fund for all bonds, notes, or other evidences of indebtedness of the commission financing projects of a particular participating party without distinction or priority of one over another. However, the commission, in any resolution or trust agreement, may provide that the sinking or other similar fund shall be the fund for a particular project or projects and for the bonds financing a particular project or projects and may, additionally, permit and provide for the issuance of bonds having a subordinate lien with respect to the security authorized for other bonds, notes, or other evidences of indebtedness of the commission, and, in such case, the commission may create separate sinking or other similar funds for the subordinate lien bonds, notes, or other evidences of indebtedness.

(c) Pay operating and administrative costs of the commission.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92305. The commission may enter into contracts of sale with any participating party covering any project financed by the commission.

The purchase price pursuant to the contract of sale shall be sufficient to provide funds for all the purposes provided in Section 92304 and may be paid in installments, together with interest on the unpaid balance, or otherwise, as may be mutually agreed and set forth in the contract of sale.

All payments received by the commission under any installment sale or conditional sales contract shall be applied by the commission substantially in the same manner as provided in Section 92302 in the case of lease payments or rental charges received by the commission.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92306. As an alternative to leasing or selling a project or part thereof to a participating party, the commission may finance the acquisition, construction, or installation of a project, or any part thereof, by means of a loan to the participating party.

The principal amount of the participating party's obligation as borrower shall be sufficient to provide funds for all the purposes specified in subdivisions (a), (b), and (c) of Section 92304 and may be paid in installments, together with interest on the unpaid balance, or otherwise as may be mutually agreed by the commission and the participating party and set forth in the loan agreement.

Loans made pursuant to this section may be secured or unsecured, in the discretion of the commission.

Section 92300 shall not be applicable to projects constructed with moneys loaned pursuant to this section.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92307. All money received pursuant to this title, whether as proceeds from the sale of bonds, notes, or other evidences of indebtedness or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this title.

Any bank or trust company with which the money is deposited shall act as trustee of the money and shall hold and apply it for the purposes hereof, subject to the resolution authorizing the bonds of any issue or the trust agreement securing the bonds may provide.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92308. Any holder of bonds, notes, or other obligations issued under this title, or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any trust agreement securing, the bonds, notes, or other obligations, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder, or under the resolution or trust agreement, and may enforce and compel the performance of all duties required by this title, or by resolution or trust agreement, to be performed by the commission or by an officer, employee, or agent thereof, including the fixing, charging, and collecting of the rates, rents, fees, and charges authorized by this title and required by the resolution or trust agreement to be fixed, established, and collected.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)

92309. Notwithstanding any other provision of law:

(a) The commission and its revenues, amounts for administration expenses, and any other income shall be exempt from all taxes on, or measured by, income.

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

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

(d) All interest of the participating party in the property of any project shall, for purposes of property taxation, be subject to Division 1 (commencing with Section 101) of the Revenue and Taxation Code, and the interests that constitute the tax base for property taxation is subject to 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 personal property constituting any project or facility to the commission by a participating party, nor any lease or transfer of title of tangible personal property constituting any project or facility by the commission to a participating party, when the transfer or lease is made pursuant to this title.

(Amended by Stats. 2006, Ch. 538, Sec. 340. Effective January 1, 2007.)

92310. Subject to Section 92352, the existence of the commission may be terminated at any time by the Legislature. Upon dissolution of the commission, the title to all properties owned by it shall vest in and become the property of the State of California and shall not inure to the benefit of any private party.

(Added by Stats. 1982, Ch. 1553, Sec. 2.)