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TITLE 17. CALIFORNIA FISCAL RECOVERY FINANCING ACT [99000 - 99047] (Title 17 added by Stats. 2003, 1st Ex. Sess., Ch. 13, Sec. 2.)

CHAPTER 1. General Provisions [99000 - 99003] (Chapter 1 added by Stats. 2003, 1st Ex. Sess., Ch. 13, Sec. 2.)

99000. This title shall be known and may be cited as the California Fiscal Recovery Financing Act.

(Added by Stats. 2003, 1st Ex. Sess., Ch. 13, Sec. 2. Effective October 28, 2003.)

99001. It is the intent of the Legislature in enacting this title to provide for an efficient, equitable, and economical means of funding the accumulated budget deficit in order to preserve public education and critical health and safety programs.

(Added by Stats. 2003, 1st Ex. Sess., Ch. 13, Sec. 2. Effective October 28, 2003.)

99002. The Legislature finds and declares as follows:

(a) The bonds authorized to be issued by the authority under this title, and any ancillary obligations entered into with respect to the bonds, are not a debt or liability of the state subject to Section 1 of Article XVI of the California Constitution. The appropriation, if any, by the Legislature of special sales tax revenues to the California Fiscal Recovery Financing Authority created in Section 99004 is not payment on a debt or liability of the state subject to Section 1 of Article XVI of the California Constitution.

(b) Temporary special sales tax revenues deposited in the Fiscal Recovery Fund created in Section 99008 do not constitute General Fund revenues for the purposes of Section 8 of Article XVI of the California Constitution or any other provision of law.

(c) It is the intent of the Legislature that the moneys deposited in the Fiscal Recovery Fund shall not be available for any purpose other than payment of the principal, interest, premium, if any, and replenishment of reserves of the bonds, payment of ancillary obligations, or payment of administrative expenses of the California Fiscal Recovery Financing Authority.

(d) It is the intent of the Legislature that the proceeds of the bonds issued pursuant to this title shall be used solely to eliminate the accumulated budget deficit identified as of June 30, 2003, or to refund outstanding bonds issued for that purpose. It is further the intent of the Legislature that any bonds issued pursuant to this title, and any ancillary obligations entered into in relation to those bonds, be repaid in the shortest practicable time consistent with favorable bond ratings and marketing considerations. Any legislation that results in an extension of the period during which the additional special sales taxes provided for in Sections 6051.5 and 6201.5 of the Revenue and Taxation Code are imposed beyond the time necessary to satisfy any obligations incurred to eliminate the accumulated budget deficit identified as of June 30, 2003 shall be deemed to be an increase in taxes requiring a two-thirds vote of each house of the Legislature.

(e) It is the intent of the Legislature that the only appropriation made by this title is set forth in subdivision (d) of Section 99008.

(Added by Stats. 2003, 1st Ex. Sess., Ch. 13, Sec. 2. Effective October 28, 2003.)

99003. Unless the context requires otherwise, the following definitions shall govern the construction of this title:

(a) "Accumulated budget deficit" means the estimated negative balance, excluding any projected deficit financing proceeds, of the Special Fund for Economic Uncertainties as of June 30, 2003, as certified by the Director of Finance prior to the issuance of any bonds pursuant to this title.

(b) "Ancillary obligation" means the obligation of the authority under any of the following, entered into by the authority in connection with any bonds issued under this title:

(1) A credit enhancement or liquidity agreement, including any credit enhancement or liquidity agreement in the form of bond insurance, letter of credit, standby bond purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement.

(2) A remarketing agreement.

(3) An auction agent agreement.

(4) A broker-dealer agreement or other agreement relating to the marketing of the bonds.

(5) An interest rate or other type of swap or hedging contract.

(6) An investment agreement, forward purchase agreement, or similar structured investment contract.

(c) "Authority" means the California Fiscal Recovery Financing Authority created by Section 99004.

(d) "Available revenues" means the special sales tax revenues appropriated pursuant to this title by the Legislature to pay principal, interest, premium, if any, replenishment of reserves, and any related costs on the bonds issued pursuant to this title or to pay amounts relating to any ancillary obligations, together with any reserves or other amounts that have been deposited with the trustee to pay the bonds or to pay ancillary obligations and any investment earnings on any of those funds. Notwithstanding any other provision of law, the Legislature shall not be obligated to appropriate or otherwise make available any other funds to pay the bonds or to pay ancillary obligations.

(e) "Board" means the State Board of Equalization.

(f) "Bonds" means any bonds, notes, bond anticipation notes, interim certificates, debentures, or similar instruments issued by the authority pursuant to this title.

(g) "Fiscal Recovery Fund" means the special fund created by Section 99008.

(h) "Indenture" means any resolution, trust agreement, indenture, certificate, or other instrument authorizing the issuance of bonds by the authority pursuant to this title, and providing for their security and repayment.

(i) "Special sales tax revenues" means the proceeds of that portion of the sales and use tax temporarily imposed by the state pursuant to Section 6051.5 or 6201.5 of the Revenue and Taxation Code.

(j) "Trustee" means the Treasurer or a bank or trust company within or without the state acting as trustee for any issue of bonds under this title and, if there is more than one issue of bonds, shall refer to the trustee for each issue of bonds respectively. In the event there are cotrustees for an issue of bonds, "trustee" shall refer to those cotrustees collectively.

(Added by Stats. 2003, 1st Ex. Sess., Ch. 13, Sec. 2. Effective October 28, 2003.)