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**GOVERNMENT CODE - GOV**

**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]** ( Title 2 enacted by Stats. 1943, Ch. 134. )

**DIVISION 1. GENERAL [8000 - 8899.95]** ( Division 1 enacted by Stats. 1943, Ch. 134. )

**CHAPTER 12.49. The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 [8879.20 - 8879.37]** ( Chapter 12.49 added by Stats. 2006, Ch. 25, Sec. 1. )

**ARTICLE 3. Fiscal Provisions [8879.25 - 8879.37]** ( Article 3 added by Stats. 2006, Ch. 25, Sec. 1. )

**8879.25.** Bonds in the total amount of nineteen billion nine hundred twenty-five million dollars (\$19,925,000,000), exclusive of refunding bonds, or so much thereof as is necessary, are hereby authorized to be issued and sold for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual payment of both principal and interest thereof.

(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)

**8879.26.** The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4), except subdivision (a) of Section 16727 to the extent that subdivision is inconsistent with this chapter, and all of the other provisions of that law as amended from time to time apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)

**8879.27.** (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Committee is hereby created. For the purposes of this chapter, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, and the Secretary of Transportation, or a designated representative of each of those officials. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) The committee may adopt guidelines establishing requirements for administration of its financing programs to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(c) For the purposes of the State General Obligation Bond Law, any department receiving an allocation pursuant to this chapter is designated to be the "board."

(Amended by Stats. 2013, Ch. 352, Sec. 224. (AB 1317) Effective September 26, 2013. Operative July 1, 2013, by Sec. 543 of Ch. 352. Note: This section was added by Stats. 2006, Ch. 25, and approved in Prop. 1B on Nov. 7, 2006.)

**8879.28.** Upon request of the board stating that funds are needed for purposes of this chapter, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 8879.23, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and are not required to be sold at any one time. Bonds may bear interest subject to federal income tax.

(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)

**8879.29.** There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds as provided

herein, and all officers required by law to perform any duty in regard to the collections of state revenues shall collect that additional sum.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*

**8879.30.** Notwithstanding Section 13340, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 8879.32, appropriated without regard to fiscal years.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*

**8879.31.** The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount withdrawn pursuant to Section 8879.32. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated in accordance with this chapter.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*

**8879.32.** For the purpose of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds which would otherwise be deposited in that fund.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*

**8879.33.** The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of this act shall constitute approval of any refunding bonds issued pursuant to the State General Obligation Bond Law.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*

**8879.34.** Notwithstanding any provisions in the State General Obligation Bond Law, the maximum maturity of any bonds authorized by this chapter shall not exceed 30 years from the date of each respective series. The maturity of each series shall be calculated from the date of each series.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*

**8879.35.** The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*

**8879.36.** Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*

**8879.37.** All money derived from premium and accrued interest on bonds sold pursuant to this chapter shall be transferred to the General Fund as a credit to expenditures for bond interest.

*(Added by Stats. 2006, Ch. 25, Sec. 1. Approved in Proposition 1B at the November 7, 2006, election.)*