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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 3. EXECUTIVE DEPARTMENT [11000 - 15990.3]** ( Division 3 added by Stats. 1945, Ch. 111. )

**PART 10b. STATE BUILDING CONSTRUCTION [15800 - 15849.7]** ( Part 10b added by Stats. 1955, Ch. 1686. )

**CHAPTER 3. Construction and Leasing of Public Buildings [15816 - 15819]** ( Chapter 3 added by Stats. 1955, Ch. 1686. )

**15816.** (a) When any public building has been acquired or constructed by the board, and the revenues, rentals, or receipts from the operation of the public building are no longer required or pledged for the payment of principal or interest on any of the certificates or revenue bonds of the board undertaken under this part, the public building shall be under the jurisdiction of, and operated and maintained by, the state agency that had jurisdiction of the property prior to the board's financing of the public building.

(b) If at any time funds are available by law to retire any certificates or revenue bonds issued to defray the cost of any public building, these funds shall be applied to the redemption of certificates or revenue bonds secured by the rentals and revenues from that public building.

(Amended by Stats. 2015, Ch. 14, Sec. 3. (AB 114) Effective June 24, 2015.)

**15817.** Any state agency may lease, as lessee or lessor, and the board may lease, as lessee or lessor, any public building for a term not exceeding 35 years from the date of occupancy at such rentals as are determined by the board. Rentals under a lease shall commence upon the date of occupancy, irrespective of whether the public building has been finally accepted by the state agency. These leases do not require the approval of the Director of General Services.

(Amended by Stats. 2010, Ch. 726, Sec. 9. (AB 1620) Effective October 19, 2010.)

**15817.1.** (a) Exclusively for the purpose of facilitating the financing of public buildings pursuant to this part through the issuance of revenue bonds, notes, or certificates by the board, and notwithstanding any other law, the board may acquire by lease from any state agency public buildings identified by, and under the jurisdiction or control of, the state agency, and, in that connection, the board may then lease those public buildings back to the state agency and may pledge the revenues, rentals, or receipts to the lease to secure the repayment of revenue bonds, notes, or certificates issued by the board. The board is not required to apply the proceeds of the board's bonds, notes, or certificates to acquire, design, construct, or otherwise improve the same public buildings that are leased pursuant to this section. In each case, the lease shall provide rental provisions, term, payment, security, default, remedy, and other terms or provisions as may be specified in the lease or other agreement or agreements between the board and the state agency and may provide for the substitution of other public buildings for the public buildings initially leased by the board and the state agency pursuant to this section. The public buildings that are leased pursuant to this section may be existing public buildings, as determined by the board and the state agency, and which the board and the state agency also determine to have both of the following:

(1) A fair rental value that is consistent with the principal amount of the bonds, notes, or certificates of the board authorized to be issued for the purpose of providing the financing of public buildings pursuant to this part.

(2) An economic useful life that is not shorter than the final maturity of the bonds, notes, or certificates of the board authorized to be issued for the purpose of providing the financing of public buildings pursuant to this part.

(b) These determinations by the board and the state agency pursuant to subdivision (a) shall be final and conclusive.

(c) A lease made pursuant to this section does not require the approval of the Director of General Services.

(d) The board or a state agency may utilize subdivision (a) in connection with the issuance of any revenue bonds, notes, or certificates previously authorized but not issued, or any revenue bonds, notes, or certificates authorized subsequent to the effective date of the act adding this subdivision.

(e) On or before June 30, 2017, the Department of Finance shall report to the fiscal committees of the Legislature the following regarding the removal of the July 1, 2015, inoperative date from the asset transfer authority of the board. The report shall include, but is not limited to, all of the following:

- (1) The number of times the asset transfer authority has been invoked.
- (2) The aggregate amount of financing secured through asset transfers.
- (3) An estimate of the financing savings realized through the use of asset transfers.

*(Amended by Stats. 2015, Ch. 14, Sec. 4. (AB 114) Effective June 24, 2015.)*

**15818.** Exclusively for the purpose of securing the financing of projects through the issuance of revenue bonds, notes, or certificates by the board, and notwithstanding any other law, any community college district may buy or lease public buildings or equipment, or both, from the board, and in connection therewith, sell or lease public buildings or equipment, or both, to the board, in each case with the installment payment or rental provisions, term, payment, security, default, remedy, and other terms or provisions as may be specified in the installment sale, lease, or other agreement or agreements, between the board and the community college district. This section provides a complete, additional, and alternative method for performing the acts authorized by this section, and any sale or lease of public buildings or equipment, or both, to the board or any community college district, any purchase or lease of public buildings or equipment, or both, from the board or any community college district, and any agreement for liquidity or credit enhancement in connection therewith, pursuant to this section, need not comply with the requirements of any other law applicable to sale, purchase, lease, or credit, as the case may be, by a community college district.

*(Added by Stats. 1988, Ch. 293, Sec. 2. Effective July 7, 1988.)*

**15819.** After first obtaining the written consent of all of the holders of the revenue bonds or certificates issued on the public buildings from which the excess revenues, rentals, or receipts are to be derived, the board may by appropriate resolution pledge the revenues, rentals, or receipts from public buildings authorized under this part in any one session of the Legislature in excess of those revenues, rentals, or receipts necessary for the payment of the principal of, and interest on, the certificates or revenue bonds issued to finance the construction of such public buildings, to the payment of the principal of, and interest on, the certificates or revenue bonds issued to finance the construction of any other public buildings authorized under this part. This section shall not apply to public buildings authorized by the Legislature after the 1961 General Session.

*(Added by Stats. 1961, Ch. 914.)*