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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 4. Certificates [15821 - 15829.5] (Chapter 4 added by Stats. 1955, Ch. 1686.)

15821. Certificates issued pursuant to this part are negotiable instruments and are transferable between state agencies having jurisdiction over special or trust funds or between such state agencies and other persons at a price mutually agreed upon by such state agencies or by such state agencies and other persons.

(Amended by Stats. 1976, Ch. 391.)

15822. The certificates shall be authorized by resolutions of the board, and shall bear such dates, mature at such time or times not exceeding 25 years from their respective dates, bear interest at such rate or rates agreed upon between the board and the investing agency with the approval of the Department of Finance, not exceeding 5 percent per year, payable semiannually, be in such denominations and in such form, be payable in such medium of payment and at such place or places, and subject to such terms of redemption at such prices not exceeding 105 percent of the principal amount as the resolutions provide.

The certificates shall bear the facsimile signature of the Governor and the facsimile countersignature of the Controller and shall be endorsed by the State Treasurer either by original signature or by a signature stamp, and the certificates shall be signed, countersigned, and endorsed by the officers who shall be in office on the date of issuance thereof, and each of said certificates shall bear an impress of the Great Seal of the State of California.

(Amended by Stats. 1957, Ch. 1072.)

15823. The certificates shall be sold by the board at their face value to state agencies having jurisdiction over special or trust funds, without advertisement or competitive bidding. Such certificates are a legal investment for any state special or trust fund notwithstanding any provision of law limiting the investment which may be made by such special or trust fund. Payment of the purchase price may be made in accordance with mutual agreement between the state agency and the board, which agreement may provide for such payment in installments as work upon the public building or buildings progresses and funds necessary therefor are required.

(Added by Stats. 1955, Ch. 1686.)

15824. Any resolutions authorizing any certificates may contain provisions which are part of the contract with the state agency as to:

- (a) Pledging all or any of the revenues, rentals, or receipts of the authority from specific properties.
- (b) The construction or acquisition of any public building and the duties of the board with reference thereto.
- (c) The terms and provisions of the certificates.
- (d) Limitations on the purposes to which the proceeds of the certificates, then or thereafter to be issued may be applied.
- (e) The rate of rentals and other charges for use of the public buildings of, or for the services rendered by, the board, including limitations upon the power of the board to modify any leases or other agreements pursuant to which any rentals or other charges are payable.
- (f) The setting aside of reserves or sinking funds and the regulation and disposition of them.
- (g) Limitations on the issuance of additional certificates or revenue bonds.
- (h) Any other agreements with the certificate holders.

(Added by Stats. 1955, Ch. 1686.)

15825. The board may provide, by resolution, for the issuance of refunding certificates for the purpose of refunding any certificates of the board issued pursuant to this part and then outstanding, either by voluntary exchange with the holders of the outstanding certificates, or to provide funds to redeem and retire the outstanding certificates, with accrued interest and any redemption value payable on any call date. The issuance of the refunding certificates, the maturities and other details of the certificates, the rights of the certificate holders, and the duties of the board in respect to the certificates, are governed by the provisions of this part insofar as they are applicable. Refunding certificates may be issued by the board to refund certificates originally issued or to refund certificates of the board previously issued for refunding purposes.

(Added by Stats. 1955, Ch. 1686.)

15826. The State Treasurer shall act as trustee for the board and the holders of the certificates issued under this part, and the board may authorize the trustee to act on behalf of the holders of the certificates, or any stated percentage thereof, and to exercise and prosecute on behalf of the holders of the certificates such rights and remedies as may be available to the holders.

The board shall, by resolution, prescribe the duties and powers of such trustee with respect to the issuance, authentication, sale, and delivery of the certificates, and the payment of principal and interest thereof, the redemption of the certificates, and the management, exclusive of the investment or reinvestment thereof, of any sinking fund or other funds provided as security for the certificates.

(Added by Stats. 1955, Ch. 1686.)

15827. (a) The rights and remedies conferred by this part upon or granted to certificate holders are in addition to and not in limitation of any rights and remedies lawfully granted to these certificate holders by the resolutions providing for the issuance of certificates.

(b) If the board defaults in the payment of principal or interest on any of the certificates after the principal or interest becomes due, whether at maturity or upon call for redemption, and if that default continues for a period of 60 days, or if the board fails or refuses to comply with the provisions of this part or defaults in any agreement made with the certificate holders, the holders of 25 percent in aggregate principal amount of the certificates then outstanding by instruments filed in the Office of the County Recorder of the County of Sacramento, and acknowledged in the same manner as a deed to be recorded except as this right is limited under the provisions of any deed of trust, indenture, or other agreement, may appoint a trustee to represent the certificate holders for the purposes provided in this part. The trustee or any trustee under any deed of trust, indenture, or other agreement may, and upon written request of the holders of 25 percent in principal amount of the certificates then outstanding, or any other percentage as is specified in the deed of trust, indenture or other agreement, shall in his or her name:

(1) By proper proceedings and actions enforce all rights of the certificate holders, including the right to require the board to collect rates, rentals and other charges adequate to carry out any agreement as to the revenues, or the pledge of revenues or receipts of the board, to lease public buildings to state agencies or otherwise and require the board to carry out any other agreements with or for the benefit of the certificate holders, and to perform its duties under this part.

(2) Bring suit upon the certificates.

(3) By an action require the board to account as if it were the trustee of an express trust for the certificate holders.

(4) By an action enjoin any acts or things that may be unlawful or in violation of the certificate holders' rights.

(5) By notice in writing to the board declare certificates due and payable, and if all defaults are made good then with the consent of the holders of 25 percent of the principal amount of the certificates then outstanding or such other percentage as is specified in any deed of trust, indenture, or other agreement, annul the declaration that certificates are due and payable.

(Amended by Stats. 2018, Ch. 92, Sec. 100. (SB 1289) Effective January 1, 2019.)

15828. A trustee, appointed pursuant to Section 15827, or acting under a deed of trust, indenture, or other agreement, whether or not all certificates have been declared due and payable, may have a receiver appointed. The receiver may, to the same extent that the board itself could do, enter and take possession of the public buildings of the board, or any parts thereof, the revenues, rentals, or receipts from which are applicable to the payment of the certificates in default, and operate and maintain the public buildings and collect and receive all rentals and revenues thereof arising therefrom in the same manner as the board might do. The receiver shall deposit money in a separate account and apply it in such manner as the court directs. In any action or proceeding by the trustees, the fees, counsel fees, and expenses of the trustees, and of the receiver, and all costs and disbursements allowed by the court, are a first charge on any revenues and receipts derived from the public buildings of the board, the revenues or receipts from which are or may be applicable to the payment of the certificates in default. The trustee shall have and possess all the powers necessary or

appropriate for the exercise of any functions specifically set forth in this part or incident to the general representation of the certificate holders in the protection and enforcement of their rights; provided, however, that nothing in this section or any other section in this part shall authorize any trustee appointed pursuant to Section 15827, for the purpose of operating and maintaining any public buildings of the board, to sell, assign, mortgage, or otherwise dispose of, any of the assets of whatever kind and character belonging to the board.

(Added by Stats. 1955, Ch. 1686.)

15829. In addition to all other rights and all other remedies the holder of certificates of the board may by an action at law enforce his rights against the board, including the right to require the board to collect fees, rentals, and other charges adequate to carry out any agreement as to fees, rentals, or other charges or income, revenue and receipts and require the board to carry out any of its covenants and agreements with the certificate holders and perform its duties under this part.

(Added by Stats. 1955, Ch. 1686.)

15829.5. This chapter shall not apply to the Unemployment Compensation Disability Fund.

(Added by Stats. 1955, Ch. 1686.)