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GOVERNMENT CODE - GOV

TITLE 3. GOVERNMENT OF COUNTIES [23000 - 33205] (Title 3 added by Stats. 1947, Ch. 424.)

DIVISION 2. OFFICERS [24000 - 28085] (Division 2 added by Stats. 1947, Ch. 424.)

PART 2. BOARD OF SUPERVISORS [25000 - 26490] (Part 2 added by Stats. 1947, Ch. 424.)

CHAPTER 14. Revenue Bonds for County Improvements [26301 - 26400.53] (Chapter 14 added by Stats. 1947, Ch. 815.)

ARTICLE 2. Revenue Bonds [26315 - 26353] (Article 2 added by Stats. 1947, Ch. 815.)

26315. The board shall issue revenue bonds in the name of the county. These bonds shall constitute obligations of the project only, and neither the payment of the principal or interest of any such bond constitutes a debt, liability or obligation of the county or of the State of California. All bonds issued by the board shall contain a recital on their face that neither the payment of the principal or any part thereof nor any interest thereon constitutes a debt, liability or obligation of the county or of the State.

(Added by Stats. 1947, Ch. 815.)

26316. The board shall determine the time, form and manner of the issuance of revenue bonds.

(Added by Stats. 1947, Ch. 815.)

26317. The board may enter into indentures providing for the aggregate principal amount, date, or dates, maturities, interest rate, denominations, form, registration transfer and interchange of such bonds and coupons, and the terms and conditions upon which the same shall be executed, issued, secured, sold, paid, redeemed, funded and refunded. Reference on the face of the bonds to such indenture by its date of adoption, or the apparent date on the face thereof, is sufficient to incorporate all of the provisions thereof and of this chapter into the body of the bonds and their appurtenant coupons. Each taker and subsequent holder of the bonds or coupons, whether the coupons are attached to or detached from the bonds, has recourse to all of the provisions of the indenture and of this chapter, and is bound thereby.

(Added by Stats. 1947, Ch. 815.)

26318. An indenture pursuant to which bonds are issued may include such covenants and agreements on the part of the board as the board deems necessary or advisable for the better security of the bonds issued thereunder.

(Added by Stats. 1947, Ch. 815.)

26319. An indenture may include a clause relating to the bonds issued thereunder requiring the board to pay or cause to be paid punctually the principal of all such bonds and the interest thereon on the date or dates, at the place or places, and in the manner mentioned in such bonds and in the coupons appertaining thereto in accordance with such indenture.

(Added by Stats. 1947, Ch. 815.)

26320. An indenture may include a clause relating to the bonds issued thereunder requiring the board to continuously operate all improvements acquired, constructed, or completed, in whole or in part, from the proceeds of the bonds in an efficient and economical manner.

(Added by Stats. 1947, Ch. 815.)

26321. An indenture may include a clause relating to the bonds issued thereunder requiring the board to make all needful and necessary repairs, renewals and replacements to any improvements and to keep them at all times in good repair, working order and condition.

(Added by Stats. 1947, Ch. 815.)

26322. An indenture may include a clause relating to the bonds issued thereunder requiring the board to preserve and protect the security of the bonds and the rights of the holders thereof and to warrant and defend such rights.

(Added by Stats. 1947, Ch. 815.)

26323. An indenture may include a clause relating to the bonds issued thereunder requiring the board to pay and discharge or cause to be paid and discharged from the funds available for that purpose all lawful claims for labor, materials and supplies or other charges which, if unpaid, might become a lien or charge upon the revenues, or any part thereof, of any improvements acquired, constructed or completed from the proceeds of the sale of the bonds, or upon any of the physical properties thereof which might impair the security of the bonds.

(Added by Stats. 1947, Ch. 815.)

26324. An indenture may include a clause relating to the bonds issued thereunder which limits, restricts, or prohibits any right, power or privilege of the board to mortgage or otherwise encumber, sell, lease or dispose of any improvements constructed from the proceeds of the bonds, or to enter into any lease or agreement which impairs or impedes the operation of such improvement, or any part thereof, necessary to secure adequate revenues or which otherwise impairs or impedes the rights of the holders of the bonds with respect to such revenues.

(Added by Stats. 1947, Ch. 815.)

26325. An indenture may include a clause relating to the bonds issued thereunder requiring the board to fix, prescribe and collect fees, rates, tolls, rentals or other charges in connection with the services and facilities furnished from the improvements acquired, constructed or purchased from part or all of the proceeds of the bonds, sufficient to pay the principal of and interest on the bonds as they become due and payable, together with all expenses of operation, maintenance and repair of the improvements, and with such additional sums as may be required for any sinking fund, reserve fund or other special fund provided for the further security of such bonds or as a depreciation charge or other charge in connection with such improvement.

(Added by Stats. 1947, Ch. 815.)

26326. An indenture may include a clause relating to the bonds issued thereunder requiring the board to hold in trust the revenues pledged to the payment of such bonds and the interest thereon, or to any reserve or other fund created for the further protection of the bonds, and to apply such revenues or cause them to be applied only as provided in the indenture.

(Added by Stats. 1947, Ch. 815.)

26327. An indenture may include a clause limiting the power of the board to apply the proceeds of the sale of any issue of bonds for the acquiring, constructing, or completing of any improvement or any part thereof, or more than one of such improvements.

(Added by Stats. 1947, Ch. 815.)

26328. An indenture may include a clause limiting the power of the board to issue additional bonds for the purpose of acquiring, constructing or completing any improvement or any part thereof.

(Added by Stats. 1947, Ch. 815.)

26329. An indenture may include a clause requiring, specifying or limiting the kind, amount and character of insurance to be maintained by the board on any improvement, or any part thereof, and the use and disposition of the proceeds of any such insurance thereafter collected.

(Added by Stats. 1947, Ch. 815.)

26330. An indenture may include a clause providing the events of default and the terms and conditions upon which any or all of the bonds then or thereafter issued may become or be declared due and payable prior to maturity, and the terms and conditions upon which such declaration and its consequences may be waived.

(Added by Stats. 1947, Ch. 815.)

26331. An indenture may include a clause designating the rights, limitations, powers and duties arising upon breach by the board of any of the covenants, conditions, or obligations contained in any indenture.

(Added by Stats. 1947, Ch. 815.)

26332. An indenture may include a clause prescribing a procedure by which the terms and conditions of the indenture may be subsequently amended or modified with the consent of the board and the vote or written assent of the holders of a specified principal amount of the bonds issued and outstanding. Such clause may provide for meetings of bondholders and for the manner in which the consent of the bondholders may be given. The clause shall specifically state the effect of such amendment or modification upon the rights of the holders of all of the bonds and interest coupons appertaining thereto, whether attached thereto or detached therefrom.

With respect to any clause providing for the modification or amendment of an indenture, the board may agree that bonds held by the board, by any department, political subdivision or agency of the State of California, or by any public corporation, municipality, district or political subdivision shall not be counted as outstanding bonds, or be entitled to vote or assent but shall nevertheless, be subject to any such modification or amendment.

Pursuant to such a clause any amendment or modification may be made which is valid under the provisions of Section 26362 as it exists at the time such amendment or modification is made even though it might not have been valid under the provisions of that section as it existed at the time the bonds were issued.

(Amended by Stats. 1963, Ch. 1928.)

26333. The indenture may include a clause providing for such other acts and matters as may be necessary or convenient or desirable in order to secure the bonds or to make the bonds more marketable.

(Added by Stats. 1947, Ch. 815.)

26334. The board may designate a bank or trust company, qualified to do business in this State, as a trustee for the holders of bonds issued hereunder, and may authorize the trustee to act on behalf of the holders of the bonds, or any stated percentage thereof, and to exercise and prosecute on behalf of the holders of the bonds such rights and remedies as may be available to the holders.

(Added by Stats. 1947, Ch. 815.)

26335. The board shall fix and determine the conditions upon which any trustee shall receive, hold or disburse any or all revenues collected for or on account of the bondholders. The board shall prescribe the duties and powers of such trustee with respect to the payment of principal and interest on the bonds, the redemption of the bonds, the registration and discharge from registration of the bonds, and the management of any sinking fund or other funds provided as security for the bonds.

(Added by Stats. 1947, Ch. 815.)

26336. The board may issue bonds in series or may divide any issue into one or more divisions and fix different maturities or dates of such bonds, different rates of interest, or prescribe different terms and conditions for the bonds of the several series or divisions. It is not necessary that all bonds of the same authorized issue be of the same kind or character, have the same security, or be of the same interest rate, but the terms thereof shall in each case be provided for by the board, at or prior to the issue thereof. The board may provide for successive issues or may provide for one maximum issue.

(Added by Stats. 1947, Ch. 815.)

26337. Bonds may be issued as coupon bonds or as registered bonds. The board may provide for the interchange of coupon bonds for registered bonds and registered bonds for coupon bonds, and may provide that the bonds shall be registered as to principal only, or as to both principal and interest, or otherwise as the board may determine.

(Added by Stats. 1947, Ch. 815.)

26338. Bonds shall bear interest at a rate of not to exceed 8 percent per annum, payable annually or semiannually or in part annually and in part semiannually. Prior to the issuance of bonds the board may fix limitations or restrictions on the payment of interest.

(Amended by Stats. 1975, Ch. 130.)

26339. Bonds may be callable upon such terms, conditions, and upon such notice as the board may determine, and upon the payment of the premium fixed by the board in the proceedings for the issuance of the bonds. No bond is subject to call or redemption prior to its fixed maturity date unless the right to exercise such call is expressly stated on the face of the bond.

(Added by Stats. 1947, Ch. 815.)

26340. The board may provide for the payment of the principal and interest of bonds at any place within or without the State of California, and in specified coin or currency of the United States.

(Added by Stats. 1947, Ch. 815.)

26341. The board may provide for the execution and authentication of bonds by the manual, lithographed or printed facsimile signature of officers of the board. If any of the officers whose signatures or countersignatures appear upon the bonds or coupons cease to be officers before the delivery of the bonds or coupons, their signatures or countersignatures are nevertheless valid and of the same force and effect as if the officers had remained in office until the delivery of the bonds and coupons.

(Added by Stats. 1947, Ch. 815.)

26342. Bonds shall bear dates prescribed by the board. Bonds may be serial bonds or sinking fund bonds with such maturities as the board may determine. No bond by its terms shall mature in more than 50 years from its own date and in the event any authorized issue is divided into two or more series or divisions, the maximum maturity date herein authorized shall be calculated from the date on the face of each bond separately, irrespective of the fact that different dates may be prescribed for the bonds of each separate series or division of any authorized issue.

(Added by Stats. 1947, Ch. 815.)

26343. The board may fix terms and conditions for the sale or other disposition of any authorized issue of bonds. The board may sell bonds at less than their par or face value but no bond may be sold at a price below the par or face value thereof which would result in a sale price yielding to the purchaser an average of more than 8 percent per annum, payable semiannually, according to standard tables of bond values.

(Amended by Stats. 1975, Ch. 130.)

26344. The board may provide for the security of bonds.

(Added by Stats. 1947, Ch. 815.)

26345. Interest on bonds may be paid out of the proceeds of the sale of the bonds during the actual construction of any project for the acquisition, construction or completion of which the bonds have been issued, and for a period of not to exceed two (2) years thereafter as provided for in the indenture.

(Added by Stats. 1947, Ch. 815.)

26346. The board may provide in the proceedings for the issuance of bonds that the bonds and the interest thereon constitute such lien upon the revenues of any project acquired, constructed or completed from the proceeds thereof as may be provided for in the indenture.

(Added by Stats. 1947, Ch. 815.)

26347. Pending the actual issuance or delivery of revenue bonds, the board may issue temporary or interim bonds, certificates or receipts of any denominations whatsoever, and with or without coupons, to be exchanged for definitive bonds when ready for delivery.

(Added by Stats. 1947, Ch. 815.)

26348. All bonds, and the interest or income therefrom, are exempt from all taxation in this State other than gift, inheritance and estate taxes.

(Added by Stats. 1947, Ch. 815.)

26349. The bonds issued under this chapter, except for those revenue bonds issued pursuant to Article 9 (commencing with Section 26400.50), shall be subject to investigation and certification by the Treasurer under the Districts Securities Law (Chapter 1 (commencing with Section 20000) of Division 10 of the Water Code). If the Treasurer determines that the bonds are adequately secured and the revenues of the authority applicable to the payment thereof are or will be sufficient to pay the principal and interest of the bonds, and if the Treasurer certifies to that effect, the bonds shall be eligible as legal investments for both public and private funds in the same manner as provided in the Districts Securities Law (Chapter 1 (commencing with Section 20000) of Division 10 of the Water Code).

(Amended by Stats. 1989, Ch. 196, Sec. 1. Effective July 25, 1989.)

26350. The board may provide for the issuance, sale, or exchange of refunding bonds for the purpose of redeeming or retiring any revenue bonds issued by the board. All provisions of this chapter applicable to the issuance of revenue bonds are applicable to the funding or refunding bonds and to the issuance sale or exchange thereof.

(Added by Stats. 1947, Ch. 815.)

26351. Funding or refunding bonds may be issued in a principal amount sufficient to provide funds for the payment of all bonds to be funded or refunded thereby, and in addition for the payment of all expenses incident to the calling, retiring or paying of such outstanding bonds, and the issuance of such funding or refunding bonds. These expenses include the difference in amount between the par value of the funding or refunding bonds and any amount less than par for which the funding or refunding bonds are sold, any amount necessary to be made available for the payment of interest upon such funding or refunding bonds from the date of sale thereof to the date of payment of the bonds to be funded or refunded or to the date upon which the bonds to be funded or refunded will be paid pursuant to the call thereof or agreement with the holders thereof, and the premium, if any, necessary to be paid in order to call or retire the outstanding bonds and the interest accruing thereon to the date of the call or retirement.

(Added by Stats. 1947, Ch. 815.)

26352. All bonds issued under the provisions of this chapter are negotiable instruments, except when registered in the name of a registered owner.

(Added by Stats. 1947, Ch. 815.)

26353. An action to determine the validity of bonds may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(Amended by Stats. 1961, Ch. 1546.)