GOVERNMENT CODE - GOV

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

DIVISION 3. FINANCIAL PROVISIONS [29000 - 30406] *(Division 3 added by Stats. 1947, Ch. 424.)*

CHAPTER 6. Bonds [29900 - 30004] *(Chapter 6 added by Stats. 1947, Ch. 424.)*

ARTICLE 1. General [29900 - 29930] *(Article 1 added by Stats. 1947, Ch. 424.)*

29900. Any county may issue funding or refunding bonds pursuant to this chapter for the following purposes:

(a) To refund any outstanding county indebtedness, evidenced by bonds or warrants.

(b) For any purposes for which the board of supervisors is authorized to expend the funds of the county.

(c) For the purpose of building or constructing roads, bridges, or highways.

(Amended by Stats. 1947, Ch. 1198.)

29900.5. (a) A county may also issue bonds pursuant to this chapter for the purpose of seismic strengthening of unreinforced buildings and other buildings. Proceeds of bonds authorized pursuant to this section may be used to make loans to public entities or owners of private buildings. Loans shall satisfy all of the following:

(1) Any loan used to finance seismic strengthening of a residential structure containing units rented by households specified in Section 50079.5 of the Health and Safety Code before strengthening shall be subject to a regulatory agreement which will ensure that the number of those units in the structure will not be reduced and will remain available at affordable rents pursuant to Section 50053 of the Health and Safety Code as long as any portion of the loan is unpaid.

(2) All seismic strengthening financed with any loan funded pursuant to this section shall be in accordance with a plan developed for the structure by a registered civil engineer or a licensed architect, or approved by a county building official, one of whom shall certify that the work funded is necessary for seismic safety reasons, or is otherwise legally required for completion of the work or occupancy of the building. In no event shall any loan funded pursuant to this section finance the destruction of any existing building or the construction of any new building.

(3) Any amount received in payment of interest on or to repay principal on any loan made pursuant to this section shall be used to pay debt service on bonds authorized pursuant to this section, or shall be used to fund additional loans for seismic strengthening, except that the provisions of this paragraph shall not apply after the bonds, including any bonds issued to refund the bonds, are fully repaid.

(4) Loans made pursuant to this section shall constitute liens in favor of the county when recorded by the county recorder of the county in which the real property is located. The lien shall contain the legal description of the real property, the assessor’s parcel number, and the name of the owner of record as shown on the latest equalized assessment roll.

(5) The board of supervisors may specify the interest rate, term, and other provisions of any loan made pursuant to this section.

(6) A county may issue bonds and make loans pursuant to this section only if the county has completed an inventory of unreinforced masonry structures within its jurisdiction and has adopted a mitigation ordinance pursuant to Section 8875.2 or Section 19163 of the Health and Safety Code. The county shall establish criteria, terms, and conditions to identify eligible buildings.

(b) The board of supervisors is authorized to expend the proceeds of bonds authorized by this section to make loans pursuant to this section. The board of supervisors shall declare in the bond proposition that loans made from bond proceeds pursuant to this section to owners of private buildings for seismic strengthening of unreinforced buildings or other buildings constitute a public purpose resulting in a public benefit. Loans made pursuant to this section shall not be construed to be gifts of public funds in violation of Section 6 of Article XVI of the California Constitution.

(c) Work on qualified historical buildings or structures shall be done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section 18950) of Division 13 of the Health and Safety Code).

(d) The Legislature hereby declares that loans made from bond proceeds pursuant to this section to owners of private buildings for seismic strengthening of unreinforced buildings or other buildings constitute a public purpose resulting in a public benefit.

(Amended by Stats. 1992, Ch. 18, Sec. 6. Effective March 26, 1992.)

29901. The board of supervisors shall adopt an order calling and providing for a bond election, which order shall state:

(a) The purpose or purposes for which the indebtedness is to be incurred.

(b) The amount of bonds proposed to be issued.

(c) The maximum rate of interest.

(d) The date of the election.

(e) The manner of holding the election and the procedure for voting for or against the proposition.

(Amended by Stats. 1957, Ch. 141.)

29901.5. All or any part of the proceeds of the bonds may be contributed or paid to any agency, board, commission or entity constituted or provided for by agreement under or pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code, if the board of supervisors shall find that such contribution will effectuate a purpose stated in the bond proposition and will be in aid of a purpose which will materially benefit and serve the general county interest and that the public interest, convenience, and neccessity of the county as a whole requires the contribution to be made by the county.

(Amended by Stats. 1957, Ch. 141.)

29902. The board of supervisors shall provide for submitting the question of the issuance of the bonds to the qualified electors of the county at the next general election or at a special election to be called by it for that purpose.

(Added by Stats. 1947, Ch. 424.)

29903. The words “Bonds—Yes,” and “Bonds—No,” or words of similar import shall appear on the ballot adjacent to each bond proposition.

(Amended by Stats. 1957, Ch. 141.)

29904. Several separate propositions may be submitted at the same election, and any single proposition may include one or more purposes.

(Amended by Stats. 1957, Ch. 141.)

29905. A special election may be held as provided in this article. Only qualified voters of the county may vote. The election shall be held as nearly as practicable in conformity with the general election law of the State. The board of supervisors may form bond election precincts by adopting the precincts established for general election purposes or by consolidating precincts inside of cities and towns, to a number not exceeding six in each bond election precinct, and shall appoint only one inspector, two judges, and one clerk for each bond election precinct.

(Added by Stats. 1947, Ch. 424.)

29906. The order calling and providing for a bond election shall be published in one or more newspapers published in the county once a week for at least four weeks. If no newspaper is published in the county, copies of the order shall be conspicuously posted in five public places in the county at least 14 days before the election. No other notice of such election need be given.

(Amended by Stats. 1957, Ch. 141.)

29907.5. Article 3 (commencing with Section 9160) of Chapter 2 of Division 9 of the Elections Code, relating to arguments concerning county measures, are applicable to this chapter.

(Amended by Stats. 1994, Ch. 923, Sec. 60. Effective January 1, 1995.)

29908. If two-thirds of the electors voting on a proposition vote in favor of it, the bonds in an amount not exceeding that specified in said proposition may be issued. When two or more propositions are submitted at the same election, the votes cast for and against each proposition shall be separately counted.

(Amended by Stats. 1957, Ch. 141.)

29909. The total amount of bonded indebtedness shall not at any time exceed 5 percent of the taxable property of the county as shown by the last equalized assessment roll. If water conservation, flood control, irrigation, reclamation, or drainage works, improvements, or purposes, or the construction of select county roads is included in any proposition submitted, the total amount of bonded indebtedness may exceed 5 percent but shall not exceed 15 percent of the taxable property of the county as shown by the last equalized assessment roll.

(Amended by Stats. 1968, Ch. 20.)

29910. If the issuance of the bonds is authorized at said election, the board may thereafter adopt a resolution or resolutions providing for the issuance of all or any part of the bonds authorized at said election. Said resolution shall prescribe the form of the bond and attached interest coupons, and fix the time or times of maturity of the bonds.

(Amended by Stats. 1957, Ch. 141.)

29910.1. The board may divide the principal amount of any issue into two or more series and fix different dates for the bonds of each series. The bonds of one series may be made payable at different times from those of any other series; provided, that the earliest maturity of each issue or series, as the case may be, shall not be more than two years from the date of the bonds of said issue or series. The final maturity date of any bond shall not exceed 40 years from the date of the bond. Every year beginning with the date of the earliest maturity of each issue or series of bonds, as the case may be, not less than one-fortieth of the whole of the indebtedness evidenced by such issue or such series shall be payable; provided, however, the bonds of any issue or series irrespective of the purpose for which the same are to be issued may be made to mature and become payable in approximately equal total annual installments of interest and principal, during the term of the bonds computed from the first year in which any part of the principal shall mature to the date of final maturity which annual installments may vary one from another in amounts not exceeding in any year more than 5 percent of the total principal amount of the bonds of such issue or of the series thereof then proposed to be issued.

(Amended by Stats. 1967, Ch. 37.)

29910.2. When the issuance of bonds shall have been authorized pursuant to two or more propositions submitted at the same or different elections, all or any part of said bonds not theretofore issued may be combined and issued and sold as a single issue or series.

(Added by Stats. 1957, Ch. 141.)

29911. In the resolution providing for the issuance of the bonds, the board may provide for the call and redemption of all or any part of the bonds on any interest payment date prior to their fixed maturity, at their par value plus a specified premium, if any, and accrued interest. The bonds to be called for redemption prior to maturity shall be selected in such manner as the board may provide in said resolution. If a bond is subject to call and redemption a statement to that effect shall be set forth on the face of the bond.

(Amended by Stats. 1957, Ch. 141.)

29912. Notice of redemption shall be published at such time and in such manner as the board may provide in the resolution providing for the issuance of the bonds.

(Amended by Stats. 1957, Ch. 141.)

29913. If funds are made available for the payment of the principal, interest, and premium on the bonds called, the interest on the bonds shall cease after the date fixed for redemption.

(Added by Stats. 1947, Ch. 424.)

29914. The bonds may be issued in such denomination or denominations as the board of supervisors may prescribe.

(Amended by Stats. 1963, Ch. 736.)

29915. The principal and interest shall be payable in lawful money of the United States, either at the treasury of the county or at such place within the United States as the board designates, or both at the treasury or the designated place at the option of the bondholder.

(Added by Stats. 1947, Ch. 424.)

29916. Interest on the bonds shall not exceed 8 percent per annum, payable semiannually, except that interest for the first year after the date of the bonds may be made payable at the end of said year.

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

29917. (a) The bonds shall be signed by the chairperson of the board of supervisors or by any other member thereof as the board of supervisors shall, by resolution adopted by a four-fifths vote of all its members, authorize and designate for that purpose, and also signed by the treasurer of the county, and shall be countersigned by the clerk thereof. All the signatures and countersignatures may be printed, lithographed, engraved, or otherwise mechanically reproduced except that one of the signatures or countersignatures to the bonds shall be manually affixed. Any signature may be affixed in accordance with the provisions of the Uniform Facsimile Signatures of Public Officials Act, Chapter 6 (commencing with Section 5500) of Division 6 of Title 1 of the Government Code.

(b) Notwithstanding subdivision (a), the board of supervisors may, in its discretion, determine that all of the required signatures and countersignatures shall be by facsimiles, provided however that the bonds shall not be valid or become obligatory for any purpose until manually signed by an authenticating agent duly appointed by the board or its authorized designee.

(Amended by Stats. 1988, Ch. 1055, Sec. 4.)

29918. The bonds shall be sold at the times, in the amounts, and in the manner prescribed by the board, but for not less than par.

(Added by Stats. 1947, Ch. 424.)

29919. At its option the board may use the following form of bond:

“No. __________	$ __________
United States of America County of ________ State of California	
The County of ____, State of California, hereby acknowledges itself indebted and promises to pay the bearer hereof, on the ____ day of ____, one thousand nine hundred ____ (here insert the date of maturity), the sum of ____ dollars in lawful money of the United States, with interest thereon in like lawful money, at the rate of ____ percent a year, payable at ____ semiannually (or annually) on the first day of ____, and ____ (or on the first day of ____ if interest payable annually), on presentation and surrender of the interest coupon hereto attached. (Here insert provision for call and redemption if board elects to make bonds callable.) This bond is issued by the board of supervisors of the County of ____, State of California, in strict compliance with Article 1, Chapter 6, Division 3, Title 3, of the Government Code of the State of California, and in pursuance of an order of the board duly made on the ____ day of ____, 19___, and with the assent of two-thirds of the qualified electors of the county voting at an election legally called and duly held for that purpose on the ____ day of ____, 19___. And it is hereby certified and recited that the bonded indebtedness of this county, including this bond, does not exceed ____ percent of the taxable property thereof, as shown by the last equalized assessment roll of the county, and that provision has been made for the collection of an annual tax sufficient to pay the interest on this indebtedness as it falls due and to constitute a sinking fund for the payment of the indebtedness at or before maturity. In witness whereof, the county, by its board of supervisors, has caused this bond to be signed by the chairman of the board of supervisors, and attested by the county auditor, and the seal of the board of supervisors to be hereto attached, this ____ day of ____, 19___.	
Chairman of board of supervisors.	
Attest: , County Auditor.” _____	

(Amended by Stats. 1947, Ch. 424.)

29920. The interest coupon may be in the following form:

“The County of ____, State of California, hereby promises to pay to the holder hereof, on the ____ day of ____, 19___, at ____ in ____, $____ in lawful money of the United States, for interest on its county bond, No. ______.	
_______,	_______, County Auditor.”

(Added by Stats. 1947, Ch. 424.)

29921. All premiums and accrued interest received shall be placed in the fund to be used for the payment of principal of and interest on the bonds, and the remainder of the proceeds of the bonds shall be placed in the treasury to the credit of the proper improvement fund and applied exclusively to the purpose and object recited in the proposition; provided, however, that when said purpose and object have been accomplished any moneys remaining in such improvement fund shall be transferred to the fund to be used for the payment of principal of and interest on the bonds. When such purpose and object have been accomplished and all principal and interest on the bonds have been paid, any balance of money then remaining shall be transferred to the General Fund.

(Repealed and added by Stats. 1957, Ch. 141.)

29922. At the time of making the next general tax levy after incurring the bonded indebtedness, and annually thereafter until all of the bonds are paid or until there is a sum in the treasury set apart for that purpose sufficient to meet all principal and interest on the bonds, the board shall levy a tax for that year upon the taxable property of the county for the interest and redemption of the bonds.

(Added by Stats. 1947, Ch. 424.)

29923. The tax for interest and redemption of bonds shall be in addition to all other taxes, and shall not be less than sufficient to pay the interest on the bonds and such portion of the principal, if any, as is to become due before the time for making the next general tax levy. It shall also be sufficient to constitute a sinking fund for the payment of the principal of the bonds on or before maturity. The board shall provide for the levy of an annual tax sufficient to effect the objects of this section either in the resolution providing for the issuance of the bonds or in an ordinance adopted before or at the time of issuing the bonds.

(Amended by Stats. 1957, Ch. 141.)

29924. When collected the tax shall be paid into the treasury of the county and used solely to pay the interest and principal of the bonds as they become due.

(Added by Stats. 1947, Ch. 424.)

29924.5. (a) Prior to the issuance by a county of bonds pursuant to this chapter, the board may elect, by resolution, to guarantee payment on outstanding bonds of the county issued pursuant to this chapter in accordance with the following:

(1) A county that elects to participate under this section shall provide notice to the Controller of that election, which notice shall include a schedule for the repayment of principal and interest on the bonds, and identify a bond trustee appointed by the county for the purposes of this section.

(2) In the event that, for any reason, the amount of property tax revenues made available pursuant to this article for the payment of principal and interest of the bonds will not be sufficient for that purpose at the time payment on principal, interest, or both, is required as to any one or more of those bonds, the county shall so notify the bond trustee. The bond trustee shall immediately communicate that information to the affected bondholder or bondholders and to the Controller.

(3) When the Controller receives notice from the trustee as described in paragraph (2), or the amount of property tax revenues made available pursuant to this article for the payment of principal and interest of the bonds is not sufficient for that purpose at the time payment on principal, interest, or both, is required as to any one or more of those bonds, the Controller shall make an apportionment to the bond trustee in the amount of that required payment for the purpose of making that payment. The Controller shall make that payment only from moneys credited to the Motor Vehicle License Fee Account in the Transportation Tax Fund to which that county is entitled at that time under Chapter 5 (commencing with Section 11001) of Part 5 of Division 2 of the Revenue and Taxation Code, and shall thereupon reduce, by the amount of the payment, the subsequent allocation or allocations to which the county would otherwise be entitled under that chapter.

(4) A county shall be entitled to reimbursement, from tax revenues collected pursuant to this article, in an amount equal to the amount by which its allocation or allocations under Chapter 5 (commencing with Section 11001) of Part 5 of Division 2 of the Revenue and Taxation Code are reduced pursuant to subdivision (c).

(b) This section shall not be construed to obligate the State of California to make any payment to a county from the Motor Vehicle License Fee Account in the Transportation Tax Fund in any amount or pursuant to any particular allocation formula, or to make any other payment to a county, including, but not limited to, any payment in satisfaction of any debt or liability incurred or guaranteed by a county in accordance with this section.

(Added by Stats. 1990, Ch. 1177, Sec. 2. Effective September 24, 1990.)

29925. If the board fails to make the levy necessary to pay the bond or interest coupons at maturity and any bond or interest coupon is presented to the treasurer and payment is refused, the owner may file the bond, together with all unpaid coupons, with the State Controller, taking his receipt therefor. The bonds shall be registered in the State Controller’s office and the State Board of

Equalization shall, at its next session and at each annual equalization thereafter, add to the state tax to be levied in the county a sufficient rate to realize the amount of principal or interest past due and to become due prior to the next levy.

(Added by Stats. 1947, Ch. 424.)

29926. The tax shall be levied and collected as a part of the state tax and paid into the State Treasury and passed to the special credit of the county as a bond tax.

(Added by Stats. 1947, Ch. 424.)

29927. The payments shall be made, as they mature, by warrants to the holder of the registered obligations, as shown by the register in the office of the State Controller, until the obligations are fully satisfied and discharged, and any balance then remaining shall be passed to the general account and credit of the county.

(Added by Stats. 1947, Ch. 424.)

29928. If any officer whose signature, counter-signature, or attestation appears on any county bond or coupon ceases to be such officer before the delivery of the bonds to the purchasers, the signature, counter-signature, or attestation appearing either on the bonds or the coupons, or on both, is valid and sufficient for all purposes to the same extent as if the officer had remained in the office until the delivery of the bonds. The signature upon the coupons of the person who is auditor or treasurer at the date of the bonds is valid although the bonds themselves are attested by a different person who is auditor or treasurer at the time of their delivery.

(Amended by Stats. 1957, Ch. 141.)

29929. The board may contract a bonded indebtedness for county purposes only as provided in this chapter.

(Added by Stats. 1947, Ch. 424.)

29930. When the board of supervisors deems it in the best interests of the county, it may authorize the county treasurer, upon such terms and conditions as may be fixed by the board of supervisors, to issue notes, on a competitive-bid basis, maturing within a period not to exceed one year, in anticipation of the sale of bonds duly authorized at the time such notes are issued. The proceeds from the sale of such notes shall be used only for the purposes for which may be used the proceeds of the sale of bonds in anticipation whereof the notes were issued.

All notes issued and any renewal thereof shall be payable at a fixed time, solely from the proceeds of the sale of the bonds and not otherwise, except that in the event that the sale of the bonds shall not have occurred prior to the maturity of the notes issued in anticipation of the sale, the county treasurer shall, in order to meet the notes then maturing, issue renewal notes for such purpose. No renewal of a note shall be issued after the sale of bonds in anticipation of which the original note was issued. There shall be only one renewal of such note or notes.

Every note and any renewal thereof shall be payable from the proceeds of the sale of bonds and not otherwise. The total amount of such notes or renewals thereof issued and outstanding shall at no time exceed the total amount of the unsold bonds.

Interest on the notes shall be payable from proceeds of the sale of bonds.

(Added by Stats. 1971, Ch. 1537.)