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HEALTH AND SAFETY CODE - HSC

DIVISION 27. CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY ACT [44500 - 44563] (*Division 27 repealed (comm. with Section 39600) and added by Stats. 1975, Ch. 957.)*

CHAPTER 1. California Pollution Control Financing Authority [44500 - 44559.14] (*Chapter 1 added by Stats. 1975, Ch. 957.)*

ARTICLE 6. Construction and Leases of Facilities [44550 - 44557] (*Article 6 added by Stats. 1979, Ch. 839.)*

44550. The authority may contract with any participating party for the construction or acquisition of a project by the participating party. All contracts for the construction or acquisition of a project by a participating party shall provide that the participating party shall be responsible for the architectural and engineering design and for the construction and completion thereof subject to standards for architectural and engineering design as may be established, and subject to supervision as the authority deems necessary. The authority may agree to pay the cost of a project constructed or acquired by any participating party and to advance costs from time to time in installments or otherwise as required by the contract for the construction or acquisition thereof. Title to all of these projects may be vested in the authority subject to the terms of any lease thereof to the participating party or the rights of a participating party under any contract for the purchase or acquisition of the project including the payment of the purchase price under installment sales contracts.

(Amended by Stats. 2009, Ch. 643, Sec. 25. (SB 832) Effective November 2, 2009.)

44551. The authority may, as lessor or lessee, enter into leases and agreements with any participating party relating to the acquisition, construction, and installation of any project, including real property, buildings, equipment, and pollution control facilities of any kind or character. The terms and conditions of such leases may be as mutually agreed upon. Any such lease may provide the means or methods by which title shall vest in a participating party upon the termination of the lease and shall contain such other terms and conditions as the authority may determine. The authority is authorized to fix, revise, charge, and collect rates, rents, fees, and charges for each project. Such rates, rents, fees, and charges shall be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from all projects so as to provide funds sufficient with other revenues and moneys available therefor, if any, to do all of the following:

(a) Pay the principal of and the interest on outstanding bonds, notes, or other evidences of indebtedness of the authority financing such project as the same shall become due and payable.

(b) Create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, such bonds, notes, or other evidences of indebtedness. A sufficient amount of the revenues derived from a project may be set aside at such regular intervals as may be provided in such resolution or trust agreement in a sinking or other similar fund which is hereby pledged to, and charged with, the payment of the principal of and interest on such bonds, notes, or other evidences of indebtedness as the same shall become due, and the redemption price or the purchase price of bonds, notes, or other evidences of indebtedness retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees, and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement nor any other agreement nor any lease by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund may be a fund for all bonds, notes, or other evidences of indebtedness of the authority financing projects of a particular participating party without distinction or priority of one over another; provided, that the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project or projects and for the bonds financing a particular project or projects and may, additionally, permit and provide for the issuance of bonds having a subordinate lien in respect of the security herein authorized to other bonds, notes, or other evidences of indebtedness of the authority, and, in such

case, the authority may create separate sinking or other similar funds in respect of such subordinate lien bonds, notes, or other evidences of indebtedness.

(c) Pay operating and administrative costs of the authority.

(Repealed and added by Stats. 1979, Ch. 839.)

44552. The authority may enter into contracts of sale with any participating party covering any project financed by the authority. The purchase price pursuant to such contract of sale shall be sufficient to provide funds for all the purposes provided in Section 44551 and may be paid in installments, together with interest on the unpaid balance, or otherwise, as may be mutually agreed and set forth in such contract of sale. All payments received by the authority under any installment sales or conditional sales contract shall be applied by the authority substantially in the same manner as hereinabove provided in Section 44551 in the case of lease payments or rental charges received by the authority.

(Repealed and added by Stats. 1979, Ch. 839.)

44552.5. (a) As an alternative to leasing or selling a project to a participating party, the authority may finance the acquisition, construction, or installation of a project by means of a loan to the participating party. The principal amount of the participating party's obligation as borrower shall be sufficient to provide funds for all the purposes specified in subdivisions (a), (b), and (c) of Section 44551 and may be paid in installments, together with interest on the unpaid balance, or otherwise as may be mutually agreed by the authority and the participating party and set forth in the loan agreement. Loans made pursuant to this section may be secured or unsecured in the discretion of the authority.

(b) The authority may also purchase or acquire from a financial institution part or all of a loan made to a participating party for a project meeting the requirements of this division.

(c) Section 44550 shall not apply to projects constructed with moneys loaned pursuant to this section.

(Amended by Stats. 2009, Ch. 643, Sec. 26. (SB 832) Effective November 2, 2009.)

44553. All moneys received pursuant to the provisions of this division, whether as proceeds from the sale of bonds, notes, or other evidences of indebtedness or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this division. Any bank or trust company with which these moneys shall be deposited shall act as trustee of these moneys and shall hold and apply the same for the purposes hereof, subject to regulations as the resolution authorizing the bonds of any issue or the trust agreement securing these bonds may provide.

(Amended by Stats. 2010, Ch. 414, Sec. 4. (SB 1477) Effective September 28, 2010.)

44554. Any holder of bonds, notes, or other obligations issued under the provisions of this division, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any trust agreement securing, bonds, notes, or other obligations, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under resolution or trust agreement, and may enforce and compel the performance of all duties required by this division or by resolution or trust agreement to be performed by the authority or by any officer, employee, or agent thereof, including the fixing, charging, and collecting of the rates, rents, fees, and charges herein authorized and required by the provisions of the resolution or trust agreement to be fixed, established, and collected.

(Amended by Stats. 2009, Ch. 643, Sec. 28. (SB 832) Effective November 2, 2009.)

44555. The exercise of the powers granted by this division shall be in all respects for the benefit of the people of this state, for their health and welfare, and protection of the state's environment. Any bonds, notes, or other obligations issued under the provisions of this division, their transfer and the income therefrom, shall at all times be free from taxation of every kind by the state and by municipalities and other political subdivisions of the state.

(Amended by Stats. 2009, Ch. 643, Sec. 29. (SB 832) Effective November 2, 2009.)

44556. The authority shall not be required to pay any property taxes or assessments upon, or in respect to, a project or any property acquired by or for the authority under the provisions of this division or upon the income therefrom, so long as the authority holds title to such project or the property or facilities comprised in the project. The exemption of the authority from taxation of any project herein provided shall cease forthwith when title to such property is transferred from the authority to any participating party. The provisions of this section shall not exempt any participating party from taxation with respect to any project, or the property or facilities comprised in any project, which may otherwise be applicable to such participating party.

(Repealed and added by Stats. 1979, Ch. 839.)

[44557.](#) Subject to Section 44562, the existence of the authority may be terminated at any time by the Legislature. Upon dissolution of the authority, the title to all properties owned by it shall vest in and become the property of the State of California and shall not inure to the benefit of any private party.

(Repealed and added by Stats. 1979, Ch. 839.)