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HEALTH AND SAFETY CODE - HSC

DIVISION 5. SANITATION [4600 - 6127] (*Division 5 enacted by Stats. 1939, Ch. 60.*)

PART 3. COMMUNITY FACILITIES [4600 - 6127] (*Heading of Part 3 amended by Stats. 1970, Ch. 420.*)

CHAPTER 3. County Sanitation Districts [4700 - 4859] (*Chapter 3 enacted by Stats. 1939, Ch. 60.*)

ARTICLE 5. Bonds [4780 - 4803] (*Article 5 enacted by Stats. 1939, Ch. 60.*)

4780. After the approval and adoption of an engineers' report the district board shall submit to the voters of the district the proposition of incurring a bonded indebtedness to obtain funds with which to acquire the property and do the work set forth in the report. For that purpose a special election shall be called by resolution.

(Enacted by Stats. 1939, Ch. 60.)

4781. The resolution shall state all of the following:

- (a) The general objects and purposes for which it is proposed to incur an indebtedness.
- (b) A reference to the report filed with the district board for particulars.
- (c) The amount of the bonds proposed to be issued.
- (d) The number of years not to exceed which the whole of the bonds are to run.
- (e) The rate of interest or a maximum rate of interest to be paid, which rate shall not be more than the rate specified in this chapter, payable at the time specified in this chapter.
- (f) The date of the election.
- (g) The election precincts, polling places, and election officers.

(Amended by Stats. 1949, Ch. 168.)

4782. For the purposes of the bond election the district board may consolidate into one precinct several precincts established for general election purposes and describe the precinct by reference to the general election precincts.

(Enacted by Stats. 1939, Ch. 60.)

4783. An election board consisting of one inspector, one judge, and one clerk shall be appointed by the district board for each precinct.

(Enacted by Stats. 1939, Ch. 60.)

4784. Only voters registered in the district are eligible to vote at the bond election.

(Enacted by Stats. 1939, Ch. 60.)

4785. The resolution calling the election shall be published once a week for three successive weeks in a newspaper having a general circulation in the district and designated by the district board. No other notice of the election need be given.

(Enacted by Stats. 1939, Ch. 60.)

4786. If two-thirds of the votes cast are in favor of incurring the bonded indebtedness as proposed, bonds of the district for the amount stated in the resolution calling the election shall be issued and sold.

(Enacted by Stats. 1939, Ch. 60.)

4787. The validity of the bonds after their issuance shall not be questioned in any court except upon the ground that the provisions of this chapter authorizing their issuance are unconstitutional, or that the required hearing regarding the formation of the district was not legally held or proper notice of it was not given.

(Amended by Stats. 1939, Ch. 596.)

4788. The district board shall prescribe by resolution the form of the bonds, and interest coupons. The bonds shall be payable at such times and at a place to be fixed by the board, and designated in the bonds, together with interest on all sums unpaid on that date until the whole of the indebtedness has been paid. The term of bonds issued shall not exceed forty years.

(Amended by Stats. 1949, Ch. 168.)

4789. The bonds shall be issued in such denomination or denominations as the district board may determine. They shall be payable on the day and at the place fixed in the bonds, and with interest at the rate specified in the bonds, which rate shall not be in excess of 8 percent per annum, and shall, after the first year, be payable semiannually.

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

4790. The bonds shall be signed by the chairman of the district board, and countersigned by the county treasurer, and the seal of the district board shall be affixed. The interest coupons of the bonds shall be numbered consecutively and signed by the county treasurer. All such signatures and countersignatures may be printed, lithographed, engraved, or otherwise mechanically reproduced except that one of said signatures or countersignatures to said bonds shall be manually affixed. Any such 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 Title 1 of the Government Code.

(Amended by Stats. 1972, Ch. 1384.)

4791. If any officer whose signature or countersignature appears on the bonds ceases to be an officer before the delivery of the bonds to the purchaser, his signature or countersignature shall be as valid as if he had remained in office until the delivery of the bonds.

(Amended by Stats. 1939, Ch. 596.)

4792. The board may issue and sell the bonds of the district at not less than par value, and the proceeds shall be placed in the treasury of the county.

All premiums and accrued interest received shall be paid into the fund to be used for the payment of principal and interest on the bonds and the remainder of the proceeds of the sale shall be paid into the construction fund of the district, and proper records of the transactions shall be placed upon the books of the treasurer.

(Enacted by Stats. 1939, Ch. 60.)

4792.1. When the board of supervisors is the district board of a district and such board deems it in the best interests of the district, it may authorize the county treasurer, upon such terms and conditions as may be fixed by such board, to issue notes, on a competitive-bid basis, maturing within a period not to exceed one year, in anticipation of the sale of district 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. 1973, Ch. 317.)

4793. The construction fund shall be applied exclusively to the purposes and objects mentioned in the resolution calling the bond election.

Payments from the construction fund shall be made upon demands allowed by the district board, and prepared, presented, and audited in the same manner as demands upon the funds of the county.

(Enacted by Stats. 1939, Ch. 60.)

4793.1. When the purposes and objects mentioned in the resolution calling the bond election have been accomplished, any moneys remaining in the construction fund may be transferred to the fund to be used for the payment of principal and interest on the bonds. The district board by a vote of two-thirds of the members thereof may use said remaining moneys for some other county sanitation district purpose which will benefit the property in the district or improvement district, as the case may be; provided, however, that with respect to improvement districts such general objectives and purposes shall not include the acquisition or construction of new local street sewers or laterals as distinguished from main trunks, interceptors, and outfall sewers. Said moneys may not be used for said other county sanitation district purposes until two-thirds of the qualified electors of said district or improvement district thereof, as the case may be, have consented thereto at a special election called in said district or improvement district by the district board. Notice of said election shall be given and said election shall be held and conducted in the manner provided for bond elections in said county sanitation district or improvement district, as the case may be.

(Amended by Stats. 1955, Ch. 1535.)

4794. If the proposition of issuing bonds submitted at a bond election fails to receive the requisite number of votes, the district board may, at the expiration of six months after that election, call or order another bond election, either for the same objects and purposes, or for any other object or purpose of the district.

(Enacted by Stats. 1939, Ch. 60.)

4795. If the district board by resolution passed by a vote of a majority of all its members determines that the public interest or necessity of the district demands the issuance of additional bonds for carrying out any of the objects of the district, the district board may again have a report made, and submit to the voters the question of issuing additional bonds in the same manner as for a first issue. All the provisions of this chapter for the issuance and sale of bonds, and for the expenditure of the proceeds apply to the issuance of additional bonds.

(Amended by Stats. 1963, Ch. 1097.)

4796. Bonds and the interest thereon shall be paid by revenue derived from an annual tax upon the real property in the district, and all the real property in the district shall be and remain liable to be taxed for such payments. Said bonds and the interest thereon shall not be taxable in this State.

(Amended by Stats. 1939, Ch. 596.)

4797. In determining the amount of bonds to be issued, the legislative body may include:

- (a) All costs and estimated costs incidental to or connected with the acquisition, construction, improving or financing of the project.
- (b) All engineering, inspection, legal and fiscal agent's fees, costs of the bond election and of the issuance of said bonds, bond reserve funds and working capital and bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.

(Added by Stats. 1957, Ch. 1378.)

4799. Nothing in this chapter shall affect the validity of, or the right to issue and sell, bonds voted prior to the date when this code goes into effect.

(Added by Stats. 1939, Ch. 596.)

4801.

- (1) An issue of bonds is hereby defined to be the aggregate principal amount of all of the bonds authorized to be issued in accordance with a proposal submitted to and approved by the electors of the district, but no indebtedness will be deemed to have been contracted until bonds shall have been sold and delivered and then only to the extent of the principal amount of bonds so sold and delivered.
- (2) The board of directors of any district issuing any bonds heretofore or hereafter authorized may, in its discretion, divide the aggregate principal amount of such issue into two or more divisions or series and fix different dates for the bonds of each separate division or series. In the event any authorized issue is divided into two or more divisions or series, the bonds of each division or series may be made payable at such time or times as may be fixed by the legislative body of the district separate and distinct from the time or times the payment of bonds of any other division or series of the same issue.

(Added by Stats. 1949, Ch. 168.)

4802. Bonds may be made payable on a date subsequent to the time fixed for the collection of the second installment of general district taxes with which the first levy of taxes for the payment of the principal and interest of said bonds is to be collected. In such event, the first interest coupons shall be for interest from the date of said bonds of such issue or series or division to the maturity date of said coupons.

(Added by Stats. 1951, Ch. 1648.)

4803. 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. 1556.)