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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 5. Sewer Revenue Bonds [4950 - 5072] (*Chapter 5 enacted by Stats. 1939, Ch. 60.*)

ARTICLE 4. Bonds [4985 - 4997] (*Article 4 enacted by Stats. 1939, Ch. 60.*)

4985. The cost of the acquisition or construction of the works for which bonds may be issued includes all of the following:

- (a) The cost of all property, rights, easements, and franchises deemed necessary or convenient therefor.
- (b) Engineering, clerical, legal, financial, paying and fiscal agent's fees and expenses, cost of bond proceedings, bond reserve funds and working capital and bond interest estimated to accrue during the construction period and for a period of not to exceed twelve (12) months after completion of construction.
- (c) All other expenses connected with or incident to the works in the operation and performance of the acts required by this chapter to be done.

(Amended by Stats. 1957, Ch. 8.)

4986. Bonds issued and sold under this chapter shall be revenue bonds of the character and form known as "serials." Each bond shall be entitled "sewer revenue bond," and shall be paid and discharged within forty years from its date.

(Amended by Stats. 1939, Ch. 1124.)

4987. Each bond, except those of the last installment, or one of each annual installment, shall be in multiples of one hundred dollars, in such amount as the governing body determines, but no bond shall be of greater denomination than one thousand dollars.

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

4988. The bonds shall bear interest, as the governing body shall determine, at a rate not to exceed 8 percent per annum, and shall, after the first principal maturity, be payable semiannually by coupon.

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

4989. The governing body shall prescribe the form of the bonds, and provide that of the indebtedness represented thereby a part shall be payable each year after their date, at a time and place to be designated in the bonds, together with interest, until the whole of the indebtedness has been paid.

The maturity date of the first bond or series of bonds may be deferred for a period not exceeding five years from the date of the bonds.

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

4990. The number of bonds to be paid each year need not be the same, and the governing body may fix maturities so that the number of bonds retired each year will, in the discretion of the governing body, be most equitable and just; however, all bonds shall be completely paid within forty years from date of issue.

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

4991. If the district is a city, the bonds shall be signed by the mayor if there is one; otherwise by the president or chairman of the governing body, and countersigned by the clerk. The seal of the district shall be affixed to the bond. The coupons shall be signed by the treasurer by his engraved or lithographed signature.

If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before the delivery of the bonds to the purchaser, his signature or countersignature is nevertheless as valid and sufficient for all purposes as if he had remained in office.

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

4992. In the ordinance authorizing the issuance of the bonds, provision may be made, but are not limited to provisions:

- (a) That all or part of the bonds are callable, the manner of the call and the premiums to be paid thereon;
- (b) That all or part of the bonds are payable at the office of a paying or fiscal agent, within or without the State, and for the payment of fees therefor;
- (c) For the pledge of revenues, its nature, and its parity with other sewer revenue bonds issued or to be issued;
- (d) For the percentage that annual net revenues shall bear to bond and interest payments;
- (e) For reserve, surplus and other funds usual in the issuance of revenue bonds;
- (f) For the duties and obligations of the district;
- (g) For the remedies of bondholders, which may be in addition to those provided herein;
- (h) For the manner of amending or abrogating the bond ordinance or refunding any or all bonds thereunder;
- (i) For occurrences in the event of default and the rights and remedies arising therefrom; and
- (j) For usual and customary covenants for the security and protection of the payment of the bonds.

(Added by Stats. 1957, Ch. 8.)

4993. If the proceeds of the bonds for any reason are less than the cost of the works, additional bonds may in like manner be issued and sold to provide for the amount of the deficit, but not to exceed the amount necessary to complete the works according to the original plans and specifications. Such deficiency bonds shall be deemed to be the same in all respects as the original issue, and shall be entitled to payment, without preference or priority over the bonds first issued, and shall be disposed of in like manner.

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

4994. No error, defect, irregularity, informality, and no neglect or omission of any officer of any district in any proceedings under this chapter, that does not affect the jurisdiction of the governing body to order the doing of the acts proposed to be done, avoids or invalidates the proceedings or any bond. The exclusive remedy of any person affected or aggrieved thereby shall be to the governing body as provided in this chapter.

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

4995. 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.)

4996. 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. 1517.)

4997. 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.)