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HEALTH AND SAFETY CODE - HSC

DIVISION 6. SANITARY DISTRICTS [6400 - 6982] (*Division 6 enacted by Stats. 1939, Ch. 60.*)

PART 1. SANITARY DISTRICT ACT OF 1923 [6400 - 6830] (*Heading of Part 1 amended by Stats. 1939, Ch. 1124.*)

CHAPTER 6. Bonds [6640 - 6694.3] (*Chapter 6 enacted by Stats. 1939, Ch. 60.*)

ARTICLE 1. Generally [6640 - 6655] (*Article 1 enacted by Stats. 1939, Ch. 60.*)

6640. A district may issue bonds as provided in this part.

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

6641. A district may issue bonds to raise money for any of the purposes stated in Section 6512 hereof.

(Amended by Stats. 1944, 4th Ex. Sess., Ch. 53.)

6642. By order entered in its minutes, when in its judgment it is advisable, the board may and shall, upon a petition of a majority of the qualified electors residing in the district, call an election and submit to the electors of the district the question whether bonds shall be issued.

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

6643. The order calling the election may submit as one proposal the question of issuing bonds to make all of the outlays, or so many of them as may be selected, or the order may submit at the election as separate questions the issuance of bonds for any of the outlays singly or in combination.

(Amended by Stats. 1953, Ch. 765.)

6644. If, at the election, two-thirds of the votes cast are in favor of the issuance of bonds, the board may issue and dispose of the bonds as proposed in the order calling the election.

(Amended by Stats. 1955, Ch. 1874.)

6645. Bonds issued by the district under the provisions of this part shall be of such denomination or denominations as the board determines.

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

6646. The bonds shall be payable in lawful money of the United States at the office of the treasurer and bear interest at a rate not exceeding 8 percent per annum, payable semiannually in like lawful money. The interest for the first year may be payable in one installment at the end of such year, or the interest for the period from the date of the bonds to a date not later than 30 days after the date the second installment of the first district taxes levied after the date of said bonds will become delinquent may be payable in one installment at the end of such period.

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

6647. No bonds shall be payable in installments, but each shall be payable in full on the date specified therein by the board, which need not be an anniversary of the date of the bond.

The board may provide that any bond issued by the district may be subject to call and retirement prior to maturity at such times and prices and upon such other terms as the board may specify. If a bond is subject to call and retirement prior to maturity that fact shall be stated in the bond.

(Amended by Stats. 1953, Ch. 765.)

6648. Each bond shall be signed by the president and countersigned by the secretary.

The bonds shall be numbered consecutively, beginning with number one, and shall have coupons attached referring to the number of the bond.

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

6649. The bonds shall be sold by the board in such manner and in such quantities as may be determined by it in its discretion but not less than 95 percent of the par value thereof.

Before selling the bonds, or any part thereof, the board shall give notice inviting sealed bids in such manner as the board may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received, or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and either again give notice inviting bids or sell the bonds at private sale.

(Amended by Stats. 1969, Ch. 194.)

6650. The term of bonds issued shall not exceed forty years.

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

6651. The outstanding bonds of the district shall not at any one time exceed 15 percent of the assessed value of the real and personal property of the district, except where the board elects to use the county assessor's tax roll pursuant to Article 6 (commencing with Section 6780) of Chapter 7 of this part, in which case the outstanding bonds of the district may equal an amount not to exceed 20 percent of the assessed value of the real and personal property of the district.

Within the meaning of this section the term "bonds" means only bonds payable from the proceeds of taxes levied upon taxable property in the district.

(Amended by Stats. 1965, Ch. 1881.)

6653. 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. 1558.)

6654.

(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 sanitary board 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 of payment of bonds of any other division or series of the same issue.

(3) The provisions of this section shall also apply to bonds issued in an annexed territory and to reconstruction bonds and refunding bonds.

(Added by Stats. 1949, Ch. 977.)

6655. 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.)