



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code: Section:

[Up^](#) [Add To My Favorites](#)

GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57607] (Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821] (Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] (Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 2.5. The Mello-Roos Community Facilities Act of 1982 [53311 - 53368.3] (Chapter 2.5 added by Stats. 1982, Ch. 1451, Sec. 1.)

ARTICLE 5. Bonds [53345 - 53365.7] (Article 5 added by Stats. 1982, Ch. 1451, Sec. 1.)

53345. Whenever the legislative body deems it necessary for the community facilities district to incur a bonded indebtedness, it shall, by resolution, set forth all of the following:

- (a) A declaration of the necessity for the indebtedness.
- (b) The purpose for which the proposed debt is to be incurred.
- (c) The amount of the proposed debt. The legislative body may provide for a reduction in the amount of proposed debt in compliance with the provisions of Section 53313.9.
- (d) The time and place for a hearing by the legislative body on the proposed debt authorization.

(Amended by Stats. 2007, Ch. 670, Sec. 99. Effective January 1, 2008.)

53345.3. The amount of the proposed bonded indebtedness may include all costs and estimated costs incidental to, or connected with, the accomplishment of the purpose for which the proposed debt is to be incurred, including, but not limited to, the estimated costs of construction or acquisition of buildings, or both; acquisition of land, rights-of-way, water, sewer, or other capacity or connection fees; lease payments for school facilities, satisfaction of contractual obligations relating to expenses or the advancement of funds for expenses existing at the time the bonds are issued pursuant to this chapter; architectural, engineering, inspection, legal, fiscal, and financial consultant fees; bond and other reserve funds; discount fees; interest on any bonds of the district estimated to be due and payable within two years of issuance of the bonds; election costs; and all costs of issuance of the bonds, including, but not limited to, fees for bond counsel, costs of obtaining credit ratings, bond insurance premiums, fees for letters of credit, and other credit enhancement costs, and printing costs. Bonds may not be issued pursuant to this chapter to fund any of the services specified in Section 53313; however, bonds may be issued to fund capital facilities to be used in providing these services.

(Amended by Stats. 2007, Ch. 670, Sec. 100. Effective January 1, 2008.)

53345.8. (a) The legislative body may sell bonds pursuant to this chapter only if it determines prior to the award of sale of bonds that the value of the real property that would be subject to the special tax to pay debt service on the bonds will be at least three times the principal amount of the sum of the following:

(1) The principal amount of the bonds to be sold.

(2) The principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to this chapter on property within the community facilities district or a special assessment levied on property within the community facilities district. The legislative body shall estimate the principal amount of these other bonds that are secured by property within the district by assuming that the maximum allowable tax or assessment applicable to each parcel of property within the district will be levied until the date of maximum maturity of the bonds. Any determination made pursuant to this subdivision shall be based upon the full cash value as shown on the ad valorem assessment roll or upon an appraisal of the subject property made in a manner consistent with the policies adopted pursuant to paragraph (5) of subdivision (a) of Section 53312.7 by a state certified real estate appraiser, as defined in subdivision (c) of Section 11340 of the Business and Professions Code. The Treasurer may recommend definitions, standards, and assumptions to be used for these appraisals. These definitions, standards, and assumptions are advisory only, and

the definitions, standards, and assumptions to be applied to appraisals will be those adopted by the local agency pursuant to paragraph (5) of subdivision (a) of Section 53312.7.

(b) Notwithstanding the provisions of subdivision (a), if the legislative body selling the bonds finds and determines that the proposed bonds do not present any unusual credit risk due to the availability of credit enhancements, or because a sufficient portion of the principal amount of a bond issue has been deposited in a self-financing and self-liquidating escrow account under conditions such that it cannot be withdrawn until the value of real property subject to special taxes has increased sufficiently so that the requirements of subdivision (a) will be met or for other reasons specified by the legislative body, the provisions of subdivision (a) may be disregarded.

(c) Notwithstanding the provisions of subdivision (a), if the legislative body selling the bonds finds and determines by a vote of not less than four-fifths of all of its members that the proposed bond issue should proceed for specified public policy reasons, the provisions of subdivision (a) may be disregarded.

A finding and determination by the legislative body pursuant to this subdivision shall be final and conclusive upon all persons in the absence of actual fraud, and neither the legislative body nor the district shall have any liability of any kind whatsoever out of, or in connection with, any finding and determination.

(Amended by Stats. 2003, Ch. 55, Sec. 4. Effective January 1, 2004.)

53346. The clerk of the legislative body shall publish a notice of the hearing pursuant to Section 6061 in a newspaper of general circulation circulated within the district. The notice shall contain all of the following information:

(a) The text or a summary of the resolution adopted pursuant to Section 53345 which may refer to documents on file in the office of the clerk for detail.

(b) The time and place of the hearing on the proposal to issue debt.

(c) A statement that at the hearing the testimony of all interested persons, including all persons owning property in the area, for or against the proposed debt issuance, will be heard.

(Amended by Stats. 1992, Ch. 772, Sec. 7.7. Effective January 1, 1993.)

53348. At the time and place fixed for the hearing on the resolution declaring the necessity for incurring the bonded indebtedness or at any time and place to which the hearing is adjourned, the legislative body shall proceed with the hearing.

(Added by Stats. 1982, Ch. 1451, Sec. 1.)

53349. At the hearing any person interested, including persons owning property within the area, may appear and present any matters material to the questions set forth in the resolution declaring the necessity for incurring the bonded indebtedness.

(Added by Stats. 1982, Ch. 1451, Sec. 1.)

53350. (a) For purposes of financing of, or contributing to the financing of, specified public facilities, the legislative body may by resolution designate a portion or portions of the district as one or more improvement areas. An area shall be known as "Improvement Area No. ____" or "Community Facilities District ____." After the designation of an improvement area, all proceedings for purposes of a bond election and for the purpose of levying special taxes for payment of the bonds, or for any other change pursuant to Article 3 (commencing with Section 53330), shall apply only to the improvement area for those specified facilities.

(b) In connection with the annexation by unanimous approval to a community facilities district of a parcel that was included in territory proposed for annexation in the future to the community facilities district, as described in Section 53329.6, the local agency may designate a parcel or parcels as an improvement area within the community facilities district. The designation of a parcel or parcels as an improvement area shall be specified and approved by the unanimous approval of the owner or owners of each parcel or parcels at the time that the parcel or parcels are annexed to the community facilities district. No additional hearings or procedures are required. After the designation of a parcel or parcels as an improvement area, all proceedings for approval of the appropriations limit, the rate and method of apportionment and manner of collection of special taxes, and the authorization to incur bonded indebtedness for the parcel or parcels shall apply only to the improvement area.

(Amended by Stats. 2013, Ch. 219, Sec. 7. (SB 692) Effective January 1, 2014.)

53351. After the legislative body has made its determination pursuant to Section 53350, if it deems it necessary to incur the bonded indebtedness, it shall by resolution state all of the following:

(a) That it deems it necessary to incur the bonded indebtedness.

(b) The purpose for which the bonded indebtedness will be incurred.

(c) Either of the following in accordance with its previous determination:

(1) That the whole of the district will pay for the bonded indebtedness.

(2) That a portion of the district will pay for the bonded indebtedness, which portion shall be described in the resolution of the board made pursuant to Section 53350.

(d) The amount of debt to be incurred.

(e) The maximum term the bonds to be issued shall run before maturity, which term shall not exceed 40 years.

(f) The maximum annual rate of interest to be paid, payable annually or semiannually, or in part annually and in part semiannually.

(g) That the proposition will be submitted to the voters.

(h) The date of the special community facilities district election (which may be consolidated with a general or special district election including an election to levy a special tax) at which time the proposition shall be submitted to the voters.

(i) If the election is not conducted by mail ballot, the hours between which the polls shall be open.

(j) If the election is conducted by mail ballot, the hour when the mailed ballots are required to be received in the office of the election officer conducting the election, and that if all qualified electors have voted, the election shall be closed.

(Amended by Stats. 1987, Ch. 1440, Sec. 13.)

53352. The resolution provided for in Section 53351 shall constitute the notice of such special bond election and such resolution shall be published in a newspaper of general circulation circulating within the area.

(Added by Stats. 1982, Ch. 1451, Sec. 1.)

53353.5. (a) Propositions relating to the levy of a special tax, the incurring of bonded indebtedness, or to establish or change an appropriations limit, or any combination thereof, under this chapter, may be combined into one ballot proposition as determined by the legislative body. The qualified electors for all of these purposes shall be determined and the election shall be conducted in the same manner as for a special tax election pursuant to Section 53326.

(b) The amendments of this section enacted by the Statutes of 1984 and 1991 do not constitute a change in, but are declaratory of and a clarification of, the existing law.

(Amended by Stats. 1991, Ch. 1110, Sec. 25.)

53354. If the area designated in the resolution adopted pursuant to Section 53351 does not include the entire community facilities district, a separate ballot shall be prepared for the vote upon the proposition to authorize bonds and to levy a special tax for payment of the bonds and only the voters entitled thereto shall be given the ballots.

(Amended by Stats. 2007, Ch. 670, Sec. 101. Effective January 1, 2008.)

53355. A two-thirds vote shall be required for the issuance of bonds under authority of this chapter.

(Amended by Stats. 2007, Ch. 670, Sec. 102. Effective January 1, 2008.)

53355.5. (a) As an alternate and independent procedure for conducting an election on the proposition to authorize bonded indebtedness for a community facilities district formed pursuant to Section 53328.1, and in lieu of the procedure set forth in Sections 53353.5, 53354, and 53355, the proposition to authorize bonded indebtedness may be approved by the owner or owners of a parcel or parcels of property at the time that the parcel or parcels are annexed to the community facilities district pursuant to the unanimous approval described in Section 53328.1. In that event, no additional hearings or procedures shall be required, and unanimous approval shall be deemed to constitute a unanimous vote in favor of the proposition.

(b) The local agency may bring an action, pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure, to determine the validity of any bonds issued pursuant to this chapter and authorized pursuant to the procedures set forth in this section. Notwithstanding the provisions of Section 53359, if an action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure to determine the validity of any bonds issued pursuant to this chapter and authorized pursuant to the procedures set forth in this section, the action shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure but shall, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, be commenced within 30 days after the effective date of the resolution described in Section 53351. Any appeal from a judgment in any action or proceeding described in this subdivision shall be commenced within 30 days after entry of judgment.

(Added by Stats. 2011, Ch. 493, Sec. 5. (SB 555) Effective January 1, 2012.)

53355.7. The refusal by a person to undertake or cause to be undertaken an act relating to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5, including formation of, or annexation to, a community facilities district, voting to levy a special tax, or authorizing another to vote to levy a special tax, shall not be a factor when considering the approval of a legislative or

adjudicative act, or both, including, but not limited to, the planning, use, or development of real property or any change in governmental organization or reorganization, as defined by Section 56021 or 56037, if the purpose of the community facilities district is to finance energy efficiency, water conservation, wildfire safety improvements as defined in Section 5899.4 of the Streets and Highways Code, and renewable energy improvements.

This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

(Amended by Stats. 2018, Ch. 837, Sec. 6. (SB 465) Effective January 1, 2019. Repealed as of January 1, 2029, by its own provisions. See later operative version added by Stats. 2018, Ch. 837.)

53355.7. The refusal by a person to undertake or cause to be undertaken an act relating to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5, including formation of, or annexation to, a community facilities district, voting to levy a special tax, or authorizing another to vote to levy a special tax, shall not be a factor when considering the approval of a legislative or adjudicative act, or both, including, but not limited to, the planning, use, or development of real property or any change in governmental organization or reorganization, as defined by Section 56021 or 56037, if the purpose of the community facilities district is to finance energy efficiency, water conservation, and renewable energy improvements.

This section shall become operative on January 1, 2029.

(Repealed and added by Stats. 2018, Ch. 837, Sec. 7. (SB 465) Effective January 1, 2019. Section operative January 1, 2029, by its own provisions.)

53356. If more than two-thirds of the votes cast at the election are in favor of incurring the indebtedness, the legislative body may, by resolution, at the time or times it deems proper, provide for the following:

- (a) The form of the bonds.
- (b) The execution of the bonds.
- (c) The issuance of any part of the bonds.
- (d) The appointment of one or more banks or trust companies within or without the state having the necessary trust powers as trustee, fiscal agent, paying agent, or bond registrar.
- (e) The execution of a trust agreement, indenture, or other instrument securing the bonds.
- (f) The pledge or assignment of any revenues of the community facilities district to the repayment of the bonds.
- (g) The investment of any bond proceeds and other revenues, including special tax revenues, by the trustee or fiscal agent in any securities or obligations described in the resolution, indenture, trust agreement, or other instrument providing for the issuance of the bonds. Investment subject to this subdivision shall comply with Section 53356.03. The resolution may provide for payment to the United States from any available revenues of a community facilities district of any excess investment earnings required to be rebated by federal law.
- (h) The date or dates to be borne by the bonds and the time or times of maturity of the bonds and the place or places and time or times that the bonds shall be payable.
- (i) The interest, fixed or variable, to be borne by the bonds.
- (j) The denominations, form, and registration privileges of the bonds.
- (k) Any other terms and conditions determined to be necessary by the legislative body.

(Amended by Stats. 2007, Ch. 670, Sec. 103. Effective January 1, 2008.)

53356.03. The proceeds of any bond, note, or other security issued pursuant to this chapter, or the proceeds of any bond, note, or other security issued pursuant to any other authority where revenue collected pursuant to this chapter is pledged or otherwise committed to pay or repay principal, interest, or both, shall be deposited or invested only in one or more of the instruments, securities, or obligations that are eligible legal investments of the local agency.

(Amended by Stats. 1997, Ch. 204, Sec. 1. Effective January 1, 1998.)

53356.05. The bond indenture or other bond documents may provide that the legislative body agrees to notify one or more parties, including the underwriter or other first purchaser of the bonds, an appropriate national repository for bond information approved by the Securities and Exchange Commission, or the California Debt and Investment Advisory Commission, if specified events occur that may affect the market value of outstanding bonds. These events may include, but are not limited to, the following, for example:

- (a) Withdrawal of funds from any reserve fund for the bonds, such that the balance in the fund falls below a specified percentage of the amount required by bond documents.
- (b) Draw upon a letter of credit or other credit enhancement for the bonds.

(c) Filing for bankruptcy by a developer or other owner of more than a specified percentage of the area or property value within the district.

(d) Unforeseen discovery of toxic materials or rare and endangered plant or animal species within areas of the district proposed for development.

(Amended by Stats. 2002, Ch. 454, Sec. 18. Effective January 1, 2003.)

53356.1. (a) As a cumulative remedy, if debt is outstanding, the legislative body may, not later than four years after the due date of the last installment of principal thereof, order that any delinquent special taxes levied in whole or in part for payment of the debt, together with any penalties, interest, and costs, be collected by an action brought in the superior court to foreclose the lien of special tax.

(b) The legislative body may, by resolution, adopted prior to the issuance of debt under this chapter, covenant for the benefit of debtholders to commence and diligently pursue any foreclosure action regarding delinquent installments of any amount levied as a special tax, in whole or in part, for the payment of interest or principal of any debt that is incurred, and, at any time may assign the causes of action arising from the foreclosure to a trustee or joint powers authority to do so on behalf of the debtholders. The resolution may specify a deadline for commencement of the foreclosure action and any other terms and conditions the legislative body determines reasonable regarding the foreclosure action.

(c) Except as provided in Section 53356.6, all special taxes, interest, penalties, costs, fees, and other charges that are delinquent at the time of the ordering of a foreclosure action shall be collected in the action. In the event that a lot or parcel of property has not been sold pursuant to judgment in the foreclosure action at the time that subsequent special taxes become delinquent, the court may include the subsequent special taxes, interest, penalties, costs, fees, and other charges in the judgment or modified judgment.

(d) For purposes of financing delinquent special taxes pursuant to Section 26220 of the Government Code, the legislative body may act as if it were a board of supervisors.

(e) Notwithstanding any other provision of this chapter, no trustee or joint powers authority shall be obligated to accept the tender of bonds in satisfaction of any obligation arising from a delinquent special tax, although either may do so if authorized to do so by the legislative body.

(f) An action to determine the validity of any bonds issued, any joint powers agreement entered into, and any related agreements entered into, by a joint powers agency acting pursuant to this section may be brought by the joint powers agency pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. Any appeal from a judgment in the action shall be commenced within 30 days after entry of judgment.

(Amended by Stats. 2007, Ch. 670, Sec. 104. Effective January 1, 2008.)

53356.1.5. (a) This section applies if delinquent special taxes, together with any penalties, interest, and costs, are collected through the sale of the property by the tax collector pursuant to Chapter 7 (commencing with Section 3691) of Part 6 of Division 1 of the Revenue and Taxation Code.

(b) If the property is sold for at least the total amount necessary to redeem plus costs, as defined in Section 3698.5 of the Revenue and Taxation Code, the sale of the property shall extinguish the delinquent special taxes, interest, penalties, and costs included in the sale price.

(c) If the property is sold for less than the total amount necessary to redeem plus costs, as defined in Section 3698.5 of the Revenue and Taxation Code, all of the following apply:

(1) The portion of the sales price paid by the tax collector to the local agency on account of the delinquent special taxes shall be credited by the local agency first to the delinquent interest and redemption penalties, and then to the delinquent principal.

(2) The remainder of the delinquent special taxes and redemption penalties, if any, shall remain due and owing.

(3) Redemption penalties shall continue to accrue on the remaining unpaid delinquent special taxes.

(4) The remaining unpaid amount, with penalties, may be added as postjudgment delinquencies to any existing unsatisfied foreclosure judgment against the property, or may be collected in a new foreclosure action filed pursuant to this chapter.

(Added by Stats. 2007, Ch. 670, Sec. 105. Effective January 1, 2008.)

53356.2. (a) When any foreclosure actions are ordered by the local agency or legislative body, or when subsequent installments and interest that are also to be made the subject of a foreclosure action thereafter become delinquent, and the foreclosure action is not commenced and a notice of pendency of action is not concurrently recorded, prior to the actual removal of the delinquent

installment from the tax roll, the local agency or legislative body responsible for the foreclosure action on the delinquent installment shall do one of the following:

(1) Prior to the actual removal of the delinquent installment from the tax roll, the local agency or legislative body shall record or cause to have recorded in the county recorder's office in the county in which the real property is located, a Notice of Intent to Remove Delinquent Special Tax Installment from the Tax Roll, which contains the information set forth in subdivision (b). If action is taken under this paragraph, all of the following apply:

(A) Upon presentation of written proof of the recordation and a request for removal by the local agency or legislative body, the county auditor shall remove the delinquent installments from the tax roll. "Proof of recordation" includes, but is not limited to, a certified copy of the notice set forth in subdivision (b), or a copy of the recorded notice containing the county recorder's assigned document number, or a copy of the recorded notice containing a copy stamp from the office of the county recorder.

(B) From the date of the recordation, the county tax collector shall be credited upon the current tax roll with the amount charged against him or her on account of the delinquent special tax installment. If any person pays the delinquent installment referred to in the Notice of Intent to Remove Delinquent Special Tax Installment from the Tax Roll to the county tax collector prior to or subsequent to the actual removal of that delinquent installment from the tax roll, the county auditor shall forward that payment to the local agency or legislative body responsible for the foreclosure action.

(C) From the date of recordation pursuant to this section, the special tax installment, and interest thereon, and penalties, costs, fees, and other charges accrued under applicable statutes, that are to be collected in a foreclosure action, shall no longer be collectible by the county tax collector.

(D) The county tax collector, in addition to the costs recovered in foreclosure, may charge the actual costs incurred in removing these sums from the tax roll or the performance of any other related duties as set forth in this section.

(E) Installments, interest, penalties, costs, fees, and other charges that do not become the subject of a foreclosure action shall remain collectible by the county tax collector as otherwise provided by applicable law.

(2) As an alternative to the notice requirement set forth in paragraph (1), the Counties of San Bernardino and Riverside may, simultaneously with the removal of the delinquent special tax installment from the secured tax roll, provide notification on the secured tax roll that the installment has been removed from the roll for each parcel for which the delinquent special tax installment was removed. The notice shall be displayed in a manner which conveys that the removal has occurred, and shall include the name and telephone number of the person or entity to be contacted to receive further information.

(b) The Notice of Intent to Remove Delinquent Special Tax Installment from the Tax Roll shall be completed and recorded by or caused to be recorded by the local agency or legislative body responsible for the foreclosure action, and shall contain all of the following:

(1) The name of the local agency or legislative body, city, or other assessment district responsible for the foreclosure action.

(2) The legal description or assessor's parcel number of the property affected by the notice.

(3) The specific tax year and installment intended to be removed from the tax roll.

(4) The title, address, and telephone number of the employee, city official, or other authorized official who should be contacted regarding the delinquent assessment installment amount.

(5) The name of the owner shown on the last equalized assessment roll.

(c) Any local agency or legislative body that removed or caused to be removed a delinquent special tax installment from the ad valorem tax roll prior to January 1, 1997, shall record, by July 1, 1997, a Notice of Intent to Remove Delinquent Special Tax Installment from the Tax Roll or shall request the tax collector to retain the notice of delinquent special tax installment on the tax roll as set forth in paragraph (2) of subdivision (a). If the foreclosure action has been filed and a notice of pendency of action has been recorded in the county recorder's office prior to July 1, 1997, this requirement does not apply.

(d) All costs associated with the county tax collector's and local agency's or legislative body's responsibilities as set forth in this section shall be recoverable by the local agency or legislative body through the foreclosure action.

(e) The recording of a notice of pendency of action in the county recorder's office in the county in which the real property is located, concurrent with the commencement of a foreclosure action ordered by the local agency or legislative body and commenced prior to the actual removal from the tax roll of the delinquent installment which is the subject of the foreclosure action, constitutes compliance with the notice requirements of this section.

(Amended by Stats. 1998, Ch. 497, Sec. 1. Effective January 1, 1999.)

53356.3. At any time after the tax collector has been relieved of his or her duty to collect sums under Section 53356.2 and before judgment in a foreclosure action, the local agency or trustee shall dismiss the action upon payment of all of the following:

- (a) The amount of any delinquent special taxes together with any penalties, interest, and costs accrued thereon to date of complete payment hereunder.
- (b) Costs of suit, including, but not limited to, litigation guarantees provided by title companies with respect to all claims of ownership or interest in the subject property.
- (c) Attorneys' fees authorized by the local agency.
- (d) The tax collector's costs authorized by subdivision (d) of Section 53356.2.

(Amended by Stats. 2007, Ch. 670, Sec. 106. Effective January 1, 2008.)

53356.4. The foreclosure action shall be brought in the name of the local agency or trustee on behalf of the bondholders pursuant to Section 53356.1, and may be brought within the time specified in Section 53356.1. The complaint may be brief and need only include the following allegations:

- (a) That on a stated date, a certain sum of special taxes, levied against the subject property (describing it) pursuant to this chapter, became delinquent.
- (b) On that date, bonds issued pursuant to this chapter, payable in whole or in part by the subject special taxes, were outstanding.
- (c) That the legislative body or trustee has ordered the foreclosure.

(Amended by Stats. 1991, Ch. 1110, Sec. 30.)

53356.5. (a) Any judgment shall decree the amount of the continuing lien against each parcel to be foreclosed, and shall order the parcel to be sold on execution as in other cases of the sale of real property by process of the court except:

(1) Notwithstanding Section 701.545 of the Code of Civil Procedure, notice of sale of any lot or parcel included in the judgment may be given pursuant to Section 701.540 of the Code of Civil Procedure any time after the expiration of 20 days after the date notice of levy on the interest in real property was served on the judgment debtor or debtors, provided that the lot or parcel to be sold is not a dwelling for not more than four families and provided that all parties whose liens are extinguished by the foreclosure judgment were either defendants in the foreclosure action or, for those parties who acquired an interest in a lien on the parcel after the recording of notice of the pending foreclosure action, received constructive notice of the action.

(2) Whenever notice of sale may be given after the expiration of 20 days after the date notice of levy was served as provided in paragraph (1), the 30-day time period contained in subdivision (h) of Section 701.540 of the Code of Civil Procedure shall be reduced to 10 days.

(3) Upon proof that the lot or parcel to be sold is not a dwelling for not more than four families, and upon determining that all parties whose liens are extinguished by the foreclosure judgment were either defendants in the foreclosure action or, for those parties who acquired an interest in a lien on the parcel after the recording of notice of the pending foreclosure action, received constructive notice of the action, pursuant to Section 716.020 of the Code of Civil Procedure, the court shall order that paragraphs (1) and (2) apply to any judgment previously entered.

(4) The minimum bid amount provided in Section 53356.6 shall apply instead of subdivision (a) of Section 701.620 of the Code of Civil Procedure.

(5) The local agency may bid at the price provided in Section 53356.6 by giving the levying officer a written receipt crediting all or part of the amount required to satisfy the judgment. If the local agency becomes the purchaser pursuant to bid, the local agency shall pay the amount of its credit bid into the redemption fund within 24 months of the date of the foreclosure sale.

(6) Notwithstanding subdivision (c) of Section 701.620 of the Code of Civil Procedure, if the minimum price required to be paid for a lot or parcel pursuant to Section 53356.6 is not obtained at a foreclosure sale, upon written request of the local agency, the levying officer shall retain the writ of sale and, provided that the writ of sale has not been returned to the court pursuant to paragraph (1) of subdivision (a) of Section 699.560 of the Code of Civil Procedure, give notice of sale pursuant to Section 701.540 of the Code of Civil Procedure without relevying on the property.

(7) As provided elsewhere in this chapter.

(b) The judgment amount shall include reasonable attorneys' fees to be fixed by the court, together with interest, penalties, and other authorized charges and costs (all calculated up to date of judgment).

(c) The foreclosure action shall be governed and regulated by the provisions of this chapter, and also where not in conflict with this chapter, by other provisions of law generally applicable to foreclosure actions.

(Amended by Stats. 1997, Ch. 946, Sec. 5. Effective January 1, 1998.)

53356.6. Property sold hereunder may not be sold for less than the amount of the judgment plus postjudgment interest and authorized costs without the consent of the owners of 75 percent by value of the outstanding bonds.

(Added by Stats. 1988, Ch. 1365, Sec. 23.)

53356.7. No special tax installment, interest or penalties thereon, or deed shall be held invalid for any error in computation if the error is found to be comparatively negligible, or is found to be in favor of the owner of the real property affected thereby.

(Added by Stats. 1988, Ch. 1365, Sec. 24.)

53356.8. Provided the legislative body permits bonds or debt to be tendered for special taxes and the penalties and interest thereon pursuant to Section 53344.1, if the highest bid for a lot or parcel sold pursuant to a judgment of foreclosure and order of sale exceeds five thousand dollars (\$5,000) and the highest bidder elects to treat the sale as a credit transaction pursuant to subdivision (c) of Section 701.590 of the Code of Civil Procedure, the balance due as provided in that section may be paid in full or in part by tender of bonds or debt, provided, however, that bonds or debt may not be tendered for costs of foreclosure, including attorney's fees, and administrative charges incurred by the local agency with respect to removing the special taxes from the rolls of the treasurer or tax collector, or other administrative charges.

(a) Tender of bonds or debt shall be made to the local agency within seven days of the date of the sale. The local agency shall be charged with authenticating the tender and shall, within 10 days of the date of the sale, submit a written receipt to the levying officer who conducted the sale for the amount of the bond or debt tender accepted by it.

(b) Tender of cash or certified check or cashier's check shall be made to the levying officer within 10 days of the date of the sale.

(c) The levying officer shall total the cash, certified checks and cashier's checks, and any agency written receipts for bonds or debt to determine if the amount of the bid, plus accruing costs and interests, has been paid. In no event shall the tendering party be entitled to receive cash or other compensation in return for all or any part of the value of a tendered bond or bonds, except for recognition of their value in satisfying the amount bid.

(d) The tendering party shall comply with the provisions of Section 53344.1, as applicable as if they were fully set out in this section.

(Added by Stats. 1997, Ch. 946, Sec. 6. Effective January 1, 1998.)

53356.9. (a) Notwithstanding any other provision of this chapter or any other provision of law applicable to foreclosure action, the judgment of foreclosure and sale of a lot or parcel pursuant to this chapter shall not terminate or otherwise affect the rights of the holder of an easement in that lot or parcel.

(b) No provision of this section shall be interpreted as limiting any rights otherwise agreed to under existing contract.

(Added by Stats. 1998, Ch. 113, Sec. 1. Effective January 1, 1999.)

53357. The bonds shall be signed by the chairperson of the legislative body and countersigned by the clerk of the legislative body or his or her deputy. All signatures on the bonds may be printed, lithographed, or engraved. If any officer whose signature appears on the bonds ceases to be that officer before the delivery of the bonds, his or her signature is as effective as if he or she had remained in office. All bonds shall be payable at the office of the treasurer of the local agency or at the office of any agent designated by the local agency.

(Amended by Stats. 1986, Ch. 1102, Sec. 35. Effective September 24, 1986.)

53357.1. (a) In connection with the issuance of bonds in which a property owner agrees, by written consent, to disclose certain information on a continuous basis through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access, or successor information depository, the local agency may execute and record in the office of the county recorder, in which the community facilities district is located, a notice of the owner's disclosure agreement for the purpose of providing notice to a subsequent transferee. The owner's written consent shall be attached to the notice.

(b) A subsequent transferee of the property shall be subject to the disclosure obligation. Upon the termination of the disclosure obligation, the local agency may cause a notice of termination to be recorded with the office of the county recorder in which the original notice was recorded.

(c) Notwithstanding Sections 6103 and 27383, the county recorder may charge an appropriate fee for the expense incurred in recording the notices provided for in this section.

(Added by Stats. 2013, Ch. 219, Sec. 8. (SB 692) Effective January 1, 2014.)

53358. When the legislative body provides for the fixing and levying of special taxes and charges for the community facilities district it shall also provide for the fixing and levying of that amount of special taxes and charges within the community facilities district which is required for the payment of the principal of and interest on any outstanding bonded debt of the community facilities district, including any necessary replenishment or expenditure of bond reserve funds or accumulation of funds for future bond payments, including any amount required by federal law to be rebated to the United States on that bonded debt. The special tax or charge shall be levied and collected by the same officers and at the same time and in the same manner that all other special taxes and charges are levied and collected for the community facilities district or in any other manner specified by the legislative body. The special taxes and charges shall not exceed the authority granted by Article 2 (commencing with Section 53318) and Article 3 (commencing with Section 53330). All of the collections for payment of principal and interest on bonds shall be paid into the community facilities district bond fund and reserve or other fund for the particular community facilities district and shall be used solely for the payment of the principal of and interest on the outstanding bonds of the community facilities district.

(Amended by Stats. 1991, Ch. 1110, Sec. 31.)

53359. An action to determine the validity of bonds issued pursuant to this chapter or the validity of any special taxes levied pursuant to this chapter may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure but shall, notwithstanding the time limits specified in Section 860 of the Code of Civil Procedure, be commenced within 30 days after the voters approve the issuance of the bonds or the special tax if the action is brought by an interested person pursuant to Section 863 of the Code of Civil Procedure. Any appeal from a judgment in that action or proceeding shall be commenced within 30 days after entry of judgment.

(Amended by Stats. 1986, Ch. 1102, Sec. 37. Effective September 24, 1986.)

53359.5. (a) The legislative body shall, no later than 30 days prior to the sale of any bonds pursuant to this article, give written notice of the proposed sale to the California Debt and Investment Advisory Commission by mail, postage prepaid, or by any other method approved by the California Debt and Investment Advisory Commission, as required by Chapter 11.5 (commencing with Section 8855) of Division 1 of Title 2.

(b) On and after January 1, 1993, each year after the sale of any bonds, including refunding bonds, pursuant to this article, and until the final maturity of the bonds, the legislative body shall, not later than October 30 of each year, supply the following information to the California Debt and Investment Advisory Commission by mail, postage prepaid, or by any other method approved by the California Debt and Investment Advisory Commission:

(1) Issuer name.

(2) Community facilities district number or name.

(3) Name, title, and series of the bond issue.

(4) Credit rating and name of the rating agency.

(5) Date of the bond issue and the original principal amount.

(6) Reserve fund minimum balance required.

(7) The principal amount of bonds outstanding.

(8) The balance in the bond reserve fund.

(9) The balance in the capitalized interest fund, if any.

(10) The number of parcels that are delinquent with respect to their special tax payments, the amount that each parcel is delinquent, the total amount of special taxes due on the delinquent parcels, the length of time that each has been delinquent, when foreclosure was commenced for each delinquent parcel, the total number of foreclosure parcels for each date specified, and the total amount of tax due on the foreclosure parcels for each date specified.

(11) The balance in any construction funds.

(12) The assessed value of all parcels subject to special tax to repay the bonds as shown on the most recent equalized roll, the date of assessed value reported, and the source of the information.

(13) The total amount of special taxes due, the total amount of unpaid special taxes, and whether or not the special taxes are paid under the county's Teeter Plan (Chapter 6.6 (commencing with Section 54773)).

(14) The reason and the date, if applicable, that the issue was retired.

(15) Contact information for the party providing the information.

(c) In addition, with respect to any bonds sold pursuant to this article, regardless when sold, and until the final maturity of the bonds, the legislative body shall notify the California Debt and Investment Advisory Commission by mail, postage prepaid, or by any other method approved by the California Debt and Investment Advisory Commission, within 10 days if any of the following events occur:

(1) The local agency or its trustee fails to pay principal and interest due on any scheduled payment date.

(2) Funds are withdrawn from a reserve fund to pay principal and interest on the bonds that reduce the reserve fund to less than the reserve requirement.

(d) Neither the legislative body nor the California Debt and Investment Advisory Commission shall be liable for any inadvertent error in reporting the information required by this section.

(Amended by Stats. 2007, Ch. 670, Sec. 107. Effective January 1, 2008.)

53359.7. Current information on the items listed in Section 53359.5 is a matter of public record, within the meaning of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) even if the information is physically held by an agent or trustee of the public agency. Neither the legislative body, nor any of its officers, agents, or trustees shall be liable in any way for making that financial information available to anyone requesting it or for otherwise making it available to the public.

(Amended by Stats. 2021, Ch. 615, Sec. 198. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

53360. The community facilities district may sell the bonds so issued at the times or in the manner the legislative body deems to be to the public interest. However, except as otherwise provided in Section 53360.4, all bonds shall be sold on sealed proposals or through generally accepted electronic means to the highest bidder, after advertising for bids by publication of notice of sale pursuant to Section 53692. If no bids are received or if the legislative body determines that the bids received are not satisfactory as to price or responsibility of the bidders, the legislative body may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

(Amended by Stats. 2007, Ch. 670, Sec. 108. Effective January 1, 2008.)

53360.4. Notwithstanding Section 53360, the legislative body may sell bonds at private sale, without advertising for bids, if the legislative body determines that the action would result in a lower overall cost.

(Amended by Stats. 1985, Ch. 1035, Sec. 2.)

53360.7. The legislative body may provide that bonds shall bear a variable interest rate, and for the manner and intervals in which the rate shall vary. The variable rate shall not exceed the maximum rate permitted by Section 53531 or any other applicable provision of law limiting the maximum interest rate on bonds.

(Added by Stats. 1984, Ch. 1406, Sec. 4. Effective September 26, 1984.)

53361. Any bonds issued by a district organized under the provisions of this chapter are hereby given the same force, value and use as bonds issued by any municipality and shall be exempt from all taxation within the state.

(Added by Stats. 1982, Ch. 1451, Sec. 1.)

53361.1. All bonds issued by any district payable from taxes or charges are legal investments for all trust funds, for the trust funds of all insurance companies, the state school funds, and any funds which may be invested in bonds of cities, counties, cities and counties, school districts, or municipalities in the state.

(Added by Stats. 1982, Ch. 1451, Sec. 1.)

53362. The legislative body may, by resolution, issue new bonds to refund any or all of the district bonds outstanding or improvement area bonds outstanding that have been issued pursuant to this article.

(Repealed and added by Stats. 1984, Ch. 269, Sec. 29. Effective July 3, 1984.)

53362.5. Refunding bonds shall not be issued if the total interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds exceeds the total interest cost to maturity on the bonds to be refunded plus the principal amount of the bonds to be refunded. Subject to these limitations, the principal amount of the refunding bonds may be more than, less than, or the same as the principal amount of the bonds to be refunded.

(Amended by Stats. 2007, Ch. 670, Sec. 109. Effective January 1, 2008.)

53362.7. The total authorized amount of the bonded indebtedness of a district or an improvement area therein, as approved by the qualified voter thereof, shall not be reduced by the principal amount of any refunding bonds issued to refund any or all outstanding bonds of the district or improvement area. This section does not constitute a change in, but is declaratory of, the existing law.

(Added by Stats. 1987, Ch. 1440, Sec. 14.)

53363. Except as otherwise provided in this article, the legislative body may issue refunding bonds without repeating any of the procedures required for the approval of the original bond issue, if the legislative body determines that it would be prudent in the management of its fiscal affairs to issue the refunding bonds.

(Repealed and added by Stats. 1984, Ch. 269, Sec. 32. Effective July 3, 1984.)

53363.2. If the legislative body determines to issue refunding bonds pursuant to this article it shall adopt a resolution providing for their issuance. The resolution shall:

- (a) Describe the bonds being refunded and state the date on which it is anticipated that the exchange or purchase necessary to effect the refunding will occur.
- (b) Fix the date of the refunding bonds.
- (c) Designate the denomination or denominations of the refunding bonds.
- (d) Fix the minimum rate or rates of interest to be paid on the refunding bonds.
- (e) Fix the maturity dates of the refunding bonds, which shall not exceed the latest maturity date of the bonds being refunded.
- (f) Designate the place or places of payment of principal and interest on the refunding bonds and on the bonds to be refunded.
- (g) Describe the form of the refunding bonds.
- (h) State the designated costs of issuing the refunded bonds, as defined by Section 53363.8.

(Added by Stats. 1984, Ch. 269, Sec. 33. Effective July 3, 1984.)

53363.5. Any refunding bonds issued pursuant to this article may be exchanged for the bonds to be refunded on such basis as the legislative body determines is for the benefit of the district, but shall be issued in compliance with Section 53362.5. As an alternative to exchanging the refunding bonds for the bonds to be refunded, the legislative body may sell the refunding bonds at public or private sale. The proceeds of any sale of refunding bonds for cash shall be placed in the treasury of the local agency to the credit of a fund to be established for the purpose of refunding the bonds to be refunded, which fund shall be designated the "refunding fund," and the proceeds of the sale shall be applied only as permitted by this article. The funds shall be secured and may be invested in accordance with any other laws applicable to the funds of the local agency.

(Amended by Stats. 1986, Ch. 1102, Sec. 38.5. Effective September 24, 1986.)

53363.7. The designated costs of issuing the refunding bonds, as defined by Section 53363.8, may be paid by the purchaser of the refunding bonds or may be paid from any other legally available source, including any available revenues of the legislative body, the proceeds of sale of the refunding bonds, the interest or other gain derived from the investment of any of the proceeds of sale of the refunding bonds, or any combination thereof, as determined by the legislative body. However, any amounts paid by the local agency other than from the proceeds of sale of the refunding bonds or from interest or other gains derived from the investment of the proceeds of sale shall be added to the total interest cost to maturity on the refunding bonds in determining whether the issuance of the refunding bonds complies with Section 53362.5.

(Amended by Stats. 2007, Ch. 670, Sec. 110. Effective January 1, 2008.)

53363.8. For purposes of this article, the term "designated costs of issuing the refunding bonds" means any of the following costs and expenses designated by the legislative body in the resolution providing for the issuance of the refunding bonds:

- (a) All expenses incident to the calling, retiring, or paying of the bonds to be refunded and incident to the issuance of refunding bonds, including the charges of any agent in connection with the issuance of the refunding bonds or in connection with the redemption or retirement of the bonds to be refunded.
- (b) Either of the following:

(1) The interest upon the refunding bonds from the date of sale of the refunding bonds to the date of payment of the bonds to be refunded out of the proceeds of the sale of the refunding bonds or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.

(2) The interest upon the bonds to be refunded from the date of sale of the refunding bonds to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.

(c) Any premium necessary in the calling or retiring of the bonds to be refunded.

(Added by Stats. 1984, Ch. 269, Sec. 37. Effective July 3, 1984.)

53363.9. (a) The proceeds and investments in the "refunding fund" shall be in an amount sufficient to meet either the requirements of paragraph (1) or paragraph (2) at the time of issuance of the refunding bonds, as certified by a certified public accountant licensed to practice in this state.

(1) The proceeds and investments, together with any interest or other gain to be derived from any such investment, shall be in an amount sufficient to pay the principal, interest, and redemption premiums, if any, on the refunded bonds as they become due or at designated dates prior to maturity and the designated costs of issuance of the refunding bonds.

(2) The proceeds and investments, together with any interest or other gain to be derived from any such investment, shall be in an amount sufficient to pay the principal, interest, and redemption premiums, if any, on the refunding bonds prior to the maturity of the bonds to be refunded or prior to a designated date or dates before the maturity of the bonds to be refunded, the principal and any redemption premiums due on the refunded bonds at maturity or upon that designated date or dates, and the designated costs of issuance of the refunding bonds.

(b) The proceeds and any other cash in the "refunding fund" shall be held uninvested or shall be invested in noncallable obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when those obligations are backed by the full faith and credit of the United States of America, and shall be in an amount sufficient to pay the principal, interest, and redemption premiums, if any, on the refunded bonds as they become due or at designated dates prior to maturity, in which case certification of a certified public accountant licensed to practice in this state shall not be required.

(Amended by Stats. 2013, Ch. 219, Sec. 9. (SB 692) Effective January 1, 2014.)

53364. Following the issuance of any refunding bonds pursuant to this article, the treasurer of the local agency shall provide for the payment of principal and interest on the refunding bonds in the same manner as for the bonds being refunded. Payments on the refunding bonds may be made from the "refunding fund" or from the redemption fund established for the bonds being refunded. However, the bonds being refunded shall have a priority claim on funds in the redemption fund.

(Repealed and added by Stats. 1984, Ch. 269, Sec. 40. Effective July 3, 1984.)

53364.2. (a) If further facilities or services are authorized to be financed by the district, savings achieved through the issuance of refunding bonds may be used by the legislative body for those purposes.

(b) If no further facilities or services are authorized to be financed by the district, any savings achieved through the issuance of refunding bonds shall be used by the legislative body to reduce the special taxes levied to retire outstanding bonds.

(c) Savings achieved through the issuance of refunding bonds may be used pursuant to both subdivisions (a) and (b) in proportions determined by the legislative body.

(d) For purposes of this section, the terms "savings achieved through the issuance of refunding bonds" means the difference between the principal and interest to maturity of the refunded bonds and the principal and interest to maturity of the refunding bonds.

(e) If savings are to be used for authorized facilities, bonds may be issued that are secured by that savings.

(Amended by Stats. 2007, Ch. 670, Sec. 111. Effective January 1, 2008.)

53364.5. Any bonds issued by the district may be made callable by resolution of the legislative body adopted at or prior to the time of issuing the bonds. When bonds are made callable a statement to that effect shall be set forth on the face of the bonds. Callable bonds may be redeemed on any date prior to their fixed maturity in the amounts, manner, and prices prescribed by the legislative body.

(Amended by Stats. 2007, Ch. 670, Sec. 112. Effective January 1, 2008.)

53365. Notice designating the bonds called for redemption shall be mailed to the underwriter or other first purchaser and to the registered owners of the bonds to be called by first-class mail. The notice shall be mailed not less than 30 nor more than 90 days

prior to the date fixed for redemption.

(Repealed and added by Stats. 1991, Ch. 1110, Sec. 33.5.)

53365.5. If on the date fixed for redemption, the area has provided funds available for payment of the principal and interest of the bonds called, interest on the bonds shall cease.

(Added by Stats. 1982, Ch. 1451, Sec. 1.)

53365.7. (a) The legislative body may, by resolution and without the necessity of calling and holding an election, borrow money in anticipation of the sale of bonds which have been authorized pursuant to this article, but which have not been sold and delivered, issue negotiable bond anticipation notes therefor, and renew the notes from time to time. The maximum maturity of any such notes, including the renewals thereof, shall not exceed five years from the date of delivery of the original notes.

(b) The principal and interest on the notes may be paid from any money available for their payment. Any portion of the principal or interest which is due and payable shall be paid from the proceeds of the next sale of bonds in anticipation of which the notes were issued.

(c) The proceeds of notes issued pursuant to this section may be used for any purpose for which the bonds in anticipation of which the notes were issued may be used.

(d) The notes shall not be issued in any amount in excess of the aggregate amount of bonds which the legislative body has been authorized to issue, less the amount of any bonds of such authorized issue which have been previously sold and less the amount of other bond anticipation notes issued previously and outstanding at that time.

(e) The legislative body may, in its resolution authorizing the issuance of notes, provide that the note shall be subject to call and redemption prior to maturity, at the option of the district, at such price or prices as may be fixed in the resolution, but not to exceed a premium of 6 percent of the par value of the note so subject to redemption. The resolution shall fix the method of giving notice of redemption to the holders of notes to be redeemed and the price or prices at which the note shall be subject to redemption. Any notes that are subject to call and redemption prior to maturity shall contain a recital to that effect on their face and no note shall be subject to call or redemption prior to its fixed maturity date unless it contains that recital.

(f) The notes shall be issued and sold in the same manner as the bonds.

(g) The notes and the resolution or resolutions authorizing the same may contain any provisions, conditions, or limitations which a resolution of the legislative body authorizing the issuance of bonds may contain.

(h) The legislative body shall, in its resolution authorizing the issuance of notes, provide a remedy if the anticipated bonds cannot be sold at the time or in the amount specified in the resolution, or if any default occurs with respect to the notes. Any remedy which is so provided shall limit the obligations of property owners within the community facilities district to the special tax authorized and levied pursuant to this chapter, except that the legislative body may enter into an agreement with any of the property owners within the district pledging some or all of the real property of those property owners who are a party to the agreement as additional security for the notes. The legislative body may authorize the levy of a supplemental special tax in an amount sufficient to secure a note issued pursuant to this section, if that special tax is fully described as to the rate, method of apportionment, and conditions under which it may be levied in the resolution of intention prepared pursuant to Section 53321. This special tax shall be subject to the procedures and voting requirements for any special tax levied under the authority of this chapter.

(Added by Stats. 1984, Ch. 269, Sec. 42. Effective July 3, 1984.)