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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 2.7. Community Rehabilitation District Law [53370 - 53394] (Chapter 2.7 added by Stats. 1985, Ch. 906, Sec. 1.)

ARTICLE 5. Senior Obligation Bonds [53387 - 53391] (Heading of Article 5 renumbered from Article 6 by Stats. 1986, Ch. 652, Sec. 4.)

53387. The legislative body may, by majority vote, initiate proceedings to issue bonds pursuant to this chapter by adopting a resolution stating its intent to issue those bonds.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53387.3. The resolution adopted pursuant to Section 53387 shall contain all of the following information:

- (a) A description of the facilities or work to be undertaken with the proceeds of the proposed bond issue.
- (b) The estimated cost of the facilities or works, the estimated cost of preparing and issuing the bonds, and the principal amount of the proposed bond issuance.
- (c) The maximum interest rate and discount on the proposed bond issuance.
- (d) The date of the election on the proposed bond issuance and the manner of holding the election.
- (e) A determination of the amount available for the payment of the principal and interest on the bonds pursuant to Section 53387.
- (f) A finding that the amount necessary to pay the principal and interest on the proposed bond issuance will be less than, or equal to, the amount determined pursuant to subdivision (e).

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53387.7. The clerk of the legislative body shall publish the resolution adopted pursuant to Section 53387 once a day for at least seven successive days in a newspaper published in the city or county at least six days a week, or at least once a week for two successive weeks in a newspaper published in the city or county less than six days a week.

If there are no such newspapers, the resolution shall be posted in three public places within the territory of the district for two succeeding weeks.

(Amended by Stats. 1986, Ch. 652, Sec. 5.)

53388. The legislative body shall submit the proposal to issue the bonds to the voters who reside within the district. Except as otherwise provided in this chapter, the election shall be conducted in the same manner as other city or county elections.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53388.3. The county shall, if requested by the legislative body of a district created within the boundaries of a city, conduct the election for the district. The district shall pay the county for costs incurred by the county in conducting the election, if any.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53388.7. (a) The bonds may be issued if a majority of the voters voting on the proposition vote in favor of issuing the bonds.

(b) If the voters approve the issuance of the bonds as provided by subdivision (a), the legislative body shall proceed with the issuance of the bonds by adopting a resolution which shall provide for all of the following:

- (1) The issuance of the bonds in one or more series.
- (2) The principal amount of the bonds, which shall be consistent with the amount specified in subdivision (b) of Section 53388.3.
- (3) The date the bonds shall bear.
- (4) The date of maturity of the bonds.
- (5) The denomination of the bonds.
- (6) The form of the bonds.
- (7) Any conversion privileges which the bonds shall carry.
- (8) The manner of execution of the bonds.
- (9) The medium of payment in which the bonds are payable.
- (10) The place or manner of payment and any requirements for registration of the bonds.
- (11) The terms of call or redemption, with or without premium.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53389. The legislative body shall notify the county auditor if the voters approve the issuance of the bonds pursuant to the election conducted in accordance with Section 53388.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53389.3. When two or more propositions for incurring indebtedness pursuant to this chapter are submitted at the same election, the votes cast for and against each proposition shall be counted separately.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53389.7. If any proposition submitted to the voters pursuant to this chapter is defeated by the voters, the legislative body shall not submit, or cause to be submitted, a similar proposition to the voters for at least six months after the first election.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53390. The legislative body may, by majority vote, provide for refunding of bonds issued pursuant to this chapter. However, refunding bonds shall not be issued if the total net interest cost to maturity on the refunding bonds plus the principal amount of the refunding bonds exceeds the total net interest cost to maturity on the bonds to be refunded. The legislative body may not extend the time to maturity of the bonds.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53390.3. The legislative body or any person executing the bonds shall not be personally liable on the bonds by reason of their issuance. The bonds and other obligations of a district issued pursuant to this chapter are not a debt of the city, county, or state, or any of its political subdivisions, and those entities are not liable on the bonds and the bonds or obligations are not payable out of any funds or properties other than those of the district. The bonds shall contain a statement of that fact on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53390.7. The bonds may be sold at discount not to exceed 5 percent of par at public sale. At least five days prior to the sale, notice shall be published, pursuant to Section 6061, in a newspaper of general circulation and in a financial newspaper published in the City and County of San Francisco and in the City of Los Angeles. The bonds may be sold at not less than par to the federal government at private sale without any public advertisement.

(Added by Stats. 1985, Ch. 906, Sec. 1.)

53391. If any member of the legislative body whose signature appears on bonds ceases to be a member of the legislative body before delivery of the bonds, his or her signature is as effective as if he or she had remained in office. Bonds issued pursuant to this chapter are fully negotiable.

