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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 2.99. Enhanced Infrastructure Financing District [53398.50 - 53398.88] (Chapter 2.99 added by Stats. 2014, Ch. 785, Sec. 1.)

ARTICLE 4. Tax Increment Bonds [53398.77 - 53398.88] (Article 4 added by Stats. 2014, Ch. 785, Sec. 1.)

53398.77. The public financing authority may, by majority vote, issue bonds pursuant to this chapter by adopting a resolution that includes all of the following:

- (a) A description of the facilities or developments to be financed with the proceeds of the proposed bond issue.
- (b) The estimated cost of the facilities or developments, the estimated cost of preparing and issuing the bonds, and the principal amount of the bond issuance.
- (c) The maximum interest rate and discount on the bond issuance.
- (d) A determination of the amount of tax revenue available or estimated to be available, for the payment of the principal of, and interest on, the bonds.
- (e) A finding that the amount necessary to pay the principal of, and interest on, the bond issuance will be less than, or equal to, the amount determined pursuant to subdivision (d).
- (f) The issuance of the bonds in one or more series.
- (g) The principal amount of the bonds that shall be consistent with the amount specified in subdivision (b).
- (h) The date the bonds will bear.
- (i) The date of maturity of the bonds.
- (j) The denomination of the bonds.
- (k) The form of the bonds.
- (l) The manner of execution of the bonds.
- (m) The medium of payment in which the bonds are payable.
- (n) The place or manner of payment and any requirements for registration of the bonds.
- (o) The terms of call or redemption, with or without premium.

(Amended by Stats. 2019, Ch. 656, Sec. 6. (AB 116) Effective January 1, 2020.)

53398.78. (a) If the public financing authority adopts a resolution to issue bonds pursuant to Section 53398.77 for port or harbor infrastructure, it shall, before issuing the bonds, submit the resolution to issue bonds to the affected harbor agency pursuant to Section 1713 of the Harbors and Navigation Code for its preliminary approval.

(b) If the harbor agency grants preliminary approval, the proposal shall be considered by the State Lands Commission for final approval pursuant to Section 1714 of the Harbors and Navigation Code.

(c) If the State Lands Commission votes in favor of the issuance of the bonds as provided in Section 1714 of the Harbors and Navigation Code, the public financing authority may issue bonds pursuant to Section 53398.77.

(Added by renumbering Section 53398.80.5 by Stats. 2019, Ch. 656, Sec. 10. (AB 116) Effective January 1, 2020.)

53398.83. The public financing authority 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 public financing authority may not extend the time to maturity of the bonds.

(Added by Stats. 2014, Ch. 785, Sec. 1. (SB 628) Effective January 1, 2015.)

53398.84. The public financing authority 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 of any of its political subdivisions, other than the district, and none of those entities, other than the district, shall be liable on the bonds and the bonds or obligations shall be payable exclusively from funds or properties of the district. The bonds shall contain a statement to this effect on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

(Added by Stats. 2014, Ch. 785, Sec. 1. (SB 628) Effective January 1, 2015.)

53398.85. 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. 2014, Ch. 785, Sec. 1. (SB 628) Effective January 1, 2015.)

53398.86. If any member of the public financing authority whose signature appears on bonds ceases to be a member of the public financing authority 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.

(Added by Stats. 2014, Ch. 785, Sec. 1. (SB 628) Effective January 1, 2015.)

53398.87. Upon the approval of its governing board, a city, county, or special district that contains territory within the boundaries of a district, may loan moneys to the district to fund those activities described in the infrastructure financing plan approved and adopted pursuant to Section 53398.69. Moneys loaned pursuant to this provision may be repaid at an interest rate that does not exceed the Local Agency Investment Fund rate that is in effect on the date that the loan is approved by the governing board. Notwithstanding any other provision of law it is the intent of the Legislature that any loan issued to a public financing authority by a governmental entity shall be repaid fully unless agreed to otherwise between the authority and the governmental entity.

(Added by Stats. 2014, Ch. 785, Sec. 1. (SB 628) Effective January 1, 2015.)

53398.88. (a) Every two years after the issuance of debt pursuant to Section 53398.77, the district shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and to the Joint Legislative Budget Committee.

(b) Upon the request of the Governor or of the Legislature, the Bureau of State Audits shall be authorized to conduct financial and performance audits of districts. The results of the audits shall be provided to the district, the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

(Amended by Stats. 2019, Ch. 656, Sec. 13. (AB 116) Effective January 1, 2020.)