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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 3. Bonds [53400 - 53595.55]** ( Chapter 3 added by Stats. 1949, Ch. 81. )

**ARTICLE 4. Pledge and Use of Revenues to Pay and Secure General Obligation Bonds [53500 - 53505]** ( Article 4 added by Stats. 1961, Ch. 1157. )

**53500.** As used in this article:

- (a) "Local agency" means county, city, city and county, public district, or other public or municipal corporation.
- (b) "General obligation bonds" means bonds, warrants, notes or other evidence of indebtedness of a local agency payable, both principal and interest, from the proceeds of ad valorem taxes or ad valorem assessments which may be levied without limitation as to rate or amount upon property in the local agency subject to taxation or assessment.
- (c) "Legislative body" means the legislative body of the local agency as defined in Section 53000.
- (d) "Revenue-producing facility" means an improvement, works, system or facility furnishing or providing services or products for which the local agency is authorized to impose a charge.
- (e) "Pledge" means pledge, assign, place a charge upon and place a lien upon.

(Added by Stats. 1961, Ch. 1157.)

**53501.** This article applies to all local agencies which have the power to issue general obligation bonds to acquire, construct or finance a revenue-producing facility.

(Added by Stats. 1961, Ch. 1157.)

**53502.** In any ordinance, resolution, order or indenture providing for the issuance of general obligation bonds of a local agency to provide funds for the acquisition, construction or financing of a revenue producing facility or any addition to, or extension or improvement of a revenue-producing facility, the legislative body of the local agency may pledge all or any part of the revenues of such facility to the payment or security of such general obligation bonds and the interest thereon in such manner and upon such terms as the legislative body may deem advisable.

(Added by Stats. 1961, Ch. 1157.)

**53503.** In connection with such pledge the legislative body may provide in such ordinance, resolution, order or indenture such covenants, promises, restrictions and provisions as it may deem necessary or desirable including, but not limited to, covenants, promises, restrictions and provisions relating to the use of bond proceeds, the maintenance, operation and preservation of such facility, the rates and charges to be established and collected for the services or products furnished or provided by such facility, the incurring of additional indebtedness payable from such revenues, and the establishment, maintenance and use of reserve funds, sinking funds, interest and redemption funds, maintenance and operation funds and other special funds for the payment or security of the bonds and the interest thereon. In connection with such pledge and in connection with such covenants, promises, restrictions and provisions the legislative body shall have, but shall not be limited to, the powers specified in the Revenue Bond Law of 1941 (Chapter 6 of this part).

(Added by Stats. 1961, Ch. 1157.)

**53504.** The pledge and the payment and security provisions authorized by this article shall be in addition to, and not in derogation of, any provisions permitted or required by law, charter or the Constitution of the State of California relating to payment of general obligation bonds from the proceeds of ad valorem taxes or ad valorem assessments and relating to the levy and collection of such taxes or assessments.

*(Added by Stats. 1961, Ch. 1157.)*

**53505.** If the legislative body intends to exercise the powers granted by this article it shall make a statement of such intention in any ordinance, resolution or order calling or providing for an election to authorize the general obligation bonds for a revenue producing facility. Such statement may be general only or it may give such detail as the legislative body may deem proper. If any such statement is made, the ordinance, resolution, order or indenture providing for the issuance of such bonds shall be substantially in accord with such statement.

*(Added by Stats. 1961, Ch. 1157.)*