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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 6.6. Bonds [54773 - 54783] (Chapter 6.6 added by Stats. 1994, Ch. 293, Sec. 2.)

54773. This chapter shall be known and may be cited as the Teeter Plan Bond Law of 1994.
(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54773.1. The Legislature finds and declares all of the following:

(a) There is a need within the state to finance the alternative method of distribution of tax levies and collections of tax sale proceeds authorized pursuant to Sections 4701 to 4717, inclusive, of the Revenue and Taxation Code.

(b) That it is the intent of the Legislature to assist local agencies in obtaining sources of financing for these purposes.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54774. The definitions in this section shall govern the construction and interpretation of this chapter:

(a) "Bond purchase agreement" means a contractual agreement executed between the county and one or more investment bankers that underwrite the bonds.

(b) "Bonds" means evidences of indebtedness, including, but not limited to, bonds, notes, commercial paper, floating rate and variable maturity securities, and certificates of participation.

(c) "County" means any county or city and county of this state which has adopted an alternative method of distribution of tax levies and collections of tax sale proceeds authorized pursuant to Sections 4701 to 4717, inclusive, of the Revenue and Taxation Code.

(d) "Indenture" means any indenture, trust agreement, or similar document entered into by the county and a trustee or other fiduciary with respect to the bonds.

(e) "Tax revenues" means all current or delinquent taxes (and, if a county has made an election under Section 4702.5 of the Revenue and Taxation Code, assessments), redemption amounts, and delinquent penalties for which the county has advanced funds pursuant to Sections 4701 to 4717, inclusive, of the Revenue and Taxation Code.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54775. This chapter does not limit any other law and shall be deemed to provide a complete and supplemental method for exercising the powers authorized by this chapter, and shall be deemed as being supplemental to the powers conferred by other applicable laws. The issuance of bonds, financing, or refinancing under this chapter need not comply with the requirements of any other state laws applicable to the issuance of bonds.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54776. The county may, from time to time, issue its bonds in an aggregate principal amount the county determines necessary to provide sufficient funds for purposes of advancing moneys representing uncollected taxes in accordance with Section 4705 of the Revenue and Taxation Code, provided that the aggregate amount of all the bonds issued in any fiscal year, together with interest thereon, shall not exceed the tax revenues attributable to the fiscal year in which the bonds are issued, except that in the case of a county wishing to finance the initial apportionment pursuant to Section 4713 of the Revenue and Taxation Code, the aggregate principal amount of bonds that may be issued for that purpose, together with interest thereon, shall not exceed the aggregate amount of those initial apportionments plus any then-existing delinquent penalties.

(Amended by Stats. 1995, Ch. 91, Sec. 53. Effective January 1, 1996.)

54777. (a) The bonds may be issued as serial bonds or as term bonds, in one or more series. The bonds shall be authorized by resolution of the county approved by a majority vote of its board of supervisors, and shall, as provided by the resolution or by the terms of an indenture pursuant to which the bonds are issued, bear the date of issuance; the date of maturity not exceeding seven years from their date of issuance; the rate of interest, either fixed or variable, and if variable, not in excess of the maximum rate of interest specified therein; be in the form provided; be in registered form; be payable in lawful money of the United States at the place or places provided within or without the State of California; and be subject to the terms of redemption provided.

(b) The bonds shall be sold by the county at the time and in the manner set out in the county's resolution. The sale may be a public or private sale, and for the price or prices, and on terms and conditions, as the county determines proper. Pending preparation of the definitive bonds, the county may issue interim receipts, certificates, or temporary bonds that shall be exchanged for definitive bonds.

(c) The bonds shall be repaid from tax revenues and any other legally available funds of the county.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54778. Any resolution authorizing any bond or any issue of bonds may contain the following provisions, which shall be a part of the contract with the holders of the bonds to be authorized.

(a) Provisions pledging the tax revenues and any other legally available funds of the county to secure the payment of the bonds.

(b) Provisions setting aside reserves or sinking funds, and the regulation and disposition thereof.

(c) Limitations on the purpose to which the proceeds of any issue of bonds may be applied, and pledging the proceeds to secure the payment of the bonds.

(d) Limitations on the issuance of additional bonds, the terms on which additional bonds may be issued and secured, and the refunding of outstanding bonds.

(e) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds and the holders thereof that are required to give consent thereto, and the manner in which the consent may be given.

(f) Definitions of acts or omissions to act that constitute a default in the duties of the county to holders of its obligations, and providing the rights and remedies of the holders in the event of a default.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54779. The county may, out of any funds available therefor, purchase its bonds. The county may hold, pledge, cancel, or resell the bonds, subject to, and in accordance with, agreements with bondholders.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54780. Any bonds issued under this chapter may be secured by an indenture between the county and a corporate trustee or trustees, which may include any trust company or bank having the power of a trust company within or without the State of California.

(a) The indenture or the resolution providing for the issuance of the bonds may pledge or assign the tax revenues to be received. The indenture or resolution providing for the issuance of the bonds may contain provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including provisions specifically authorized to be included in any resolution or resolutions of the county authorizing bonds.

(b) Any bank or trust company doing business under the laws of the State of California, which may act as a depository of the proceeds of bonds or of tax revenues or other moneys, shall furnish indemnifying bonds or pledge securities when required by the county.

(c) The indenture may set forth the rights and remedies of the bondholders and of the trustee or trustees, and may restrict the individual right of action of bondholders. In addition, any indenture or resolution may contain other provisions the county determines to be reasonable and proper for the security of the bondholders.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54781. (a) The county may issue bonds for the purpose of refunding any bonds then outstanding, including the payment of any redemption premium thereon and any interest accrued, or to accrue, on their earliest or any subsequent date of redemption, purchase or maturity of these bonds. The limitations of Section 54776, as to the aggregate principal amount of bonds that may be issued in any fiscal year, shall not apply to bonds issued under this section.

(b) The proceeds of any bonds issued for the purpose of refunding outstanding bonds may be applied to the purchase or retirement at maturity or redemption of those outstanding bonds either on their earlier or any subsequent redemption date or upon the purchase or retirement at the maturity thereof and may, pending this application, be placed in escrow to be applied to the purchase or retirement at maturity or redemption of those outstanding bonds on the date as may be determined by the county.

(c) Pending the foregoing use, the escrowed proceeds may be invested and reinvested in obligations of, or guaranteed by, the United States, or in certificates of deposit or time deposits secured by obligations of, or guaranteed by, the United States, maturing at the time or times appropriate to assure prompt payment of the principal, interest, and redemption premium, if any, of the outstanding bonds to be refunded. The interest, income and profits, if any, earned or realized on the investment may also be applied to the payment of the outstanding bonds to be refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of the proceeds and interest, income and profits, if any, earned or realized on the investments thereof, shall be returned to the county.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54782. Bonds issued by the county are legal investments for all trust funds, the funds of all insurance companies, banks, both commercial and savings, trust companies, executors, administrators, trustees and other fiduciaries, for state school funds and for any funds which may be invested in county, municipal or school district bonds. The bonds are securities that may legally be deposited with, and received by, any state or municipal officer or agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is now, or may hereafter be, authorized by law, including deposits to secure public funds.

(Added by Stats. 1994, Ch. 293, Sec. 2. Effective July 21, 1994.)

54783. Interest earned on any bond issued by the county shall at all times be free from state personal income tax and corporate income or franchise tax.

(Amended by Stats. 1995, Ch. 91, Sec. 54. Effective January 1, 1996.)