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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 3. AUTHORITIES [55800 - 55821] (Part 3 added by Stats. 1991, Ch. 384, Sec. 1.)

CHAPTER 1. Counties Transaction and Use Tax [55800 - 55821] (Chapter 1 added by Stats. 1991, Ch. 384, Sec. 1.)

55800. (a) (1) As part of the ballot proposition to approve the imposition of a retail transactions and use tax pursuant to Chapter 2 (commencing with Section 7285) of Part 1.7 of Division 2 of the Revenue and Taxation Code, an authority established pursuant to Section 7285.5 of the Revenue and Taxation Code may seek authorization to issue bonds payable from the proceeds of the tax to finance capital outlay expenditures as may be provided for in the expenditure plan adopted pursuant to subdivision (c) of Section 7285.5 of the Revenue and Taxation Code.

(2) If an authority established pursuant to Section 7285.5 of the Revenue and Taxation Code has obtained voter approval prior to the effective date of this chapter for the imposition of a retail transactions and use tax pursuant to Chapter 2 (commencing with Section 7285) of Part 1.7 of Division 2 of the Revenue and Taxation Code and the issuance of bonds payable from the proceeds of the tax, that authority may issue bonds, refunding bonds, and bond anticipation notes pursuant to this chapter to finance capital outlay expenditures as may be provided for in the expenditure plan adopted pursuant to subdivision (c) of Section 7285.5 of the Revenue and Taxation Code.

(3) If an authority established pursuant to Section 7285.5 of the Revenue and Taxation Code has obtained voter approval prior to the effective date of this chapter only for the imposition of a retail transactions and use tax pursuant to Chapter 2 (commencing with Section 7285) of Part 1.7 of Division 2 of the Revenue and Taxation Code, that authority may seek authorization to issue bonds pursuant to this chapter payable from the proceeds of the tax to finance capital outlay expenditures as may be provided for in the expenditure plan adopted pursuant to subdivision (c) of Section 7285.5 of the Revenue and Taxation Code only if a resolution is adopted by two-thirds vote of the governing body of the authority and approved by a majority of the voters.

(b) The maximum indebtedness which may be outstanding at any one time shall be an amount equal to the sum of the principal of, and interest on, the bonds, but not to exceed the estimated proceeds of the tax, as determined by the plan. The amount of bonds outstanding at any one time does not include the amount of bonds, refunding bonds, or bond anticipation notes for which funds necessary for the payment thereof have been set aside for that purpose in a trust or escrow account.

(c) (1) A county authorized to levy, increase, or extend a transactions and use tax pursuant to Section 7285.5 of the Revenue and Taxation Code may issue bonds pursuant to this chapter, and for the purposes of this chapter shall be deemed an authority.

(2) The authorizations contained in this chapter shall apply to any tax levied, increased, or extended by a county pursuant to Section 7285.5 of the Revenue and Taxation Code on or after January 1, 2002.

(Amended by Stats. 2007, Ch. 504, Sec. 1. Effective October 11, 2007.)

55802. (a) The bonds authorized by the voters pursuant to Section 55800 may be issued at any time by the authority and shall be payable from the proceeds of the tax. The bonds shall be referred to as "limited tax bonds." The bonds may be secured by a pledge of revenues from the proceeds of the tax, including income from the investment of those proceeds.

(b) The pledge of the retail transactions and use tax revenues for the limited tax bonds authorized under this chapter shall have priority over the use of any of the tax revenues for "pay-as-you-go" financing, or any other purposes except to the extent that that priority is expressly restricted in the resolution authorizing the issuance of the bonds.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55803. Limited tax bonds issued under this chapter may be used only for the following purposes:

(a) To finance the capital outlay expenditures to carry out the purposes of the retail transactions and use tax imposed by the authority.

(b) To pay costs incurred in the issuance of the limited tax bonds.

(c) To fund a reserve fund for the limited tax bonds.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55804. Limited tax bonds shall be issued pursuant to a resolution adopted at any time, and from time to time, by a two-thirds vote of the governing board of the authority, provided voter approval authorizing the issuance of bonds by the authority has been obtained by a majority vote, except as provided in paragraph (2) of subdivision (a) of Section 55800. Each resolution shall provide for the issuance of bonds in the amounts as may be necessary, until the full amount of bonds authorized have been issued. The full amount of bonds may be divided into two or more series and different dates of payment fixed for the bonds of each series. A bond need not mature on its anniversary date.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55805. (a) A resolution providing for the issuance of bonds pursuant to this chapter shall state all of the following:

(1) The purposes for which the proposed debt is to be incurred, which may include all costs and estimated costs incidental to, or connected with, the accomplishment of those purposes, including without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period and for a period not to exceed three years thereafter, and expenses of all proceedings for the authorization, issuance, and sale of the bonds.

(2) The estimated costs of accomplishing those purposes.

(3) The amount of the principal of the indebtedness.

(4) The maximum term the bonds proposed to be issued shall run before maturity, which shall not be beyond the date of termination of the imposition of the retail transactions and use tax.

(5) The maximum rate of interest to be paid, which shall not exceed the maximum rate allowed by Section 53531, payable at intervals determined by the authority.

(6) The denomination or denominations of the bonds, which shall not be less than five thousand dollars (\$5,000).

(7) The form of the bonds, including, without limitation, registered bonds and coupon bonds, to the extent permitted by federal law, and the form of any coupons to be attached thereto, the registration, conversion, and exchange privileges, if any, pertaining thereto, and the time when all, or any part, of the principal becomes due and payable.

(b) The resolution may also contain any other matters authorized by this chapter or any other law.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55806. The authority may provide for the limited tax bonds to bear a variable or fixed interest rate, for the manner and intervals in which the rate shall vary, and for the dates on which the interest shall be payable.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55807. (a) In the resolution authorizing the issuance of the bonds, the authority may also provide for the call and redemption of the bonds prior to maturity at the times and prices and upon other terms as specified.

(b) Notwithstanding the provisions of subdivision (a), no bond is subject to call or redemption prior to maturity, unless it contains a recital to that effect or unless a statement to that effect is printed therein.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55808. The principal of, and interest on, the bonds, shall be payable in lawful money of the United States at the office of the treasurer or auditor-controller of the authority, or at other places as may be designated, or at both the office and other places at the option of the holders of the bonds.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55809. (a) The bonds, or each series thereof, shall be signed by the chairperson or vice chairperson of the governing board of the authority or the treasurer or auditor-controller of the authority, and the official seal, if any, of the authority shall be attached.

(b) The interest coupons, if any, of the bonds shall be signed by the treasurer or auditor-controller of the authority. All of the signatures and the seal may be printed, lithographed, photocopied, or mechanically reproduced. However, the bonds shall not be valid or become obligatory for any purpose until manually signed by an authenticating agent or trustee duly appointed by the authority or its authorized designee.

(c) If any officer whose signature appears on the bonds or coupons ceases to be that officer before the delivery of the bonds, the officer's signature is as effective as if the officer had remained in office.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55810. The bonds may be sold as the authority determines by resolution, and the bonds may be sold at a price above or below par, whether by negotiated or public sale.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55811. Delivery of any bonds issued pursuant to this chapter may be made at any place either inside or outside the state, and the purchase price may be received in cash or bank credits.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55812. All accrued interest and premiums received on the sale of the bonds shall be placed in the fund to be used for the payment of the principal of, and interest on, the bonds, and the remainder of the proceeds of the bonds shall be placed in the treasury of the authority or deposited with a bond trustee and applied to secure the bonds or for the purposes for which the debt was incurred. However, when the purposes have been accomplished, any money remaining shall be either (a) transferred to the fund to be used for the payment of principal of, and interest or redemption premium on, the bonds or (b) placed in a fund to be used for the purchase of the outstanding bonds in the open market at prices and in the manner, either at public or private sale or otherwise, as determined by the authority. Bonds so purchased shall be canceled immediately.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55813. (a) The authority may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any bonds issued by the authority upon the terms, at the times and in the manner which it determines.

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

(c) Pending that use, the escrowed proceeds may be invested and reinvested by the authority or its trustee in obligations of, or guaranteed by, the United States, or in certificates of deposits or time deposits secured by obligations of, or guaranteed by, the United States, maturing at a time or times appropriate to ensure the prompt payment of principal, interest, and redemption premium, if any, of the outstanding bonds to be so 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 so 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 investment thereof may be returned to the authority for use by it in any lawful manner.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55814. Refunding bonds may be issued in a principal amount sufficient to pay all, or any part of, the principal of the outstanding bonds, the premiums, if any, due upon call and redemption thereof prior to maturity, all expenses of the refunding, and either of the following:

(a) The interest upon the refunding bonds from the date of sale thereof 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 holder of the bonds.

(b) 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 holder of the bonds.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55815. (a) The authority may borrow money in anticipation of the sale of bonds which have been authorized pursuant to this chapter, but which have not been sold or delivered, and may issue negotiable bond anticipation notes therefor and may renew the

bond anticipation notes from time to time. However, the maximum maturity of any bond anticipation notes, including the renewals thereof, shall not exceed five years from the date of delivery of the original bond anticipation notes.

(b) The bond anticipation notes, and the interest thereon, may be paid from any money of the authority available therefor, including the revenues from the retail transactions and use tax. If not previously otherwise paid, the bond anticipation notes, or any portion thereof, or the interest thereon, shall be paid from the proceeds of the next sale of the bonds of the authority in anticipation of which the notes were issued.

(c) The bond anticipation notes shall not be issued in any amount in excess of the aggregate amount of the bonds which the authority has been authorized to issue, less the amount of any bonds of the authorized issue previously sold, and also less the amount of other bond anticipation notes therefor issued and then outstanding. The bond anticipation notes shall be issued and sold in the same manner as the bonds.

(d) The bond anticipation notes and the resolutions authorizing them may contain any provisions, conditions, or limitations which a resolution of the authority may contain.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55816. Any limited tax bonds issued pursuant to this chapter are a legal investment for all trust funds, for the funds of insurance companies, commercial and savings banks, and trust companies, and for state school funds. Whenever any money or funds may, by any law now or hereafter enacted, be invested in bonds of cities, cities and counties, counties, school districts, or other districts within the state, that money or funds may be invested in the bonds issued pursuant to this chapter. Whenever bonds of cities, cities and counties, counties, school districts, or other districts within this state may, by any law now or hereafter enacted, be used as security for the performance of any act or the deposit of any public moneys, the bonds issued pursuant to this chapter may be so used. The provisions of this chapter are in addition to all other laws relating to legal investments and shall be controlling as the latest expression of the Legislature with respect thereto.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55817. Notwithstanding any other provision of law:

(a) The authority and its revenues are exempt from all taxes on, or measured by, income.

(b) Bonds issued by the authority are exempt from all property taxation, and the interest on the bonds is exempt from all taxes on income.

(c) All property owned by the agency is exempt from property taxes, assessments, and other public charges secured by liens.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55818. (a) Bonds issued pursuant to this chapter do not constitute a debt or liability of the state or of any other public agency, other than the authority issuing the bonds, or a pledge of the faith and credit of the state or of any other public agency, other than the issuing authority, but shall be payable solely from the funds provided therefor. All of the bonds shall contain on the face thereof a statement to the following effect:

"Neither the faith and credit nor the taxing power of the State of California or any public agency, other than the (name of the issuing authority), is pledged to the payment of the principal of or interest on this bond."

(b) The issuance of bonds pursuant to this chapter does not in any manner obligate the state or any other public agency thereof to levy, or to pledge, any form of taxation therefor or to make any appropriation for their payment.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55819. Any action or proceeding wherein the validity of the adoption of the retail transactions and use tax ordinance provided for in this chapter or the issuance of any bonds thereunder or any of the proceedings in relation thereto is contested, questioned, or denied, shall be commenced pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure within six months from the date of the election at which the ordinance is approved or, in the case of any ordinance approved prior to the effective date of this section, six months from the effective date of this section. Otherwise, the bonds and all proceedings in relation thereto, including the adoption and approval of the ordinance and the retail transactions and use tax provided for therein, shall be held to be valid and in every respect legal and incontestable.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55820. The authority has no power to impose any tax other than the transactions and use tax imposed upon approval of the voters in accordance with this chapter.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)

55821. If any provision of this chapter or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

(Added by Stats. 1991, Ch. 384, Sec. 1. Effective September 9, 1991.)