



## AB-2325 San Francisco Bay Area Rapid Transit District: officers and employees: designation and appointment. (2023-2024)

SHARE THIS:  

Date Published: 07/15/2024 09:00 PM

### Assembly Bill No. 2325

#### CHAPTER 106

An act to amend Sections 28810, 28811, 28817, 28818, 29128, 29180, 29214, 29220, 29221, 29222, 29223, 29280, 29281, and 29282 of the Public Utilities Code, relating to transportation.

[ Approved by Governor July 15, 2024. Filed with Secretary of State July 15, 2024. ]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2325, Lee. San Francisco Bay Area Rapid Transit District: officers and employees: designation and appointment.

Existing law establishes the San Francisco Bay Area Rapid Transit District, governed by a board of directors, with specified powers and duties relative to the construction and operation of a rapid transit system. Under existing law, the officers of the district consist of the members of the board, a secretary, a general manager, a general counsel, a treasurer, a controller, and other officers, assistants, and deputies that the board may provide for by ordinance or resolution, as specified. Existing law requires the board to appoint, and authorizes the board to remove, the secretary, the general manager, the general counsel, the treasurer, and the controller. Existing law requires all other officers and employees of the district to be appointed by, and to serve at the pleasure of, the general manager.

This bill would eliminate the positions of the treasurer and controller, would create the position of the chief financial officer subject to appointment and removal by the general manager, would transfer all of the duties previously assigned to the treasurer to the chief financial officer, and would make other related changes in this regard. The bill would authorize the general manager to designate other financial personnel to undertake any of the duties or responsibilities assigned to the chief financial officer.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

#### THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 28810 of the Public Utilities Code is amended to read:

**28810.** (a) The officers of the district shall consist of the following:

- (1) The members of the board of directors.
- (2) A president and a vice president of the board, each of whom shall be a member of the board.
- (3) A secretary.
- (4) A general manager.

(5) A general counsel.

(6) Any other or subordinate officers, assistants, and deputies as the board may deem necessary and provide for by ordinance or resolution.

(b) The general counsel shall be a person admitted to practice law in the Supreme Court of California and shall have been actively engaged in the practice of law for not less than 10 years next preceding appointment pursuant to Section 28811.

**SEC. 2.** Section 28811 of the Public Utilities Code is amended to read:

**28811.** (a) The secretary, general manager, and general counsel shall be appointed by and may be removed by the affirmative votes of a majority of the members of the board of directors. All other officers and employees shall be appointed by the general manager and shall serve at the pleasure of the general manager, subject to the provisions of this part relating to personnel.

(b) The general manager shall appoint a chief financial officer and may designate other financial personnel to undertake any of the duties or responsibilities assigned to the chief financial officer under this part.

**SEC. 3.** Section 28817 of the Public Utilities Code is amended to read:

**28817.** The chief financial officer shall be the custodian of the funds of the district and shall make payments only upon warrants duly and regularly signed by the general manager. The chief financial officer shall keep an account of all receipts and disbursements.

**SEC. 4.** Section 28818 of the Public Utilities Code is amended to read:

**28818.** (a) With the consent of the general manager, who shall seek consent from the board when deemed necessary, the chief financial officer may:

(1) Authorize any state or national bank in this state, a federally chartered or state chartered savings and loan association, or a trust company authorized to act as such in this state, to receive as the agent of the chief financial officer deposits of any securities acquired by the district.

(2) Place and maintain for safekeeping with any state or national bank in this state, a federally chartered or state chartered savings and loan association, or a trust company authorized to act as such in this state, any securities owned by the district.

(3) Make deposits of securities for safekeeping pursuant to the provisions of Section 53608 of the Government Code.

(b) The financial institution selected pursuant to subdivision (a) shall have a total paid-in capital of at least one million dollars (\$1,000,000). The chief financial officer shall take from the financial institution a receipt for the securities, and neither the chief financial officer nor the district is responsible for the custody and safe return of the securities until they are withdrawn from the financial institution by the chief financial officer. Any financial institution to which securities are delivered, either as agent or depository for the chief financial officer, shall make such disposition of the securities as the chief financial officer directs and is responsible only for strict compliance with written instructions given to it by the chief financial officer. All such securities are at all times subject to the order of the chief financial officer.

**SEC. 5.** Section 29128 of the Public Utilities Code is amended to read:

**29128.** The district's taxes levied pursuant to this article shall be collected at the same time and in the same manner as county taxes. When collected, the net amount, ascertained as provided in this article, shall be paid to the chief financial officer of the district, under the general requirements and penalties provided by law for the settlement of other taxes. The district may adopt the alternative procedure of tax collection and apportionment established by Chapter 3 (commencing at Section 4701) of Part 8 of Division 1 of the Revenue and Taxation Code and any amendments to that chapter. If the district adopts that alternative procedure, the district may thereafter abandon the alternative procedure at the end of any fiscal year of the district.

**SEC. 6.** Section 29180 of the Public Utilities Code is amended to read:

**29180.** The district may prescribe the form of bonds issued pursuant to this chapter, and of the interest coupons attached to those bonds. Bonds shall be signed by the president of the board, or by another member of the board designated by the board by resolution for that purpose, and countersigned by the secretary of the district and the seal of the district shall be affixed to those bonds. The interest coupons on the bonds shall be numbered consecutively and signed by the chief financial officer of the district. The signature on all coupons and one signature on the bonds may be engraved, lithographed, or printed facsimile signature. The seal of the district may be affixed to any bond by mechanical reproduction of a facsimile of the seal. In case any officer whose

signature or countersignature appearing on the bonds or coupons shall cease to be an officer of the district before the delivery of the bonds to the purchaser, that signature or countersignature shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until the delivery of the bonds. If the district appoints a registration agent, fiscal agent, or other agent to authenticate bonds, any bond of the district, whether in coupon or registered form, may be signed by the facsimile signatures of the officers of the district with a facsimile seal of the district affixed mechanically or otherwise reproduced on the bonds, provided that the bonds shall be authenticated by the fiscal agent, registration agent, or other agent appointed by the district for that purpose. Any agent appointed by the district to authenticate registered bonds or exchange bonds of different denominations, or coupon bonds for registered bonds, or vice versa, shall be a bank or trust company authorized to transact, and transacting, business in the State of California or the State of New York.

**SEC. 7.** Section 29214 of the Public Utilities Code is amended to read:

**29214.** The proceeds of any sale of refunding bonds for cash shall be deposited with the chief financial officer or depository, as determined by the district, to the credit of the Funding Fund, and applied only to refunding the indebtedness for which the bonds are issued.

**SEC. 8.** Section 29220 of the Public Utilities Code is amended to read:

**29220.** When sufficient money is in the Funding Fund to redeem one or more outstanding past due bonds, notes, or other evidences of indebtedness, or to redeem one or more of the outstanding bonds, notes, or other evidences of indebtedness, that are subject to call or payment before maturity, and that are proposed to be funded or refunded, the chief financial officer shall publish a notice that the chief financial officer is prepared to pay the bond, note, or other evidence of indebtedness and give its number, if any, in that notice. The notice shall be published once a week for two weeks in a newspaper of general circulation in the district, if there is one. Copies of that advertisement may be published in any newspaper or financial publication in the United States. If the bond, note, or other evidence of indebtedness to be called for redemption or refunded is not presented for redemption on or before the date specified for redemption, as set forth on the face of the outstanding bond, note, or other evidence of indebtedness, interest upon it shall cease.

**SEC. 9.** Section 29221 of the Public Utilities Code is amended to read:

**29221.** At the same time, the chief financial officer shall deposit in the post office a copy of the notice, enclosed in a sealed envelope, postage prepaid, addressed to the registered owner of any such bond, note, or other evidence of indebtedness, registered pursuant to this part, whose address appears upon the record in the chief financial officer's office. If the bond, note, or other evidence of indebtedness is not presented within the time specified in the notice, the interest upon it ceases and the amount due shall be set aside for the payment when presented.

**SEC. 10.** Section 29222 of the Public Utilities Code is amended to read:

**29222.** When any outstanding bonds, notes, or other evidences of indebtedness are surrendered and paid, the chief financial officer shall cancel them by endorsing on their faces the amount for which they are received, "Canceled," and the date of cancellation.

**SEC. 11.** Section 29223 of the Public Utilities Code is amended to read:

**29223.** The chief financial officer shall keep a record of bonds, notes, or other evidences of indebtedness redeemed, and report the redemption to the board. At the end of each month in which there has been a redemption, a report of the redemption shall be made accompanied by the bonds, notes, or other evidences of indebtedness that have been taken up and canceled or by a certificate of their destruction by any bank or trust company appointed by the board as fiscal agent or paying agent for those bonds, notes, or other evidences of indebtedness and authorized to destroy bonds, notes, or coupons, or other evidences of indebtedness upon payment of them.

**SEC. 12.** Section 29280 of the Public Utilities Code is amended to read:

**29280.** When a bond, note, interest coupon, or other evidence of indebtedness payable from funds in the custody of the chief financial officer of the district is presented to the chief financial officer for payment and is not paid for want of funds, the chief financial officer shall endorse upon it "Not paid for want of funds," the date of presentation, and a serial number indicating the order of presentation, and shall sign or stamp their name on it.

**SEC. 13.** Section 29281 of the Public Utilities Code is amended to read:

**29281.** Upon receipt of the first money in the treasury applicable to their payment, the chief financial officer shall set apart the amount necessary to pay the past due bonds, notes, coupons, or other evidences of indebtedness that have been registered for want of funds. The chief financial officer shall give notice by registered mail to the owner or holder of the registered bonds, notes, coupons, and other evidences of indebtedness, at the address last filed, stating that the chief financial officer is ready to pay for them. The bonds, notes, coupons, and other evidences of indebtedness shall be paid from that money, in the order of their registration.

**SEC. 14.** Section 29282 of the Public Utilities Code is amended to read:

**29282.** If the registered bonds, notes, coupons, and other evidences of indebtedness are not presented for payment within 30 days from mailing of the notice, the chief financial officer shall apply the fund set aside to the payment of the unpaid registered bonds, notes, coupons, and other evidences of indebtedness next in order, until all registered bonds, notes, coupons, and other evidences of indebtedness have been called.