

Assembly Bill No. 457

Passed the Assembly May 10, 2001

Chief Clerk of the Assembly

Passed the Senate July 2, 2001

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2001, at _____ o'clock __M.

Private Secretary of the Governor



CHAPTER _____

An act to amend Section 6586.5 of the Government Code, relating to joint powers agencies.

LEGISLATIVE COUNSEL'S DIGEST

AB 457, Canciamilla. Joint powers agencies: bonds.

Existing law, the Marks-Roos Local Bond Pooling Act of 1985, requires a local agency, within whose boundaries a public capital improvement that is to be financed by the issuance of bonds by a joint exercise of powers authority of which the local agency is a member, to approve this financing and make a finding of public benefit in order for the bonds to issue.

This bill would specify that if the public capital improvement to be financed will provide infrastructure, services, or a golf course to support, or in conjunction with, any development project, the local agency that is required to approve issuance of the bonds is the city, county, or city and county with land use jurisdiction over the development project.

The people of the State of California do enact as follows:

SECTION 1. Section 6586.5 of the Government Code is amended to read:

6586.5. (a) Notwithstanding Section 6587, an authority, or any entity acting on behalf of or for the benefit of an authority, may not authorize bonds to construct, acquire, or finance a public capital improvement except pursuant to Article 1 (commencing with Section 6500), unless all of the following conditions are satisfied with respect to each capital improvement to be constructed, acquired, or financed:

(1) The authority reasonably expects that the public capital improvement is to be located within the geographic boundaries of one or more local agencies of the authority that is not itself an authority.

(2) A local agency that is not itself an authority, within whose boundaries the public capital improvement is to be located, has approved the financing of the public capital improvement and made a finding of significant public benefit in accordance with the



criteria specified in Section 6586 after a public hearing held by that local agency within each county or city and county where the public capital improvement is to be located after notice of the hearing is published once at least five days prior to the hearing in a newspaper of general circulation in each affected county or city and county. If the public capital improvement to be financed will provide infrastructure, services, or a golf course to support, or in conjunction with, any development project, the local agency for purposes of this subdivision shall be the city, county, or city and county with land use jurisdiction over the development project.

(3) A notice is sent by certified mail at least five business days prior to the hearing held pursuant to paragraph (2) to the Attorney General and to the California Debt and Investment Advisory Commission. This notice shall contain all of the following information:

- (A) The date, time, and exact location of the hearing.
 - (B) The name and telephone number of the contact person.
 - (C) The name of the joint powers authority.
 - (D) The names of all members of the joint powers authority.
 - (E) The name, address, and telephone number of the bond counsel.
 - (F) The name, address, and telephone number of the underwriter.
 - (G) The name, address, and telephone number of the financial adviser, if any.
 - (H) The name, address, and telephone number of the legal counsel of the authority.
 - (I) The prospective location of the public capital improvement described by its street address, including city, county, and ZIP Code, or, if none, by a general description designed to inform readers of its specific location, including both the county and the ZIP Code that covers the specific location.
 - (J) A general functional description of the type and use of the public capital improvement to be financed.
 - (K) The maximum aggregate face amount of obligations to be issued with respect to the public capital improvement.
- (b) Paragraph (3) of subdivision (a) does not apply to bonds:
- (1) Issued pursuant to the Community Redevelopment Law, Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code.



(2) To finance transportation facilities and vehicles.

(3) To finance a facility that is located within the boundaries of an authority, provided that the authority that issues those bonds consists of any of the following:

(A) Local agencies with overlapping boundaries.

(B) A county and a local agency or local agencies located entirely within that county.

(C) A city and a local agency or local agencies located entirely within that city.

(4) To finance a facility for which an authority has received an allocation from the California Debt Limit Allocation Committee.

(5) Of an authority that consists of no less than 100 local agencies and the agreement that established that authority requires the governing body of the local agency that is a member of the authority in whose jurisdiction the facility will be located to approve the facility and the issuance of the bonds.

(c) This section and Section 6586.7 do not apply to bonds issued for any of the following purposes:

(1) To finance the undergrounding of utility and communication lines.

(2) To finance, consistent with the provisions of this chapter, facilities for the generation or transmission of electrical energy for public or private uses and all rights, properties, and improvements necessary therefor, including fuel and water facilities and resources.

(3) To finance facilities for the production, storage, transmission, or treatment of water, recycled water, or wastewater.

(4) To finance public school facilities.

(5) To finance public highways located within the jurisdiction of an authority that is authorized to exercise the powers specified in Chapter 5 (commencing with Section 31100) of Division 17 of the Streets and Highways Code, provided that the authority conducts the noticed public hearing and makes the finding of significant public benefit in accordance with this section.

(d) For purposes of this section, a local agency does not include a private entity.



Approved _____, 2001

Governor

