

AMENDED IN SENATE JUNE 19, 2012
AMENDED IN SENATE SEPTEMBER 2, 2011
AMENDED IN SENATE AUGUST 15, 2011
AMENDED IN SENATE JULY 7, 2011
AMENDED IN ASSEMBLY MAY 3, 2011
AMENDED IN ASSEMBLY APRIL 13, 2011
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 794

Introduced by Assembly Member Wieckowski

February 17, 2011

An act to amend Section 15150 of the Education Code, relating to school bonds.

LEGISLATIVE COUNSEL'S DIGEST

AB 794, as amended, Wieckowski. Local education facility bonds: anticipation notes.

Existing law authorizes the governing board of a school *district* or community college district to order an election and submit to the electors of the district the question *of* whether the bonds of the district shall be issued and sold for the purpose of raising money for various facilities purposes, for refunding bonds, or for the purchase of schoolbuses. Existing law limits the total amount of bonds that a school or community college district may issue to 1.25% of the taxable property of the school or community college district.

Existing law also authorizes the governing board of a school district or community college district to issue bond anticipation notes. Existing

law requires a bond anticipation note to be payable not more than 5 years from the date of the original issuance of the note. Existing law ~~allows~~ *requires* the interest on the notes to be payable from the proceeds of the sale of bonds or from the tax levied to pay principal of and interest on the bonds.

This bill, instead of ~~allowing~~ *requiring* the interest on the notes to be paid from the tax levied to pay the principal of and interest on the bonds, would ~~allow~~ *authorize* the interest on the notes to be paid from a property tax levied for that purpose if authorized by a resolution of the governing board *of the school district or community college district* and would provide that this tax is authorized by law. The bill also would allow the premium received on the sale of the bonds to be used to pay the interest on the notes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

1 SECTION 1. Section 15150 of the Education Code is amended
2 to read:

3 15150. (a) When the governing board of a school district or a
4 community college district deems it in the best interests of the
5 district, it may by resolution, upon terms and conditions that it
6 shall prescribe, issue notes, on a negotiated or competitive-bid
7 basis, maturing within a period not to exceed five years, in
8 anticipation of the sale of bonds authorized pursuant to Section
9 15100 or Section 15340 at the time the notes are issued. The
10 proceeds from the sale of the notes shall be used only for authorized
11 purposes of the bonds or to repay outstanding notes authorized by
12 this section.

13 (b) All notes issued and any renewal of notes shall be payable
14 at a fixed time not more than five years from the date of the original
15 issuance of the note. If the sale of the bonds does not occur before
16 the maturity of the notes issued in anticipation of the sale, the fiscal
17 officer of the school district or community college district, in order
18 to meet the notes then maturing, shall issue renewal notes for this
19 purpose. The renewal of a note may not be issued after the sale of
20 bonds in anticipation of which the original note was issued and
21 the maturity date of the renewed note shall not be later than five
22 years from the date of the original issuance of the note.

1 (c) Every note and any renewal of a note shall be payable from
2 the proceeds of the sale of bonds or of any renewal of notes or
3 from other funds of the school district or community college district
4 lawfully available for the purpose of repaying the notes, including
5 state grants. The total amount of the notes or renewals of notes
6 issued and outstanding may not at any time exceed the total amount
7 of the unsold bonds.

8 (d) (1) Interest on the notes ~~shall~~ *may* be payable from proceeds
9 of the sale of bonds in anticipation of which the notes are issued,
10 including any premium received on the sale of those bonds.

11 (2) Interest on the notes may be paid from a property tax levied
12 for that purpose if authorized by the resolution of the governing
13 board *of the school district or community college district*. The tax
14 for payment of the interest on the notes is a tax authorized by law
15 for payment of the bonds in anticipation of which the notes are
16 issued.

17 (e) The original issuance of notes and any renewal of notes may
18 be in the form of commercial paper notes. Each issuance of
19 commercial paper notes to repay outstanding notes shall be deemed
20 to be a renewal of notes subject only to the requirements of this
21 section.