

AMENDED IN SENATE MARCH 28, 2012

SENATE BILL

No. 1205

Introduced by Senator Wyland

February 22, 2012

An act to amend Section ~~15272~~ of the ~~Education~~ 53532 of the Government Code, relating to school bonds.

LEGISLATIVE COUNSEL'S DIGEST

SB 1205, as amended, Wyland. School bonds: ~~ballot requirements; discounts.~~

Existing law specifies that bonds issued by a local agency, as defined, may bear interest at a coupon rate or rates as determined by the legislative body in its discretion but not to exceed 12% per year payable. Existing law also specifies that, notwithstanding this provision, a local agency may, where authorized by law, sell bonds at a discount below par.

This bill would prohibit a school district or community college district from issuing bonds at a discount exceeding 5%, as specified.

~~Existing law authorizes the governing board of a school district, community college district, or school facilities improvement district, pursuant to a $\frac{2}{3}$ vote of the governing board, to pursue the authorization and issuance of bonds by a 55% vote of the electorate, subject to certain additional requirements. Existing law requires, for bond measures pursued under this authority, in addition to specified ballot requirements, that the ballot be printed with a statement that the governing board will appoint a citizens' oversight committee and conduct annual independent audits to ensure that funds are spent only on school and classroom improvements and for no other purposes.~~

~~This bill would make various nonsubstantive changes to the latter provision.~~

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 53532 of the Government Code is*
2 *amended to read:*

3 53532. The provisions of Section 53531 shall apply only to
4 coupon rates and shall not affect the power of a local agency to
5 sell bonds at a discount below par if permitted by law, *except that*
6 *a school district or community college district shall not issue bonds*
7 *at a discount exceeding 5 percent as provided by subdivision (e)*
8 *of Section 15146 of the Education Code.* Any provision of law
9 permitting bonds to be sold at a discount but specifying a maximum
10 interest yield on bonds sold at a discount to the contrary
11 notwithstanding, the bonds may be sold at a price yielding to the
12 purchaser an effective interest rate of not to exceed 12 percent per
13 year, payable as permitted by law, according to standard tables of
14 bond values.

15 ~~SECTION 1. Section 15272 of the Education Code is amended~~
16 ~~to read:~~

17 ~~15272. In addition to the ballot requirements of Section 15122~~
18 ~~and the ballot provisions of this code applicable to governing board~~
19 ~~member elections, for bond measures pursuant to this chapter, the~~
20 ~~ballot shall also be printed with a statement that the governing~~
21 ~~board of a school district, community college district, or school~~
22 ~~facilities improvement district will appoint a citizens' oversight~~
23 ~~committee and conduct annual independent audits to ensure that~~
24 ~~funds are spent only on school and classroom improvements and~~
25 ~~for no other purposes.~~