

Assembly Bill No. 582

CHAPTER 23

An act to add Section 5451.7 to the Government Code, relating to local finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 2014. Filed with
Secretary of State June 16, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 582, Levine. Palm Drive Health Care District: certificates of participation: lien.

The Local Health Care District Law authorizes health care districts in the state to provide for various forms of financing for the purpose of carrying out their duties under the law, including financing secured by public revenues.

This bill would require that all obligations of the Palm Drive Health Care District in connection with specified certificates of participation be secured by a statutory lien on all of the revenues generated from certain dedicated parcel taxes, according to specified criteria.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Palm Drive Health Care District.

This bill would declare that it would take effect immediately as an urgency statute.

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

SECTION 1. Section 5451.7 is added to the Government Code, to read:

5451.7. (a) All obligations of the Palm Drive Health Care District in connection with any and all certificates of participation executed and delivered, or revenue bonds issued, by or on behalf of the district between January 1, 2005, and December 31, 2014, including certificates of participation executed and delivered or revenue bonds issued before 2035 to refund the revenue bonds or certificates of participation, shall be secured by a statutory lien on all of the revenues generated from parcel taxes levied pursuant to Measure W, approved by the voters of the district at the general election held on November 2, 2004.

(b) This lien shall arise automatically without the need for any action or authorization by the district or the board of directors of the district. The lien shall be valid and binding from the time the certificates of participation are executed and delivered or the revenue bonds are issued.

(c) The parcel tax revenue shall immediately be subject to this lien, and the lien shall immediately attach to the parcel tax revenue and be effective,

binding, and enforceable against the district, its successors, purchasers of those revenues, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances regarding financing obligations of the Palm Drive Health Care District.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable the Palm Drive Health Care District to complete its financing, and meet its obligations to employees, vendors, and other creditors in a timely manner, it is necessary for this act to take effect immediately.