

AMENDED IN SENATE FEBRUARY 24, 2014

AMENDED IN SENATE JUNE 4, 2013

AMENDED IN ASSEMBLY APRIL 25, 2013

AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 621

**Introduced by Assembly Member Wagner
(Coauthors: Assembly Members Beth Gaines and Harkey)**

February 20, 2013

An act to add Section 53593.5 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 621, as amended, Wagner. Local government: bonds.

Existing law prohibits an investment firm, as defined, from having specified interests in a new issue of bonds from a local agency.

This bill would prohibit a local agency from entering into a financial advisory, legal advisory, underwriting, or similar relationship with an individual or firm, with respect to a bond issue that requires voter approval on or after January 1, 2014, if that individual or firm provided or will provide bond campaign services to the bond campaign. *The bill would specifically exempt from that prohibition a relationship between a local agency and an individual or firm entered into before the public agency takes action to place a new issue of bonds on the ballot for voter approval on or after January 1, 2014. The bill would also prohibit a local agency from entering into an underwriting relationship with an individual or firm, with respect to a new issue of bonds that requires*

voter approval on or after January 1, 2014, if the local agency has a financial advisory relationship with that individual or firm with respect to the same issue of bonds. The bill would define certain terms for those purposes.

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 53593.5 is added to the Government
2 Code, to read:

3 53593.5. (a) (1) A local agency shall not enter into a financial
4 advisory, legal advisory, underwriting, or other similar relationship
5 with an individual or firm, with respect to a new issue of bonds
6 that requires voter approval on or after January 1, 2014, if that
7 individual or firm provided or will provide bond campaign services
8 to the bond campaign. *This paragraph does not apply to a financial*
9 *advisory, legal advisory, underwriting, or other similar relationship*
10 *between a local agency and an individual or firm entered into*
11 *before the public agency takes action to place a new issue of bonds*
12 *on the ballot for voter approval on or after January 1, 2014.*

13 (2) A local agency shall not enter into an underwriting
14 relationship with an individual or firm, with respect to a new issue
15 of bonds that requires voter approval on or after January 1, 2014,
16 if the local agency has a financial advisory relationship with that
17 individual or firm with respect to the same issue of bonds.

18 (b) As used in this section:

19 (1) (A) “Bond campaign services” includes fundraising,
20 donation by the individual or firm to the bond campaign, public
21 opinion polling, election strategy and management, organization
22 of campaign volunteers, get-out-the-vote services, development
23 of campaign literature, and advocacy materials.

24 (B) “Bond campaign services” does not include either of the
25 following:

26 (i) Advice and support related to the preparation of tax rate
27 statements and other documentation required for inclusion in the
28 voter pamphlet published by the applicable county registrar of
29 voters.

30 (ii) Public opinion polling that is conducted before a bond
31 measure is placed on the ballot for the purposes of gathering

- 1 information regarding, and evaluating the potential for, the adoption
- 2 of the bond measure by the electorate.
- 3 (2) “Individual” means a person engaged in the business of
- 4 providing financial advice, legal advice, underwriting, or other
- 5 similar services.

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