

ASSEMBLY BILL

No. 850

Introduced by Assembly Member Nazarian

February 21, 2013

An act to amend Section 6585 of the Government Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 850, as introduced, Nazarian. Public capital facilities: water quality.

Existing law, the Marks-Roos Local Bond Pooling Act of 1985, authorizes joint powers authorities, among other powers, to issue bonds and loan the proceeds to local agencies to finance specified types of projects and programs.

This bill would declare the intent of the Legislature to amend the Marks-Roos Local Bond Pooling Act of 1985 to permit joint powers agencies to more affordably finance mandated capital improvement projects relating to water quality, and also would make a technical, nonsubstantive change to the act.

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. It is the intent of the Legislature to amend the
- 2 Marks-Roos Local Bond Pooling Act of 1985, to permit joint
- 3 powers agencies to more affordably finance mandated capital
- 4 improvement projects relating to water quality.

1 SEC. 2. Section 6585 of the Government Code is amended to
2 read:

3 6585. The definitions in this section shall govern the
4 construction and interpretation of this article.

5 (a) (1) Except as provided in paragraphs (2) and (3), “authority”
6 means an entity created pursuant to Article 1 (commencing with
7 Section 6500).

8 (2) In the case of an authority issuing bonds pursuant to this
9 chapter in which VLF receivables, as defined in subdivision (j),
10 are pledged to the payment of the bonds, other than VLF
11 receivables so pledged for a county of the first class, an authority
12 shall consist of not fewer than 100 local agencies.

13 (3) In the case of an authority issuing bonds pursuant to this
14 chapter in which Proposition 1A receivables, as defined in
15 subdivision (g), are pledged to the payment of the bonds, an
16 authority shall consist of not fewer than 250 local agencies.

17 (b) “Bond purchase agreement” means a contractual agreement
18 executed between the authority and the local agency whereby the
19 authority agrees to purchase bonds of the local agency.

20 (c) “Bonds” means all of the following:

21 (1) Bonds, including, but not limited to, assessment bonds,
22 redevelopment agency bonds, government-issued mortgage bonds,
23 and industrial development bonds.

24 (2) Notes, including bond, revenue, tax, or grant anticipation
25 notes.

26 (3) Commercial paper, floating rate and variable maturity
27 securities, and any other evidences of indebtedness.

28 (4) Certificates of participation or lease-purchase agreements.

29 (d) “Cost,” as applied to a public capital improvement or portion
30 thereof financed under this part, means all of the following:

31 (1) All or any part of the cost of construction, renovation, and
32 acquisition of all lands, structures, real or personal property, rights,
33 rights-of-way, franchises, easements, and interests acquired or
34 used for a public capital improvement.

35 (2) The cost of demolishing or removing any buildings or
36 structures on land so acquired, including the cost of acquiring any
37 lands to which the buildings or structures may be moved, and the
38 cost of all machinery and equipment.

39 (3) Finance charges.

1 (4) Interest prior to, during, and for a period after, completion
2 of that construction, as determined by the authority.

3 (5) Provisions for working capital, reserves for principal and
4 interest and for extensions, enlargements, additions, replacements,
5 renovations, and improvements.

6 (6) The cost of architectural, engineering, financial and legal
7 services, plans, specifications, estimates, and administrative
8 expenses.

9 (7) Other expenses necessary or ~~incident~~ *incidental* to
10 determining the feasibility of constructing any project or ~~incident~~
11 *incidental* to the construction or acquisition or financing of any
12 public capital improvement.

13 (e) “Legislative body” means the governing body of a local
14 agency.

15 (f) “Local agency” means a party to the agreement creating the
16 authority, or an agency or subdivision of that party, sponsoring a
17 project of public capital improvements, or any city, county, city
18 and county, authority, district, or public corporation of this state.

19 (g) “Proposition 1A receivable” means the right to payment of
20 moneys due or to become due to a local agency, pursuant to clause
21 (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of
22 Section 25.5 of Article XIII of the California Constitution and
23 Section 100.06 of the Revenue and Taxation Code.

24 (h) “Public capital improvements” means one or more projects
25 specified in Section 6546.

26 (i) “Revenue” means income and receipts of the authority from
27 any of the following:

28 (1) A bond purchase agreement.

29 (2) Bonds acquired by the authority.

30 (3) Loans installment sale agreements, and other
31 revenue-producing agreements entered into by the authority.

32 (4) Projects financed by the authority.

33 (5) Grants and other sources of income.

34 (6) VLF receivables purchased pursuant to Section 6588.5.

35 (7) Proposition 1A receivables purchased pursuant to Section
36 6588.6.

37 (8) Interest or other income from any investment of any money
38 in any fund or account established for the payment of principal or
39 interest or premiums on bonds.

1 (j) “VLF receivable” means the right to payment of moneys due
2 or to become due to a local agency out of funds payable in
3 connection with vehicle license fees to a local agency pursuant to
4 Section 10754.11 of the Revenue and Taxation Code.

5 (k) “Working capital” means money to be used by, or on behalf
6 of, a local agency for any purpose for which a local agency may
7 borrow money pursuant to Section 53852, or for any purpose for
8 which a VLF receivable or a Proposition 1A receivable sold to an
9 authority could have been used by the local agency.

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