

**Introduced by Senator De León**

February 21, 2013

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An act to amend Section 64111 of the Government Code, relating to transportation financing.

LEGISLATIVE COUNSEL'S DIGEST

SB 444, as introduced, De León. California Transportation Financing Authority.

The California Transportation Financing Authority Act sets forth the duties of the California Transportation Financing Authority in issuing certain transportation financing instruments, or approving their issuance by various local or regional agencies. The authority is authorized to expend moneys in the continuously appropriated California Transportation Financing Authority Fund to secure the issuance of bonds issued by the authority and cover various related costs, among other things.

This bill would make a technical, nonsubstantive change to these provisions.

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 64111 of the Government Code is  
2 amended to read:  
3 64111. (a) Prior to issuing or approving the issuance of bonds  
4 for a project, the authority shall determine that the revenues and  
5 other moneys available for a project will be sufficient to pay debt  
6 service on the bonds and to operate and maintain the project over

1 the life of the bonds consistent with the objective set forth in  
2 Section 64105. The authority may hire outside consultants to assist  
3 in making these determinations.

4 (b) The authority may issue or approve the issuance of bonds  
5 to achieve any of its purposes under this division and bonds may  
6 be issued without investment grade ratings, as long as the bonds  
7 are sold only to qualified institutional buyers or accredited investors  
8 who attest upon purchase that they understand the nature of the  
9 risks of their investment. The bonds may be taxable or tax exempt  
10 and may be sold at public or private negotiated sale. The Treasurer  
11 shall serve as the agent for *the* sale for all authority bond issues,  
12 and shall be reimbursed from bond proceeds to cover the  
13 Treasurer’s costs related to the issuance of these bonds. As used  
14 in this subdivision, “accredited investor” shall have the meaning  
15 as defined in subdivision (a) of Section 5950, and “qualified  
16 institutional buyer” shall have the meaning as defined in  
17 subdivision (h) of Section 5950.

18 (c) The project sponsor may request that it be the issuer of the  
19 bonds. The authority may grant the request if it determines that  
20 the revenues and other moneys available for the project will be  
21 sufficient to pay debt service on the bonds and to operate and  
22 maintain the project over the life of the bonds. A project sponsor  
23 for which the authority has granted a request that the project  
24 sponsor issue the bonds, in addition to any other powers it may  
25 have under any other law, shall have all of the powers of the  
26 authority under this division necessary or convenient for the  
27 purpose of issuing, securing, and repaying the bonds and financing  
28 or refinancing the project. This provision is a complete, additional,  
29 and alternative method of accomplishing the matters authorized,  
30 and the project sponsor need not comply with any other law relating  
31 to the issuance of bonds, financing of projects and, if applicable,  
32 the imposition and collection of tolls.

33 (d) The authority may arrange additional credit support for the  
34 bond issues. However, the authority may not compel project  
35 sponsors to make use of that credit enhancement, nor compel them  
36 to contribute to it by becoming part of a common credit or by  
37 providing funding for a common reserve or other enhancement  
38 mechanism.

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