ASSEMBLY BILL   No. 912

Introduced by Assembly Member Wilk

February 26, 2015

An act to amend Sections 17150 and 17150.1 of, and to amend the heading of Chapter 16 (commencing with Section 17150) of Part 10 of Division 1 of Title 1 of, the Education Code, relating to local educational agencies.

LEGISLATIVE COUNSEL'S DIGEST

AB 912, as introduced, Wilk. Local educational agencies: school bonds: notices.

(1) Existing law requires a school district to notify the county superintendent of schools and the county auditor when the governing board of the school district approves proceeding with the issuance of certificates of participation or revenue bonds or entering into specified agreements for financing school construction pursuant to the California School Finance Authority Act. The superintendent of the school district is required to provide specified information to the county auditor, the county superintendent of schools, the governing board, and the public regarding that debt.

Existing law requires the county superintendent of schools or superintendent of a school district for which the county board serves as governing board to notify the Superintendent of Public Instruction when the county board of education approves proceeding with the issuance of certificates of participation or revenue bonds or to entering into an agreement for financing pursuant to the California School Finance Authority Act. The county superintendent of schools or the superintendent of a school district for which the county board serves

as the governing board is required to provide specified information to the Superintendent of Public Instruction, the governing board, and the public.

This bill would delete the language specifying that the scope of these provisions is limited to revenue bonds, and instead refer to bonds generally. The bill would also require that, no later than 30 days before the approval by the governing board of the school district to proceed with the issuance of bonds, the school district notify the county superintendent of schools and the county auditor. The bill would delete the language limiting the requirement of this notice to instruments that do not require approval of the voters of the school district or county.

To the extent that this bill would expand the requirements for the provision of notices by specified county officials, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

1   SECTION 1. The heading of Chapter 16 (commencing with
2   Section 17150) of Part 10 of Division 1 of Title 1 of the Education
3   Code is amended to read:
4
5   CHAPTER 16.
6   PUBLIC DISCLOSURE OF ~~NON-VOTER-APPROVED~~ DEBT
7
8   SEC. 2. Section 17150 of the Education Code is amended to
9   read:
10   17150. (a) Upon the approval by the governing board of the
11 school district to proceed with the issuance of ~~revenue~~ bonds or
12 to enter into an agreement for financing school construction
13 pursuant to Chapter 18 (commencing with Section 17170), the
14 school district shall notify the county superintendent of schools

1 and the county auditor. The superintendent of the school district
2 shall provide the repayment schedules for that debt obligation and
3 evidence of the ability of the school district to repay that obligation
4 to the county auditor, the county superintendent, *superintendent*
5 *of schools,* the governing board, and the public. Within 15 days
6 of the receipt of the information, the county superintendent of
7 schools and the county auditor may comment publicly to the
8 governing board of the school district regarding the capability of
9 the school district to repay that debt obligation.
10 (b) Upon the approval by the county board of education to
11 proceed with the issuance of revenue bonds or to enter into an
12 agreement for financing pursuant to Chapter 18 (commencing with
13 Section 17170), the county superintendent of schools or
14 superintendent of a school district for which the county board
15 serves as governing board shall notify the Superintendent. The
16 county superintendent of schools or the superintendent of a school
17 district for which the county board serves as the governing board
18 shall provide the repayment schedules for that debt obligation and
19 evidence of the ability of the county office of education or school
20 district to repay that obligation, to the Superintendent, the
21 governing board, and the public. Within 15 days of the receipt of
22 the information the Superintendent may comment publicly to the
23 county board of education regarding the capability of the county
24 office of education or school district to repay that debt obligation.
25 (c) Prior to *Before* delivery of the notice required by subdivision
26 (a) neither the county nor its officers shall have responsibility for
27 the administration of the indebtedness of the school district. Failure
28 to comply with the requirements of this section will not affect the
29 validity of the indebtedness.
30 SEC. 3. Section 17150.1 of the Education Code is amended to
31 read:
32 17150.1. (a) No later than 30 days before the approval by the
33 governing board of the school district to proceed with the issuance
34 of *bonds,* certificates of participation, and other debt instruments
35 that are secured by real property and do not require approval of
36 the voters of the school district, *property,* the school district shall
37 notify the county superintendent of schools and the county auditor.
38 The superintendent of the school district shall provide information
39 necessary to assess the anticipated effect of the debt issuance,
40 including the repayment schedules for that debt obligation,

1 evidence of the ability of the school district to repay that obligation,
2 and the issuance costs, to the county auditor, the county
3 superintendent, the governing board, and the public. Within 15
4 days of the receipt of the information, the county superintendent
5 of schools and the county auditor may comment publicly to the
6 governing board of the school district regarding the capability of
7 the school district to repay that debt obligation.
8 (b) No later than 30 days before the approval by the county
9 board of education to proceed with the issuance of certificates of
10 participation and other debt instruments that are secured by real
11 ~~property and do not require approval of the voters of the county,~~
12 *property,* the county superintendent of schools or superintendent
13 of a school district for which the county board serves as governing
14 board shall notify the Superintendent. The county superintendent
15 of schools or the superintendent of a school district for which the
16 county board serves as the governing board shall provide
17 information necessary to assess the anticipated effect of the debt
18 issuance, including the repayment schedules for that debt
19 obligation, the evidence of the ability of the county office of
20 education or school district to repay that obligation, and issuance
21 costs, to the Superintendent, the governing board, and the public.
22 Within 15 days of the receipt of the information the Superintendent
23 may comment publicly to the county board of education regarding
24 the capability of the county office of education or school district
25 to repay that debt obligation.
26 SEC. 4. If the Commission on State Mandates determines that
27 this act contains costs mandated by the state, reimbursement to
28 local agencies and school districts for those costs shall be made
29 pursuant to Part 7 (commencing with Section 17500) of Division
30 4 of Title 2 of the Government Code.

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