

AMENDED IN ASSEMBLY MAY 28, 2015
AMENDED IN ASSEMBLY MARCH 24, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1230

Introduced by Assembly Member Gomez

February 27, 2015

An act to add Part 7.1 (commencing with Section 15427) to Division 3 of Title 2 of the Government Code, relating to state government, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1230, as amended, Gomez. California Americans with Disabilities Act Small Business Compliance Financing Act.

Existing law provides various programs to expand access to persons with disabilities and promote compliance with the federal Americans with Disabilities Act of 1990. Existing law authorizes a specified authority to make loans, funded by bonds issuances, to health facilities to assist those participating health facilities lower the costs of financing certain kinds of projects in order to pass along those savings to the public paying for healthcare at those facilities.

This bill would enact the California Americans with Disabilities Act Small Business Compliance Financing Authority Act to establish a self-sustaining program to provide ~~loans, funded in part by bond issuances;~~ *loans* to assist small businesses finance the costs of projects that alter or retrofit existing small business facilities to comply with the federal American with Disabilities Act. ~~This bill would specify that any bonds issued under the act do not constitute a debt or liability of the state or a pledge of the faith and credit of the state, other than the~~

~~California Americans with Disabilities Act Small Business Compliance Financing Authority.~~

This bill would establish in state government the California Americans with Disabilities Act Small Business Compliance Financing Authority, composed of seven specified members. This bill would require the Treasurer, as chair of the authority, to appoint an executive director who serves at the pleasure of the authority. This bill would require the authority to comply with existing open meeting and public record disclosure laws, as specified.

This bill would establish the California Americans with Disabilities Act Small Business Compliance Financing Authority Fund, as a continuously appropriated fund, and require the authority to use the fund for all its purposes. This bill would also transfer \$50,000,000 from the General Fund to the California Americans with Disabilities Act Small Business Compliance Financing Authority Fund.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Part 7.1 (commencing with Section 15427) is
2 added to Division 3 of Title 2 of the Government Code, to read:

3
4 PART 7.1. CALIFORNIA AMERICANS WITH DISABILITIES
5 ACT SMALL BUSINESS COMPLIANCE FINANCING
6 AUTHORITY

7
8 CHAPTER 1. GENERAL PROVISIONS

9
10 15427. This act shall be known and may be cited as the
11 California Americans with Disabilities Act Small Business
12 Compliance Financing Authority Act.

13 15427.2. It is the intent of the Legislature in this act to establish
14 a self-sustaining program to provide loans to assist small businesses
15 in complying with the Americans with Disabilities Act. It is not
16 the intent of the Legislature to fund the physical expansion of small
17 businesses that includes modifications that comply with the
18 Americans with Disabilities Act, or to authorize the authority to
19 control or participate in the operation of a small business except
20 to the extent necessary to secure payment by a small business that

1 defaulted on a loan to the authority, and then only to the extent
2 that complies with the loan agreement between that small business
3 and the authority.

4 15427.4. Unless the context requires otherwise, as used in the
5 act the following words and terms shall have the following
6 meanings:

7 (a) “Act” means the California Americans with Disabilities Act
8 Small Business Compliance Financing Authority Act enacted
9 pursuant to this part.

10 (b) “Americans with Disabilities Act” means the federal
11 Americans with Disabilities Act (42 U.S.C. ~~12101~~, *Sec. 12101* et
12 seq.) and amendments thereto.

13 (c) “Authority” means the California Americans with Disabilities
14 Act Small Business Compliance Financing Authority created by
15 the act or any board, body, commission, department, or officer
16 acting under the authorization of the act.

17 (d) “Cost” means and includes all or any part of the price of
18 construction, purchase price of real or personal property, the price
19 of demolishing or removing any buildings or structures, the price
20 of all machinery and equipment, the amount of financing charges
21 and interest prior to, during, and for a period not to exceed the
22 later of one year or one year following completion of construction,
23 as determined by the authority, the price of insurance during
24 construction, the amount of funding or financing noncapital
25 expenses, the amount of reserves for principal and interest and for
26 extensions, enlargements, additions, replacements, renovations
27 and improvements, the price of engineering, financial and legal
28 services and other service contracts, the price of plans,
29 specifications, studies, surveys, estimates, administrative expenses,
30 and any other expenses of funding or financing, that are necessary
31 or incidental to determining the total payment necessary to
32 complete a project.

33 (e) “Fund” means the California Americans with Disabilities
34 Act Small Business Compliance Financing Authority Fund
35 established by Section 15427.24.

36 (f) “Project” means the physical alterations or retrofits to an
37 existing small business facility of less than 5,000 square feet
38 necessary to ensure that facility is in compliance with the
39 Americans with ~~Disability~~ *Disabilities* Act, and the financing
40 necessary to pay all costs of the project.

- 1 (g) “Small business” means a business located in California that
- 2 meets all of the following criteria:
- 3 (1) Less than six full-time equivalent employees.
- 4 (2) Less than one million dollars (\$1,000,000) in total gross
- 5 annual income from all sources.
- 6 (3) Does not provide overnight accommodations.

7

8 CHAPTER 2. ~~THE~~ THE CALIFORNIA AMERICANS WITH

9 DISABILITIES ACT SMALL BUSINESS COMPLIANCE FINANCING

10 AUTHORITY

11

12 15427.6. There is in state government the California Americans

13 with Disabilities Act Small Business Compliance Financing

14 Authority.

15 15427.8. The California Americans with Disabilities Act Small

16 Business Compliance Financing Authority constitutes a public

17 instrumentality, and the exercise by the authority of the powers

18 conferred by the act shall be deemed and held to be the

19 performance of an essential public function.

20 15427.10. (a) The authority shall be composed of the following

21 seven members:

- 22 (1) The Treasurer, who shall serve as the chair.
- 23 (2) The Controller.
- 24 (3) The Director of Finance.
- 25 (4) The Director of General Services.
- 26 (5) One member appointed by the Senate Committee on Rules
- 27 who shall have specialized knowledge or experience with
- 28 accessibility issues for people with disabilities.
- 29 (6) One member appointed by the Speaker of the Assembly who
- 30 shall be the owner of a small business or a member of an
- 31 organization that represents the interests of small businesses.
- 32 (7) One member appointed by the Governor, subject to
- 33 confirmation by a majority vote of the Senate, who shall be a
- 34 member of the State Bar of California with professional experience
- 35 in consumer protection laws.

36 15427.12. (a) Each member shall serve a term of four years.

37 An individual appointed to fill a vacancy occurring during a term

38 of office shall only serve the remainder of the unexpired term.

1 (b) At the expiration of his or her four-year term, a member
2 shall continue to hold office until the successor has been appointed
3 and qualifies to begin serving.

4 (c) A member shall be eligible for reappointment.

5 (d) Members of the authority shall serve without compensation,
6 but the authority may reimburse members for necessary expenses
7 incurred in the discharge of their duties.

8 (e) This section shall only apply to the members appointed by
9 the Senate Committee on Rules, the Speaker of the Assembly, and
10 the Governor.

11 15427.14. The Director of Finance and the Director of General
12 Services may designate an employee in his or her department to
13 act for him or her at meetings of the authority.

14 15427.16. The State Treasurer, in his or her capacity as the
15 chair, shall appoint an executive director, who shall not be a
16 member of the authority and who shall serve at the pleasure of the
17 authority. The executive director shall receive compensation fixed
18 by the authority.

19 15427.18. (a) The executive director or the person designated
20 by the authority in a resolution shall keep a record of the
21 proceedings of the authority and be the custodian of the official
22 seal, the minute book or journal, and all records and documents
23 of the authority.

24 (b) The executive director or the person designated by the
25 authority in a resolution may provide a copy of a record of any
26 proceeding of the authority or any other records and documents
27 of the authority and may give a certificate under the official seal
28 of the authority that the copy is a true copy, and all persons dealing
29 with the authority may rely upon that certificate.

30 15427.20. (a) The affirmative vote of a majority of a quorum
31 shall be necessary for the authority to take any action. Four
32 members of the authority shall constitute a quorum, regardless of
33 any vacancies in the membership of the authority.

34 (b) Resolutions of the authority need not be published or posted.

35 (c) (1) The authority may delegate by resolution to one or more
36 of its members or the executive director the powers and duties the
37 authority deems proper.

38 (2) The authority may delegate to the executive director or an
39 employee of the authority the powers and duties the authority

1 deems proper, including, but not limited to, the power to enter into
 2 contracts on behalf of the authority.

3 15427.22. The authority shall comply with the Bagley-Keene
 4 Open Meeting Act (Article 9 (commencing with Section 11120)
 5 of Chapter 1 of Part 1) and the California Public Records Act
 6 (Chapter 3.5 (commencing with Section 6250) of Division 7 of
 7 Title 1).

8

9 CHAPTER 3. THE CALIFORNIA AMERICANS WITH DISABILITIES
 10 ACT SMALL BUSINESS COMPLIANCE FINANCING AUTHORITY FUND

11

12 15427.24. (a) The California Americans with Disabilities Act
 13 Small Business Compliance Financing Authority Fund is
 14 established in the State Treasury. Notwithstanding Section 13340,
 15 all money in the fund is continuously appropriated to the authority
 16 for carrying out the purposes of the act. The authority may divide
 17 the fund into separate accounts. All moneys accruing to the
 18 authority pursuant to the act from any source shall be deposited
 19 into the fund.

20 (b) Subject to the cost of loans provided by the authority
 21 pursuant to the act and subject further to any reasonable costs that
 22 may be incurred by the authority in administering the act, all
 23 moneys in the fund derived from any source shall be held in trust
 24 for the security ~~and payment of bonds of the authority and shall~~
 25 ~~not be used or pledged for any other purpose so long as the bonds~~
 26 ~~are outstanding and unpaid. However, nothing in this section shall~~
 27 ~~limit the power of the authority to make loans with the proceeds~~
 28 ~~of bonds in accordance with the terms of the resolution authorizing~~
 29 ~~the same or pledging or granting a security interest to the provider~~
 30 ~~of credit support as specified in the documents pursuant to which~~
 31 ~~revenue bonds are issued of loans.~~

32 (c) ~~(1)~~ The authority may pledge any or all of the moneys in the
 33 fund as security for payment of the principal of, and interest on,
 34 any secured or unsecured loan made pursuant to the act or as
 35 necessary or convenient to ~~the~~ accomplish any purpose of the
 36 authority.

37 ~~(2)~~ Pursuant to any agreements with the holders of particular
 38 bonds pledging any particular assets, revenues, or moneys, the
 39 authority may create separate accounts in the fund to manage

1 ~~assets, revenues, or moneys in the manner set forth in the~~
2 ~~agreements.~~

3 (d) The authority may direct the Treasurer to invest moneys in
4 the fund that are not required for its current ~~needs, including~~
5 ~~proceeds from the sale of any bonds,~~ *needs* in the eligible securities
6 specified in Section 16430 as the authority shall designate. The
7 authority may direct the Treasurer to deposit moneys in
8 interest-bearing accounts in state or national banks or other
9 financial institutions having principal offices located in the state.
10 The authority may alternatively require the transfer of moneys in
11 the fund to the Surplus Money Investment Fund for investment
12 pursuant to Article 4 (commencing with Section 16470) of Chapter
13 3 of Part 2 of Division 4. All interest or other increment resulting
14 from an investment or deposit shall be deposited into the fund,
15 notwithstanding Section 16305.7. Moneys in the fund shall not be
16 subject to transfer to any other fund pursuant to any provision of
17 Part 2 (commencing with Section 16300) of Division 4, excepting
18 the Surplus Money Investment Fund.

19 15427.26. All expenses of the authority incurred in carrying
20 out the provisions of the act shall be payable solely from funds
21 and authority provided to the authority.

22

23 CHAPTER 4. POWERS AND DUTIES OF THE CALIFORNIA
24 AMERICANS WITH DISABILITIES ACT SMALL BUSINESS COMPLIANCE
25 FINANCING AUTHORITY

26

27 15427.28. (a) The authority shall administer the act and is
28 vested with all powers reasonably necessary to carry out the duties
29 expressly granted or imposed under the act.

30 (b) The authority shall establish financial eligibility standards
31 for each small business seeking financing from the authority by
32 studying the creditworthiness and earning capacity of the small
33 business, the impact of new debt and the completion of the project
34 on the small business, and the amount of pledged revenues, debt
35 service coverage, and basic security.

36 15427.30. The authority may do any of the following:

37 (a) Adopt bylaws for the regulation of its affairs and the conduct
38 of its business.

39 (b) Adopt an official seal.

40 (c) Sue and be sued in its name.

- 1 (d) Receive and accept gifts, grants, or donations of money for
2 achieving any purpose of the act from any agency of the federal
3 government, another state entity, a city, county, city and county,
4 any other political subdivision of the state, an individual,
5 association, or corporation.
- 6 (e) Engage private consultants to provide professional and
7 technical services and advice in carrying out the purposes of the
8 act.
- 9 (f) Determine the location and character of any project to be
10 financed under the act; acquire, construct, enlarge, remodel,
11 renovate, alter, improve, furnish, equip, fund, finance, own,
12 maintain, manage, repair, operate, lease as lessee or lessor, and
13 regulate a project under the act and enter into contracts for any or
14 all of those purposes; enter into contracts for the management and
15 operation of a project or other small business facilities owned by
16 the authority; designate a participating property manager as its
17 agent to determine the location and character of a project
18 undertaken by that participating small business under the act and,
19 as the agent of the authority, acquire, construct, enlarge, remodel,
20 renovate, alter, improve, furnish, equip, own, maintain, manage,
21 repair, operate, lease as lessee or lessor, and regulate the same and,
22 as the agent of the authority, to enter into contracts for any or all
23 of those purposes, including contracts for the management and
24 operation of that project or other small business facilities owned
25 by the authority.
- 26 (g) Receive and accept from any source loans, contributions,
27 or grants for, or in aid of, the construction, financing, or refinancing
28 of a project or any portion of a project in money, property, labor,
29 or other things of value.
- 30 (h) Make secured or unsecured loans to, or purchase secured or
31 unsecured loans of, any participating small business in connection
32 with financing the costs of a project in accordance with an
33 agreement between the authority and the participating small
34 business. However, the authority shall not make any loan to a small
35 business to finance the cost of a project that exceeds the lesser of
36 \$50,000 or the total cost of the project, as determined by the
37 participating small business and approved by the authority. The
38 authority shall not make a loan to a small business with a
39 repayment period of 60 months or longer, except if the project is
40 located on real property that is leased. If the project is located on

1 real property that is leased, the repayment period shall not exceed
2 the term of the lease, excluding any option to extend the lease. The
3 authority shall only make a loan that includes an interest rate that
4 equals the pooled money investment rate at the time the loan is
5 approved and is sufficient to repay the reasonable pro rata expenses
6 of the authority to administer the loan, ~~including, but not limited~~
7 ~~to, the costs of issuing revenue bonds to fund the loan.~~

8 (i) Enter into any and all agreements or contracts, including
9 agreements for liquidity or credit enhancement, ~~bond exchange~~
10 ~~agreements~~, interest rate swaps or hedges; execute any and all
11 instruments; and do and perform any and all acts or things
12 necessary, convenient, or desirable for the purposes of the authority
13 or to carry out any power expressly granted by the act.

14 (j) Invest any moneys held in reserve or sinking funds or any
15 moneys not required for immediate use or disbursement, at the
16 discretion of the authority, in any obligations ~~authorized by the~~
17 ~~resolution authorizing the issuance of the bonds secured thereof~~
18 ~~or~~ authorized by law for the investment of trust funds in the custody
19 of the Treasurer.

20 (k) The authority may require any information it deems
21 necessary and prudent prior to providing a loan to a small business
22 and may require any term, condition, security, or repayment
23 provision it deems necessary in the event the authority chooses to
24 provide a loan.

25 ~~15427.32. (a) The authority is authorized to issue revenue~~
26 ~~bonds to provide funds for achieving any of the purposes under~~
27 ~~the act.~~

28 ~~(b) Except as expressly provided otherwise by the authority,~~
29 ~~revenue bonds shall be payable from any revenues or moneys of~~
30 ~~the authority available therefor and not otherwise pledged, subject~~
31 ~~only to any agreements with the holders of particular bonds or~~
32 ~~notes pledging any particular revenues or moneys. Negotiable~~
33 ~~bonds shall be and be deemed to be for all purposes negotiable~~
34 ~~instruments, notwithstanding that these bonds may be payable~~
35 ~~from a special fund, subject only to the provisions of these bonds~~
36 ~~for registration.~~

37 ~~(c) The authority's revenue bonds may be issued as serial bonds~~
38 ~~or as term bonds, or the authority, in its discretion, may issue bonds~~
39 ~~of both types. The issuance of all revenue bonds shall be authorized~~
40 ~~by resolution of the authority and shall bear such date or dates,~~

1 ~~mature at such time or times, not exceeding 40 years from their~~
 2 ~~respective dates, bear interest at such rate or rates, be payable at~~
 3 ~~such time or times, be in such denominations, be in such form,~~
 4 ~~either coupon or registered, carry such registration privileges, be~~
 5 ~~executed in such manner, be payable in lawful money of the United~~
 6 ~~States of America at such place or places, and be subject to such~~
 7 ~~terms of redemption, as the indenture, trust agreement, or resolution~~
 8 ~~relating to these revenue bonds may provide. The authority's~~
 9 ~~revenue bonds or notes may be sold by the Treasurer at public or~~
 10 ~~private sale, after giving due consideration to the recommendation~~
 11 ~~of the participating small business, for the price or prices and upon~~
 12 ~~the terms and conditions as the authority shall determine. The~~
 13 ~~Treasurer may sell these revenue bonds at a price below the par~~
 14 ~~value thereof. However, the discount on any bonds so sold shall~~
 15 ~~not exceed 6 percent of the par value thereof, except in the case~~
 16 ~~of any bonds payable in whole or in part from moneys held under~~
 17 ~~one or more outstanding resolutions or indentures. Pending~~
 18 ~~preparation of the definitive bonds, the authority may issue interim~~
 19 ~~receipts or certificates or temporary bonds which shall be~~
 20 ~~exchanged for such definitive bonds.~~

21 ~~(d) A resolution or resolutions authorizing the issuance of any~~
 22 ~~revenue bonds or any issue of revenue bonds may contain~~
 23 ~~provisions, which shall be a part of the contract with the holders~~
 24 ~~of the bonds to be authorized, as to pledging all or any part of the~~
 25 ~~revenues of a project or any revenue-producing contract or~~
 26 ~~contracts made by the authority with an individual, partnership,~~
 27 ~~corporation or association or other body, public or private, to secure~~
 28 ~~the payment of the bonds or of a particular issue of bonds.~~

29 ~~(e) Neither the members of the authority nor any person~~
 30 ~~executing the revenue bonds shall be liable personally on the bonds~~
 31 ~~or be subject to any personal liability or accountability by reason~~
 32 ~~of the issuance thereof.~~

33 ~~(f) The authority may purchase its bonds with any moneys~~
 34 ~~available to the authority for this purpose. The authority may~~
 35 ~~exchange bonds for its bonds. The authority may hold, pledge,~~
 36 ~~exchange, cancel, or resell these bonds, subject to and in~~
 37 ~~accordance with its agreements with bondholders.~~

38 ~~15427.34. In the discretion of the authority, any revenue bonds~~
 39 ~~issued under the provisions of the act may be secured by a trust~~
 40 ~~agreement or indenture by and between the authority and a~~

1 corporate trustee or trustees, which may be the Treasurer or any
2 trust company or bank having the powers of a trust company within
3 or without the state. The trust agreement, indenture, or the
4 resolution providing for the issuance of these bonds may pledge
5 or assign the revenues to be received from a participating small
6 business. The indenture, trust agreement, or resolution providing
7 for the issuance of these bonds may contain provisions for
8 protecting and enforcing the rights and remedies of the bondholders
9 and any provider of credit or liquidity support for these bonds as
10 may be reasonable and proper and not in violation of law, including
11 particularly those provisions as have hereinabove been specifically
12 authorized to be included in any resolution or resolutions of the
13 authority authorizing bonds thereof. Any trust agreement or
14 indenture may set forth the rights and remedies of the bondholders,
15 any provider of credit or liquidity support for these bonds, and of
16 the trustee or trustees, and may restrict the individual right of action
17 of bondholders. In addition to the foregoing, any indenture, trust
18 agreement, or resolution may contain such other provisions as the
19 authority may deem reasonable and proper for the security of the
20 bondholders.

21 15427.36. Any provision that the authority may include in a
22 trust agreement, indenture, or resolution pursuant to the act may
23 alternatively be included in a bond with the same effect.

24 15427.38. Revenue bonds issued under the provisions of the
25 act shall not be deemed to constitute a debt or liability of the state
26 or of a political subdivision thereof or a pledge of the faith and
27 credit of the state or of that political subdivision, other than the
28 authority, but shall be payable solely from the moneys in the fund.
29 These bonds shall contain a statement to the effect that neither the
30 State of California nor the authority shall be obligated to pay the
31 principal of, or the interest thereon, except from revenues of the
32 authority, and that neither the faith and credit nor the taxing power
33 of the State of California or of a political subdivision thereof is
34 pledged to the payment of the principal of or the interest on these
35 bonds. The issuance of revenue bonds under the act shall not
36 directly or indirectly or contingently obligate the state or a political
37 subdivision thereof to levy or to pledge a form of taxation whatever
38 therefor or to make an appropriation for their payment.

39 15427.40 Any holder of revenue bonds issued under the act or
40 any of the coupons appertaining thereto, and the trustee or trustees

1 under any indenture or trust agreement, except to the extent the
2 rights herein given may be restricted by any resolution authorizing
3 the issuance of, or any such indenture or trust agreement securing,
4 such bonds, may, either at law or in equity, by suit, action,
5 mandamus or other proceedings, protect and enforce any and all
6 rights under the laws of the state or granted hereunder or under
7 such resolution or indenture or trust agreement, and may enforce
8 and compel the performance of all duties required by the act or by
9 such resolution, indenture, or trust agreement to be performed by
10 the authority or by any officer, employee or agent thereof.

11 15427.42. All moneys received pursuant to the act, whether as
12 proceeds from selling or incurring revenue bonds or as revenues,
13 shall be deemed to be trust funds to be held and applied solely as
14 provided in the act. Until the funds are applied as provided in the
15 act, and notwithstanding any other provision of law, the moneys
16 may be invested in any obligations or securities authorized by
17 resolutions of the authority authorizing the issuance of the bonds.
18 Any officer with whom, or any bank or trust company with which,
19 the moneys are deposited shall act as trustee of the moneys and
20 shall hold and apply the moneys for the purposes hereof, subject
21 to any regulations adopted pursuant to the act and the resolution
22 authorizing the issuance of the bonds or the indenture or trust
23 agreement securing the bonds.

24 15427.44. (a) The authority may provide for the issuance of
25 bonds of the authority for the purpose of redeeming, refunding, or
26 retiring any bonds or any series or issue of bonds then outstanding
27 issued for the benefit of a participating small business to finance
28 or refinance a project, including the payment of any redemption
29 premium thereon and any interest accrued or to accrue to the date
30 of redemption, purchase, or maturity of the bonds.

31 (b) The proceeds of any bonds issued for the purpose of
32 refunding of outstanding bonds may, in the discretion of the
33 authority, be applied to the purchase, redemption prior to maturity,
34 or retirement at maturity of any outstanding bonds on their earliest
35 redemption date or dates, upon their purchase or maturity, or paid
36 to a third person to assume the authority's obligation or the
37 applicable bond issuer's obligation to make the payments, and
38 may, pending that application, be placed in escrow to be applied
39 to the purchase, retirement at maturity, or redemption on the date

1 or dates determined by the authority or the participating small
2 business.

3 (e) Any proceeds placed in escrow may, pending their use, be
4 invested and reinvested in obligations or securities authorized by
5 resolutions of the authority or as determined by the participating
6 small business, payable or maturing at the time or times as are
7 appropriate to assure the prompt payment of the principal, interest,
8 and redemption premium, if any, of the outstanding bonds to be
9 refunded at maturity or redemption of the bonds to be refunded
10 either at their earliest redemption date or dates or any subsequent
11 redemption date or dates or for payment of interest on the refunding
12 bonds on or prior to the final date of redemption or payment of
13 the bonds to be refunded. After the terms of the escrow have been
14 fully satisfied and carried out, any balance of the proceeds and
15 interest, income and profits, if any, earned or realized on the
16 investments thereof may be returned to the authority for use by
17 the authority or the participating small business.

18 (d) All of the bonds issued pursuant to subdivision (a) are subject
19 to the act in the same manner and to the same extent as other bonds
20 issued pursuant to the act.

21 15427.46. Bonds issued by the authority under the act are
22 hereby made securities in which all banks, bankers, savings banks,
23 trust companies and other persons carrying on a banking business;
24 all insurance companies, insurance associations and other persons
25 carrying on an insurance business; and all administrators, executors,
26 guardians, trustees and other fiduciaries, and all other persons
27 whatsoever who now are or may hereafter be authorized to invest
28 in bonds or other obligations of the state, may properly and legally
29 invest any funds, including capital belonging to them or within
30 their control; and such bonds, notes or other securities or
31 obligations are hereby made securities which may properly and
32 legally be deposited with and received by any state or municipal
33 officers or agency of the state for any purpose for which the deposit
34 of bonds or other obligations of the state is now or may hereafter
35 be authorized by law.

36 15427.48. Any bonds issued under the provisions of the act,
37 their transfer, and the income therefrom shall at all times be free
38 from taxation of every kind by the state and by all political
39 subdivisions in the state.

1 ~~15427.50. The State of California does pledge to and agree~~
2 ~~with the holders of the bonds issued pursuant to the act, and with~~
3 ~~those parties who may enter into contracts with the authority~~
4 ~~pursuant to the provisions of the act, that the state will not limit,~~
5 ~~alter or restrict the rights hereby vested in the authority to finance~~
6 ~~small business projects and to fulfill the terms of any agreements~~
7 ~~made with the holders of bonds authorized by the act, and with~~
8 ~~the parties who may enter into contracts with the authority pursuant~~
9 ~~to the act, or in any way impair the rights or remedies of the holders~~
10 ~~of such bonds or such parties until the bonds, together with interest~~
11 ~~thereon, are fully paid and discharged and such contracts are fully~~
12 ~~performed on the part of the authority. The authority as a public~~
13 ~~body corporate and politic shall have the right to include the pledge~~
14 ~~herein made in its bonds and contracts.~~

15 ~~15427.52. A pledge by or to the authority of revenues, moneys,~~
16 ~~accounts, accounts receivable, contract rights and other rights to~~
17 ~~payment of whatever kind made by or to the authority pursuant to~~
18 ~~the authority granted in the act shall be valid and binding from the~~
19 ~~time the pledge is made for the benefit of pledges and successors~~
20 ~~thereto. The revenues, moneys, accounts, accounts receivable,~~
21 ~~contract rights and other rights to payment of whatever kind~~
22 ~~pledged by or to the authority or its assignees shall immediately~~
23 ~~be subject to the lien of the pledge without physical delivery or~~
24 ~~further act. The lien of such pledge shall be valid and binding~~
25 ~~against all parties, irrespective of whether the parties have notice~~
26 ~~of the claim. The indenture, trust agreement, resolution or another~~
27 ~~instrument by which such pledge is created need not be recorded.~~

28 ~~15427.54. Any net earnings of the authority beyond that~~
29 ~~necessary for retirement of any obligations issued by the authority~~
30 ~~or to implement the purposes of this chapter may inure to the~~
31 ~~benefit only of the State of California or the authority.~~

32 ~~15427.56. Upon dissolution of the authority, title to all property~~
33 ~~owned by the authority shall vest in the successor authority created~~
34 ~~by the Legislature, if any, if the successor authority qualifies under~~
35 ~~Section 103 of the federal Internal Revenue Code of 1954, as~~
36 ~~amended, and the regulations promulgated thereunder, as an~~
37 ~~authority entitled to issue obligations on behalf of the State of~~
38 ~~California the interest on which is exempt from federal income~~
39 ~~taxation. If no such successor authority is so created, title to such~~
40 ~~property shall vest in the State of California.~~

1 SEC. 2. The sum of ~~\$50,000,000~~ (~~\$50 Million~~) *fifty million*
2 *dollars* (\$50,000,000) is hereby transferred from the General Fund
3 to the California Americans with Disabilities Act Small Business
4 Compliance Financing Authority Fund for the purposes of funding
5 the activities of the California Americans with Disabilities Act
6 Small Business Compliance Financing Authority pursuant to the
7 California Americans with Disabilities Act Small Business
8 Compliance Financing Authority Act.

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