

AMENDED IN SENATE APRIL 15, 2015

**SENATE BILL**

**No. 222**

---

---

**Introduced by Senator Block**

February 12, 2015

---

---

An act to ~~amend Section 15251 of the Education Code, relating to school bonds;~~ *add Article 5.5 (commencing with Section 53515) to Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, relating to local government.*

LEGISLATIVE COUNSEL'S DIGEST

SB 222, as amended, Block. ~~School bonds; school facilities; statutory lien.~~ *Local agencies; general obligation bonds; statutory lien.*

*Existing law authorizes local agencies to issue general obligation bonds, as provided.*

*This bill would require general obligation bonds issued and sold by or on behalf of a local agency to be secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds, as provided.*

~~Except as otherwise provided by law, existing law provides that the governing board of a school district or community college district may, when in its judgment it is advisable, and shall, upon a petition of the majority of the qualified electors residing in the school district or community college district, order an election and submit to the electors of the district the question whether the bonds of the district shall be issued and sold for the purpose of raising money for certain school facilities purposes, including the purchasing of school lots and the building or purchasing of school buildings.~~

~~If the bond measure is approved by the electors, existing law requires the board of supervisors of the county whose county superintendent of~~

~~schools has jurisdiction over the school district or community college district to annually, at the time of making the levy of taxes for county purposes, levy a tax for that year upon the property in the district for the interest and redemption of all outstanding bonds of the school district or community college district. Existing law requires that all taxes levied, when collected, to be paid into the county treasury, as provided, to be used for the payment of the principal and interest of the bonds and for no other purpose.~~

~~This bill would require bonds issued and sold pursuant to these provisions to be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, as provided.~~

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. Article 5.5 (commencing with Section 53515) is  
2     added to Chapter 3 of Part 1 of Division 2 of Title 5 of the  
3     Government Code, to read:

4  
5             Article 5.5. Lien for General Obligation Bonds  
6

7     53515. (a) General obligation bonds issued and sold by or on  
8     behalf of a local agency shall be secured by a statutory lien on all  
9     revenues received pursuant to the levy and collection of the tax.  
10    The lien shall automatically arise without the need for any action  
11    or authorization by the local agency or its governing body. The  
12    lien shall be valid and binding from the time the bonds are executed  
13    and delivered. The revenues received pursuant to the levy and  
14    collection of the tax shall be immediately subject to the lien, and  
15    the lien shall immediately attach to the revenues and be effective,  
16    binding, and enforceable against the local agency, its successors,  
17    transferees, and creditors, and all others asserting rights therein,  
18    irrespective of whether those parties have notice of the lien and  
19    without the need for any physical delivery, recordation, filing, or  
20    further act.

21    (b) This section is not intended to supplement or limit a local  
22    agency's power to issue general obligation bonds conferred by  
23    any other law.

1 (c) For purposes of this section, both of the following shall  
2 apply:

3 (1) “Local agency” means any city, county, city and county,  
4 school district, community college district, authority, or special  
5 district.

6 (2) “General Obligation bonds” means bonds, warrants, notes,  
7 or other evidence of indebtedness of a local agency payable, both  
8 principal and interest, from the proceeds of ad valorem taxes which  
9 may be levied pursuant to paragraphs (2) and (3) of subdivision  
10 (b) of Section 1 of Article XIII A of the California Constitution.

11 SECTION 1. Section 15251 of the Education Code is amended  
12 to read:

13 15251. (a) When collected, all taxes levied shall be paid into  
14 the county treasury of the county whose superintendent of schools  
15 has jurisdiction over the school district on behalf of which the tax  
16 was levied, to the credit of the interest and sinking fund of the  
17 school district, or community college district as designated by the  
18 California Community Colleges Budget and Accounting Manual,  
19 and shall be used for the payment of the principal and interest of  
20 the bonds and for no other purpose.

21 (b) Bonds issued and sold pursuant to this chapter shall be  
22 secured by a statutory lien on all revenues received pursuant to  
23 the levy and collection of the tax. The lien shall automatically  
24 attach without further action or authorization by the governing  
25 board of the school district or community college district. The lien  
26 shall be valid and binding from the time the bonds are executed  
27 and delivered. The revenues received pursuant to the levy and  
28 collection of the tax shall be immediately subject to the lien, and  
29 the lien shall automatically attach to the revenues and be effective,  
30 binding, and enforceable against the school district or community  
31 college district, its successors, transferees, and creditors, and all  
32 others asserting rights therein, irrespective of whether those parties  
33 have notice of the lien and without the need for any physical  
34 delivery, recordation, filing, or further act.