

Senate Bill No. 161

CHAPTER 893

An act to add Sections 17016, 17017.2, 17032.5, 17042, 17042.9, 17047.6, 17150, 17182, 17183, 17199.3, 17215, and 38060 to, to add and repeal Section 17199.4 of, to repeal Sections 17716, 17717.2, 17732.5, 17742, 17742.9, 17747.6, 17850, 17882, 17883, 17899.3, and 17899.4 of, and to add and repeal Sections 15100.5, 15122.5, 15300, 15301, 15303, 15320, 15322, 15323, 15324, 15326, 15327, 15334.5, 15336, 15342, 15349, 15350, 15351, 15352, 15353, 15356, 15357, 15358, 15359, 15359.1, 15359.2, 15380, 15381, 15384, 15390, 15391, 15400, 15401, 15403, 15404, 15405, 15410, 15411, 15412, 15421, 15425, 17001.5, 17042.7, 17224, and 39005 of, the Education Code, relating to schools.

[Approved by Governor October 11, 1997. Filed
with Secretary of State October 12, 1997.]

LEGISLATIVE COUNSEL'S DIGEST

SB 161, Greene. Schools.

(1) Existing law makes it a crime to enter a schoolbus or school pupil activity bus without prior authorization of the driver or other school official with intent to commit any crime and then refusing to disembark after being ordered to do so by the driver or other school official. Existing law will be repealed on January 1, 1998, as part of a technical Education Code reorganization statute.

Existing law operative January 1, 1998, reorganizes portions of the Education Code by repealing various parts of the Education Code and reenacting them in new parts, chapters, and articles.

This bill would reenact the existing law with no changes and renumber it consistent with the technical Education Code reorganization statute. This bill would also repeal and add various sections of the Education Code with no substantive changes to complete the reorganization of the Education Code that is operative on January 1, 1998.

(2) This bill would provide that it is to be construed as a restatement and not as a new enactment.

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

SECTION 1. Section 15100.5 of the Education Code, as added by Chapter 729 of the Statutes of 1996, is repealed.

SEC. 2. Section 15100.5 is added to Article 1 (commencing with Section 15100) of Chapter 1 of Part 10 of the Education Code, to read:

15100.5. Except as otherwise provided by law, the governing board of the Peralta Community College District may, when in its



judgment it is advisable, order the county superintendent of schools to call an election to be conducted pursuant to this chapter and submit to the electors of the district the question of whether the proceeds of previously authorized but unissued bonds of the district may be used for a purpose or purposes in addition to the purposes for which the previously approved bonds were authorized by the electors.

The governing board may, by order entered into its minutes, call for an election to expand the purposes of prior authorized but unissued bonds either as a single proposition on the ballot or combined with the question of issuing new bonds of the district for any purpose or purposes permitted by law.

If two-thirds of the votes cast on the question of expanding the purposes for which the proceeds of previously authorized but unissued bonds of the district may be used, or the combined question of expanding the purposes for which the proceeds of previously authorized but unissued bonds of the district and issuing newly authorized bonds of the district, are in favor of the proposition, the district may use the proceeds of the previously authorized but unissued bonds for the expanded purposes and may issue newly authorized bonds, as the case may be.

SEC. 3. Section 15122.5 of the Education Code, as added by Chapter 548 of the Statutes of 1996, is repealed.

SEC. 4. Section 15122.5 is added to Article 2 (commencing with Section 15120) of Chapter 2 of Part 10 of the Education Code, to read:

15122.5. (a) Whenever an election is called on the question of whether bonds of a school district shall be issued and sold for the purposes specified in Section 15100 and the project to be funded by the bonds will require state matching funds for any phase of the project, the sample ballot shall contain a statement, as provided in subdivision (b), advising the voters that the project is subject to the approval of state matching funds and, therefore, passage of the bond measure is not a guarantee that the project will be completed.

(b) The words to appear in the sample ballot in satisfaction of the requirements of subdivision (a) are as follows:

“Approval of Measure ____ does not guarantee that the proposed project or projects in the ____ School District that are the subject of bonds under Measure ____ will be funded beyond the local revenues generated by Measure _____. The school district’s proposal for the project or projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.”

(c) This section does not apply to any election to incur bonded indebtedness pursuant to the Mello-Roos Community Facilities Act



of 1982 contained in Chapter 2.5 (commencing with Section 53311) of Division 2 of Title 5 of the Government Code.

SEC. 5. Section 15300 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 6. Section 15300 is added to Article 1 (commencing with Section 15300) of Chapter 2 of Part 10 of the Education Code, to read:

15300. This chapter provides a method for the formation of school facilities improvement districts consisting of a portion of the territory within a school district or community college district and for the issuance of general obligation bonds by a school facilities improvement district.

SEC. 7. Section 15301 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 8. Section 15301 is added to Article 1 (commencing with Section 15300) of Chapter 2 of Part 10 of the Education Code, to read:

15301. (a) Any school district or community college district that has a community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, as set forth in Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code, that has as one of its purposes the construction of school facilities within a portion of the territory of the school district or community college district, may proceed under this chapter.

(b) The boundaries of any school facilities improvement district formed pursuant to this chapter shall include all of the portion of the territory within the boundaries of the school district or community college district that is not located within the boundaries of the community facilities district as described in subdivision (a).

(c) A school district or community college district may proceed under this chapter without meeting the requirements of subdivisions (a) and (b) if the governing board of the school district or community college district determines that it is necessary and in the best interest of the school district or community college district, respectively, to form a school facilities improvement district pursuant to this chapter to finance any or all of the improvements set forth in Section 15302. As a part of that determination, the governing board of the school district or community college district shall make a finding that the overall cost of financing the bonds issued pursuant to this chapter would be less than the overall cost of other school facilities financing options available to the school district or community college district, including, but not limited to, issuing bonds pursuant to the Mello-Roos Communities Facilities Act of 1982 (Ch. 2.5 (commencing with Sec. 53311), Pt. 1, Div. 2, Title 5, Gov. C.). The governing board of the school district or community college district proceeding under this subdivision shall define the boundaries of the school facilities improvement district to include any portion of territory within the jurisdiction of the school district or community



college district, except that the boundaries may not include all or a portion of the territory of the community facilities district described in subdivision (a).

SEC. 8.5. Section 15301 is added to Article 1 (commencing with Section 15300) of Chapter 2 of Part 10 of the Education Code, to read:

15301. (a) Any school district or community college district that has a community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, as set forth in Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code, that has as one of its purposes the construction of school facilities within a portion of the territory of the school district or community college district, may proceed under this chapter.

(b) The boundaries of any school facilities improvement district formed pursuant to this chapter shall include all of the portion of the territory within the boundaries of the school district or community college district that is not located within the boundaries of the community facilities district as described in subdivision (a).

(c) A school district or community college district may proceed under this chapter without meeting the requirements of subdivisions (a) and (b) if the governing board of the school district or community college district determines that it is necessary and in the best interest of the school district or community college district, respectively, to form a school facilities improvement district pursuant to this chapter to finance any or all of the improvements set forth in Section 15302. As a part of that determination, the governing board of the school district or community college district shall make a finding that the overall cost of financing the bonds issued pursuant to this chapter would be less than the overall cost of other school facilities financing options available to the school district or community college district, including, but not limited to, issuing bonds pursuant to the Mello-Roos Communities Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code). The governing board of the school district or community college district proceeding under this subdivision shall define the boundaries of the school facilities improvement district to include any portion of territory within the jurisdiction of the school district or community college district, except that the boundaries may not include all or a portion of the territory of the community facilities district described in subdivision (a).

(d) The governing body of a school district or community college district that proceeds under this chapter shall comply with the filing requirements established by Section 54902 of the Government Code. Any plat or map that is filed pursuant to this subdivision shall specifically identify any property located within the school district or community college district that is not located within the



improvement district established by the school district or community college district pursuant to this chapter.

SEC. 9. Section 15303 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 10. Section 15303 is added to Article 1 (commencing with Section 15300) of Chapter 2 of Part 10 of the Education Code, to read:

15303. This chapter shall not be operative in any county or counties until the board of supervisors of either the county in which the county superintendent of schools having jurisdiction over the school district or community college district in which the school facilities improvement district is located or, if a school facilities improvement district lies in two or more counties, the board of supervisors for those counties, by resolution adopted by a majority vote of the board of supervisors, makes this chapter applicable in the county or counties.

SEC. 11. Section 15320 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 12. Section 15320 is added to Article 2 (commencing with Section 15320) of Chapter 2 of Part 10 of the Education Code, to read:

15320. Whenever the governing board of a school district or community college district meeting the requirements set forth in Section 15301 determines that a school facilities improvement district is necessary, the governing board shall adopt a resolution of intention that states all of the following:

(a) The intention of the governing board to form the proposed school facilities improvement district.

(b) The purpose for which the proposed school facilities improvement district is to be formed, consistent with the requirements set forth in Section 15302.

(c) The estimated cost of the school facilities improvement project.

(d) That any taxes levied for the purpose of financing the general obligation bonds issued to finance the project shall be levied exclusively upon the lands in the proposed school facilities improvement district.

(e) That a map showing the exterior boundaries of the proposed school facilities improvement district is on file with the governing board of the school district or community college district and is available for inspection by the public. The boundaries of the school facilities improvement district shall meet the requirements set forth in subdivision (b) of Section 15301.

(f) The time and place for a hearing by the governing board on the formation of the proposed school facilities improvement district.

(h) That any interested persons, including all persons owning lands in the school district or community college district, or in the proposed school facilities improvement district, may appear and be heard.



SEC. 13. Section 15322 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 14. Section 15322 is added to Article 2 (commencing with Section 15320) of Chapter 2 of Part 10 of the Education Code, to read:

15322. The governing board of the school district or community college district shall hold the hearing provided for by resolution of intention at the time and place fixed by that resolution. Any interested person, including, but not limited to, all persons owning land in the school district, or in the proposed school facilities improvement district or community college district, may appear and be heard concerning any matters set forth in the resolution of intention.

SEC. 15. Section 15323 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 16. Section 15323 is added to Article 2 (commencing with Section 15320) of Chapter 2 of Part 10 of the Education Code, to read:

15323. At the hearing, the governing board of the school district or community college district may adopt a resolution proposing modifications, consistent with Section 15302, of the purpose stated in the resolution of intention. A resolution proposing modification shall describe the proposed modifications, state the change, if any, in the estimated cost of carrying out the purpose, and shall fix a time and place for hearing by the governing board.

SEC. 17. Section 15324 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 18. Section 15324 is added to Article 2 (commencing with Section 15320) of Chapter 2 of Part 10 of the Education Code, to read:

15324. The governing board of the school district or community college district shall publish the resolution proposing the modifications to the resolution of intention once in the same newspaper in which the resolution of intention was published at least 14 days prior to the date of hearing on the proposed modifications.

SEC. 19. Section 15326 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 20. Section 15326 is added to Article 2 (commencing with Section 15320) of Chapter 2 of Part 10 of the Education Code, to read:

15326. At the conclusion of the hearing on the resolution of intention and of the hearing, if any, upon proposed modifications, the governing board may by resolution order the school facilities improvement district formed for the purpose and with the boundaries described in the resolution of intention, and, if relevant, the resolution proposing modifications. The resolution ordering the school facilities improvement district formed shall state the estimated cost of carrying out the purpose described in the resolution. The resolution shall also number and designate the school facilities improvement district substantially as “School Facilities Improvement District of the ____ School District” or “School



Facilities Improvement District of the ____ Community College District.”

SEC. 21. Section 15327 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 22. Section 15327 is added to Article 2 (commencing with Section 15320) of Chapter 2 of Part 10 of the Education Code, to read:

15327. The governing board of the school district or community college district in which a school facilities improvement district has been formed shall have the same rights, powers, duties and responsibilities with respect to the formation and government of school facilities improvement district as the governing board has with respect to the school district or community college district.

SEC. 23. Section 15334.5 of the Education Code, as added by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 24. Section 15334.5 is added to Article 3 (commencing with Section 15330) of Chapter 2 of Part 10 of the Education Code, to read:

15334.5. Notwithstanding any other provision of law, no bonded indebtedness may be incurred pursuant to this chapter in an amount that would cause the bonded indebtedness of the territory of the school district or community college district of which the school facilities improvement district is a part, to exceed the limitation of indebtedness specified in Sections 15102 and 15106. No bonded indebtedness may be incurred pursuant to this chapter in an amount that would cause the bonded indebtedness of the territory of the school facilities improvement district to exceed the limitation of indebtedness specified in Sections 15330 and 15332.

SEC. 25. Section 15336 of the Education Code, as added by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 26. Section 15336 is added to Article 3 (commencing with Section 15330) of Chapter 2 of Part 10 of the Education Code, to read:

15336. Within 30 days after the end of each fiscal year, the governing board of the school district or community college district in which the school facilities improvement district is located shall submit a report containing the information to an election held pursuant to Article 4 (commencing with Section 15340), to the county superintendent of schools who has jurisdiction over the school district or community college district:

(a) The total amount of the bond issue, bonded indebtedness, or other indebtedness involved.

(b) The percentage of qualified electors who are residents of the school facilities improvement district who voted at the election.

(c) The results of the election, with the percentage of votes cast for and against the proposition involved.

SEC. 27. Section 15342 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 28. Section 15342 is added to Article 4 (commencing with Section 15340) of Chapter 2 of Part 10 of the Education Code, to read:



15342. Any one or more of the purposes enumerated in Section 15302, except that of refunding any outstanding valid indebtedness of the school facilities improvement district evidenced by bonds, may, by order of the governing board of the school district or community college district in which the school facilities improvement district is located, be united and voted upon in a single proposition.

SEC. 29. Section 15349 of the Education Code, as amended by Chapter 1072 of the Statutes of 1996, is repealed.

SEC. 30. Section 15349 is added to Article 4 (commencing with Section 15340) of Chapter 2 of Part 10 of the Education Code, to read:

15349. If it appears from the certificate of election results that two-thirds of the votes cast by the voters voting on the proposition of issuing bonds of the school facilities improvement district are in favor of issuing the bonds, the governing board of the school district or community college district in which the school facilities improvement district is located shall cause an entry of that fact to be made upon its minutes. The governing board of the school district or community college district shall then certify to the board of supervisors of the county whose superintendent of schools has jurisdiction over the school district or community college district, all proceedings had in the premises. The county superintendent of schools shall send a copy of the certificate of election results to the board of supervisors of the county.

SEC. 31. Section 15350 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 32. Section 15350 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15350. Bonds of a school facilities improvement district shall be offered for sale by the board of supervisors of the county in which the county superintendent of schools has jurisdiction over the school district or community college district in which the school facilities improvement district is located as soon as possible, when appropriate, following receipt of a resolution duly adopted by the governing board of that school district or community college district. The resolution shall prescribe the total amount of bonds to be sold. The resolution may also prescribe the maximum acceptable interest rate, not to exceed 8 percent, and the time or times when the whole or any part of the principal of the bonds shall be payable, which shall not be more than 25 years from the date of the bonds.

SEC. 33. Section 15351 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 34. Section 15351 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15351. When authorized by the governing board of the school district or community college district in which the school facilities improvement district is located, bonds of the school facilities



improvement district may be offered for sale as a group by the board of supervisors of the county in which the county superintendent of schools has jurisdiction over the school district or community college district in which the school facilities improvement district is located, at a time determined by the board of supervisors following receipt of a resolution duly adopted by the governing board of that school district or community college district. The resolution shall prescribe the total amount of bonds to be sold. The resolution may also prescribe the maximum acceptable interest rate, not to exceed 8 percent, and the time or times when the whole or any part of the principal of the bonds shall be payable, which shall not be more than 25 years from the date of the bonds. Bidders shall be required to bid a lump-sum bid on all bonds as a group. If bids satisfactory to the governing board of each school district or community college district in which a school facilities improvement district is located are received, the bonds offered for sale shall be awarded to the bidder whose bid will result in the lowest net interest cost for the group or for the bonds of any district included within the group. Bonds shall be issued and sold in the name of each school facilities improvement district in the same manner as provided in this chapter.

SEC. 35. Section 15352 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 36. Section 15352 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15352. The bonds shall be issued in the name of the school facilities improvement district and shall be designated "Bonds of the School Facilities Improvement District of the ____ School District" or "Bonds of the School Facilities Improvement District of the ____ Community College District" and each bond and all interest coupons shall state that the tax for the payment thereof shall be limited to annual taxes to be levied upon and collected from the lands within the school facilities improvement district.

SEC. 37. Section 15353 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 38. Section 15353 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15353. The bonds shall be issued in the denomination or denominations as the board of supervisors of the county in which the county superintendent of schools has jurisdiction over the school district or community college district in which the school facilities improvement district is located may prescribe.

SEC. 39. Section 15356 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 40. Section 15356 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15356. (a) (1) The board of supervisors of the county in which the county superintendent of schools has jurisdiction over the school



district or community college district in which the school facilities improvement district is located shall prescribe the form of the bonds by an order entered upon its minutes.

(2) The bonds shall be signed by the chairperson of the board of supervisors, or by any other member thereof as the board of supervisors shall, by resolution adopted by a four-fifths vote of all its members, authorize and designate for that purpose, and also signed by the treasurer of the county, and shall be countersigned by the clerk of the board of supervisors or by a deputy of either of the officers. Unless the board of supervisors otherwise provides, all the signatures and countersignatures may be printed, lithographed, engraved, or otherwise mechanically reproduced except that one of the signatures or countersignatures to the bonds shall be manually affixed. Any signature may be affixed in accordance with the provisions of the Uniform Facsimile Signatures of Public Officials Act, Chapter 6 (commencing with Section 5500) of Title 1 of the Government Code.

(3) All expenses incurred for the preparation, sale, and delivery of the school facilities improvement bonds, including but not limited to, fees of an independent financial consultant, the publication of the official notice of sale of the bonds, the preparation, printing, and distribution of the official statement, the obtaining of a rating, the purchase of insurance insuring the prompt payment of interest and principal, the preparation of the certified copy of the transcript for the successful bidder, the printing of the bonds, and legal fees of independent bond counsel retained by the school facilities improvement district issuing the bonds are legal charges against the funds of the school facilities improvement district issuing the bonds and may be paid from the proceeds of sale of the bonds.

(b) Notwithstanding subdivision (a), the board of supervisors may, in its discretion, determine that all of the required signatures and countersignatures shall be by facsimiles, provided, however, that the bonds shall not be valid or become obligatory for any purpose until manually signed by an authenticating agent duly appointed by the board or its authorized designee.

SEC. 41. Section 15357 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 42. Section 15357 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15357. The board of supervisors shall establish within the county treasury a school facilities improvement fund for each school facilities improvement district the purpose of depositing the proceeds of the bonds issued pursuant to this chapter. The board of supervisors shall also establish within the county treasury a school facilities improvement bond interest and sinking fund for each school facilities improvement district.



SEC. 43. Section 15358 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 44. Section 15358 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15358. (a) The bonds shall be issued by the board of supervisors, payable out of the interest and sinking fund of the school facilities improvement district. The board of supervisors, in its discretion, and without further authorization from the governing board of the school district or community college district in which the school facilities improvement district is located, may sell the bonds at a negotiated sale or by competitive bidding. The bonds may be sold at a discount not to exceed 5 percent and at an interest rate not exceeding the maximum permitted by Section 15354. If the sale is by competitive bid, the board of supervisors shall comply with the provisions of Sections 15359 and 15359.1. The bonds shall be sold by the board of supervisors no later than the date designated by the governing board of the school district or community college district in which the school facilities improvement district is located as the final date for the sale of the bonds.

(b) The proceeds of the sale of the bonds, exclusive of any premium received, shall be deposited in the county treasury to the credit of the school facilities improvement fund of the school facilities improvement district. The proceeds deposited shall be drawn out as necessary to finance the purposes approved by the voters pursuant to this chapter. The bond proceeds withdrawn shall not be applied to any other purposes than those for which the bonds were issued. Any premium or accrued interest received from the sale of the bonds shall be deposited in the interest and sinking fund of the county treasury established for the school facilities improvement district.

SEC. 45. Section 15359 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 46. Section 15359 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15359. Before selling the bonds, or any part of them, the board of supervisors as appropriate, shall advertise for bids at least two weeks in some daily or weekly newspaper of general circulation published in the county whose county superintendent of schools has jurisdiction over the governing board of the school district or community college district in which the school facilities improvement district is located or if there is no newspaper published in the county, in a newspaper published in some other county in the state having a general circulation in the county.

SEC. 47. Section 15359.1 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 48. Section 15359.1 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:



15359.1. (a) If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder or bidders, and the county clerk shall prepare and certify to all of the proceedings on file in his or her office relative to the issuance and sale of the bonds, which transcript of proceedings shall be delivered to the successful bidder or bidders without charge. If no bids are received, or if the board determines that the bids received exceed either the maximum acceptable interest rate prescribed by the governing board or the maximum rate prescribed by Section 15353, or that they are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and without further authorization from the governing board of the school district or community college district in which the school facilities improvement district is located, either readvertise or sell the bonds at private sale.

(b) For the purpose of determining whether or not a bid exceeds the maximum acceptable interest rate, the interest rate of that bid shall be deemed to be the interest rate resulting from the total net interest cost arrived at by computing the total amount of interest that the school facilities improvement district would be required to pay from the date of the bonds to the respective maturity dates thereof at the rate or rates specified in the bid and by deducting therefrom any premium bid.

SEC. 49. Section 15359.2 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 50. Section 15359.2 is added to Article 5 (commencing with Section 15350) of Chapter 2 of Part 10 of the Education Code, to read:

15359.2. (a) The issuing school facilities improvement district, by action of the governing board of the school district or community college district in which the school facilities improvement district is located, may prepare, or have prepared, bond brochures to serve as a prospectus for bond buyers to assist in the satisfactory sale of the bonds, the expense of the brochures shall be payable out of the funds of the district. The brochures may be prepared only after the issuance of the bonds to be sold has been approved by the electors of the school facilities improvement district pursuant to Article 4 (commencing with Section 15340).

(b) The issuing school facilities improvement district by action of the governing board in which the school facilities improvement district is located may expend funds of the school facilities improvement district for the purposes of advertising the availability of the bonds for purchase in any publication or newspaper that in the opinion of that governing board will give notice to prospective bond buyers that the bonds are available for purchase by bond buyers.

SEC. 51. Section 15380 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.



SEC. 52. Section 15380 is added to Article 8 (commencing with Section 15380) of Chapter 2 of Part 10 of the Education Code, to read:

15380. If any bonds authorized under this chapter have not been offered for sale for one year from the date of the election at which they were authorized or remain unsold for a period of six months after having been offered for sale in the manner prescribed by the board of supervisors, the governing board of the school district or community college district in which the school facilities improvement district is located and for which the bonds were authorized, may petition the board of supervisors that has jurisdiction of the issuance and sale of the bonds to cause the unsold bonds to be canceled.

SEC. 53. Section 15381 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 54. Section 15381 is added to Article 8 (commencing with Section 15380) of Chapter 2 of Part 10 of the Education Code, to read:

15381. Upon receiving the petition, signed by a majority of the members of the governing board of the school district or community college district in which the school facilities improvement district is located, the board of supervisors shall fix a time for a hearing, which shall not be more than 30 days after receipt of the petition, and shall cause a notice stating the time and place of the hearing, and the object of the petition in general terms, to be published for 10 days prior to the hearing, in a newspaper published in the school facilities improvement district if there is one, and if there is no newspaper published in the school facilities improvement district, in a newspaper published at the county seat of the county.

SEC. 55. Section 15384 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 56. Section 15384 is added to Article 8 (commencing with Section 15380) of Chapter 2 of Part 10 of the Education Code, to read:

15384. The governing board of a school district or community college district in which a school facilities improvement district is located may petition the board of supervisors to cancel the remaining authorization of that district to issue and sell bonds resulting from any particular school bond election after the sale of at least 90 percent of the bonds authorized at the election if the amount of the remaining authorization is not more than twenty-five thousand dollars (\$25,000) and in the opinion of the governing board the sale of the remaining bonds would not be economically justified. Sections 15381 and 15382 shall be applicable and at or following the hearing therein provided for, the board of supervisors, if it determines that the public interest will be served thereby, may make and enter an order in the minutes of its proceedings that the remaining authorization be canceled. Upon the entry of the order, the vote by which the remaining authorization was created shall cease to be of any validity with respect to the remaining authorization.



SEC. 57. Section 15390 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 58. Section 15390 is added to Article 9 (commencing with Section 15390) of Chapter 2 of Part 10 of the Education Code, to read:

15390. The governing board of a school district or community college district in which a school facilities improvement district is located may purchase in the open market bonds issued by the school facilities improvement district with available funds from the school facilities improvement fund.

SEC. 59. Section 15391 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 60. Section 15391 is added to Article 9 (commencing with Section 15390) of Chapter 2 of Part 10 of the Education Code, to read:

15391. When any bonds issued by a school facilities improvement district have been purchased by the governing board of the school district or community college district in which the school facilities improvement district is located, the bonds shall be deemed canceled and of no further validity. The governing board of the school district or community college district in which the school facilities improvement district is located shall immediately, after purchasing the bonds, notify the board of supervisors of its action, describing the bonds purchased. At its first meeting thereafter, the board of supervisors shall note the purchase and cancellation of the bonds in the minutes of its proceedings.

SEC. 61. Section 15400 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 62. Section 15400 is added to Article 10 (commencing with Section 15400) of Chapter 2 of Part 10 of the Education Code, to read:

15400. (a) The board of supervisors, by an order entered upon its minutes, shall fix the time when the whole or any part of the principal of the bonds shall be payable, which shall not be more than 25 years from the date of the bonds. If the governing board of the school district or community college district in which the school facilities improvement district is located has prescribed in its resolution the time or times when the whole or any part of the bonds shall be payable, the times and amounts shall be fixed by the order of the board of supervisors.

(b) Any bonds may be issued subject to call and redemption before maturity at the option of the governing board of the school district or community college district in which the school facilities improvement district exists. The governing board may include in its resolution a requirement that all or any part of the bonds shall be issued subject to call and redemption before maturity and the price or prices at which said bonds shall be redeemed. The board of supervisors, in its order fixing the form of the bonds and the maturities thereof, shall provide that the bonds be redeemable at the option of the governing board and at the price or prices fixed in the



resolution. Bonds issued subject to call and redemption prior to maturity shall contain a recital to that effect, and no bond shall be subject to call or redemption prior to maturity unless it contains the recital. The board of supervisors in its order shall fix the method of giving notice of redemption to holders of bonds to be redeemed.

SEC. 63. Section 15401 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 64. Section 15401 is added to Article 10 (commencing with Section 15400) of Chapter 2 of Part 10 of the Education Code, to read:

15401. The board of supervisors, at the direction of the governing board of the school district or community college district in which the school facilities improvement district is located, may divide the principal amount of bonds authorized at any election into two or more series and may fix different dates for the bonds of each series, in which event the maximum maturity date of the bonds shall be calculated from the date of each series respectively. When the issuance of bonds shall have been authorized pursuant to two or more propositions submitted at the same or different elections, all or any part of the bonds not theretofore issued may be combined and issued and sold as one or more series.

SEC. 65. Section 15403 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 66. Section 15403 is added to Article 10 (commencing with Section 15400) of Chapter 2 of Part 10 of the Education Code, to read:

15403. The principal and interest on the bonds shall be paid by the county treasurer of the county in which the superintendent of schools has jurisdiction of the school district or community college district in which the school facilities improvement district is located, at the place required by the terms of the bonds, upon presentation and surrender of warrants drawn by the county auditor in payment thereof, after he or she has canceled the bonds and coupons, or upon the receipt of the registered owner, if the bonds are registered, after a proper warrant has been drawn by the auditor, out of the fund provided for their payment.

SEC. 67. Section 15404 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 68. Section 15404 is added to Article 10 (commencing with Section 15400) of Chapter 2 of Part 10 of the Education Code, to read:

15404. Upon the order of the auditor, any money remaining in the interest and sinking fund of any school facilities improvement district after the payment of all bonds and coupons payable from the fund, or any money in excess of an amount sufficient to pay all unpaid bonds and coupons payable from the fund, shall be transferred to the general fund of the governing board of the school district or community college district in which the school facilities improvement district is located.



SEC. 69. Section 15405 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 70. Section 15405 is added to Article 10 (commencing with Section 15400) of Chapter 2 of Part 10 of the Education Code, to read:

15405. Any money paid into the county treasury of the county and credited to the interest and sinking fund of any school facilities improvement district remaining after the payment of all bonds and coupons payable from the fund, or which is in excess of an amount sufficient to pay all unpaid bonds and coupons payable from the fund, shall be transferred to the special reserve fund of the school district or community college district in which the school facilities improvement district is located and may be used only for the purpose specified in Section 42840.

SEC. 71. Section 15410 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 72. Section 15410 is added to Article 11 (commencing with Section 15410) of Chapter 2 of Part 10 of the Education Code, to read:

15410. The board of supervisors of the county in which the county superintendent of schools has jurisdiction over a school district or community college district in which a school facilities improvement district is located shall annually at the time of making the levy of taxes for county purposes levy a tax for that year upon the property in the school facilities improvement district for the interest and redemption of all outstanding bonds of the district. The tax shall not be less than sufficient to pay the interest on the bonds as it becomes due and to provide a sinking fund for the payment of the principal on or before maturity and may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The tax shall be sufficient to provide funds for the payment of the interest on the bonds as it becomes due and also that part of the principal and interest as is to become due before the proceeds of a tax levied at the time for making the next general tax levy can be made available for the payment of the principal and interest.

SEC. 73. Section 15411 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 74. Section 15411 is added to Article 11 (commencing with Section 15410) of Chapter 2 of Part 10 of the Education Code, to read:

15411. All taxes levied, when collected, shall be paid into the county treasury of the county whose superintendent of schools has jurisdiction over the school district or community college district in which the school facilities improvement district is located and on behalf of which the tax was levied. All collected tax revenues shall be used exclusively for the payment of the principal and interest of the bonds of the school facilities improvement district, including any sinking fund.

SEC. 75. Section 15412 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.



SEC. 76. Section 15412 is added to Article 11 (commencing with Section 15410) of Chapter 2 of Part 10 of the Education Code, to read:

15412. The board of supervisors of the county whose superintendent of schools has jurisdiction over the school district or community college district in which the school facilities improvement district is located, shall annually at the time of making the levy of taxes for county purposes estimate the amount of money required to meet the payment of the principal and interest on bonds of the district authorized by the electors of the district and not sold, and that the governing board of the school district or community college district informs the board on their belief will be sold before the next tax levy, and the board of supervisors shall levy a tax sufficient to pay the principal and interest so estimated.

SEC. 77. Section 15421 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 78. Section 15421 is added to Article 12 (commencing with Section 15420) of Chapter 2 of Part 10 of the Education Code, to read:

15421. (a) The tax shall be entered upon the assessment roll and collected in the same manner as other on real property.

(b) The tax when collected shall be paid into the county treasury of the county. The treasurer of any county, other than the one whose superintendent of schools has jurisdiction over the school district or community college district in which the school facilities improvement district is located, shall, upon order of the county auditor, pay the sum collected on account of the tax into the treasury of the county whose superintendent of schools has jurisdiction over the school district or community college district in which the community facilities district is located.

SEC. 79. Section 15425 of the Education Code, as amended by Chapter 1072 of the Statutes of 1972, is repealed.

SEC. 80. Section 15425 is added to Article 13 (commencing with Section 15425) of Chapter 2 of Part 10 of the Education Code, to read:

15425. Notwithstanding any other provision of this chapter, it is the intent of the Legislature that the rate of taxes levied annually upon the property in a school facilities improvement district formed pursuant to subdivision (a) of Section 15301 not be greater than the rate of the annual special tax levied upon parcels in the same school district or community college district that are part of a community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, as set forth in Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code. A determination by the governing board of a school district or community college district, made at the time bonds are sold pursuant to this chapter, that the rate of taxes to be levied annually upon the property in the school facilities improvement district, based upon tax rate estimates prepared pursuant to Section 9401 of the Elections Code, does not exceed the rate of the annual special tax levied upon



parcels in the same school district or community college district that are part of a community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, shall be conclusive evidence of compliance with the intent of this section.

SEC. 81. Section 17701.5 of the Education Code, as added by Chapter 478 of the Statutes of 1996, is repealed.

SEC. 82. Section 17001.5 is added to the Education Code, to read:

17001.5. (a) The Legislature hereby finds and declares the following:

(1) Some believe that the school facilities construction requirements set forth in this chapter have become lengthy, complex, and heavily controlled by the various state agencies involved in the review and approval process. As a result, some believe that school facilities are often overcrowded and construction costs are higher than necessary.

(2) Some believe that a streamlining of the approval process set forth in this chapter is necessary to efficiently provide the children of the state with needed classrooms in the most expeditious and cost-effective manner. Some expect that other savings can be achieved by increased standardization of plans for school design and construction and the appropriate use of portable classrooms.

(b) Not later than July 1, 1997, the Joint Committee on School Facilities shall complete and submit a report to the Governor and the Legislature containing recommendations for doing the following:

(1) Increasing privatization and standardization, and other measures for streamlining the approval process set forth in this chapter.

(2) Reducing the costs of school construction.

(3) Increasing the local authority over the approval of site acquisition and of plans and specifications for school facilities construction.

SEC. 83. Section 17016 is added to the Education Code, to read:

17016. (a) The board, by the adoption of rules, may establish priorities for the construction and leasing of projects to those school districts the pupils of which will benefit most. The board may make exceptions from established priorities when it determines that to do so will benefit the pupils affected.

(b) The board may adopt rules establishing priorities for the acquisition and leasing of portable classrooms to county superintendents of schools that will most benefit pupils needing a county community school. The board shall require each county superintendent of schools who leases portable classrooms pursuant to Section 17717.2 to demonstrate that the portable classrooms are utilized solely for operation of a county community school.

SEC. 84. Section 17017.2 is added to the Education Code, to read:

17017.2. (a) The board may own, have maintained, and lease portable classrooms to any county superintendent of schools who



provides a county community school program, as defined in Section 1986. These portable classrooms shall be adequately equipped to meet the educational needs of these pupils, including, but not limited to, sinks and restroom facilities.

(b) The board, with the advice of the Superintendent of Public Instruction, may have portable classrooms constructed, furnished, or equipped, and may otherwise require whatever work is necessary to place portable classrooms for county community schools where needed, including the acquisition and preparation of sites. The board shall, in consultation with the Superintendent of Public Instruction, establish standards for the acquisition of land, with land acquisition limited to no more than 10,000 square feet per portable classroom, waivable by the board only as needed to meet local zoning and land use requirements or health and safety considerations.

(c) A county superintendent of schools who desires to lease portable classrooms shall have prepared for the board's use performance specifications for portable classrooms and bids for their construction that can be solicited from more than one responsible bidder.

(d) No portable classroom shall be made available to a county superintendent of schools unless the county superintendent of schools furnishes evidence, satisfactory to the board, that the county superintendent of schools has no other facility available for rental, lease, or purchase in the geographic service area that is economically or otherwise feasible.

(e) If at any time the board determines that a lessee's need for particular portable classrooms that were made available to the lessee pursuant to this chapter has ceased, the board may take possession of the portable classrooms and may lease them to other county superintendents of schools or, if there is no longer a need for portable classrooms, the board may dispose of them to public or private parties in the manner it deems to be in the best interest of the state.

(f) This section does not limit the authority of a county superintendent of schools to provide facilities without assistance from the board for pupils who are enrolled in a county community school.

SEC. 85. Section 17032.5 is added to the Education Code, to read:

17032.5. The board shall establish the annual rent and conditions to be met by the lessee of a portable classroom leased pursuant to Section 17717.2 and shall require lessees to undertake all necessary maintenance, repairs, renewals, and replacements to ensure that a project is at all times kept in good repair, working order, and condition. All costs incurred for this purpose shall be borne by the lessee.

SEC. 86. Section 17042 is added to the Education Code, to read:

17042. (a) The board, by the adoption of rules, shall provide for the manner of determining the area of adequate school construction



existing in an applicant school district at the time of application. Those rules shall define and provide for the method of determining building areas that are to be included in, in whole or in part, or to be excluded from, the area of existing adequate school construction. Any building to which Article 3 (commencing with Section 39140) of Chapter 1 of Part 23 of Division 3 of Title 2 does not apply shall not be considered adequate school construction for the purpose of determining the maximum total building area per attendance unit.

The board may make exceptions to the provisions of this section, or to the rules adopted pursuant thereto, if it determines that the exception or exceptions will be for the benefit of pupils affected.

(b) For the purposes of this chapter, the area of adequate school construction existing in an applicant school district does not include any of the following:

(1) Any portable classroom made available to the district under Chapter 25 (commencing with Section 17785).

(2) In any school operated on a year-round schedule, any building area that has been in continuous use during the preceding five-year period primarily for the operation of any preschool program or programs.

(3) Any building area, not to exceed the area that is equivalent to one classroom per schoolsite, used to provide support services pursuant to Chapter 5 (commencing with Section 8800) of Part 6 or to provide integrated children's services pursuant to Section 18986.40 of the Welfare and Institutions Code. A school shall meet the definition of a "qualifying school" under paragraph (1) of subdivision (h) of Section 8802 to qualify for this exemption from the area of adequate school construction.

(4) Any classroom acquired or constructed and continuously used by the school district primarily for the purpose of reducing class size in kindergarten or in any of grades 1 to 3, inclusive, pursuant to the school district's participation in the Class Size Reduction Program contained in Chapter 6.10 (commencing with Section 52120) of Part 28.

(5) Any classroom acquired or constructed for the purpose of operating a community day school pursuant to Section 48660, if the classroom is not located on a regular elementary, middle, junior high, or senior high school site.

(c) The board may make exceptions to this section, or to the rules adopted pursuant thereto, if it determines that the exception or exceptions will be for the benefit of pupils affected.

SEC. 87. Section 17042.7 of the Education Code, as added by Chapter 277 of the Statutes of 1996, is repealed.

SEC. 88. Section 17042.7 is added to the Education Code, to read:

17042.7. (a) For any project application filed or amended on or after January 1, 1993, the area of adequate school construction existing in the applicant school district or, where appropriate, in the



attendance area, at the time of application shall be calculated pursuant to the following formula:

(1) Identify by grade level all teaching stations existing in the school district or, where appropriate, the attendance area, as of January 1, 1993. For the purposes of this section, "teaching station" means any space that was constructed or reconstructed to serve as an area in which to provide pupil instruction.

(2) Determine the maximum pupil loading figure for each grade level pursuant to the district pupil loading standards in effect on January 1, 1993. For the purposes of this section, the "district pupil loading standards" are those pupil loading standards in effect in a school district on July 1, 1992, as a result of actions including, but not necessarily limited to, the execution of a collective bargaining agreement or the adoption of a district policy by the governing board of the school district. In no event may this figure be more than the maximum pupil loading standards established by the board, or less than three pupil units lower than those maximum pupil loading standards.

(3) Multiply the figure determined under paragraph (2) for each grade level by the number of teaching stations for the particular grade level, as determined under paragraph (1).

(4) Multiply the product determined under paragraph (3) by the maximum area allowance established for that grade level under this article.

(5) The sum of these computations for each grade level, as determined under paragraphs (1) to (4), inclusive, shall be the total area of adequate school construction existing in the district or attendance area pursuant to this formula.

(b) For purposes of this section, a school district that is participating in a class size reduction program set forth in this code, other than the Class Size Reduction Program (Ch. 6.10 (commencing with Section 52120) of Part 28), shall use the pupil loading standard established pursuant to that program.

(c) The area of existing adequate school construction calculated under this section shall not include, in any school operated on a year-round schedule, any teaching station that has been in continuous use during the preceding five-year period primarily for the operation of a preschool program or programs.

SEC. 89. Section 17042.9 is added to the Education Code, to read:

17042.9. (a) Notwithstanding any other provision of law, a school district that complies with the requirements of subdivision (b) may replace a portable classroom, as defined in Section 17742.5, that has been leased or owned by the district for 20 years or more, with a permanent building if the resulting area of new building construction is no greater than the area that would be authorized under this chapter for the lease or purchase of a portable classroom.



(b) A school district that utilizes subdivision (a) shall fund its expenses incurred thereby through the issuance of general obligation bonds by the district or by the issuance of bonds pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code) or by any other financing mechanism that does not encumber the school district's general fund.

SEC. 90. Section 17047.6 is added to the Education Code, to read:

17047.6. The board, with the advice of the Superintendent of Public Instruction, may determine the eligibility of county superintendents of schools to lease portable classrooms provided that a county superintendent of schools is eligible to receive one portable classroom pursuant to this section and Section 17717.2 for each 15 units of average daily attendance at county community schools in excess of the amount of average daily attendance claimed by the county superintendent of schools in the prior fiscal year except that, for pupils who are enrolled in a county community school and on independent study, only time spent in the classroom shall be included in the calculation of average daily attendance.

SEC. 91. Section 17150 is added to Chapter 16 (commencing with Section 17150) of Part 10 of the Education Code, to read:

17150. (a) Upon the approval by the governing board of the school district to proceed with the issuance of certificates of participation revenue bonds or to enter into any agreement for financing school construction pursuant to Chapter 28 (commencing with Section 17870), the school district shall notify the county superintendent of schools and the county auditor. The superintendent of the school district shall provide the repayment schedules for that debt obligation, and evidence of the ability of the school district to repay that obligation, to the county auditor, the county superintendent, the governing board, and the public. Within 15 days of the receipt of the information, the county superintendent of schools and the county auditor may comment publicly to the governing board of the school district regarding the capability of the school district to repay that debt obligation.

(b) Upon the approval by the county board of education to proceed with the issuance of certificates of participation or revenue bonds or to enter into any agreement for financing pursuant to Chapter 28 (commencing with Section 17870), the county superintendent of schools or superintendent of a school district for which the county board serves as governing board shall notify the Superintendent of Public Instruction. The county superintendent of schools or the superintendent of a school district for which the county board serves as the governing board shall provide the repayment schedules for that debt obligation and evidence of the ability of the county office of education or school district to repay that obligation, to the Superintendent of Public Instruction, the governing board,



and the public. Within 15 days of the receipt of the information the Superintendent of Public Instruction may comment publicly to the county board of education regarding the capability of the county office of education or school district to repay that debt obligation.

SEC. 92. Section 17182 is added to the Education Code, to read:

17182. (a) Except as otherwise provided in subdivision (b), all expenses incurred by the authority in implementing this chapter shall be payable solely from funds appropriated for purposes of this chapter, and the authority shall not incur liabilities in excess of the amount of those funds.

(b) The authority may request a loan by the Pooled Money Investment Board from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, and may execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. The loan shall be deposited in the fund for the purposes of carrying out the provisions of this chapter. The amount of the loan shall not exceed the amount of the unsold bonds that the authority by resolution, has authorized to be sold for the purposes of this chapter.

SEC. 93. Section 17183 is added to the Education Code, to read:

17883. (a) From time to time, the authority may, by resolution, issue its revenue bonds in order to provide funds for any of the purposes of this chapter. Bonds may be issued to finance any of the following:

- (1) A single project or financing of working capital for a single participating district.
- (2) A series of projects or financings of working capital for a single participating district.
- (3) A single project or financing of working capital for several participating districts.
- (4) Several projects or financing of working capital for several participating districts.
- (5) A joint venture school facilities construction project undertaken pursuant to Article 5 (commencing with Section 17760) of Chapter 22.

(b) Except as otherwise expressly provided by the authority, all revenue bonds shall be payable from any available revenues or moneys of the authority not otherwise pledged, subject only to any agreements with holders of particular bonds or notes pledging any particular revenue or moneys. Notwithstanding that revenue bonds issued pursuant to this section may be payable from a special fund, the revenue bonds shall be, and shall be deemed to be for all purposes, negotiable instruments, subject only to the provisions of the revenue bonds for registration.

(c) The revenue bonds of the authority may be issued as serial bonds, term bonds, or the authority, in its discretion, may issue bonds of both types. The issuance shall be in accordance with the indenture,



trust agreement, or resolution relating to the revenue bonds, which shall provide all of the following:

- (1) The date or dates of the bonds.
 - (2) The date or dates upon which the bonds will mature, not to exceed 40 years from their respective dates.
 - (3) The interest rate or rates, or methods of determining the interest rate or rates, of the bonds.
 - (4) When the bonds are payable.
 - (5) The denominations of the bonds.
 - (6) The form of the bonds, which shall be either bearer or registered.
 - (7) The registration privileges of the bonds.
 - (8) The manner in which the bonds are to be executed.
 - (9) The place or places at which the bonds shall be payable in lawful money of the United States of America.
 - (10) The terms of redemption of the bonds.
- (d) After giving due consideration to the recommendations of the participating district or districts, the revenue bonds of the authority shall be sold by the Treasurer at either a public or private sale at a price or prices, and upon the terms and conditions prescribed by the authority. The revenue bonds of the authority may be sold at, above, or below the par value of the bonds.
- (e) Pending the preparation of the definitive bonds, the authority may issue interim receipts or certificates or temporary bonds which shall be exchanged for the definitive bonds.
- (f) Any resolution authorizing the issuance of any bonds of the authority, or any issue of revenue bonds of the authority, may include any of the following provisions:
- (1) Provisions pledging all or any part of the proceeds of the bonds or revenue of a project or loan.
 - (2) Provisions concerning the replacement of mutilated, destroyed, stolen, or lost bonds.
 - (3) Provisions specifying insurance to be maintained on the project and the authorized uses of the proceeds of the insurance.
 - (4) Covenants against the mortgaging or otherwise encumbering, selling, leasing, pledging, placing a charge upon, or otherwise disposing of the project prior to the payment of the bonds issued to finance the project.
 - (5) Provisions specifying the events of default, terms upon which the bonds may be declared due before maturity, and the terms upon which the declaration and its consequences may be waived.
 - (6) The rights, liabilities, powers, and duties arising upon the breach of any covenants, conditions, or obligations.
 - (7) Vesting of the right to enforce covenants in a trustee.
 - (8) The terms upon which all or any percentage of the bondholders may enforce covenants or duties.



(9) Procedures for amending the terms of the resolution, with or without the consent of the holders of a specified number of bonds.

(10) Provision for any other acts or things deemed necessary, convenient, or desirable by the authority to secure the bonds or improve their marketability.

(g) The validity of the authorization and issuance of any bond issue shall not be affected by proceedings for the acquisition, construction, or improvement of any project, or by contracts relating to those proceedings. Any resolution authorizing the issuance of any bonds of the authority may provide authorization for the bonds to bear a statement certifying that they are issued pursuant to this chapter. Bonds bearing such a statement shall be conclusively deemed valid and issued in conformity with this chapter. Reference on the face of the bonds to the resolution by its date of adoption shall incorporate the provisions of the resolution and of this chapter into the terms of the bonds.

(h) Members of the authority, or any person executing the revenue bonds of the authority, shall not incur personal liability on the bonds, nor shall these persons incur personal liability or accountability by reason of the issuance of the revenue bonds of the authority.

(i) The authority is authorized, out of any funds available for that purpose, to purchase revenue bonds of the authority. The authority may hold, pledge, cancel, or resell any bonds purchased under the authority of this subdivision, subject to, and in accordance with, agreements with bondholders.

(j) The financing or refinancing of projects or working capital may be provided pursuant to this chapter by means other than revenue bonds, at the discretion of the authority, including financing or refinancing through certificates of participation, or other interests, in bonds, loans, leases, installment sales, or other agreements of the participating district or districts. In this connection, the authority may do all things and execute and deliver all documents and instruments as may be necessary or desirable with regard to issuance of the certificates of participation or other means of financing or refinancing.

(k) The authority may by resolution issue its revenue bonds in the form of commercial paper.

SEC. 94. Section 17199.3 is added to the Education Code, to read:

17199.3. (a) The total amount of revenue bonds which may be issued and outstanding at any time for purposes of this chapter, other than those revenue bonds under Section 17899.4, shall not exceed four hundred million dollars (\$400,000,000).

(b) The total amount of revenue bonds that may be issued under this chapter each fiscal year, for purposes of Section 17899.4 only, shall not exceed four hundred million dollars (\$400,000,000). Of that total amount of revenue bonds, not more than one hundred fifty million



dollars (\$150,000,000) in revenue bonds may be issued for the purposes of joint venture school facilities construction projects undertaken pursuant to Article 5 (commencing with Section 17760) of Chapter 22. The total amount that may be outstanding at any time under this chapter, for purposes of Section 17899.4 only, shall not exceed four billion dollars (\$4,000,000,000).

(c) For purposes of subdivisions (a) and (b), bonds which meet any of the following conditions shall not be deemed to be outstanding:

(1) Bonds which have been refunded pursuant to Section 17888.

(2) Bonds for which money or securities in amounts necessary to pay or redeem the principal, interest, or any redemption premium on the bonds have been deposited in trust.

(3) Bonds which have been issued to provide working capital.

SEC. 95. Section 17199.4 is added to the Education Code, to read:

17199.4. (a) Notwithstanding any other law, any participating school district or county office of education, in connection with securing financing or refinancing of projects, except working capital, pursuant to this chapter may elect to guarantee or provide for payment of the bonds in accordance with the following conditions:

(1) If a participating school district or county office of education adopts a resolution by a majority vote of its board to participate under this section, it shall provide notice to the Controller of that election. The notice shall include a schedule for the repayment of principal and interest on the bonds and identify a trustee appointed by the participating school district or county office of education or the authority for purposes of this section. The notice shall be provided not later than the date of issuance of the bonds.

(2) If, for any reason, the school district or county office of education will not make the payment of principal and interest at the time the payment is required, the participating school district or county office of education shall notify the trustee of that fact and of the amount of the deficiency. The trustee shall immediately communicate that information to the Controller.

(3) Upon receipt of the notice required by paragraph (2), the Controller shall make an apportionment to the trustee in the amount of the deficiency for the purpose of making the required payment of principal or interest, or both. The Controller shall make that apportionment only from moneys in Section A of the State School Fund designated for apportionment to the district pursuant to Section 42238 or to the county office of education pursuant to Section 2558.

(4) As an alternative to the procedures set forth in paragraphs (2) and (3), the participating school district or county office of education may provide a transfer schedule in its notice to the Controller of its election to participate under this section. The transfer schedule shall set forth amounts to be transferred to the trustee and the date for the transfers. The Controller shall, subject to the limitation in the last



sentence of paragraph (3), make apportionments to the trustee of those amounts on the specified date for the purpose of making those transfers.

(b) The amount apportioned for a school district or for a county office of education pursuant to this section shall be deemed to be an allocation to the district or the county office of education for purposes of subdivision (b) of Section 8 of Article XVI of the California Constitution. For purposes of computing revenue limits pursuant to Section 42238 for any school district or pursuant to Section 2558 for any county office of education, the revenue limit for any fiscal year in which funds are apportioned for the district or for the county office of education pursuant to this section shall include any amounts apportioned by the Controller pursuant to paragraphs (3) and (4) of subdivision (a).

(c) (1) School districts or county offices of education that elect to participate under this section shall apply to the authority. The authority shall consider each of the following priorities in making funds available:

(A) First priority shall be given to school districts or county offices of education that apply for funding for instructional classroom space.

(B) Second priority shall be given to school districts or county offices of education that apply for funding of modernization of instructional classroom space.

(C) Third priority shall be given to all other eligible costs, as defined in Section 17873.

(2) The authority shall prioritize applications at appropriate intervals.

(3) A school district electing to participate under this section that has applied for revenue bond moneys for the purposes of joint venture school facilities construction projects, pursuant to Article 5 (commencing with Section 17760) of Chapter 22, shall not be subject to the priorities set forth in paragraph (1) of this subdivision.

(d) This section shall not be construed to make the State of California liable for any payment of principal or interest on any bonds or certificates of participation within the meaning of Section 1 of Article XVI of the California Constitution or otherwise, except as expressly provided in this section.

(e) A school district that has a qualified or negative certification pursuant to Section 42131, or a county office of education that has a qualified or negative certification pursuant to Section 1240, may not participate under this section.

(f) The authority shall report to the Legislature by January 1, 2001, on the number of school districts or county offices of education electing to participate under this section and on the financial stability of the participating school districts and county offices of education.



(g) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 96. Section 17215 is added to the Education Code, to read:

17215. (a) In order to promote the safety of pupils, comprehensive community planning, and greater educational usefulness of schoolsites before acquiring title to property for a new schoolsite, the governing board of each school district, including any district governed by a city board of education, shall give the Department of Transportation written notice of the proposed acquisition and shall submit any information required by the department if the proposed site is within two miles, measured by air line, of that point on an airport runway or a potential runway included in an airport master plan that is nearest to the site.

(b) If the Department of Transportation is no longer in operation, the governing board of the school district shall, in lieu of notifying the Department of Transportation, notify the United States Department of Transportation or any other appropriate agency, in writing, of the proposed acquisition for the purpose of obtaining from the department or other agency any information or assistance that it may desire to give.

(c) The Department of Transportation shall investigate the proposed site and, within 30 working days after receipt of the notice, shall submit to the governing board a written report and its recommendations concerning acquisition of the site. As part of the investigation, the Department of Transportation shall give notice thereof to the owner and operator of the airport who shall be granted the opportunity to comment upon the proposed schoolsite.

(d) The governing board shall not acquire title to the property until the report of the Department of Transportation has been received. If the report does not favor the acquisition of the property for a schoolsite or an addition to a present schoolsite, the governing board shall not acquire title to the property until 30 days after the department's report is received and until the department's report has been read at a public hearing duly called after 10 days' notice published once in a newspaper of general circulation within the school district or, if there is no newspaper of general circulation within the school district, in a newspaper of general circulation within the county in which the property is located.

(e) Except as provided in subdivision (d), if the Department of Transportation in its report submitted to a governing board of a school district does not favor acquisition of a proposed site that is within two miles of the centerline of an active runway, no state funds or local funds shall be apportioned or expended for the acquisition of that site, construction of any school building on that site, or for the expansion of any existing site to include that site.



(f) This section does not apply to sites acquired prior to January 1, 1966, nor to any additions or extensions to those sites.

(g) If the recommendations of the Department of Transportation are unfavorable, the recommendations shall not be overruled without the express approval of the State Allocation Board.

SEC. 97. Section 17224 of the Education Code is repealed.

SEC. 98. Section 17224 is added to the Education Code, to read:

17224. Any funds in the State School Site Utilization Fund, including interest, which are not subject to return to a school district pursuant to Section 39017 shall revert to the Deferred Maintenance Fund.

SEC. 98.5. Section 17224 is added to the Education Code, to read:

17224. Any funds in the State School Site Utilization Fund, including interest, which are not subject to return to a school district pursuant to Section 17223 shall revert to the School Major Maintenance Match Fund.

SEC. 99. Section 17716 of the Education Code, as amended by Chapter 1059 of the Statutes of 1996, is repealed.

SEC. 100. Section 17717.2 of the Education Code, as added by Chapter 1059 of the Statutes of 1996, is repealed.

SEC. 101. Section 17732.5 of the Education Code, as added by Chapter 1059 of the Statutes of 1996, is repealed.

SEC. 102. Section 17742 of the Education Code, as amended by Chapter 1059 of the Statutes of 1996, is repealed.

SEC. 103. Section 17742.9 of the Education Code, as added by Chapter 470 of the Statutes of 1996, is repealed.

SEC. 104. Section 17747.6 of the Education Code, as added by Chapter 1059 of the Statutes of 1996, is repealed.

SEC. 105. Section 17850 of the Education Code, as amended by Chapter 1071 of the Statutes of 1996, is repealed.

SEC. 106. Section 17882 of the Education Code, as amended by Chapter 1071 of the Statutes of 1996, is repealed.

SEC. 107. Section 17883 of the Education Code, as amended by Chapter 1071 of the Statutes of 1996, is repealed.

SEC. 108. Section 17899.3 of the Education Code, as amended by Chapter 1071 of the Statutes of 1996, is repealed.

SEC. 109. Section 17899.4 of the Education Code, as added by Chapter 1071 of the Statutes of 1996, is repealed.

SEC. 110. Section 38060 is added to the Education Code, to read:

38060. (a) Any person who enters a schoolbus or school pupil activity bus without prior authorization of the driver or other school official with intent to commit any crime and who refuses to disembark after being ordered to do so by the driver or other school official is guilty of a misdemeanor and is punishable by imprisonment in the county jail for not more than six months, by a fine of not more than one thousand dollars (\$1,000), or by both.



(b) A school district or county superintendent of schools may place a notice at the entrance of a schoolbus or school pupil activity bus that complies with the requirements of paragraph (3) of subdivision (c) of Section 1256.5 of Title 13 of the California Code of Regulations and that warns against unauthorized entry.

SEC. 111. Section 39005 of the Education Code, as amended by Chapter 1158 of the Statutes of 1996, is repealed.

SEC. 112. Section 8.5 of this bill incorporates amendments to Section 15301 of the Education Code proposed by AB 1042. It shall only become operative if (1) both this bill and AB 1042 are enacted and become effective on or before January 1, 1998, (2) AB 1042 amends Section 15301 of the Education Code, and (3) this bill is enacted after AB 1042, in which case Sections 7 and 8 of this bill shall not become operative.

SEC. 113. Section 98.5 of this bill incorporates amendments to Section 17244 of the Education Code proposed by AB 736. It shall only become operative if (1) both this bill and AB 736 are enacted and become effective on or before January 1, 1998, (2) AB 736 amends Section 17244 of the Education Code, and (3) this bill is enacted after AB 736, in which case Sections 97 and 98 of this bill shall not become operative.

SEC. 114. To the extent that the provisions of this act are substantially the same as existing statutory provisions relating to the same subject matter, the provisions shall be construed as restatements and continuations of existing statutory provisions and not as a new enactment.

SEC. 115. The Legislature finds and declares that the enactment of this act, in view of the nonsubstantive statutory changes made, will not result in new or additional costs to local agencies charged with any duties or responsibilities in connection therewith.

