

Senate Bill No. 3

CHAPTER 726

An act to add Chapter 12 (commencing with Section 19985) to Part 11 of the Education Code, relating to financing a public library construction and renovation program, making an appropriation therefor, and by providing the funds necessary therefor through an election for, and the issuance and sale of, bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 7, 1999. Filed
with Secretary of State October 10, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

SB 3, Rainey. California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000.

Existing law establishes the California Library Construction and Renovation Bond Act of 1988, which authorized the issuance pursuant to the State General Bond Law of bonds in the amount of \$75,000,000 for the purpose of financing a special library construction and renovation program.

This bill would enact the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000, which would authorize the issuance pursuant to the State General Bond Law of bonds in the amount of \$350,000,000 for the purpose of financing a library construction and renovation program administered by the State Librarian.

The bill would provide for submission of the bond act to the voters at the statewide primary election on March 7, 2000, and would become operative upon adoption by the voters at that election.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Chapter 12 (commencing with Section 19985) is added to Part 11 of the Education Code, to read:



CHAPTER 12. CALIFORNIA READING AND LITERACY IMPROVEMENT
AND PUBLIC LIBRARY CONSTRUCTION AND RENOVATION BOND ACT OF
2000

Article 1. General Provisions

19985. This chapter shall be known and may be cited as the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000.

19985.5. The Legislature finds and declares the following:

(a) Reading and literacy skills are fundamental to success in our economy and our society.

(b) The Legislature and Governor have made enormous strides in improving the quality of reading instruction in public schools.

(c) Public libraries are an important resource to further California’s reading and literacy goals both in conjunction with the public schools and for the adult population.

(d) The construction and renovation of public library facilities is necessary to expand access to reading and literacy programs in California’s public education system and to expand access to public library services for all residents of California.

19986. As used in this chapter, the following terms have the following meanings:

(a) “Committee” means the California Library Construction and Renovation Finance Committee established pursuant to Section 19972.

(b) “Fund” means the California Public Library Construction and Renovation Fund.

(c) “Board” means the California Public Library Construction and Renovation Board. This board is comprised of the State Librarian, the Treasurer, the Director of Finance, an Assembly Member appointed by the Speaker of the Assembly, a Senator appointed by the Senate Rules Committee, and a member appointed by the Governor.

Legislative members of the board shall meet with, and participate in, the work of the board to the extent that their participation is not incompatible with their duties as Members of the Legislature. For the purposes of this chapter, Members of the Legislature who are members of the board shall constitute a joint legislative committee on the subject matter of this chapter.

Article 2. Program Provisions

19987. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the California Public Library Construction and Renovation Fund, which is hereby established.



19988. All moneys deposited in the fund, except as provided in Section 20011, are continuously appropriated to the State Librarian, notwithstanding Section 13340 of the Government Code, and shall be available for grants to any city, county, city and county, or district that is authorized at the time of the project application to own and maintain a public library facility for the purposes set forth in Section 19989.

19989. The grant funds authorized pursuant to Section 19988, and the matching funds provided pursuant to Section 19995, shall be used by the recipient for any of the following purposes:

(a) Acquisition or construction of new facilities or additions to existing public library facilities.

(b) Acquisition of land necessary for the purposes of subdivision (a).

(c) Remodeling or rehabilitation of existing public library facilities or of other facilities for the purpose of their conversion to public library facilities. All remodeling and rehabilitation projects funded with grants authorized pursuant to this chapter shall include any necessary upgrading of electrical and telecommunications systems to accommodate Internet and similar computer technology.

(d) Procurement or installation, or both, of furnishings and equipment required to make a facility fully operable, if the procurement or installation is part of a construction or remodeling project funded pursuant to this section.

(e) Payment of fees charged by architects, engineers, and other professionals, whose services are required to plan or execute a project authorized pursuant to this chapter.

19990. Any grant funds authorized pursuant to Section 19988, or matching funds provided pursuant to Section 19995, may not be used by a recipient for any of the following purposes:

(a) Books and other library materials.

(b) Administrative costs of the project, including, but not limited to, the costs of any of the following:

(1) Preparation of the grant application.

(2) Procurement of matching funds.

(3) Conduct of an election for obtaining voter approval of the project.

(c) Interest or other carrying charges for financing the project, including, but not limited to, costs of loans or lease-purchase agreements in excess of the direct costs of any of the authorized purposes specified in Section 19989.

(d) Any ongoing operating expenses for the facility, its personnel, supplies, or any other library operations.

19991. All construction contracts for projects funded in part through grants awarded pursuant to this chapter shall be awarded through competitive bidding pursuant to Part 3 (commencing with Section 20100) of Division 2 of the Public Contract Code.



19992. This chapter shall be administered by the State Librarian. The board shall adopt rules, regulations, and policies for the implementation of this chapter.

19993. A city, county, city and county, or district may apply to the State Librarian for a grant pursuant to this chapter, as follows:

(a) Each application shall be for a project for a purpose authorized by Section 19989.

(b) An application may not be submitted for a project for which construction bids already have been advertised.

(c) The applicant shall request not less than fifty thousand dollars (\$50,000) per project.

19994. (a) The State Librarian shall consider applications for construction of new public library facilities submitted pursuant to Section 19993 in the following priority order:

(1) First priority shall be given to joint use projects in which the agency that operates the library and one or more school districts have a cooperative agreement.

(2) Second priority shall be given to all other public library projects.

(b) The State Librarian shall consider applications for remodeling or rehabilitation of existing public library facilities pursuant to Section 19993 in the following priority order:

(1) First priority shall be given to public library projects in the attendance areas of public schools that are determined, pursuant to regulations adopted by the board, to have inadequate infrastructure to support access to computers and other educational technology.

(2) Second priority shall be given to all other projects.

19995. (a) Each grant recipient shall provide matching funds from any available source in an amount equal to 35 percent of the costs of the project. The remaining 65 percent of the costs of the project, up to a maximum of twenty million dollars (\$20,000,000) per project, shall be provided through allocations from the fund.

(b) Qualifying matching funds shall be cash expenditures in the categories specified in Section 19989 which are made not earlier than three years prior to the submission of the application to the State Librarian. Except as otherwise provided in subdivision (c), in-kind expenditures do not qualify as matching funds.

(c) Land donated or otherwise acquired for use as a site for the facility, including, but not limited to, land purchased more than three years prior to the submission of the application to the State Librarian, may be credited towards the 35 percent matching funds requirement at its appraised value as of the date of the application. This subdivision shall not apply to land acquired with funds authorized pursuant to Part 68 (commencing with Section 100400).

(d) Architect fees for plans and drawings for library renovation and new construction, including, but not limited to, plans and drawings purchased more than three years prior to the submission of



the application to the State Librarian, may be credited towards the 35 percent matching funds requirement.

19996. (a) The estimated costs of a project for which an application is submitted shall be consistent with normal public construction costs in the applicant's area.

(b) An applicant wishing to construct a project having costs that exceed normal public construction costs in the area may apply for a grant in an amount not to exceed 65 percent of the normal costs up to a maximum of twenty million dollars (\$20,000,000) per project if the applicant certifies that it is capable of financing the remainder of the project costs from other sources.

19997. Once an application has been approved by the board and included in the State Librarian's request to the committee, the amount of the funding to be provided to the applicant may not be increased. Any actual changes in project costs are the full responsibility of the applicant. If the amount of funding that is provided is greater than the cost of the project, the applicant shall return that portion of the funding that exceeds the cost of the project to the fund. If an applicant has been awarded funding by the board, but chooses not to proceed with the project, the applicant shall return all of the funding to the fund.

19998. (a) In reviewing applications, as part of establishing the priorities set forth in Section 19994 the board shall consider all of the following factors:

- (1) Needs of urban and rural areas.
- (2) Population growth.
- (3) Age and condition of the existing library facility.
- (4) The degree to which the existing library facility is inadequate in meeting the needs of the residents in the library service area and the degree to which the proposed project responds to the needs of those residents.
- (5) The degree to which the library's plan of service integrates appropriate electronic technologies into the proposed project.
- (6) The degree to which the proposed site is appropriate for the proposed project and its intended use.
- (7) The financial capacity of the local agency submitting the application to open and maintain operation of the proposed library for applications for the construction of new public libraries.

(b) If, after an application has been submitted, material changes occur that would alter the evaluation of an application, the State Librarian may accept an additional written statement from the applicant for consideration by the board.

19999. (a) A facility, or the part thereof, acquired, constructed, or remodeled, or rehabilitated with grants received pursuant to this chapter shall be dedicated to public library direct service use for a period of not less than 20 years following completion of the project.



(b) The interest of the state in land or a facility, or both, pursuant to the funding of a project under this chapter, as described in subdivision (a), may be transferred by the State Librarian from the land or facility, or both, for which that funding was granted to a replacement site and facility acquired or constructed for the purpose of providing public library direct service.

(c) If the facility, or any part thereof, acquired, constructed, remodeled, or habilitated with grants received pursuant to this chapter ceases to be used for public library direct service prior to the expiration of the period specified in subdivision (a), the board is entitled to recover, from the grant recipient or the recipient's successor in the maintenance of the facility, an amount that bears the same ratio to the value of the facility, or the appropriate part thereof, at the time it ceased to be used for public library direct service as the amount of the grant bore to the cost of the facility or the appropriate part thereof. For purposes of this subdivision, the value of the facility, or the appropriate part thereof, is determined by the mutual agreement of the board and the grant recipient or successor, or through an action brought for that purpose in the superior court.

(d) Notwithstanding subdivision (f) of Section 16724 of the Government Code, any money recovered pursuant to subdivision (c) shall be deposited in the fund, and shall be available for the purpose of awarding grants for other projects.

Article 3. Fiscal Provisions

20000. Bonds in the amount of three hundred fifty million dollars (\$350,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold for deposit in the fund to be used in accordance with, and for carrying out the purposes expressed in, this chapter, including all acts amendatory thereof and supplementary thereto, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of and interest on bonds as the principal and interest become due and payable.

20001. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

20002. (a) For purposes of this chapter, the California Library Construction and Renovation Finance Committee established



pursuant to Section 19972 is the “committee” as that term is used in the State General Obligation Bond Law.

(b) For purposes of the State General Obligation Bond Law, the California Public Library Construction and Renovation Board established pursuant to subdivision (c) of Section 19986 is designated the “board.”

20003. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in this chapter, including all acts amendatory thereof and supplementary thereto, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

20004. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of and interest on the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

20005. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of and interest on bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 20006, appropriated without regard to fiscal years.

20006. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account during the time the money was withdrawn from the General Fund pursuant to this section, from money received from the sale of bonds for the purpose of carrying out this chapter.

20007. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out



this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

20008. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. Approval of the electors of the state for the issuance of bonds under this chapter shall include the approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

20009. All money deposited in the fund that is derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

20010. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

20011. Amounts deposited in the fund pursuant to this chapter may be appropriated in the annual Budget Act to the State Librarian for the actual amount of office, personnel, and other customary and usual expenses incurred in the direct administration of grant projects pursuant to this chapter, including, but not limited to, expenses incurred by the State Librarian in providing technical assistance to an applicant for a grant under this chapter.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the California Library Construction and Renovation Bond Act of 2000, as set forth in Section 1 of this act.

SEC. 3. Section 1 of this act shall be submitted to the voters at the March 7, 2000, statewide primary election in accordance with provisions of the Elections Code and the Government Code governing submission of statewide measures to voters.

SEC. 4. Notwithstanding any other provisions of law, all ballots of the election shall have printed thereon and in a square thereof, the words: “California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000” and in the same square under those words, the following in 8-point type: “This act provides for a bond issue of three hundred fifty million dollars (\$350,000,000) to provide funds for the construction and renovation of public library facilities in order to expand access to reading and literacy programs in California’s public education system and to expand access to public library services for all residents of California.” Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.



Where the voting in the election is done by a means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for this act to appear on the March 7, 2000, statewide primary ballot, and, at the earliest possible time, expand access to reading and literacy programs in California's public education system and expand access to public library services for all residents of California, it is necessary for this act to go into immediate effect.

