



2005-06 STATE LEGISLATIVE SUMMARY

The California State Legislature began the first year of its current two-year session on January 6, 2005. The following list contains the bills introduced in the current session that may affect state and local bond issuance and investment practices. February 18, 2005 was the last day for bills to be introduced. Bill summaries below were excerpted from the Legislative Summary provided by the State Legislative Counsel and are current as of February 16, 2005.

General Obligation Bond Legislation

(Requires approval by voters in a statewide election)

Bill No.	Author	Title/Content
AB 58	Nunez	<i>Kindergarten-University Public Education Facilities Bond Act of 2006</i> This bill would enact the Kindergarten-University Public Education Facilities Bond Act of 2006, to become operative only if approved by the voters at the November 7, 2006, statewide general election, and would provide for its submission to the voters at that election. The bond act, if approved by the voters, would provide for the issuance of state general obligation bonds in an amount not to exceed an unspecified amount. The bill would provide that, of this amount, a prescribed amount would be deposited in the 2006 State School Facilities Fund to provide aid to school districts, county superintendents of schools, and county boards of education, and a prescribed amount would be deposited in the 2006 Higher Education Capital Outlay Bond Fund, which would be established by this bill to provide aid for California public higher education facilities. Location: Assembly Education Committee
SB 153	Chesbro	<i>California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006</i> This bill would enact the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006, which would authorize the issuance of \$3.0 billion in general obligation bonds pursuant to the State General Obligation Bond Law, for the purpose of financing a program for the acquisition, development, and preservation of park, recreational, water, coastal, agricultural land, air, cultural, and historical resources. Location: Senate Floor

Bond-Related Legislation

Bill No.	Author	Title/Content
AB 90	Laird	<i>2005-06 Budget</i> This bill would make appropriations for support of state government for the 2005-06 fiscal year. Among other things, this bill states that the State Public Works Board may issue lease revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the project authorized by this item. This bill identical to SB 52. As the bill contains urgency provisions, it would become law upon the Governor's signature. Location: Assembly Floor

AB 315 Hancock *Energy Efficiency: Design Standards: School Facilities*

Existing law is as follows:

§ The Leroy F. Greene School Facilities Act of 1998, (the Greene Act of 1998) establishes a program in which the State Allocation Board is required to provide state per-pupil funding, including hardship funding, for new school facilities construction and school facilities modernization for applicant school districts.

§ Requires all new state public buildings and publicly funded schools to be models of energy efficiency and to be designed, constructed, and equipped with all energy efficiency measures, materials, and devices that are feasible and cost effective over the life of the building.

§ Authorizes, as part of the requirements for submission of an application to the State Allocation Board for new construction funding pursuant to the Greene Act of 1998, the applicant school district to certify that an energy analysis and report has been prepared. Existing law requires the report to set forth the utility savings that would be generated if the facilities were designed, constructed, and equipped with the energy efficiency and renewable energy technology that would make the facilities, as designed, exceed the minimum building energy-efficiency standards mandated for new public buildings, through the use of energy efficiency and renewable energy technologies.

This bill would require that the State Allocation Board, by July 1, 2006, to adopt regulations to ensure that design standards for school facilities built with state funds are in accordance with, among other requirements, the minimum design and construction criteria in the Collaborative for High Performance Schools Best Practices Manual. The bill would require the board to review other high performance building organization's standards it deems appropriate for further adoption beyond the Collaborative for High Performance Schools Best Practices Manual.

The bill would make eligibility for funding for new construction or modernization projects pursuant to the act from the proceeds of any general obligation bond approved by the voters after January 1, 2006, contingent on the applicant school district meeting design standards that are equivalent to the regulations adopted by the board.

Location: Assembly Floor

SB 4 Murray *The California Public Performance Facilities Authority Act*

Existing law authorizes a public agency or entity created pursuant to a joint powers agreement by two or more public agencies to, among other things, make and enter contracts, acquire, construct, manage, maintain, or operate any building, works or improvements, hold or dispose of property, or incur debts, liabilities or obligations for specified public purposes. Existing law also authorizes the public agency or entity to issue revenue bonds for acquiring or constructing a coliseum, a stadium, a sports arena, or a sports pavilion or other building for holding sports events, athletic contests, contests of skill, exhibitions, spectacles, and other public meetings.

This bill would enact the California Public Performance Facilities Authority Act and create the California Public Performance Facilities Authority in state government. The bill would provide for a board of directors composed of nine appointed members with the power to, among other things, acquire, construct, manage, maintain, or operate a facility, as defined, including, but not limited to, a coliseum, stadium, sports arena, theater, performance hall, or sports pavilion. The bill would also authorize the authority to sell premium seat licenses, as defined, and naming and sponsorship rights, and to issue revenue bonds and other forms of indebtedness for these purposes, subject to specified conditions. This bill would exempt certain projects undertaken by the authority from the California Environmental Quality Act, subject to specified conditions. The bill would authorize the authority to enter into agreements with other state or public agencies to operate a facility for the general recreational purposes of a city or county.

Location: Senate Floor

SB 52 Chesbro *2005-06 Budget*

This bill would make appropriations for support of state government for the 2005-06 fiscal year. Among other things, this bill states that the State Public Works Board may issue lease revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the construction of the project authorized by this item. This bill is identical to AB90. As the bill contains urgency provisions, it would become law upon the Governor's signature.

Location: Senate Floor

SB 99 Battin *State Real Property: California Asset Review and Divestiture Commission*
Existing law establishes the Fiscal Recovery Fund in the State Treasury, and continuously appropriates moneys in the fund in an amount that will equal sums necessary to repay the principal and interest on, and various costs associated with, bonds issued for the purpose of paying the accumulated state budget deficit, until the Director of Finance notifies specified entities that certain conditions have been met. This bill, among other things, states the intent of the Legislature is that the proceeds of any sale or other divestiture under this bill of property funded from any source subject to statutory or constitutional restriction be subject to that same restriction. It also states that proceeds of any sale or other divestiture of property funded from any General Fund source not subject to statutory or constitutional restriction, be deposited into the Fiscal Recovery Fund for payment on the bonds and associated costs, and upon the notification by the Director of Finance described above, be deposited in the State General Fund.

Location: Senate Floor

SB 121 Committee on Local Government *Validation*
This bill would enact the First Validating Act of 2005, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. As the bill contains urgency provisions, it would become law upon the Governor's signature.

Location: Senate Local Government Committee

SB 122 Committee on Local Government *Validation*
This bill would enact the Second Validating Act of 2005, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. As the bill contains urgency provisions, it would become law upon the Governor's signature.

Location: Senate Local Government Committee

SB 123 Committee on Local Government *Validation*
This bill would enact the Third Validating Act of 2005, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Location: Senate Local Government Committee

SCA2 McClintock *Budget Process*
This bill would, among other things, bar the Treasurer from issuing additional general obligation bonds that would cause payments on principal and interest on all general obligation bonds outstanding to exceed 5 percent annually of the state General Fund. It would also make conforming changes.

Location: Senate Budget and Fiscal Review Committee

Investment-Related Legislation

Bill No.	Author	Title/Content
AB 279	Calderon	<i>Eligible Securities: Surplus State Funds</i> Existing law specifies the types of securities that are eligible for the investment of surplus state funds, including commercial paper, meeting specified conditions, of an issuing corporation or trust. This bill would also include commercial paper of an issuing limited liability company within the types of securities that are eligible for the investment of surplus state funds, meeting the conditions specified in existing law.

Location: Assembly Floor

SB 268 Campbell *Local Government Investment*
Existing law, until January 1, 2007, stipulates the instruments and criteria which a county or a city and county may invest surplus funds. This bill would additionally specify that up to 25 percent of the fair market value of the total assets may be invested in the first tier securities of a single issuer for a period of up to three business days after acquisition, and for only one issuer at a time.

Location: Senate Floor

Economic Development Legislation

Bill No.	Author	Title/Content
AB 285	Haynes	<i>Economic Development</i> Existing law establishes the Business, Transportation and Housing Agency, which is authorized to, among other duties, promulgate regulations to implement guarantees for interim loans made to small businesses for disaster relief, as provided. This bill would state the intent of the Legislature to enact the necessary statutory changes to authorize that agency to encourage the investment of venture capital in economically depressed areas of the state.

Location: Assembly Floor

This Offprint was previously published in DEBT LINE, a monthly publication of the California Debt and Investment Advisory Commission (CDIAC). CDIAC was created in 1981 to provide information, education, and technical assistance on public debt and investment to state and local public officials and public finance officers. DEBT LINE serves as a vehicle to reach CDIAC's constituents, providing news and information pertaining to the California municipal finance market. In addition to topical articles, DEBT LINE contains a listing of the proposed and final sales of public debt provided to CDIAC pursuant to Section 8855(g) of the California Government Code. Questions concerning the Commission should be directed to CDIAC at (916) 653-3269 or, by e-mail, at cdiac@treasurer.ca.gov. For a full listing of CDIAC publications, please visit our website at <http://www.treasurer.ca.gov/cdiac>.

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