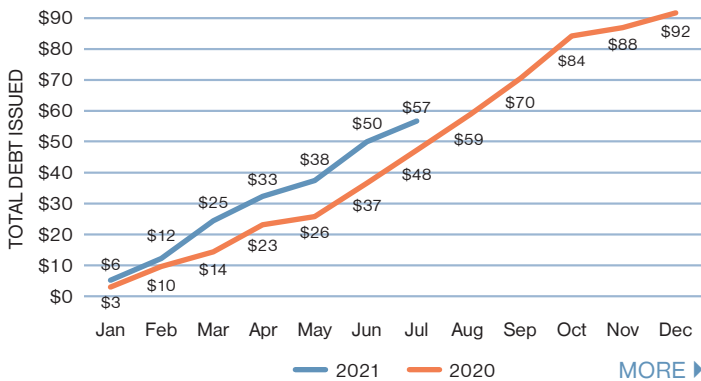


DEBT LINE

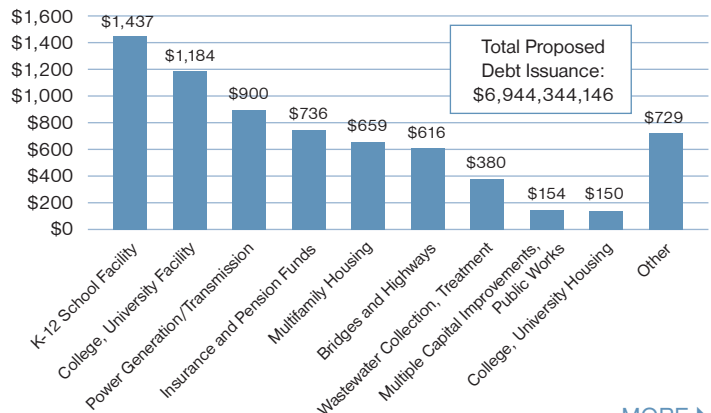
Vol. 40, No.9, SEPTEMBER 2021

California Public Debt Issuance Monthly Data

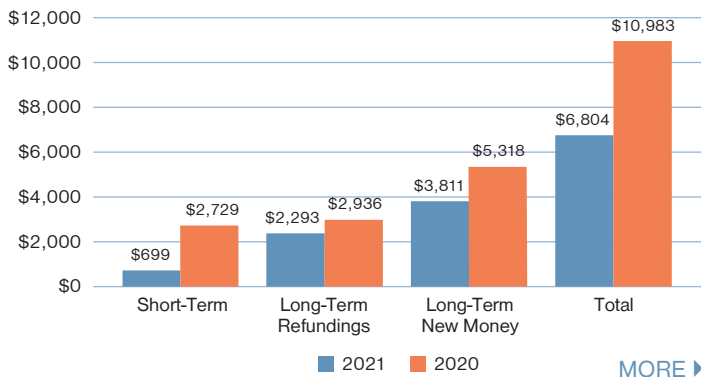
CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)¹



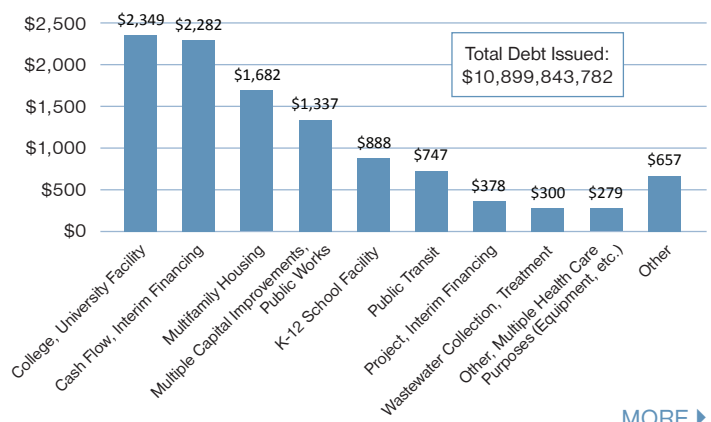
REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 7-16-2021 THROUGH 8-15-2021, BY PURPOSE (IN MILLIONS)



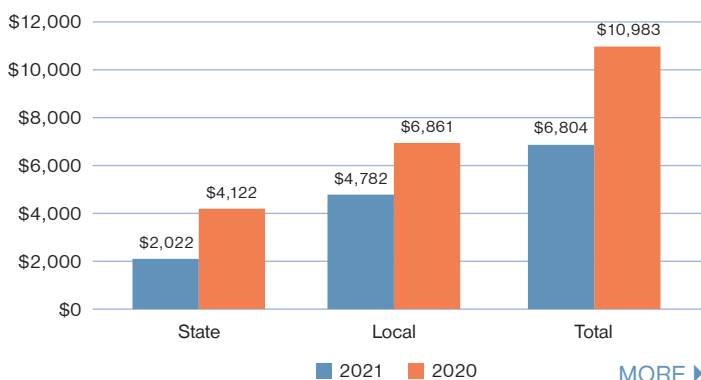
CALIFORNIA PUBLIC DEBT ISSUANCE, JULY (IN MILLIONS)¹



TOTAL REPORTS OF FINAL SALE RECEIVED 7-16-2021 THROUGH 8-15-2021, BY PURPOSE (IN MILLIONS)



STATE* VERSUS LOCAL DEBT ISSUANCE, JULY (IN MILLIONS)¹



* State issuers include the State of California, its agencies, commissions, authorities, departments and The Student Loan Corporation.

¹ Data may not include issuances reported after the 22nd day of the following month.

More detailed debt issuance information is available in the monthly [Debt Line Calendar](#).

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Celebrating 40 Years of CDIAC

September 30, 2021, marks 40 years since the passage of legislation that created the current California Debt and Investment Commission (CDIAC).¹ Since its inception in 1981, CDIAC has contributed to improving the practice of public finance in California by providing responsive and reliable information, education, and guidance to state and local public agencies and other public finance professionals. CDIAC would not be where it is today without the support of our public agency constituents and the members of the public finance community – we are truly grateful and look forward to what we can achieve together in the future.

As we celebrate CDIAC's 40th anniversary, tidbits of CDIAC history and important milestones will be included in future editions of *Debt Line*.

DATA - CORNER

Comparison of the First Six Months of Public Agency Debt Issuance Activity in California: 2020 vs. 2021

Ashley Yu | Policy Research Unit

In the first six months of calendar year 2021, debt issuance by public agencies nationwide was approximately \$231.3 billion, an increase of 9.9% when compared to the \$210.4 billion issued in the first six months of 2020.¹ Issuance activity by California public agencies also increased in the first half of 2021, with approximately \$49.8 billion issued based on data reported to the California Debt and Investment Advisory Commission (CDIAC) pursuant to Government Code Section 8855. This is up 33.6% from the \$37.3 billion issued in the first half of 2020 (Figure 1).² In the first half of 2020, the COVID-19 pandemic was a huge concern as the market experienced high levels of instability. While the market recovered in the second half of the year, the instability in the early months of 2020 offers an explanation for the large increase in the first

six months of 2021 over the first six months of 2020. This article compares issuance activity for the first six months of 2021 to the same period in 2020 (Review Period).

NEW MONEY VS. REFUNDING

Both new money issuance and refunding activity increased in California in the first six months of 2021. New money increased 38.6% and refunding activity increased 25.9% over the prior year (Figure 2).

STATE VS. LOCAL COMPARISON

Figure 3 breaks down long-term debt issuance activity by issuer type (state, local) and issuance activity (new money, refunding). Overall issuance activity (new money, refunding) for local issuers increased by 38.8% while state issuers increased 18.0%. When comparing new money and refunding percentage changes over the Review Period, the results are quite different. For new money issuance, the state saw a decrease of 4.6% while local new money issuance saw a significant increase of 55.2%. A review of refunding activity found state refunding increased 67.8%, while local refunding increased 15.5% compared to the prior year.

¹ *U.S. Municipal Bonds Statistics* (August 2, 2021), Securities Industry and Financial Markets Association (SIFMA), Accessed August 19, 2021, www.sifma.org/resources/research/us-municipal-bonds-statistics/us-municipal-bonds-statistics-sifma/.

² California issuance numbers include all debt sold and reported to CDIAC for the Review Period (January 1, 2020, through June 30, 2020, and January 1, 2021, through June 30, 2021), as of August 19, 2021. The data includes long-term and short-term financings (unless otherwise noted) and private placements.

¹ Chapter 1088, Statutes of 1981 (AB 1192, Costa).

FIGURE 1

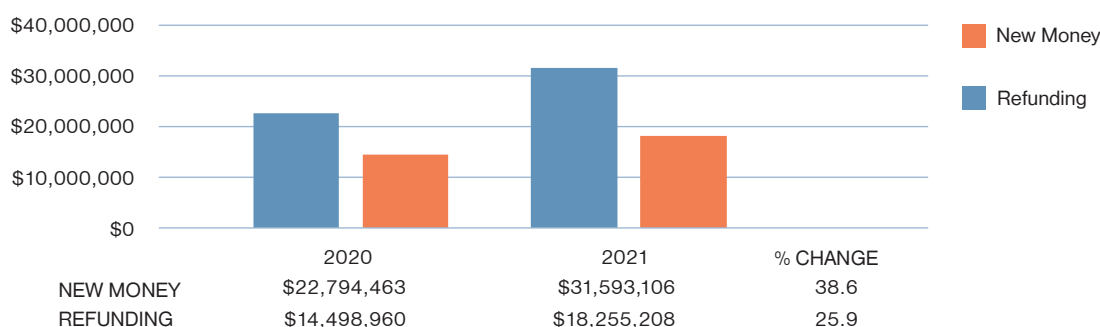
CALIFORNIA TOTAL DEBT ISSUANCE, STATE VS. LOCAL
 JANUARY 1, 2020 - JUNE 30, 2020 VERSUS JANUARY 1, 2021 - JUNE 30, 2021 (IN THOUSANDS)*

	2020		2021	
	STATE (\$)	LOCAL (\$)	STATE (\$)	LOCAL (\$)
Long-Term	\$6,072,522	\$24,738,395	\$9,728,387	\$31,338,051
Short-Term	3,147,771	3,334,735	1,155,800	7,626,076
TOTALS	\$9,220,293	\$28,073,130	\$10,884,187	\$38,964,127
TOTAL DEBT ISSUED		\$37,293,423		\$49,848,314

*Total may not add due to rounding

FIGURE 2

STATEWIDE TOTAL LONG-TERM ISSUANCE, NEW MONEY AND REFUNDING
 JANUARY 1, 2020 - JUNE 30, 2020 VERSUS JANUARY 1, 2021 - JUNE 30, 2021 (IN THOUSANDS)*

**FIGURE 3**

STATE VERSUS LOCAL, TOTAL LONG-TERM ISSUANCE, NEW MONEY AND REFUNDING
 JANUARY 1, 2020 - JUNE 30, 2020 VERSUS JANUARY 1, 2021 - JUNE 30, 2021 (IN THOUSANDS)*

	STATE			LOCAL		
	2020	2021	% CHANGE	2020	2021	% CHANGE
New Money	\$6,333,650	\$6,040,264	-4.6%	\$16,460,812	\$25,552,842	55.2%
Refunding	2,886,642	4,843,923	67.8	11,612,318	13,411,284	15.5
TOTAL DEBT ISSUED	\$9,220,292	\$10,884,187	18.0%	\$28,073,130	\$38,964,126	38.8%

*Total may not add due to rounding

DEBT ISSUANCE BY PURPOSE

Figure 4 illustrates debt issuance activity for state and local issuers by purpose for the Review Period. Most of the bonds issued in the first six months of 2021 were for *capital improvement and*

public works and *education* with approximately \$27.9 billion of the \$49.8 billion issued in these two purpose categories. *Capital improvement and public works* continues to be the largest category for debt issuance, accounting for almost 35% of all issuance. *Hous-*

ing had the largest increase of 152.5% over the prior year, followed by *commercial and industrial development* with an increase of 115.4%, interim financing with an increase of 90.0%, *capital improvements and public works* with an increase of 30.7%, “*other*” with an

increase of 27.3%, and lastly *education* with an increase of 6.1%. The increase in *housing* was largely due to a \$1.0 billion issuance by the Regents of the University of California.

Hospital and health care facilities and *redevelopment* were the only two pur-

pose types that saw a decrease, 59.6% and 6.5% respectively. The decrease observed in the *hospital and health care facilities* category was due to a single \$1.8 billion issuance by the Regents of the University of California that inflated this category in the previous year.

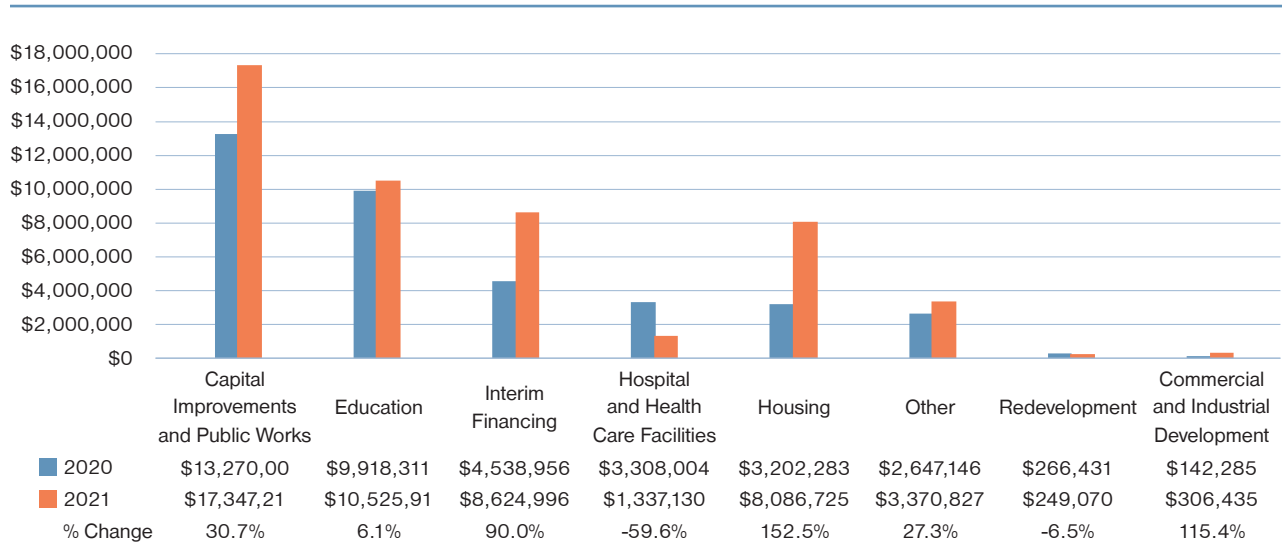
DEBT TYPE ISSUANCE ACTIVITY

Figure 5 illustrates debt issuance by debt type with the top 12 debt types listed individually and “other” representing the smallest 14 debt type categories. Of the combined 26 debt type categories reported to CDIAC, *general*

FIGURE 4

STATEWIDE DEBT ISSUANCE BY PURPOSE

JANUARY 1, 2020 - JUNE 30, 2020 VERSUS JANUARY 1, 2021 - JUNE 30, 2021 (IN THOUSANDS)*

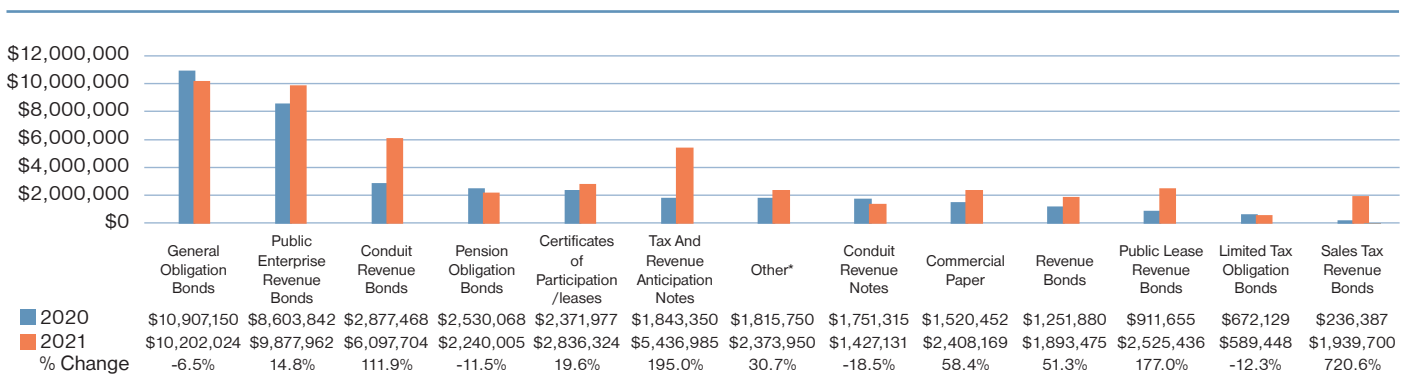


* Total may not add due to rounding

FIGURE 5

DEBT ISSUANCE BY DEBT TYPE

JANUARY 1, 2020 - JUNE 30, 2020 VERSUS JANUARY 1, 2021 - JUNE 30, 2021 (IN THOUSANDS)



* Other includes: special assessment bonds, tax allocation bonds, capital leases, state agency loans, bond anticipation notes, revenue anticipation notes, tax anticipation notes, Marks-Roos loans, grant anticipation notes, and promissory notes as well as any other bonds or notes that do not fall into any of the specific debt types listed.

obligation bonds had the highest volume in the first six months of 2021 with \$10.2 billion issued.

The debt type categories with the largest percent changes were *sales tax revenue bonds* (720.6%), *tax and revenue anticipation notes* (195.0%), and *public lease revenue bonds* (177.0%). The increase in *sales tax revenue bonds* and *revenue anticipation notes* were due to roughly quadruple the issuances from the prior Review Period. The increase in *public lease revenue bonds* was due to three large issuances of approximately \$350 million to \$585 million by the California State Public Works Board and Santa Clara County Financing Authority. The most notable category listed in “*other*” is *revenue anticipation notes*, which saw a sharp increase in activity (424.1%) attributed to three more issuances than the previous year with one large issuance of \$90.8 million by the California School Finance Authority.

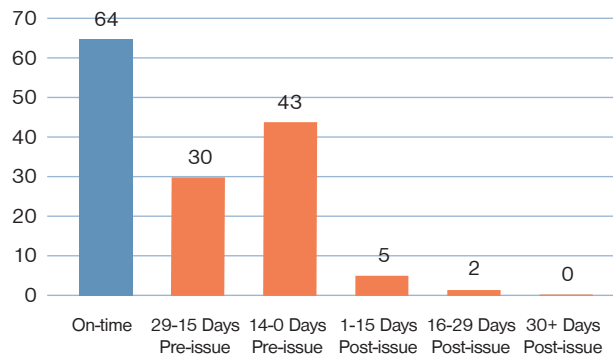
Categories that have experienced the sharpest decline compared to the prior six months of the previous year are *conduit revenue notes* (18.5%), *limited tax obligation bonds* (12.5%), and *pension obligation bonds* (11.5%). The decline of *limited tax obligation bonds* in the first six months of 2020 are likely effects of government shutdowns due to the COVID-19 pandemic. The most notable percentage decline in the “*other*” category are *Marks-Roos loans* (77.5%) and *tax allocation bonds* (51.3%).

CDIAC debt issuance data is accessible online from the California State Treasurer’s open data portal, DebtWatch <http://debtwatch.treasurer.ca.gov/>.

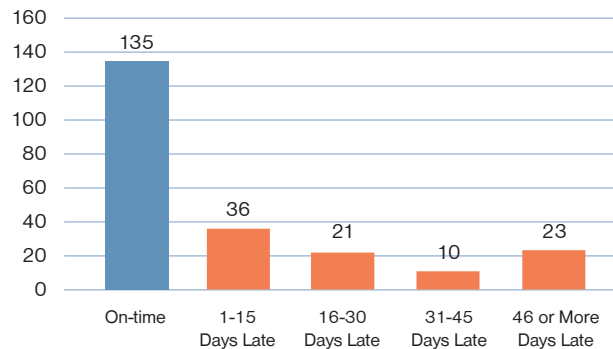
If you have any questions concerning this data, please contact the Data Unit by phone at (916) 653-3269 or by e-mail at CDIAC_Issuance@treasurer.ca.gov. **DL**

TIMELINESS OF SUBMITTAL OF REPORTS

REPORTS OF PROPOSED DEBT ISSUANCE (RPDI)¹
RECEIVED JULY 2021



REPORTS OF FINAL SALE (RFS)²
RECEIVED JULY 2021



DATA UNIT ACTIVITY JULY 2021

- ✓ RECEIVED AND PROCESSED **144** RPDI
- ✓ RECEIVED AND PROCESSED **225** RFS
- ✓ RECEIVED **4** MARKS-ROOS YEARLY FISCAL STATUS REPORTS FOR FY 2019-20
- ✓ RECEIVED **0** MELLO-ROOS YEARLY FISCAL STATUS REPORTS FOR FY 2019-20
- ✓ RECEIVED **1** ANNUAL DEBT TRANSPARENCY REPORTS FOR FY 2019-20*



¹ California Government Code Section 8855(i) states that the issuer of any proposed debt issue of state and local government shall, no later than 30 days prior to the sale of any debt issue, submit a report of proposed issuance to the commission by any method approved by the commission.

² California Government Code Section 8855(j) states that the issuer of any debt issue of state or local government, not later than 21 days after the sale of the debt, shall submit a report of final sale to the commission by any method approved by the commission.

* As of 8/24/2021, a total of 5,002 Annual Debt Transparency Reports had been filed for the FY 2019-20 reporting period. As of 8/24/2021, a total of 93 Annual Debt Transparency Reports had been filed for the FY 2020-21 reporting period. Next month’s Data Unit Activity will reflect monthly activity for Annual Debt Transparency Reports filed for FY 2020-21.

The Impact of the COVID-19 Pandemic on the Timing and Sale of Public Debt in California

Kelly Joy | Policy Research Unit

The uncertain economic conditions of calendar year (CY) 2020 led to some volatility in the financial markets. Although low interest rates led to a record year of issuance in CY 2020, many issuers in the municipal market delayed or cancelled planned sales of public debt in the early part of the year, likely due to the uncertainty created by the COVID-19 pandemic.

Public agency issuers in California are required to report issue-specific information to the California Debt and Investment Advisory Commission (CDIAC) 30 days prior to the proposed sale date as well as no later than 21 days from the actual sale date.¹ A review of the reported data shows that in CY 2020, only 89% of the proposed debt issuance reported to

CDIAC actually sold, compared to over 95% in CY 2019.²

This article analyzes data reported to CDIAC to understand the impact that the COVID-19 pandemic may have had on an issuer's decision to issue the debt as planned or to delay or cancel the proposed issuance in CY 2020. Specifically, this article considers the average difference between the original and actual sale date for a deal as a proxy for the "delay" of a sale as well as the number and timing of cancelled sales. Results from this analysis suggest that the COVID-19 pandemic did impact CY 2020 California issuance by increasing the amount of time between the proposed and actual sale date of bond sales as well as an increase in the number of canceled deals in CY 2020.

DELAYED SALES OF PUBLIC DEBT IN 2020

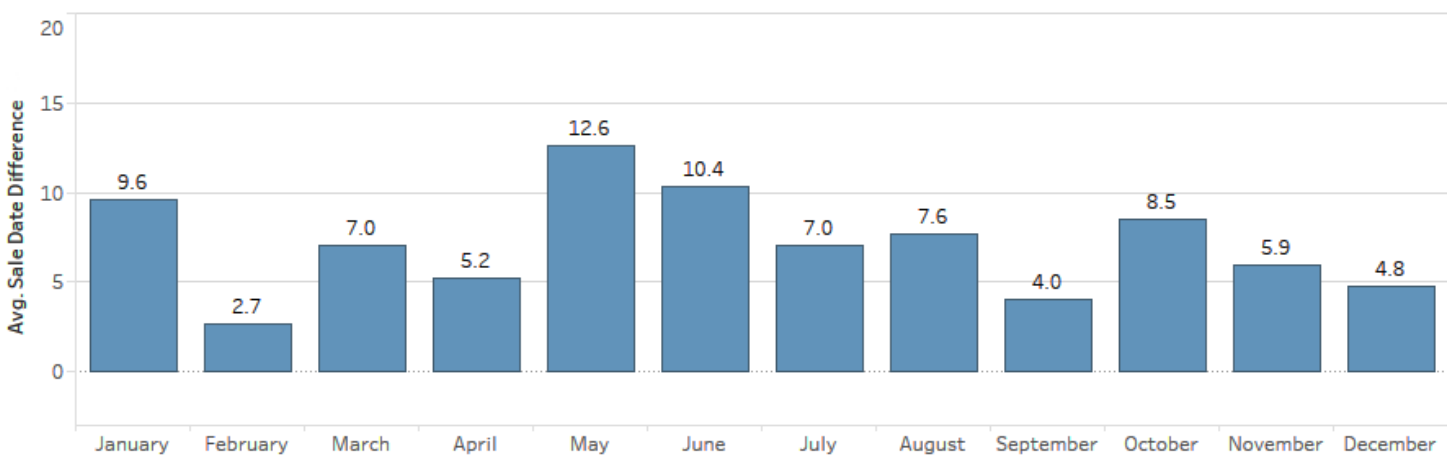
There has been anecdotal evidence of issuers delaying sales due to the COVID-19 pandemic.³ To quantitatively measure whether the COVID-19 pandemic may have contributed to issuance delays, CDIAC research staff estimated the average delay in issuance in CY 2020 by subtracting the actual sale date for a

deal from the original sale date for the proposed issuance that was reported to CDIAC. The same process was applied to data from CY 2019 to compare to a year when the COVID-19 pandemic was not a factor.

It is not uncommon for a sale date to change from the original sale date reported to CDIAC. For example, Figure 1 shows the average difference in the number of days between the original proposed sale date and the actual sale date. The average difference between the original and actual sale date for each month in CY 2019 was relatively small, but always positive. There does not appear to be a clear trend or pattern in the average difference in sale date in CY 2019, which can make it a good year for comparison to CY 2020.

Unlike CY 2019, the first few months of CY 2020 had an elevated average number of days between the original and actual sale date for each deal with a peak in March of 2020 (Figure 2). Between January and April of CY 2020, the average difference in sale dates for each month was higher than the maximum average difference in all of CY 2019. After May of CY 2020, the average number of days between the sale dates decreased to levels that

FIGURE 1
AVERAGE DELAY (IN DAYS) OF PUBLIC DEBT ISSUANCE AS REPORTED TO CDIAC, CY 2019



¹ Government Code Sections 8855 (i) and (j).

² This article features data from CDIAC's Debt Issuance Database, which is available to the public on the [DebtWatch](https://www.cdciac.com/debtwatch) site.

³ See, for example: Tara Bannow, "Hospitals Putting Bond Issues on Hold Amid COVID-19 Outbreak," *Modern Healthcare*, Published March 19, 2020, Accessed June 30, 2021, www.modernhealthcare.com/finance/hospitals-putting-bond-issues-hold-amid-covid-19-outbreak.

FIGURE 2

AVERAGE DELAY (IN DAYS) OF PUBLIC DEBT ISSUANCE AS REPORTED TO CDIAC, CY 2020

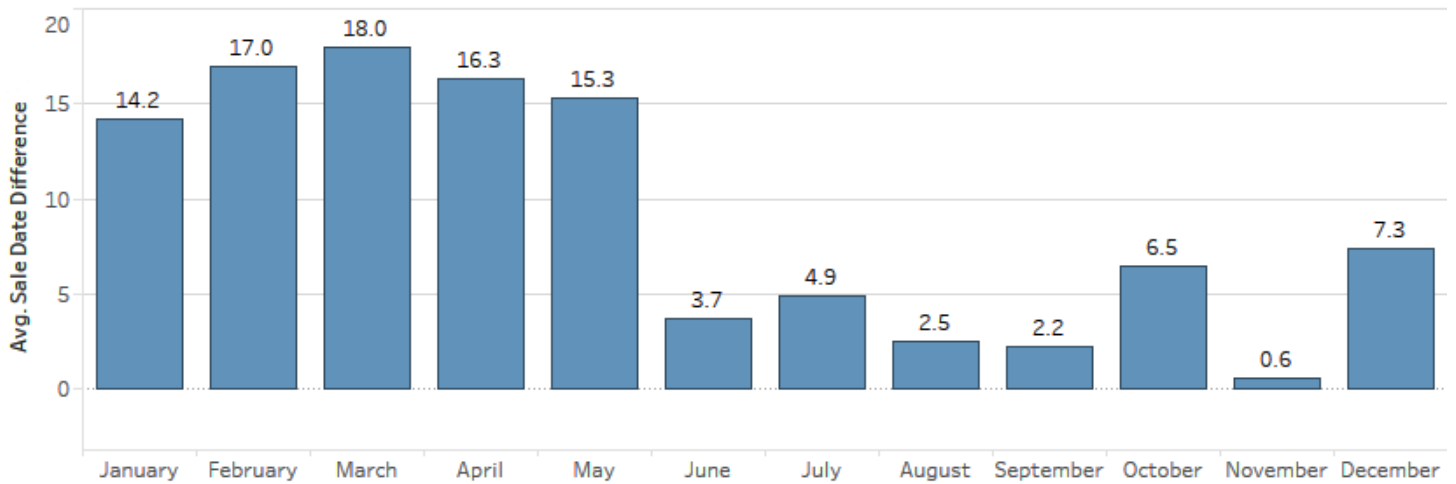
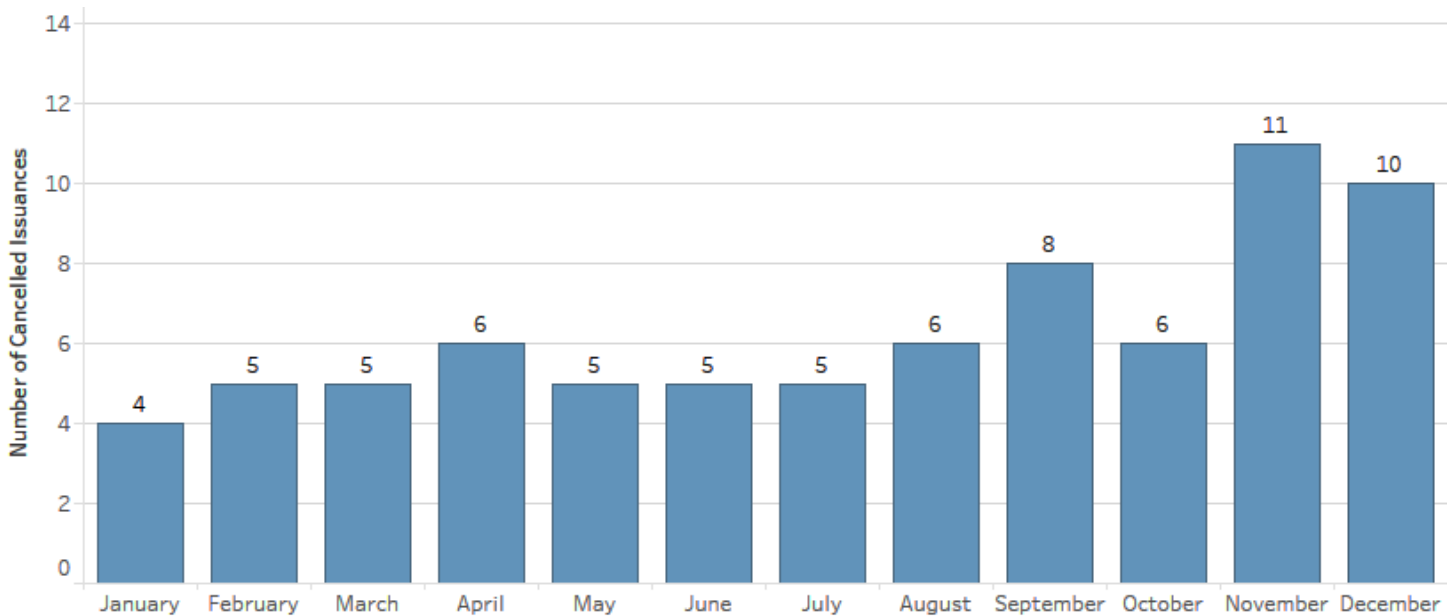


FIGURE 3

NUMBER OF MONTHLY CANCELLED PUBLIC DEBT ISSUANCES AS REPORTED TO CDIAC, CY 2019



were generally below those seen in CY 2019 with the exception of October CY 2020.⁴

Although delays in sale dates are not uncommon, the increase in the average difference between the original and actual sale date as well as the timing of the delays suggests that the COVID-19 pandemic did impact sale dates for California issuers in the municipi-

pal market. Looking specifically at March of CY 2020, 140 issuances were expected, but only 102 deals sold that month.

CANCELLED SALES OF PUBLIC DEBT IN 2020

In addition to some issuance delays, the COVID-19 pandemic also led some issuers

to cancel planned sales of public debt. There are many reasons why an issuer may choose to cancel a proposed issuance, including a delay in the project or market conditions. Figure 3 shows the number of proposed issuances in CY 2019 that were cancelled. On average, about six proposed deals were cancelled each month in CY 2019 with a few

⁴ There was a surge in issuance in October 2020 prior to the United States presidential election, which may have partially contributed to this elevated number compared to other months.

more cancellations than average in the last quarter of the year, especially in November and December.

Compared to the baseline in CY 2019, almost all of CY 2020 had elevated amounts of cancelled planned sales with an average of over 10 cancelled sales per month (Figure 4.) In CY 2020, the monthly cancellation rate met or exceeded the highest monthly rate in CY 2019 six times.

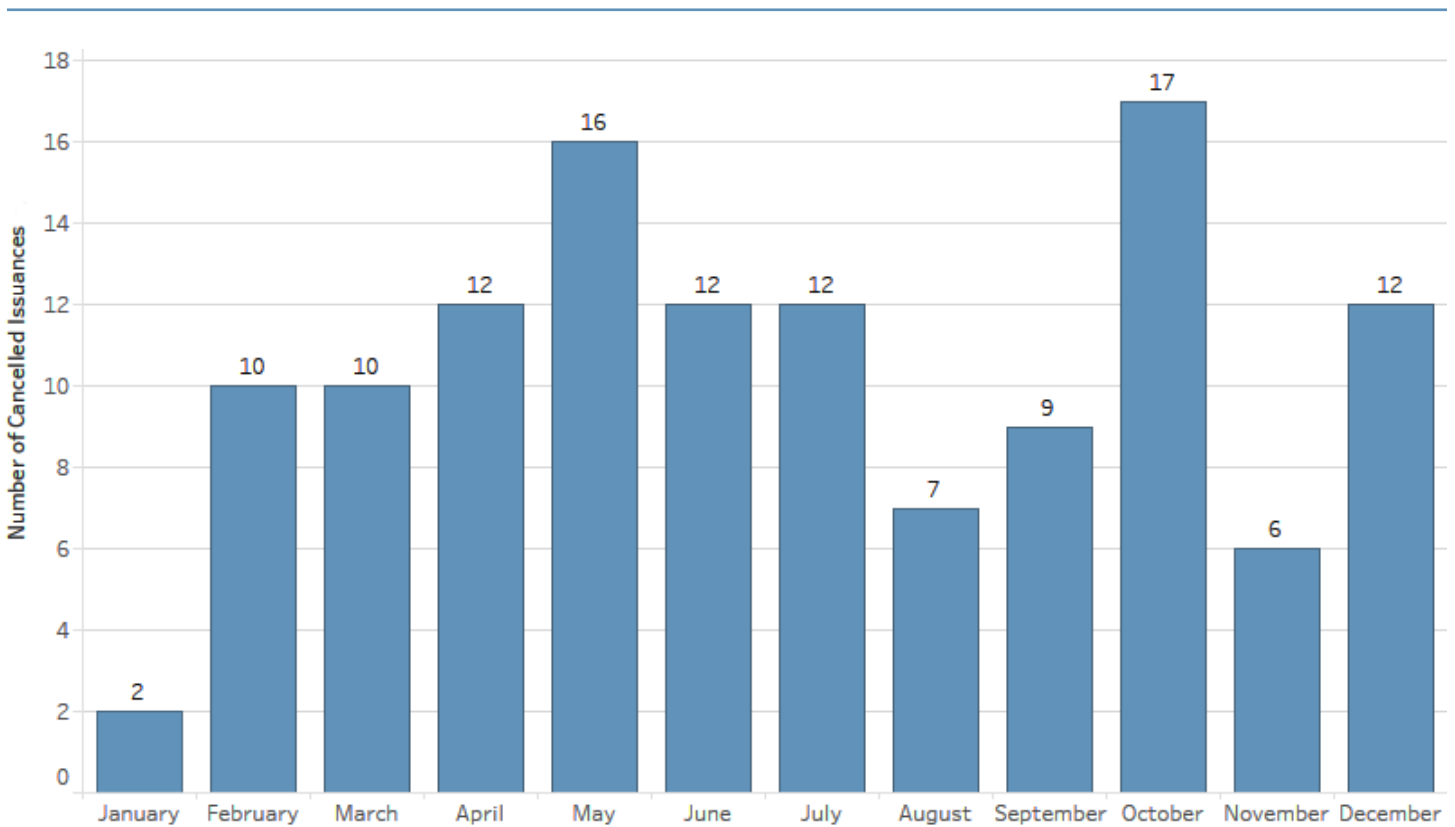
Although October had the largest amount of cancelled deals for any month in CY 2020, it was also one of the top months for issuance by number of deals (Figure 5). Conversely, in March of CY 2020 had an average number of cancelled deals, but March had the lowest number of sold deals for any month. The number of cancelled deals in March of CY 2020 represented approximately 10% of the total number of deals sold in for the month. In March of CY

2020, there was a time of uncertainty in the financial markets, including a period when the trading market for municipal bonds was temporarily on hold.⁵

Overall, based on the calculated delays in sale dates and the number of cancelled deals in CY 2020, there is evidence to confirm that volatility due to the COVID-19 pandemic did affect the number and timing of sales in the California municipal market in CY 2020.

FIGURE 4

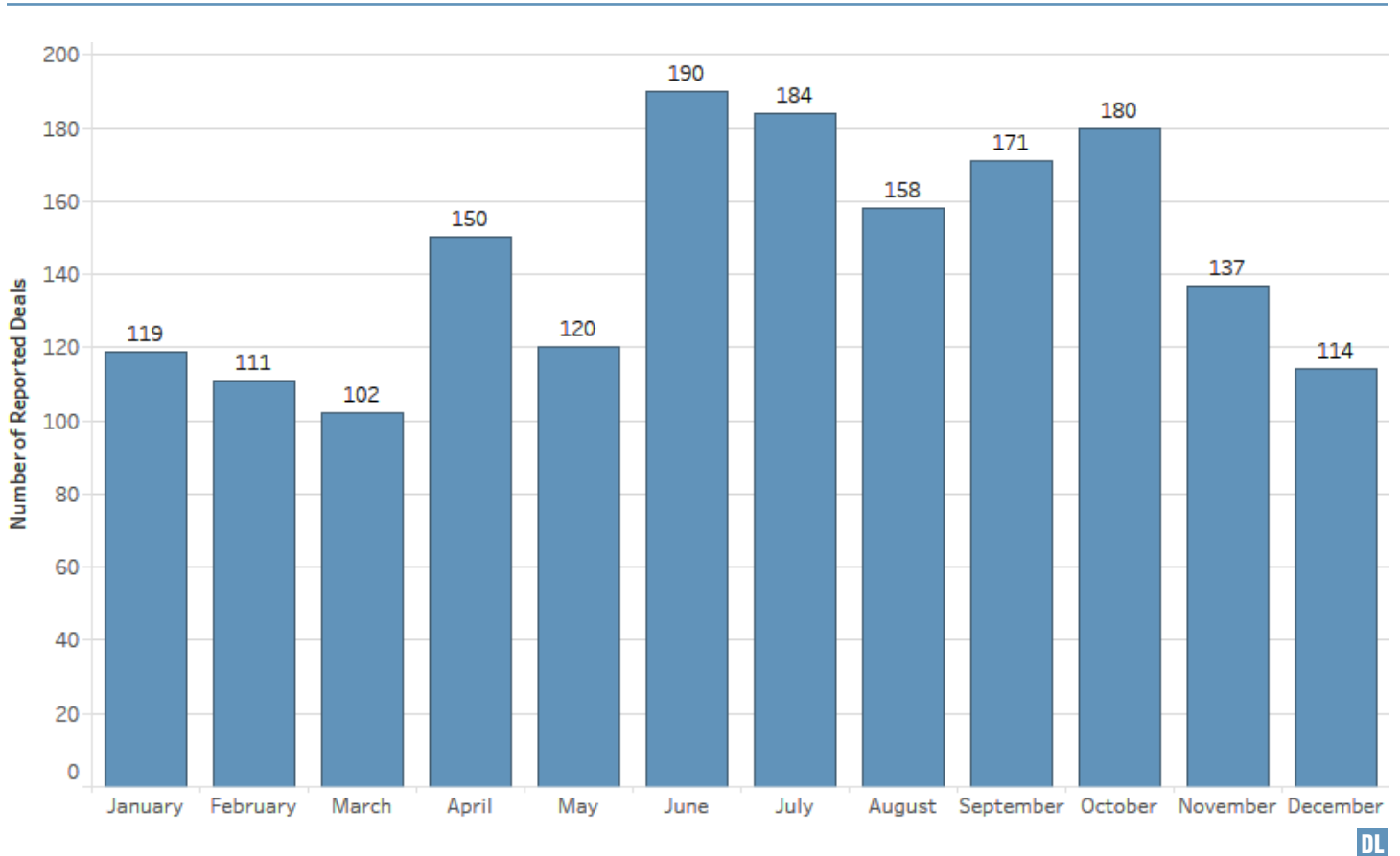
NUMBER OF MONTHLY CANCELLED PUBLIC DEBT ISSUANCES AS REPORTED TO CDIAC, CY 2020



⁵ Lynne Funk, "Virus Leads to Growing, Severe Selling Pressure on Muni Market," *The Bond Buyer*, Published March 18, 2020, Accessed July 1, 2021, www.bondbuyer.com/news/coronavirus-spurs-severe-selling-pressure-on-muni-market.

FIGURE 5

MONTHLY NUMBER OF PUBLIC DEBT DEALS SOLD AS REPORTED TO CDIAC, CY 2020



DL

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS**
Other	AB 5	Fong	Greenhouse Gas Reduction Fund: High Speed Rail Authority: K-12 education: transfer and loan	12/7/2020		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file
Other	AB 16	Chiu	Tenancies: COVID-19 Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021	12/7/2020		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file
Bonds	AB 34	Muratsuchi, Eduardo Garcia, and Santiago	Broadband for All Act of 2022	12/7/2020		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Other	AB 50	Horvath	Climate change: Climate Adaptation Center and Regional Support Network: sea level rise	12/7/2020		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file
Other	AB 51	Quirk	Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans	12/7/2020		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS**
Investments	AB 67	Petrie-Norris	Sea level rise: working group: economic analysis	12/7/2020		5/25/2021	Failed deadline pursuant to Rule 61(a)(5)	Inactive - In either house file
GO Bonds	AB 75	O'Donnell	Education finance: school facilities: Kindergarten-Community Colleges Public Education Facilities Bond Act of 2022	12/7/2020		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15).	Inactive - In either house file
Public Finance	AB 119	Salas	County auditor: direct levies	12/18/2020		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file
Bonds	AB 125	Rivas	Equitable Economic Recovery, Healthy Food Access, Climate Resilient Farms, and Worker Protection Bond Act of 2022	12/18/2020		4/15/2021	Failed Deadline pursuant to Rule 61(a)(15).	Inactive - In either house file
Other	AB 214	Ting	Budget Act of 2021	1/8/2021		1/28/2021	Failed Deadline pursuant to Rule 61(a)(15).	Inactive - In either house file
Public Finance	AB 310	Santiago	Wealth tax	1/25/2021		4/6/2021	Failed Deadline pursuant to Rule 61(a)(15).	Inactive - In either house file
Public Finance	AB 336	Villapudua	Enhanced infrastructure financing districts: public financing authority: members: joint powers authorities	1/27/2021		6/28/2021	Secretary of State	Chaptered
Bonds	AB 411	Irwin, Chiu	Veterans Housing and Homeless Prevention Bond Act of 2022	2/3/2021		5/20/2021	Failed Deadline pursuant to Rule 61(a)(15).	Inactive - In either house file
Other Tax	AB 725	Ward	Cannabis tax: penalty	2/16/2021		3/22/2021	Failed Deadline pursuant to Rule 61(a)(15).	Inactive - In either house file
Other	AB 758	Nazarian	Marks-Roos Local Bond Pooling Act of 1985: electric utilities: rate reduction bonds	2/16/2021		9/8/2021	Governor	Active - Enrolled
Other	AB 766	Gabriel, Bennett	Climate change: corporate disclosures	2/16/2021		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file
Other	AB 784	Quirk	Alameda-Contra Costa Transit District	2/16/2021		9/1/2021	Governor	Active - Enrolled
Investments	AB 869	Bloom	State funds: investments	2/17/2021		7/9/2021	Secretary of State	Chaptered
Public Finance	AB 1056	Grayson	Infrastructure financing: industrialized housing	2/18/2021		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file
Bonds	AB 1099	Rivas	Environmental equity: principles: bond and fund expenditures	2/18/2021		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file
Public Finance	AB 1177	Santiago	California Public Banking Option Act	2/18/2021		9/9/2021	Assembly	Active - Enrolled

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS**
Public Finance	AB 1297	Holden	California Infrastructure and Economic Development Bank: public and economic development facilities: housing	2/19/2021		9/10/2021	Governor	Active - Enrolled
Other	AB 1324	Rivas	Transit-Oriented Affordable Housing Funding Program Act	2/19/2021		4/30/2021	Failed deadline pursuant to Rule 61(a)(2)	Inactive - In either house file
Other	AB 1384	Gabriel	Resiliency Through Adaptation, Economic Vitality, and Equity Act of 2022	2/19/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Public Finance	AB 1447	Cooley, Bigelow	The Rural California Infrastructure Act	2/19/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Bonds	AB 1500	Garcia, Mullin	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022	2/19/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Other	ACA 1	Aguiar-Curry, Lorena Gonzalez, and Chiu	Local government financing: affordable housing and public infrastructure: voter approval	12/7/2020		4/22/2021	Assembly Local Government, Appropriations	Active - In Committee
Bonds	SB 5	Atkins, Caballero, McGuire, Rubio, Skinner, and Wiener	Affordable Housing Bond Act of 2022	12/7/2020		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Bonds	SB 22	Glazer	Education finance: school facilities: Public Preschool, K-12, and College Health and Safety Bond Act of 2022	12/7/2020		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
GO Bonds	SB 45	Portantino, Allen, Hurtado, and Stern	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022	12/7/2020		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Other	SB 83	Allen	Sea Level Rise Revolving Loan Program	12/15/2020		9/9/2021	Senate	Active - Enrolled
Other	SB 112	Skinner	Budget Act of 2021	1/8/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Public Finance	SB 239	Limón	Government finance: surplus investments: savings and loan associations or credit unions	1/21/2021		9/3/2021	Governor	Active - Enrolled
Other	SB 260	Wiener, Stern	Climate Corporate Accountability Act	1/26/2021		5/25/2021	Failed deadline pursuant to Rule 61(a)(5)	Inactive - In either house file

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS**
Other	SB 440	Dodd	Earthquake and wildfire loss mitigation	2/16/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Other	SB 449	Stern	Climate-related financial risk	2/22/2021		5/25/2021	Failed deadline pursuant to Rule 61(a)(5)	Inactive - In either house file
Bonds	SB 471	Hueso	The Racial and Economic Equity Bond Act of 2021	2/22/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Other tax	SB 555	McGuire	Local agencies: transient occupancy taxes: online short-term rental facilitator: collection	2/18/2021		8/27/2021	Failed Deadline pursuant to Rule 61(a)(12)	Inactive - In either house file
Other	SB 595	Caballero	Climate change adaptation: workforce development retraining	2/19/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Other	SB 638	Hertzberg	Corporate records: articles of incorporation: blockchain technology	2/19/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Public Finance	SB 696	Allen	Enhanced infrastructure financing districts: public financing authority: membership and powers	2/19/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Other	SB 754	Hertzberg	Economic development: low-to-moderate income communities: Equity in Lending and Fair Recovery Act	2/22/2021		9/10/2021	Failed Deadline pursuant to Rule 61(a)(15)	Inactive - In either house file
Public Finance	SB 780	Cortese	Local finance: public investment authorities	2/19/2021		9/9/2021	Governor	Active - Enrolled
Bonds	SB 786	Becker	Santa Clara Valley Water District	2/22/2021		7/14/2021	Failed Deadline pursuant to Rule 61(a)(11)	Inactive - In either house file
Other	SB 810	McGuire, Durazo, Hertzberg, Nielsen, and Wiener	Validations	2/24/2021		6/28/2021	Secretary of State	Chaptered
Other	SB 811	McGuire, Durazo, Hertzberg, Nielsen, and Wiener	Validations	2/24/2021		6/28/2021	Secretary of State	Chaptered
Other	SB 812	McGuire, Durazo, Hertzberg, Nielsen, and Wiener	Validations	2/24/2021		6/28/2021	Secretary of State	Chaptered
Other Debt	SCA 4	Wilk	Legislature: 2-year budget	2/17/2021		4/7/2021	Senate Budget and Fiscal Review, Elections and Constitutional Amendments	Active - In Committee

* Click through to link to the legislation. Once connected, refresh screen (F5) to view the latest amendments, votes, and status.

** As of September 16, 2021

Federal Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST ACTION	LAST COMMITTEE	STATUS**
Federal Reserve	HR 24	Massie	Federal Reserve Transparency Act of 2021	1/4/2021	1/4/2021	House Oversight and Reform	Active - In Committee
Federal Budget	HR 75	Buchanan	No Pay Raise for Congress Act	1/4/2021	1/4/2021	House Administration	Active - In Committee
Banks	HR 154	Rush	RESCUE Act for Black and Community Banks	1/4/2021	1/4/2021	House Financial Services, Ways and Means	Active - In Committee
Other	HR 260	Lee	Women and Climate Change Act of 2021	1/11/2021	2/2/2021	House Energy and Commerce	Active - In Committee
Other	HR 583	Panetta	Green Bus Tax Credit Act of 2021	1/28/2021	1/28/2021	House Ways and Means	Active - In Committee
Bonds	HR 606	Smith	No Abortion Bonds Act	1/28/2021	1/28/2021	House Ways and Means	Active - In Committee
Other	HR 744	Clarke	FEMA Climate Change Preparedness Act	2/3/2021	2/4/2021	House Transportation and Infrastructure	Active - In Committee
Federal Budget	HR 753	Gallagher	Serve the People, Not the Swamp Act	2/3/2021	3/22/2021	House Judiciary, Budget, Rules, Oversight, and Reform, House Administration	Active - In Committee
Other	HR 848	Thompson	GREEN Act of 2021	2/4/2021	2/4/2021	House Ways and Means	Active - In Committee
Bonds	HR 894	Rosendale Sr.	No Tax Breaks for Sanctuary Cities Act	2/5/2021	2/5/2021	House Ways and Means	Active - In Committee
Other	HR 1107	Case	PLAN Act	2/18/2021	2/19/2021	House Energy and Commerce	Active - In Committee
Other	HR 1144	Kilmer	Promoting United Government Efforts to Save Our Sound Act	2/18/2021	6/16/2021	Senate Environment and Public Works	Active - In Committee
Bonds	HR 1396	Blumenauer	Public Buildings Renewal Act of 2021	2/26/2021	2/26/2021	House Ways and Means	Active - In Committee
Other	HR 1512	Pallone	CLEAN Future Act	3/2/2021	3/3/2021	House Energy and Commerce	Active - In Committee
Federal Reserve	HR 1618	Cleaver	RESPOND Act of 2021	3/8/2021	3/8/2021	House Oversight and Reform, Financial Services	Active - In Committee
Other	HR 1780	Velazquez	Paris Climate Agreement Disclosure Act	3/10/2021	3/10/2021	House Financial Services	Active - In Committee
Other	HR 1996	Perlmutter	SAFE Banking Act of 2021	3/18/2021	4/20/2021	Senate Banking, Housing, and Urban Affairs	Active - In Committee
Banks	HR 2270	Williams	Bank Service Company Examination Coordination Act of 2021	3/26/2021	3/26/2021	House Financial Services, Budget	Active - In Committee
Bonds	HR 2288	Ruppersberger	Investing in Our Communities Act	3/29/2021	3/29/2021	House Ways and Means	Active - In Committee
Securities	HR 3328	Hill	Fair Investment Opportunities for Professional Experts Act	5/19/2021	5/19/2021	House Financial Services	Active - In Committee
Federal Reserve	HR 3571	Casten	Climate Change Financial Risk Act of 2021	5/28/2021	5/28/2021	House Financial Services, Energy and Commerce	Active - In Committee
Bonds	HR 3633	Schneider	Greener Transportation for Communities Act	5/28/2021	5/28/2021	House Ways and Means	Active - In Committee

Federal Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST ACTION	LAST COMMITTEE	STATUS**
Bonds	HR 3886	Lofgren	Clean Energy Victory Bond Act of 2021	6/15/2021	6/15/2021	House Ways and Means, Energy and Commerce; Science, Space, and Technology	Active - In Committee
Bonds	HR 4054	Kind	Tribal Tax and Investment Reform Act of 2021	6/22/2021	6/22/2021	House Ways and Means, Education and Labor	Active - In Committee
Bonds	HR 4408	Burchett	Carbon Capture Improvement Act of 2021	7/13/2021	7/13/2021	House Ways and Means	Active - In Committee
Other	HR 9054	McKinley	Clean Energy Future Through Innovation Act of 2020	12/28/2020	12/29/2020	House Transportation and Infrastructure	Active - In Committee
Other	S 280	Markey	FEMA Climate Change Preparedness Act	2/8/2021	2/8/2021	Senate Homeland Security and Governmental Affairs	Active - In Committee
Banks	S 283	Markey	National Climate Bank Act	2/8/2021	4/27/2021	Senate Environment and Public Works, Clean Air and Nuclear Safety	Active - In Committee
Bonds	S 479	Wicker	LOCAL Infrastructure Act	2/25/2021	2/25/2021	Senate Finance	Active - In Committee
Bonds	S 493	Cortez Masto	A bill to amend the Internal Revenue Code of 1986 to provide for the issuance of exempt facility bonds for zero-emission vehicle infrastructure	3/1/2021	3/1/2021	Senate Finance	Active - In Committee
Other	S 588	Feinstein	Addressing Climate Financial Risk Act of 2021	3/4/2021	3/4/2021	Senate Banking, Housing, and Urban Affairs	Active - In Committee
Federal Reserve	S 606	Merkley	RESPOND Act of 2021	3/4/2021	3/4/2021	Senate Homeland Security and Governmental Affairs	Active - In Committee
Bonds	S 1308	Wicker	American Infrastructure Bonds Act of 2021	4/22/2021	4/22/2021	Senate Finance	Active - In Committee
Bonds	S 1403	Hoeven	Move America Act of 2021	4/28/2021	4/28/2021	Senate Finance	Active - In Committee
Bonds	S 1676	Hassan	Rural Broadband Financing Flexibility Act	5/18/2021	5/18/2021	Senate Finance	Active - In Committee
Bonds	S 1829	Bennet	Carbon Capture Improvement Act of 2021	5/26/2021	5/26/2021	Senate Finance	Active - In Committee
Bonds	S 2064	Merkley	Clean Energy Victory Bond Act of 2021	6/15/2021	6/15/2021	Senate Finance	Active - In Committee

* Click through to link to the legislation. Once connected, refresh screen (F5) to view the latest amendments, votes, and status.

** As of September 16, 2021

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Mello-Roos and Marks-Roos Reporting Requirements

Issuers of Mello-Roos and Marks-Roos debt are to report information to the California Debt and Investment Advisory Commission (CDIAC) on outstanding Mello-Roos and Marks-Roos bonds. Statutory reporting requirements consist of annual reports on outstanding Mello-Roos and Marks-Roos debt and periodic event notices related to the bonds. Annual reports are due to CDIAC no later than October 30th each year. Periodic reporting consists of one-time notices of events, such as a missed bond payment, that are due to CDIAC within 10 days of event occurrence.

With the upcoming annual report deadline, CDIAC's Data Collection and Analysis Unit (Data Unit) will e-mail reminders to all issuers of Mello-Roos and Marks-Roos bonds identified in the CDIAC debt issuance database by August 31, 2021. This reminder contains the CDIAC Number and password needed to access online filing. Guidelines for completing the reports are available on CDIAC's [Debt Issuance Reporting](#) webpage.¹

YEARLY FISCAL STATUS REPORTS (YFSRs)

To facilitate the annual reporting requirement, CDIAC has developed an online Yearly Fiscal Status Report (YFSR) template to accommodate filings of both Mello-Roos and Marks-Roos issuers. The reports may be submitted electronically using CDIAC's online report system.

MELLO-ROOS. Community Facilities Districts (CFDs) issuing bonds under the au-

thority of the *Mello-Roos Community Facilities Act of 1982* on or after January 1, 1993, through June 30, 2021, are required to file an YFSR with CDIAC, no later than October 30, 2021.²

The FY 2020-21 YFSR report covers specific information on each financing, including fund balances, assessed valuation, tax collection, and delinquent tax information. Issuers are required to file the annual Mello-Roos YFSR until the bonds have matured or been redeemed.

MARKS-ROOS. Any joint powers authority (Authority) that has issued bonds under the *Marks-Roos Local Bond Pooling Act of 1985* on or after January 1, 1996, and has used bond proceeds to acquire local obligations or has transferred the proceeds to a Local Obligor under the terms of debt contract is required to annually file a Marks-Roos YFSR with CDIAC.³

The FY 2020-21 report covers bonds issued on or after January 1, 1996, through June 30, 2021, and is due to CDIAC by October 30, 2021. Information contained in the report includes the principal amount of bonds outstanding for the Authority bonds, local obligations purchased with Marks-Roos bond proceeds, reserve fund balance, and administrative fees paid and collected for each issue. Annual Marks-Roos reporting is also required until the bonds have matured or been redeemed.

DRAW-ON-RESERVE AND DEFAULTS

Issuers of both Mello-Roos and Marks-Roos bonds are also required to report any default or draw on bond reserves to CDIAC.⁴ Notification to CDIAC must occur within 10 days of the default or draw on reserve. Unlike the YFSR, reporting of a default or draw on reserve applies to all Mello-Roos and Marks-Roos bonds regardless of the issuance date.

MELLO-ROOS issuers are required to report either:

- A failure to pay principal and interest on a scheduled payment date, or
- A withdrawal from a reserve fund to pay principal and interest on the bond, if the withdrawal reduces the reserve fund below the required reserve amount.


MARKS-ROOS authorities are required to report either:

- A failure to pay principal and interest on a scheduled payment date, or
- A withdrawal from a reserve fund to pay principal and interest on bonds issued by the Authority or any bonds acquired by the Authority, if the withdrawal reduces the reserve fund below the required reserve amount.

Although not statutorily required, CDIAC issuers may voluntarily report to CDIAC the replenishment of reserve funds as well.

CDIAC developed the Mello-Roos/Marks-Roos Draw on Reserve/Default Filing Form to facilitate reporting. All draws on reserve and/or defaults and replenishments can be filed using CDIAC's online reporting portal using the issue's CDIAC Number and password.

Access to the online reporting portal and all reporting forms, instructions, and reporting requirements are available on the CDIAC website under "Reporting Debt Issuance" at www.treasurer.ca.gov/cdiac/reporting.asp.

Requests for filing assistance or additional information can be made by email to the Data Unit at CDIAC_issuance@treasurer.ca.gov or by contacting the Data Unit at (916) 653-3269. 

¹ "Reporting Forms, Regulations & Guidance, and Fees," CDIAC, July 12, 2021, www.treasurer.ca.gov/cdiac/reporting.asp.

² Government Code section 53359.5(b). Government Code section 6599.1(b); California Code of Regulations Title 4, section 6051.

³ Government Code sections 53359.5(c) and 6599.1(c).

⁴ Government Code sections 53359.5(c) and 6599.1(c).

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Debt Line publishes articles on debt financing and public fund investment that may be of interest to our readers; however, these articles do not necessarily reflect the views of the Commission.

Business correspondence and editorial comments are welcome.

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Regulatory Activity Calendar

AUGUST 2021

- 2** The Municipal Securities Rulemaking Board (MSRB) compliance date for a dealer acting as an underwriter in connection with the primary offering of municipal securities to complete the applicable data elements required on amended Form G-32. [MSRB Notice](#).

- 11** The MSRB will provide interim accommodations for the Municipal Advisor Principal Qualification Examination (Series 54 Exam) due to pandemic-related challenges. [MSRB Notice](#).

- 16** The MSRB filed for approval by the Securities and Exchange Commission (SEC) for a rule change to reduce the volume of mandatory disclosure dealers make to customers under MSRB Rules G-10 and G-48. Under the proposed changes, dealers would not need to make these disclosures to customers who do not have and had not recently had any municipal investments. The rule would still require dealers to have those disclosures available on its website for all customers to access. [Rule Change Filing](#).

- 16** The SEC and the European Bank signed a Memorandum of Understanding to exchange information in the oversight of certain security-based swap dealers and participants. [Press Release](#).

- 19** The SEC enhances open data that provides public access to financial

statements and other disclosures made by public trading companies on its Electronic Data Gathering, Analysis, and Retrieval System (EDGAR). [Press Release](#).

- 31** Comments are due on the Governmental Accounting Standards Board (GASB) Exposure Draft of a Proposed Statement, *Accounting Changes and Error Corrections*, which would define accounting changes to provide a more reliable information for making decision accountability. [Exposure Draft](#).

SEPTEMBER 2021

- 2** MSRB provides time extension to take the Series 54 examination. The compliance date is now November 30, 2021. [MSRB Notice](#).

- 27** Comments are due on the GASB Exposure Draft of a Proposed Statement, *Omnibus 20XX*. This proposed Statement is supposed to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature. [Exposure Draft](#).

OCTOBER 2021

- 15** Comments are due on the GASB Exposure Draft of a Proposed Statement, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements*. GASB is seeking feedback on the Revised Exposure Draft about the proposed Concept Statements. [Revised Exposure Draft](#).

SAVE THE DATE

CDIAC Webinars, Seminars, and Conferences

OCTOBER

OCTOBER 18, 2021

20th Annual Pre-Conference at
The Bond Buyer's 29th Annual
California Public Finance Conference
Online Virtual Event

<https://tinyurl.com/CDIACBB21>

MARCH 2022

Municipal Debt Essentials
Information to be Announced

Webinars, Seminars, and Conferences

SEPTEMBER

SEPTEMBER 22-24, 2021

League of California Cities
Annual Conference and Expo
Sacramento, CA

www.cacities.org

OCTOBER

OCTOBER 3-6, 2021

International City/County
Management Association
Annual Conference
Portland, OR

www.icma.org

OCTOBER 5-8, 2021

California Association of County
Treasurers and Tax Collectors
Education Conference
Burlingame, CA

www.cacttc.org

OCTOBER 13-15, 2021

National Association of Bond Lawyers
The Workshop: Hybrid
(In-person and Virtual) 2021
Hybrid Event

www.nabl.org

OCTOBER 13-15, 2021

Municipal Management Association
of Northern California Annual Conference
Online Virtual Event

www.mmanc.org

OCTOBER 18-20, 2021

Bond Buyer California Public
Finance Conference
Online Virtual Event

www.bondbuyer.com

OCTOBER 26-28, 2021

Municipal Management Association
of Southern California Annual Conference
Online Virtual Event

www.mmasc.org

NOVEMBER

NOVEMBER 3-5, 2021

Council of Development Finance Agencies
CDFFA National Development
Finance Summit
Denver, CO

www.cdfa.net

NOVEMBER 30 -
DECEMBER 2, 2021

Association of California Water Agencies
2021 Fall Conference & Exhibition
Pasadena, CA

www.acwa.com

DECEMBER

DECEMBER 2-4, 2021

California School Boards Association
Annual Education Conference & Trade Show
San Diego, CA

www.aec.csba.org

DECEMBER 9-10, 2021

California School Boards Association
Annual Education Conference & Trade Show
Online Virtual Event

www.aec.csba.org

FEBRUARY

FEBRUARY 16-18, 2022

California Society of Municipal
Finance Officers
Annual Conference
San Diego, CA

www.csmfo.org

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Organizations may submit information on future educational seminars, meetings, or conferences by emailing cdiac_education@treasurer.ca.gov. Publication of announcements is subject to space limitations.