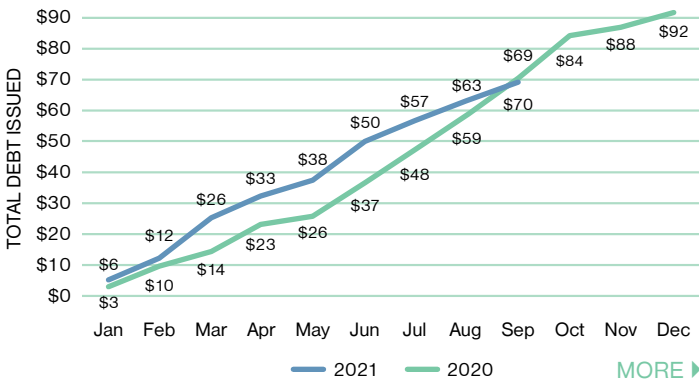


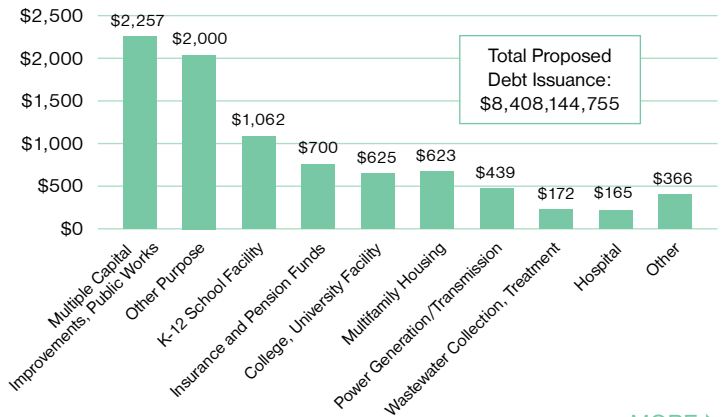
California Public Debt Issuance Monthly Data

CUMULATIVE CALIFORNIA PUBLIC DEBT ISSUANCE (IN BILLIONS)¹



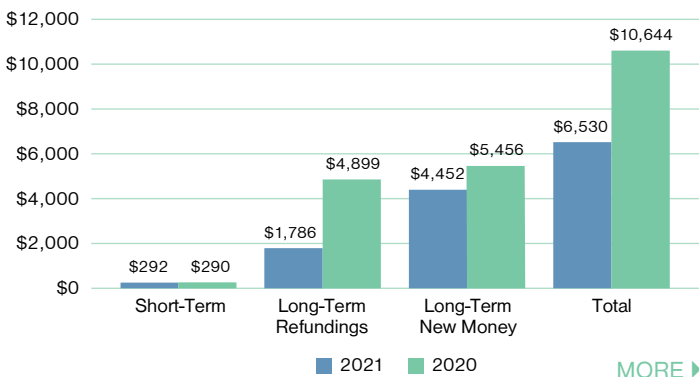
[MORE ▶](#)

REPORTS OF PROPOSED DEBT ISSUANCE RECEIVED 9-16-2021 THROUGH 10-15-2021, BY PURPOSE (IN MILLIONS)



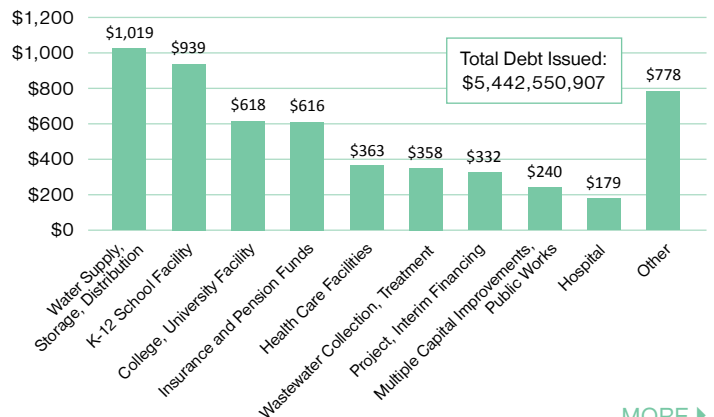
[MORE ▶](#)

CALIFORNIA PUBLIC DEBT ISSUANCE, SEPTEMBER (IN MILLIONS)¹



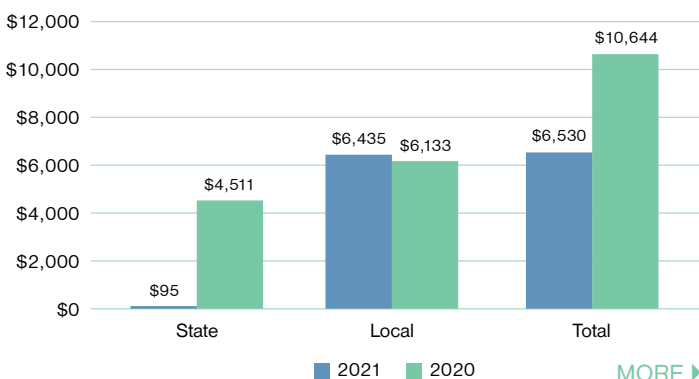
[MORE ▶](#)

TOTAL REPORTS OF FINAL SALE RECEIVED 9-16-2021 THROUGH 10-15-2021, BY PURPOSE (IN MILLIONS)



[MORE ▶](#)

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



[MORE ▶](#)

* 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](#). **DL**

INSIDE THIS ISSUE

Data Corner: Update of Green Bond Issuance	2
Annual Debt Transparency Report Reminder: SB 1029 Reporting Requirements	12
Legislation Affecting State and Local Governments	12
Summary of Chaptered Bills: First Year of the 2020-21 Legislative Session	15
Regulatory Activity Calendar	19
Save the Date	20



CALIFORNIA
DEBT AND
INVESTMENT
ADVISORY
COMMISSION

Chair:

FIONA MA, CPA
California State Treasurer

Members:

GAVIN NEWSOM
Governor

BETTY T. YEE
State Controller

SABRINA CERVANTES
Assemblymember

COTTIE PETRIE-NORRIS
Assemblymember

PATRICIA C. BATES
Senator

STEVEN BRADFORD
Senator

SANDIE ARNOTT
Treasurer-Tax Collector
County of San Mateo

LAKSHMI KOMMI
Director of Debt Management
City of San Diego

Executive Director:
ROBERT BERRY

Debt Line is published monthly by the California Debt and Investment Advisory Commission (CDIAC).

915 Capitol Mall, Room 400
Sacramento, CA 95814
P (916) 653-3269
F (916) 654-7440
cdiac@treasurer.ca.gov
www.treasurer.ca.gov/cdiac

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.

All rights reserved. No part of this document may be reproduced without written credit given to CDIAC. Permission to reprint with written credit given to CDIAC is hereby granted.

DATA - CORNER

Update of Green Bond Issuance: October 2020 - September 2021

Ashley Yu and Kelly Joy | Policy Research Unit

“Green” bonds are issued to finance projects with clear, definable, and measurable environmental benefits.¹ In California, issuers use green bonds to finance many different types of environmentally beneficial projects, including energy-efficient buildings, clean energy, and improvements to water infrastructure. Debt financings filed with the California Debt and Investment Advisory Commission (CDIAC) that are issued, labeled, or marketed as green bonds, social-impact bonds, or sustainability bonds are flagged in CDIAC’s debt issuance database as *environmental/social-impact bonds* and are identified according to their respective bond type (green/social-impact/sustainability).² As interest in and demand for investments that support projects with environmental and social benefits has increased, CDIAC began annually reporting on green bond issuance activity in 2019. Since

CDIAC’s first publication about the green bond market, municipal issuers have begun to issue social-impact and sustainability bonds in addition to green bonds; however, green bonds are still the most popular special bond type both by the number of deals and total volume. Green bond issuance has increased nearly every year since green bonds were introduced in the market, with issuance activity reaching a record high of \$269.5 billion globally in 2020.³ In California, green bond issuance similarly reached an all-time high of almost \$5.2 billion issued in 2020.

Using data reported to CDIAC,⁴ this article provides an update on green bond issuance activity by public agency issuers in California from October 2020 through September 2021 (review period) as well as a cumulative look at green bond issuance since September 2014.

GREEN BOND VOLUME AND NUMBER OF DEALS

Between September 2014 and September 2021, 108 green bond deals amounting to over \$19 billion in volume were issued in California. During the review period, 26 green bonds worth a total of over \$3.8 billion were

¹ “The Green Bond Market in 2021: Implications for Governments and Investors,” *Arizent*, 3, Accessed November 12, 2021, <https://arizent.brightspotcdn.com/9c/3f/ae7649934b0c864b2a217d-86243c/2021-bny-whitepaper-091721-rev.PDF>.

² The environmental/social impact designation along with the specific type of bond (green/social-impact/sustainability) can be accessed from CDIAC’s online data portal, Debt Watch: <https://debtwatch.treasurer.ca.gov/>.

³ “The Green Bond Market in 2021: Implications for Governments and Investors,” *Arizent*, 3, Accessed October 22, 2021, <https://arizent.brightspotcdn.com/9c/3f/ae7649934b0c864b2a217d-86243c/2021-bny-whitepaper-091721-rev.PDF>.

⁴ Supplementary data used for this analysis was also obtained through the Electronic Municipal Market Access (EMMA) website at emma.msrb.org.

FIGURE 1

CALIFORNIA GREEN BOND VOLUME VS. TOTAL VOLUME, 9/1/2014 – 9/30/2021, AS REPORTED TO CDIAC

YEAR	NO. OF GREEN BONDS	GREEN BOND VOLUME (MILLIONS)	NO. OF TOTAL DEALS	TOTAL VOLUME (MILLIONS)	GREEN BOND DEALS % OF TOTAL DEALS	GREEN BOND VOLUME % OF TOTAL VOLUME
2014*	1	\$300	372	\$23,887	0.3%	1.3%
2015	5	496	1,240	65,137	0.4	0.8
2016	8	1,285	1,336	76,133	0.6	1.7
2017	18	3,721	1,532	83,218	1.2	4.5
2018	10	1,774	1,168	59,379	0.9	3.0
2019	24	3,661	1,354	71,690	1.8	5.1
2020	23	5,184	1,657	86,705	1.4	6.0
2021**	19	2,689	1,131	66,791	1.7	4.0
TOTALS	108	\$19,110	9,790	\$532,940	1.1%	3.6%

* 2014 includes the period between September 1 and December 31, 2014.

** 2021 includes the period between January 1 and September 30, 2021.

Note: Totals may not equal the sum of yearly totals due to rounding.

issued, including 19 green bonds issued thus far in 2021 with a volume of almost \$2.7 billion (Figure 1).

The volume of green bond issuance in the review period was over one-quarter lower than the green bond volume for the same time in the previous year despite more green bonds being issued. The average green bond amount in the review period was \$147 million, whereas the average green bond amount was \$229 million during the previous year. Although green bond issuance over the past year has been a bit lower than the year before, more than \$2.6 billion in green bond issuance has sold or is scheduled to sell between October and November 2021,⁵ including a green bond issued in early November by the California State Public Works Board for \$461.5 million. Green bonds that came to market after September 30, 2021, will be tabulated and analyzed in next year’s

“Update of Green Bond Issuance” *Debt Line* article.

Although green bond issuance has increased considerably in California since the first green bond deal in September 2014, green bonds still make up a small proportion of total issuance. Green bonds made up 6.0% of volume in 2020 and 4.0% of volume thus far in 2021 (Figure 1). Overall, green bond issuance activity has accounted for 3.6% of total volume in California since September 2014.

While this article focuses on green bonds, it is important to note that there were also 18 “social-impact” bonds worth just over \$3 billion and 3 “sustainability” bonds worth \$432 million issued during the review period.⁶ “Social-impact” bonds finance projects that provide social benefits, such as affordable housing, food-security improvements, access to educa-

tion, and healthcare. “Sustainability” bonds finance projects with elements of both environmentally- and socially-beneficial projects.

DEBT PURPOSE

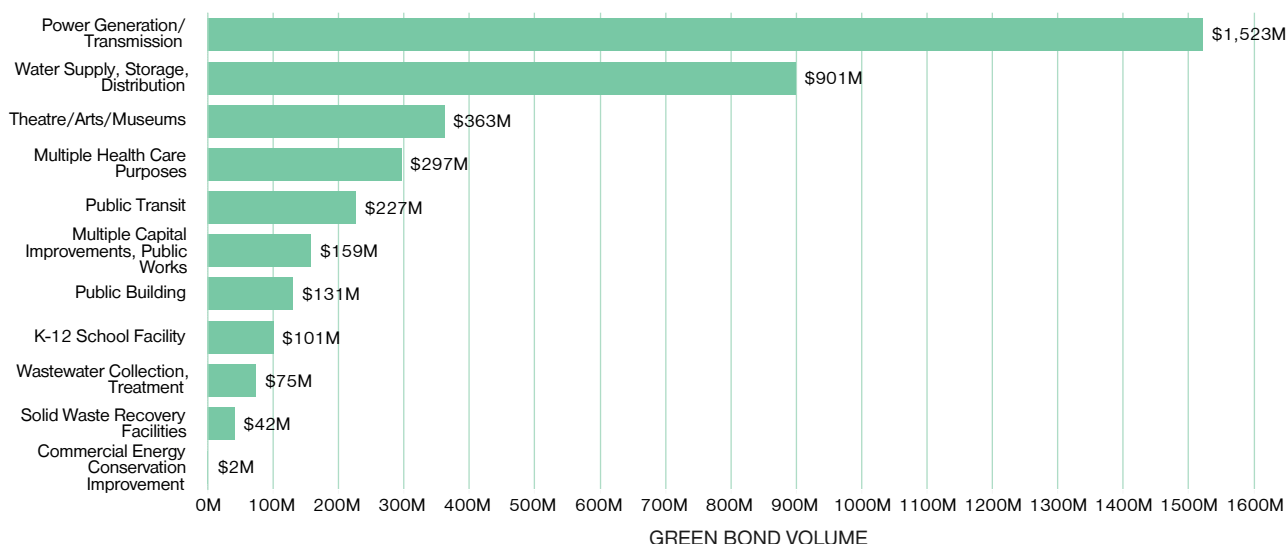
The most popular purposes for green bonds over the past year have been projects for power generation and transmission with over \$1.5 billion in volume (39.9%); water supply, storage, and distribution with \$901 million (23.6%); and theatre, arts, and museums with \$363 million (9.5%). (See Figure 2.) The top three debt purpose categories over the past year were a departure from the previous year, with the exception of the water, supply, storage, and distribution category, which has been one of the top three debt purposes for green bonds in California for three consecutive years. The other most popular debt purpose categories in the prior

⁵ According to reports of proposed debt issuance filed with CDIAC as of November 8, 2021.

⁶ Social and sustainability bonds are not included in the green bond totals for this analysis.

FIGURE 2

CALIFORNIA GREEN BOND ISSUANCE VOLUME BY PURPOSE, 10/1/2020 - 9/30/2021
 VOLUME IN MILLIONS OF DOLLARS, AS REPORTED TO CDIAC



year were the public transit and public building categories. Over the past year, green bonds issued for power generation and/or transmission projects increased fourfold from \$381 million issued the year before, and the theatre, arts, and museums debt purpose category similarity increased almost fourfold from the \$100 million issued between October 2019 and September 2020.

SOURCE OF REPAYMENT AND DEBT TYPE

Public enterprise revenue has consistently remained one of the most popular sources of repayment for green bonds (Figure 3); however, the volume of green bonds using enterprise revenue for repayment was much higher this year with over \$2.4 billion in volume (63.0%) compared to about one-quarter of green bond issuance the year before. Private obligor payments were second at \$513 million which was 13.4%

of green bond volume compared to 15.6% in the previous year. The next most popular sources of repayment for green bonds by volume were from lease revenues with \$363 million (9.5%), and local obligations with \$283 million (7.4%).

The debt types issued as green bonds closely followed the sources of repayment with public enterprise revenue bonds making up 63.0% of green bond issuance over the past year, followed by conduit revenue bonds (13.4%). Public lease revenue bond made up 12.9% of green bond issuance, followed by revenue bonds with 4.0% of green bond issuance volume (Figure 4).

PUBLIC AGENCY ISSUERS

The top five issuers of green bonds by volume during the review period were the California Community Choice Financing Authority, with one green bond worth over \$1.2

billion (31.1% of total green bond issuance in the past year), San Diego County Water Authority (10.5%), Los Angeles County Public Works Financing Authority (9.1%), San Francisco City & County Public Utilities Commission (8.6%), and the California Public Finance Authority (7.5%). Figure 5 lists the top ten issuers of green bonds by volume for the review period, including local obligors that issued debt through a joint powers agency (JPA).

GREEN BOND ISSUANCE BY ISSUER GROUP

JPAs had the highest volume of green bonds in California over the past year with over \$2.5 billion issued, followed by water agencies and authorities with \$418 million issued over the same period. Figure 6 lists the number and volume of green bond issuance by issuer group during the review period as well as the top issuers in each issuance

FIGURE 3

CALIFORNIA GREEN BOND ISSUANCE VOLUME BY REPAYMENT SOURCE, 10/1/2020 - 9/30/2021
 VOLUME IN MILLIONS OF DOLLARS, AS REPORTED TO CDIAC

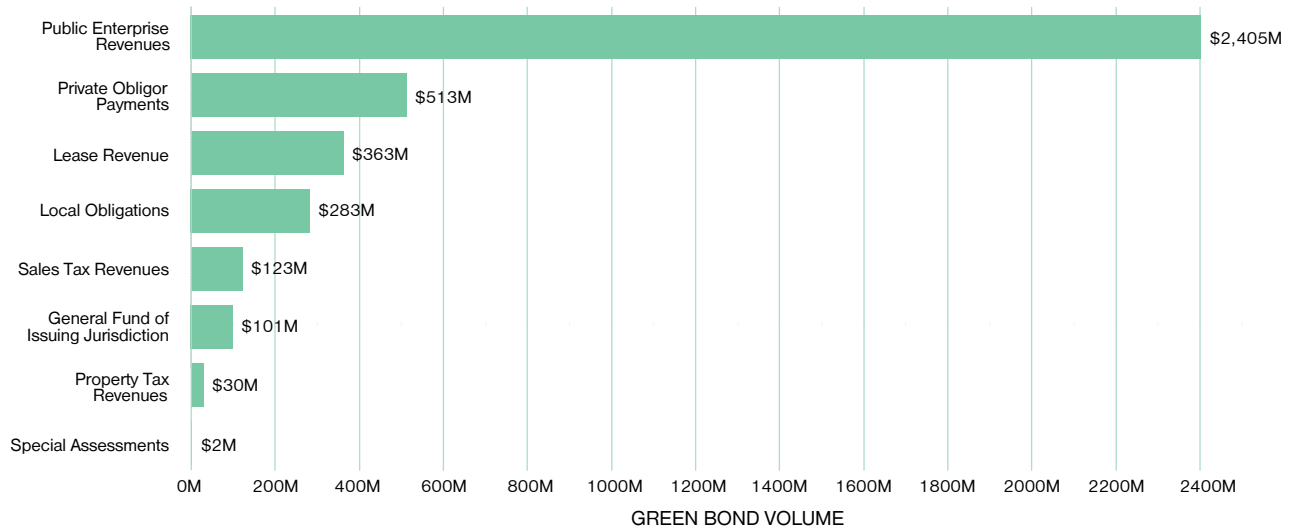


FIGURE 4

CALIFORNIA GREEN BOND ISSUANCE VOLUME BY DEBT TYPE, 10/1/2020 - 9/30/2021
 VOLUME IN MILLIONS OF DOLLARS, AS REPORTED TO CDIAC

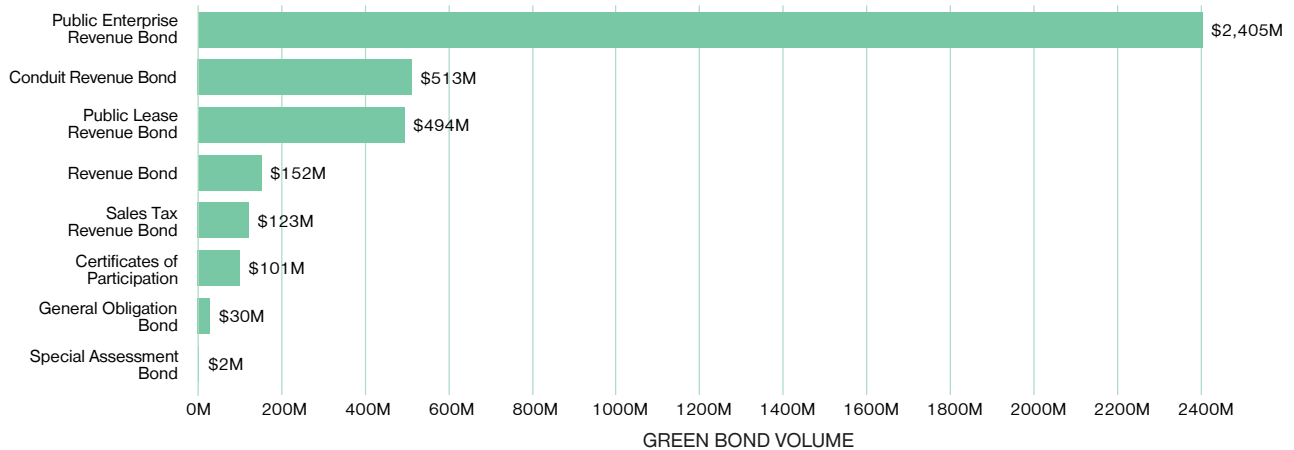
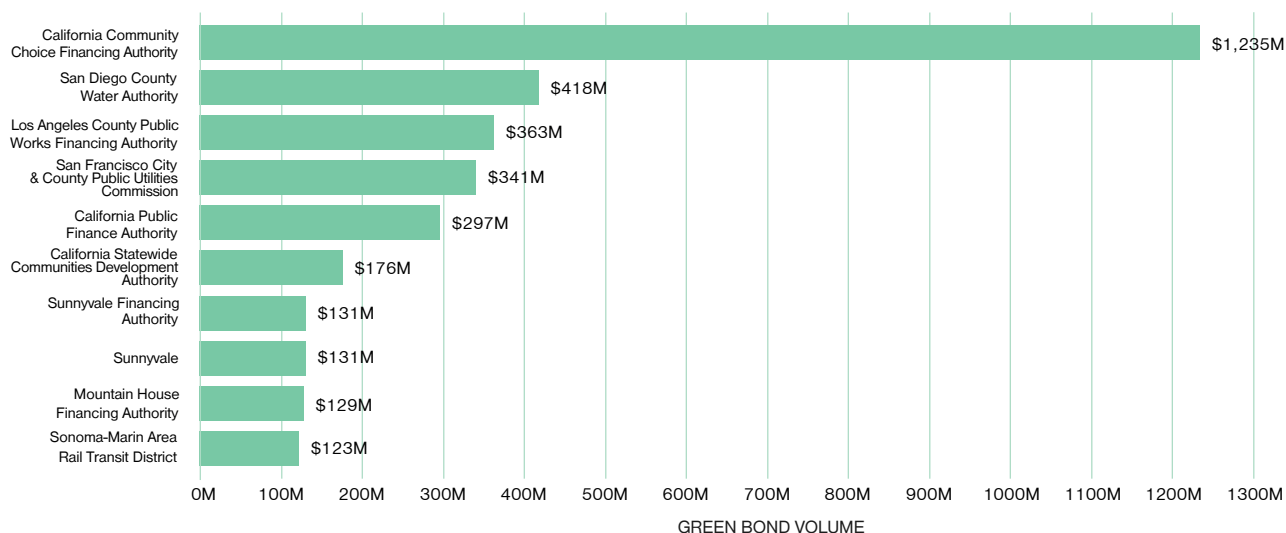


FIGURE 5

TOP 10 ISSUERS OF GREEN BONDS IN CALIFORNIA, 10/1/2020 - 9/30/2021
VOLUME IN MILLIONS OF DOLLARS, AS REPORTED TO CDIAC



Issuance amount for Sunnyvale (City) and Sunnyvale Financing Authority reflects one unique issuance that is counted separately for both organizations as a local obligor and joint powers authority, respectively.

FIGURE 6

CALIFORNIA GREEN BOND ISSUANCE, VOLUME BY ISSUER GROUP
10/1/2020-9/30/2021, AS REPORTED TO CDIAC

ISSUER GROUP DESCRIPTION	NO. OF GREEN BONDS	GREEN BOND VOLUME (MILLIONS)	ISSUER GROUP % OF GREEN BOND VOLUME
Joint Powers Agency	10	\$2,523	63.5%
Water Agency, Authority	2	418	10.5
City/County Government	1	341	8.6
City Government	3	197	5.0
Transit District	1	123	3.1
Transit Authority	1	104	2.6
K-12 School District	5	101	2.5
State Instrumentalities	1	42	1.1
Municipal Water District	1	39	1.0
Water District	1	36	0.9
County Government	1	30	0.8
Public Utility District	1	20	0.5
GRAND TOTAL	28*	3,975M**	100.0%

TOP CALIFORNIA GREEN BOND ISSUERS, PER ISSUER GROUP
10/1/2020-9/30/2021, AS REPORTED TO CDIAC

ISSUER	NO. OF GREEN BONDS	GREEN BOND VOLUME (MILLIONS)	% OF ISSUER GROUP'S GREEN BOND VOLUME
California Community Choice Financing Authority	1	\$1,235	48.9%
San Diego County Water Authority	2	418	100.0
San Francisco City & County Public Utilities Commission	1	341	100.0
Sunnyvale	1	131	66.6
Sonoma-Marín Area Rail Transit District	1	123	100.0
San Francisco Municipal Transportation Agency	1	104	100.0
Marysville Joint Unified School District	1	34	33.9
California Pollution Control Financing Authority	1	42	100.0
Calleguas Municipal Water District	1	39	100.0
Rowland Water District	1	36	100.0
Solano County	1	30	100.0
Fallbrook Public Utility District	1	20	100.0
GRAND TOTAL	13	\$2,554M	64.3%

* The total number of green bonds is different for this figure because bonds issued through a JPA are counted for both the issuing authority and the local obligor. The total number of unique green bond deals issued between October 1, 2020 and September 30, 2021 is 26.

** The total volume of green bonds is different for this figure because bonds issued through a JPA are counted for both the issuing authority and the local obligor. The total volume for unique green bond deals issued between October 1, 2020 and September 30, 2021 is \$ 3,820 million.

group.⁷ The top three green bond issuers in California made up over half of green bond issuance during this period. In the previous year, the special districts issuer group constituted the largest share of green bond issuance, followed by county governments and JPAs.

GREEN BOND DESIGNATION

A bond designated as “green” is meant to signal to investors that the bond proceeds will be used to finance environmentally beneficial projects, but a “green” label can come from a variety of sources. For example, each green bond reported to CDIAC had one of four types of green bond designations, including: self-certification, using criteria the issuer has identified as “green;” Climate Bonds Initiative⁸ (CBI) certifica-

tion, meeting the requirements set out by CBI; independent analysis by a second party; or independent analysis by a CBI-approved verifier. The majority of green bond deals since September 2014 (58 out of 108 or 53.7%) have been “self-certified” as green bonds. Thus far in 2021, self-certification remains the most popular method for green bond designation, but green bonds designated through a CBI-approved verifier⁹ have become more common over the past year (Figure 7).

GREEN BOND FINANCING PARTICIPANTS

Bond Counsel

Of the 26 green bond deals reported to CDIAC in the review period, Orrick Herrington & Sutcliffe LLP is

the top bond counsel by number and volume of green bond deals, participating as bond counsel on 56.8% of green bond deals in California over the past year. In total, these deals were worth close to \$2.2 billion. Norton Rose and Fulbright US, LLP issued the second-largest volume of green bonds totaling \$455 million, followed by Hawkins Delafield & Wood with one green bond worth \$363 million.

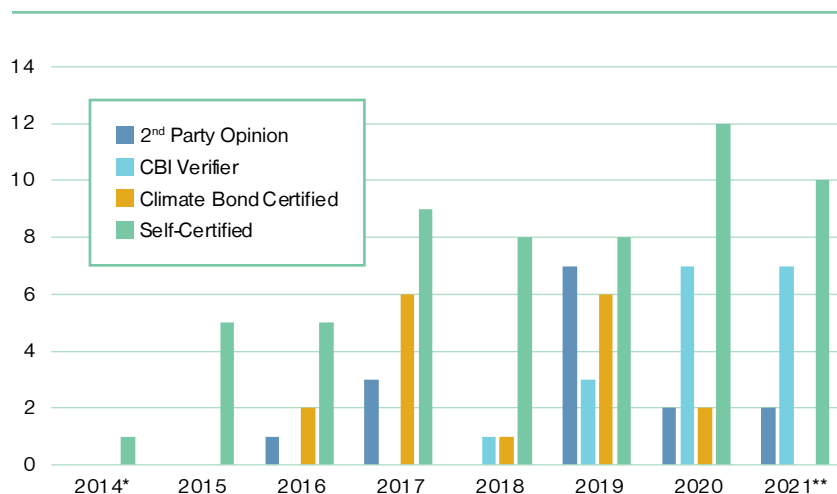
Jones Hall A Professional Law Corp participated in the second-most green bond deals over the past year after Orrick, followed by Stradling Yocca Carlson & Rauth. Jones Hall’s green bond volume totaled \$297 million and Stradling’s totaled \$87 million for the year (Figure 8). The top four firms (by green bond volume) participated in green bond sales that made up 86.0% of green bond volume issued in the review period.

Financial Advisors

The firm with the largest green bond volume in the review period was Public Financial Management (PFM) with four green bond deals worth over \$1.5 billion (Figure 9). After PFM was Montague DeRose with the same number of deals worth \$729 million. Backstrom McCarley Berry & Co had the third-highest green bond volume with three deals worth \$476 million. Three deals worth a total of \$351 million reported no financial advisor. Altogether, the top three firms participated in 42.3% of the green bond deals issued over the past year and made up almost three-quarters of green bond volume.

FIGURE 7

CALIFORNIA GREEN BOND DESIGNATION, 9/1/2014 – 9/30/2021 AS REPORTED TO CDIAC



* Period in 2014 includes September 1 through December 31, 2014

** Period in 2021 includes January 1 through September 30, 2021

⁷ Issuance from local obligors is also included in Figure 6, resulting in some “duplicate” issuance counted in the total amount.

⁸ The Climate Bonds Initiative is an international nonprofit organization that promotes investment in low-carbon and climate-resilient projects. More information about CBI can be found here: www.climatebonds.net/.

⁹ In 2021, all of the green bonds that self-designated using a CBI-approved verifier were BAM GreenStar bonds.

FIGURE 8

CALIFORNIA GREEN BOND ISSUANCE, TOP FINANCING PARTICIPANTS: BOND COUNSEL
10/1/2020 – 9/30/2021, AS REPORTED TO CDIAC

BOND COUNSEL	RANK	NUMBER OF GREEN BONDS	GREEN BOND AMOUNT (MILLIONS)	% NUMBER OF GREEN BONDS	GREEN BOND VOLUME (%)
Orrick Herrington & Sutcliffe LLP	1	9	\$2,169	34.6%	56.8%
Norton Rose Fulbright US LLP	4	2	455	7.7	11.9
Hawkins Delafield & Wood LLP		1	363	3.8	9.5
Jones Hall A Professional Law Corp	2	5	297	19.2	7.8
Dentons US LLP		1	146	3.8	3.8
Nixon Peabody LLP		1	123	3.8	3.2
Schiff Hardin LLP		1	104	3.8	2.7
Stradling Yocca Carlson & Rauth	3	3	87	11.5	2.3
Best Best & Krieger	4	2	66	7.7	1.7
Lozano Smith LLP		1	9	3.8	0.2
TOTAL		26	\$3,820	100.0%	100.0%

Listed in order by volume. Rank assigned by number of deals.

*Totals may not add to 100% due to rounding.

FIGURE 9

CALIFORNIA GREEN BOND ISSUANCE, TOP FINANCING PARTICIPANTS: FINANCIAL ADVISORS
10/1/2020 – 9/30/2021, AS REPORTED TO CDIAC

FINANCIAL ADVISORS	RANK	NUMBER OF GREEN BONDS	GREEN BOND AMOUNT (MILLIONS)	% NUMBER OF GREEN BONDS	GREEN BOND VOLUME (%)
Public Financial Management (PFM)	1	4	\$1,514	15.4%	39.6%
Montague DeRose & Associates LLC	1	4	729	15.4	19.1
Backstrom McCarley Berry & Co	3	3	476	11.5	12.5
No Financial Advisor Reported	3	3	351	11.5	9.2
Sperry Capital Inc		1	174	3.8	4.6
Clean Energy Capital		1	146	3.8	3.8
Ross Financial		1	131	3.8	3.4
Kosmont Transactions Services		2	129	7.7	3.4
Urban Futures Inc	3	3	88	11.5	2.3
KNN Public Finance		1	30	3.8	0.8
NHA Advisors LLC		1	23	3.8	0.6
Steven Gortler		1	20	3.8	0.5
Eastshore Consulting LLC		1	9	3.8	0.2
TOTAL		26	\$3,820	100.0%	100.0%

Listed in order by volume. Rank assigned by number of deals.

*Totals may not add to 100% due to rounding.

Underwriters

Morgan Stanley & Co LLC was the underwriter with the largest volume of green bond issuance in the review period with \$1,411 million issued. Wells Fargo Bank National Association underwrote the second-largest issuance volume with \$439 million, followed by Goldman Sachs & Company with \$341 million. One issuance worth \$32 million had no underwriter reported.

Stifel Nicolaus & Company Inc. had the highest number of green bonds issued in the review period with five deals. Morgan Stanley & Co LLC,

Wells Fargo Bank National Association, and Piper Sandler tied for second-most green bond deals over the past year with three deals each (Figure 10).

GREEN BONDS BY COUNTY. Regionally, green bond financing has been most common in Los Angeles County with almost \$5 billion issued since 2014 to pay for green projects (Figure 11).¹⁰ The counties of Alameda and San Francisco followed with the next-highest green bond volume amounts since 2014, with almost \$3.9 billion and over \$3.4 billion issued in those counties, respectively. San Diego County has issued the fourth-highest

volume of green bonds with over \$1.5 billion in issuance. All other counties have issued less than a total of \$2 billion in green bonds, and over half of the California counties that have issued green bonds since 2014, have issued less than \$100 million.

During the review period, the four counties that issued the highest volume of green bonds were Alameda (\$1.235 billion), Los Angeles (\$569 million), San Francisco (\$446 million), and San Diego (\$438 million). There were also multiple counties that issued green bonds for the first time this past year including Glenn, Kern,

FIGURE 10

CALIFORNIA GREEN BOND ISSUANCE, TOP FINANCING PARTICIPANTS: UNDERWRITERS
10/1/2020 – 9/30/2021, AS REPORTED TO CDIAC

UNDERWRITERS	RANK	NUMBER OF GREEN BONDS	GREEN BOND AMOUNT (MILLIONS)	% NUMBER OF GREEN BONDS	GREEN BOND VOLUME (%)
Morgan Stanley & Co LLC	2	3	\$1,411	11.5%	36.9%
Wells Fargo Bank National Association	2	3	439	11.5	11.5
Goldman Sachs & Company		1	341	3.8	8.9
Citigroup Global Markets Inc	5	2	313	7.7	8.2
BC Ziegler & Company		1	297	3.8	7.8
RBC Capital Markets LLC	5	2	279	7.7	7.3
Stifel Nicolaus & Company Inc	1	5	193	19.2	5.1
Piper Sandler & Co	2	3	171	11.5	4.5
Barclays Capital Inc		1	123	3.8	3.2
UBS Financial Services		1	114	3.8	3.0
Bank of America Merrill Lynch		1	55	3.8	1.4
D.A. Davidson & Co.		1	34	3.8	0.9
No Underwriter Reported		1	32	3.8	0.8
Raymond James & Associates Inc		1	18	3.8	0.5
TOTAL		26	\$3,820	100.0%	100.0%

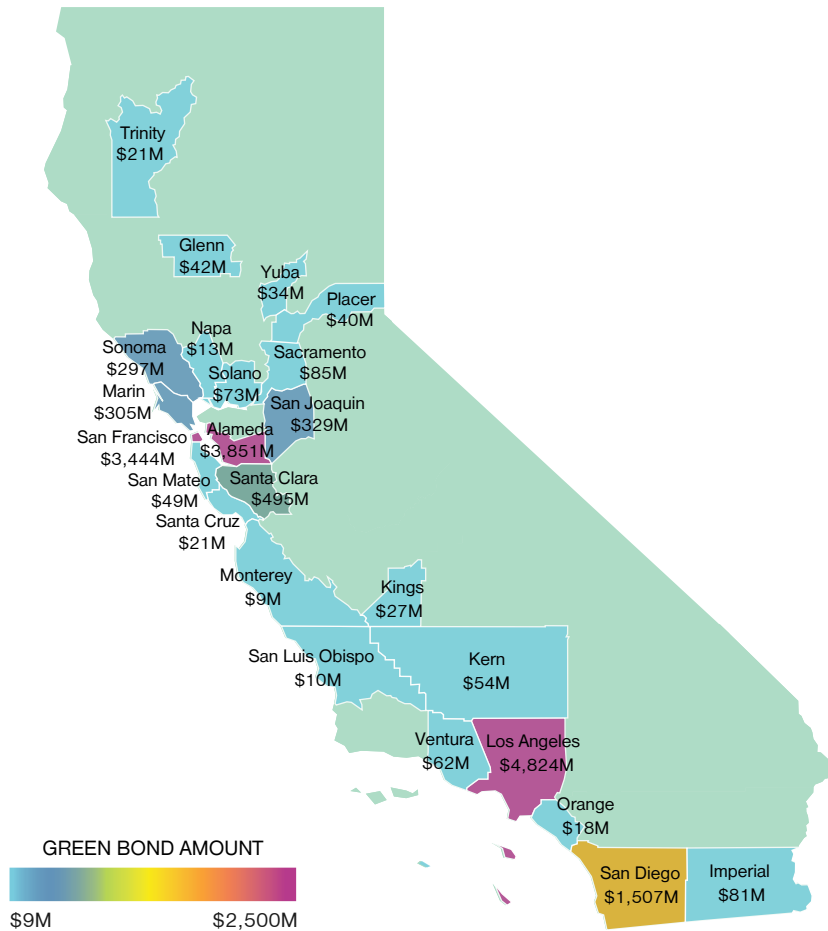
Listed in order by volume. Rank assigned by number of deals.

*Totals may not add to 100% due to rounding.

¹⁰ Figure 10 does not include green bond issuance from the State of California, which amounted to \$3.6 billion from eight State agencies between September 2014 and September 2021.

FIGURE 11

CALIFORNIA GREEN BOND ISSUANCE BY COUNTY*
 9/1/2014 - 9/30/2021, AS REPORTED TO CDIAC



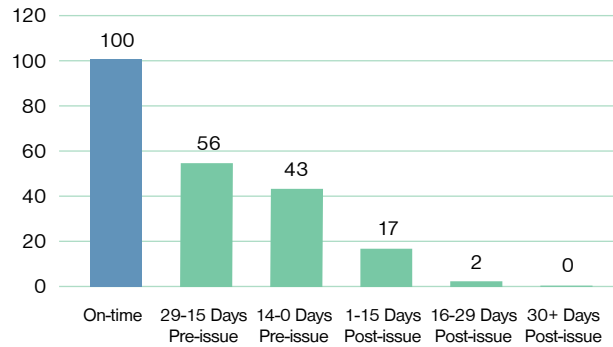
As reported to CDIAC, green bond issuance amount in millions
 *Does not include State of California green bond issuance not divisible by County

Monterey, Orange, San Luis Obispo, Solano, Sonoma, Ventura, and Yuba.

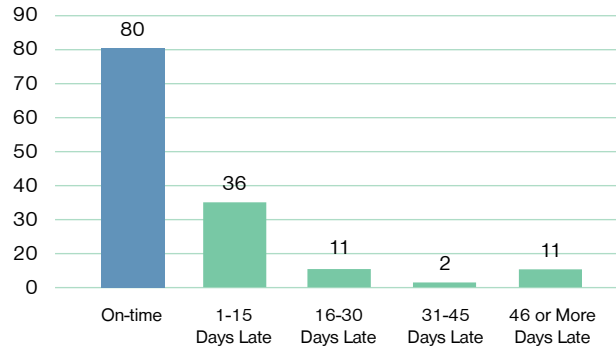
The green bond market continues to develop and evolve, as does global interest in environmental, social, and governance (ESG) issuance and investment. Issuers interested in learning more about green bond issuance can refer to CDIAC’s repository of resources related to green bonds: “[Green Bonds in the Golden State: A Practical Path for Issuers](#).” Investors interested in socially-responsible investing can refer to “[Socially Responsible Investing: What Does it Mean and What is the Risk?](#)” a CDIAC report published in the fall of 2019. Additional resources for public agencies related to ESG and climate change are also available on CDIAC’s [Climate Resources](#) webpage. **DL**

TIMELINESS OF SUBMITTAL OF REPORTS

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



REPORTS OF FINAL SALE (RFS)²
RECEIVED SEPTEMBER 2021



DATA UNIT ACTIVITY SEPTEMBER 2021

- ✓ RECEIVED AND PROCESSED **218** RPDI
- ✓ RECEIVED AND PROCESSED **140** RFS
- ✓ RECEIVED **112** MARKS-ROOS YEARLY FISCAL STATUS REPORTS FOR FY 2020-21
- ✓ RECEIVED **80** MELLO-ROOS YEARLY FISCAL STATUS REPORTS FOR FY 2020-21
- ✓ RECEIVED **21** ANNUAL DEBT TRANSPARENCY REPORTS FOR FY 2020-21*

DL

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 10/22/2021, a total of 119 Annual Debt Transparency Reports had been filed for the FY 2020-21 reporting period.

Annual Debt Transparency Report Reminder: Sb 1029 Reporting Requirements

With SB 1029 effective January 1, 2017, state and local agencies are now required to report to CDIAC annually on all debt issued.¹ The Annual Debt Transparency Report (ADTR) must be submitted to CDIAC on or before January 31st of each year, for each issue of debt, until such debt is no longer outstanding or the proceeds of the debt have been fully spent, whichever is later. The ADTR requires issuers to report on the balance of the issuer’s authorization to issue the debt, the amount of principal paid, the amount of debt outstanding, and qualitative and quantitative information on how debt proceeds are spent.

This ADTR filing requirement is not retro-active. “ADTR reportable” issues are those that were reported to CDIAC on a Report of Final Sale on or after January 21, 2017. An ADTR must be submitted to CDIAC by January 31st of each year following the end of the July 1 to June 30 reporting period during which the debt was outstanding. For the purpose of classifying issues as outstanding in any given reporting period, CDIAC is using the reported settlement date as the date the debt is initially outstanding.² **The next ADTR filing deadline is January 31, 2022.**

CDIAC has developed an online system, accessible through the [CDIAC website](#) to facilitate the annual submission of the ADTR. The CDIAC Data Collection and Analysis Unit (Data Unit) will provide a list on [CDIAC’s reporting page](#) of all ADTR-reportable debt identified in the CDIAC database for the reporting period July 1, 2020, through June 30, 2021 by October 25, 2021. The list will contain the following information:

- CDIAC Number
- Issuer
- Project
- Debt Type
- Principal
- Issue Date
- Purpose of Issuance
- Year of Issue (Fiscal Year Ending 6/30)
- Most Recent Prior Year ADTR Received (Fiscal Year End)

Accessing the online [filing form](#) will require the CDIAC # and the ID Number (i.e., password) that was provided at the time of initial filing. If you do not have the ID Number, it will be necessary to contact the Data Unit to provide you with that number.

To request that another individual or party, such as an outside financial service provider or advisory firm, handle the filing of the ADTR, contact the CDIAC Data Unit at [CDIAC Issuance@treasurer.ca.gov](mailto:CDIAC_Issuance@treasurer.ca.gov) or (916) 653-3269.



¹ “Debt” as defined in California Code of Regulations (CCR) Title 4, Division 9.6, §6000 (Effective 4/1/2017).

² “Settlement” means the transfer of the assets or rights-to-use from Creditor to Issuer in exchange for delivery of the instruments or evidence of indebtedness from the Issuer to Creditor (CCR Title 4, Division 9.6, §6000). The date of settlement as such generally coincides with the delivery date of bonds, or the closing date of a lease, loan, or similar debt transaction.

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS**
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
Other	AB 758	Nazarian	Marks-Roos Local Bond Pooling Act of 1985: electric utilities: rate reduction bonds	2/16/2021		9/23/2021	Secretary of State	Chaptered
Other	AB 784	Quirk	Alameda-Contra Costa Transit District	2/16/2021		9/22/2021	Secretary of State	Chaptered
Investments	AB 869	Bloom	State funds: investments	2/17/2021		7/9/2021	Secretary of State	Chaptered
Public Finance	AB 1177	Santiago	California Public Banking Option Act	2/18/2021		10/4/2021	Secretary of State	Chaptered
Public Finance	AB 1297	Holden	California Infrastructure and Economic Development Bank: public and economic development facilities: housing	2/19/2021		9/28/2021	Secretary of State	Chaptered

State Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST AMENDED	LAST ACTION	LAST COMMITTEE	STATUS**
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
Other	SB 83	Allen	Sea Level Rise Revolving Loan Program	12/15/2020		10/7/2021	Senate	Veto
Public Finance	SB 239	Limón	Government finance: surplus investments: savings and loan associations or credit unions	1/21/2021		10/7/2021	Secretary of State	Chaptered
Public Finance	SB 780	Cortese	Local finance: public investment authorities	2/19/2021		9/28/2021	Secretary of State	Chaptered
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 October 13, 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 Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST ACTION	LAST COMMITTEE	STATUS**
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	
Bonds	HR 3633	Schneider	Greener Transportation for Communities Act	5/28/2021	5/28/2021	House Ways and Means	Active - In Committee
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

Federal Legislation Affecting State and Local Governments

LEG TYPE	BILL NO.*	AUTHOR	TITLE	INTRODUCED	LAST ACTION	LAST COMMITTEE	STATUS**
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 October 13, 2021



Summary of Chaptered Bills: First Year of the 2020-21 Legislative Session

Jean Shih | Policy Research Unit

Each year, the California Debt and Investment Advisory Commission (CDIAC) tracks legislation important to the practice of investing public funds and public debt issuance. On January 11, 2021, the California State Legislature began a new two-year legislative session. The deadline for the Governor to approve or veto bills presented for his consideration during the year was October 10, 2021.

For the first year of the 2020-21 legislative session, the governor signed 11 bills

CDIAC was tracking including the Validation Acts of 2021. The enacted legislation covered a variety of public finance related topics including (but not limited to) the investment of surplus state funds, enhanced infrastructure financing districts (EIFDs), the expansion of the issuance of rate reduction bonds for publicly owned electric utilities and a public banking study assessing the needs of the state's unbanked or underbanked population. In this summary of Chaptered Bills, CDIAC provides an overview of each of the bills it was tracking that was signed by the Governor.¹ With the exception of two validation acts, which were designated urgency measures, the provisions of the signed legislation will take effect January 1, 2022.

PUBLIC INVESTMENTS: STATE FUNDS

[AB 869](#) (Bloom).

State funds: investments.

Chapter 60, Statutes of 2021

Assembly Bill (AB) 869 amended Government Code Section 16430 to allow the State Treasurer to invest funds of the Pooled Money Investment Account (PMIA) in sovereign debt instruments if specific requirements are met. The PMIA, overseen by the Pooled Money Investment Board, is the account through which the Treasurer invests cash surpluses to manage the state's cash flow.

AB 869 allows for the investment of surplus state funds in securities² that are the direct obligations of the government of a foreign country that the International Monetary Fund lists as an advanced economy, and

¹ Information for the summarized bills was obtained from the California Legislative Information website: <http://leginfo.legislature.ca.gov/faces/home.xhtml>.

² Securities includes bonds, notes, warrants, and other securities.

for which the full faith and credit of that country has been pledged for the payment of principal and interest. The securities must be US dollar denominated with a maximum maturity of five years or less, cannot be in default and must be eligible for purchase in the United States. In addition, the securities must be rated investment grade by a nationally recognized rating agency. The government of the foreign country issuing the security must also submit to the federal jurisdiction of the courts of the United States and the state courts of California if any disputes arise regarding the investment. The combined par value of all the investments in this security type cannot be greater than 1% of the total par value of PMIA assets.

SB 239 (Limon).

Government finance: surplus investments: savings and loan associations or credit unions.
Chapter 635, Statutes of 2021

Senate Bill (SB) 239 amends Government Code Sections 16430, 16522, and 16612 regarding the investment of surplus state funds and the use of Federal Home Loan Bank (FHLB) letters of credit as collateral for state deposits. In general, these changes will increase the number of short-term investment options available to the State Treasurer to meet the state's cash-flow needs and will ensure that collateral requirements applicable to FHLB letters of credit are consistent among all depository institutions that accept deposits of state funds.

SURPLUS INVESTMENTS. This bill amended several subsections of Government Code Section 16430 to include additional options for the investment of state surplus funds.³

ADDITION OF GOVERNMENT SPONSORED ENTITY. State surplus funds can be invested in bonds or interest-bearing notes on obligations that are issued by or fully guaranteed by a federal agency. This bill authorizes the investment of state surplus funds in bonds and interest-bearing notes on obligations

that are also issued or guaranteed by a United States government-sponsored entity.⁴

OTHER OBLIGATIONS. This bill added "other obligations" to the list of security types issued by both the Central Bank for Cooperatives, banks for cooperatives established under the Farm Credit Act of 1933, and the FHLB that are permissible for the investment of state surplus funds.

MONEY MARKET MUTUAL FUNDS. The legislation added money market mutual funds, under the regulatory authority of the SEC, as a permissible investment for surplus state funds provided that the following conditions are met:

1. The money market mutual fund issuing financial institution must have least five years of experience investing in the types of securities and obligations being purchased by the state and has assets under management in the money market mutual fund in excess of ten billion dollars (\$10,000,000,000).
2. The securities purchased by the money market mutual fund are limited to the securities and obligations specified in Government Code Sections 16430 (a), (b), or (c) and 16480.4.
3. The money market mutual fund shall have attained the highest ranking, or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, as defined by the United States Securities and Exchange Commission.
4. The financial institution shall not impose a commission on the purchase or sale of fund shares by the state.
5. The state shall not purchase more than 10 % of a money market mutual fund's total assets.
6. The state shall not invest more than 10 % of the pool's funds in any single money market mutual fund meeting the requirements of this subdivision.

STATE DEPOSIT COLLATERAL. This bill lowers the minimum value of a Federal Home Loan Bank (FHLB) letter of credit that will be used to collateralize a state deposit at a credit union or savings and loan association from 110% of the amount deposited to 100% of the amount deposited.

PUBLIC FINANCE

AB 336 (Villapudua).

Enhanced infrastructure financing districts: public financing authority: members: joint powers authorities.
Chapter 22, Statutes of 2021

This bill allows any member of the legislative body of a participating affected taxing entity who serves as a member of the public financing authority (PFA) of an enhanced infrastructure financing district (EIFD), to serve as a member of the governing body of a joint powers authority (JPA) where the taxing entity is a member. AB 336 exempts members of an EIFD PFA who also serve on a JPA board from the law on holding incompatible public offices; thereby, eliminating any potential conflicts between members who serve on both the EIFD PFA board and the JPA board. Eliminating this potential conflict helps prevent invalidating actions taken by a JPA Board with a member that also serves on the PFA of an EIFD.

AB 1177 (Santiago).

California Public Banking Option Act.
Chapter 451, Statutes of 2021

AB 1177, the California Public Banking Option Act, requires the Treasurer to establish the CalAccount Blue Ribbon Commission (Commission) by September 1, 2022. The Commission is to conduct a market analysis to determine the feasibility of implementing a CalAccount Program by July 1, 2024. The market analysis will evaluate the feasibility of the proposed CalAccount Program, established for the purpose of protecting consumers who lack access to traditional banking services from predatory, discriminatory, and cost-

³ A United States government-sponsored enterprise, as defined by the Omnibus Budget Reconciliation Act of 1990.

⁴ "Other obligations" was added to Government Code Sections 16430(e)(2) and (3).

ly alternatives through specified banking and payment services, such as no-cost transaction accounts. The analysis must cover specified research topics, including whether there are alternative programs that would accomplish similar policy objectives as the proposed CalAccount Program. The main goal of the CalAccount Program is to create a more equitable economy after the Covid-19 pandemic by addressing the needs of California's unbanked or underbanked population, who typically have lower or fluctuating income and cannot afford traditional banking products.

The Commission will be comprised of nine members including the Treasurer (or designee), who will serve as chair of the Commission. AB 1177 outlines the requirements of the board to establish processes relating to the implementation of the CalAccount Program. The Commission must hold at least one public hearing to solicit input from members of the public within 12 months of entering into a contract for the market analysis. The Commission will make a determination as to whether the CalAccount Program can be implemented, and if so, would be contingent upon an appropriation by the Legislature in the Budget Act or another statute for its purposes. This Act remains in effect until January 1, 2032, and as of that date will be repealed.

AB 1297 (Holden).

California Infrastructure and Economic Development Bank: public and economic development facilities: housing.
Chapter 356, Statutes of 2021

AB 1297 expands the authority of the California Infrastructure and Economic Development Bank (IBank) to include housing when it is necessary for the operation of the economic development or public development facility. This new authority applies to economic development facilities and public development facilities financed through any of the IBank's financing programs or

authorities, except for the Infrastructure State Revolving Loan Program. In order to be financed by the IBank, the housing component of the project cannot exceed 20% of the overall project cost financed by the IBank. Second, the use of tax-exempt bonds issued by the IBank, which are subject to a state allocation of private activity bond cap, are prohibited from being used to finance housing. These last two provisions ensure that limited infrastructure dollars are not diverted for other purposes, or that IBank financed housing does not compete with other tax-exempt revenue bond issuers, such as the California Housing Finance Agency.

SB 780 (Cortese).

Local finance: public investment authorities.
Chapter 391, Statutes of 2021

SB 780 amends the statutes applicable to enhanced infrastructure financing districts (EIFDs) and community revitalization infrastructure authorities (CRIAs). The changes are intended to streamline EIFD and CRIA formation to help local agencies use EIFDs and CRIAs to leverage tax increment for economic development and build affordable housing in their communities.

EIFDs. The bill establishes procedures for appointing alternative members to the public financing authority, authorizes the establishment of multiple project areas within the boundaries of the EIFD, streamlines notice requirements and adoption procedures for an EIFD plan, authorizes amendments to an approved EIFD plan; and, specifies that, if a taxing entity approves an EIFD plan after the district formation, the division of taxes used to finance the district will be based on the last equalized assessment roll that is used for the district.⁵

CRIAs. The bill establishes procedures for appointing alternative members to a CRIA's governing body, allows a CRIA plan to include project areas, establishes guidelines for CRIAs and CRIA plans, requires the plan

to include time limits, establishes requirements for making amendments to a CRIA plan; and makes various technical and conforming changes to CRIA law.⁶

MARKS-ROOS LOCAL BOND POOLING ACT OF 1985

AB 758 (Nazarian).

Marks-Roos Local Bond Pooling Act of 1985: electric utilities: rate reduction bonds.
Chapter 233, Statutes of 2021

This bill expands the authorization for the issuance of rate reduction bonds (RRBs) for publicly-owned electric utilities and makes other related changes. RRBs are asset-backed securities issued by specified joint powers authorities (JPAs) and structured to minimize borrowing costs for the publicly-owned utility by qualifying for higher credit ratings than the utility could earn issuing on its own.

Specifically, AB 758 expands the type of projects that can be financed or refinanced using rate reduction bonds to include utility projects for the purposes of generation, transmission, or distribution of electrical service. The bill includes in the allowable costs of a public capital improvement, a utility project, or portion of the improvement or utility project financed with rate reduction bonds, the cost of tangible and intangible property in relation to all or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired to be used for a public capital improvement or a utility project.

The California Pollution Control Financing Authority is to review each issuance of rate reduction bonds issued under these provisions, and to submit an annual report to the Legislature of its activities related to these bond issuance requirements. Lastly, this bill extends the authority to issue rate reduction bonds to December 31, 2036.

⁵ Government Code Sections 53398.51.1, 53398.9 and 53398.63.

⁶ Government Code Section 62001 et. Seq.

OTHER

[AB 784](#) (Quirk).

Alameda-Contra Costa Transit District Chapter 200, Statutes of 2021

AB 784 makes changes to the Public Utilities Code in relation to provisions governing the Alameda Contra Costa Transit District (AC Transit). This bill updates the code to recognize the formation of AC Transit, created since the initial statute was established in 1955. This legislation designates AC Transit as a rapid transit district and exempts AC Transit from complying with local building and zoning ordinances under specified circumstances.

Most of the provisions in the bill are technical or clarifying and address election procedures for AC Transit board members, filling of board vacancies, and the addition of certain requirements for positions with AC Transit. In addition, this bill extended the time in which the fiscal year-end financial statements are to be published from 90 days to 180 days after the end of the fiscal year.

VALIDATION ACTS OF 2021

Over the past 80 years, the Senate Governance and Finance Committee has presented the annual Validating Acts to the Legislature. Validating Acts correct technical errors in the event that a minor error might weaken the integrity of a public agency's bond. The Validating Acts cure public officials' mistakes that might otherwise invalidate boundary changes or bond issues. They also correct errors or omissions by local agencies and state departments. The Acts do not protect against fraud, corruption, or unconstitutional actions.⁷ The three Validating Acts of 2021 cure typographical, grammatical, and procedural errors.

Validating Acts are passed in a series of three bills. Starting in the mid-1920s, the Legislature passed separate validating acts for different types of bonds, several classes of special districts, and various local boundary changes. The current practice is to pass three

Validating Acts that retroactively cure public officials' mistakes. The first two Validating Acts are urgency bills that go into effect when they are chaptered. The First Validating Act (SB 810) cures errors made before the date on which the bill is chaptered. The Second Validating Act (SB 811) became operative on September 1, addressing mistakes made after SB 810 was chaptered. The Third Validating Act (SB 812) takes effect on January 1, 2022, covering the period between SB 811's operative date and the end of 2021.⁸

[SB 810](#) (Committee on Governance and Finance). Validations.

Chapter 36, Statutes of 2021

This bill enacts the First Validating Act of 2021, which validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This act is an urgency statute and shall take immediate effect.

[SB 811](#) (Committee on Governance and Finance). Validations.

Chapter 37, Statutes of 2021

This bill enacts the Second Validating Act of 2021, which validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This act is an urgency statute and shall become operative on September 1, 2021.

[SB 812](#) (Committee on Governance and Finance). Validations.

Chapter 38, Statutes of 2021

This bill enacts the Third Validating Act of 2021, which validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This act will take effect on January 1, 2022. **DL**

⁷ The Senate Rules Committee on Governance and Finance, SB 812. Consent date: March 11, 2021.

⁸ Ibid.

Regulatory Activity Calendar

OCTOBER 2021

- 1 The Municipal Securities Rulemaking Board (MSRB) published its annual budget highlighting investment in modernizing the municipal securities market's technology system and focus on long-term strategic goals. [Press Release](#).
- 4 The Internal Revenue Service (IRS) is extending revenue procedure 2021-39, regarding qualified private activity bonds until March 31, 2022, due to the Coronavirus Disease pandemic. [Community Update](#).
- 5 The MSRB is requesting comment on draft compliance resources for dealers and municipal advisors concerning new issue pricing. The resources are to enhance the understanding of existing regulatory standards applicable to regulated entities when pricing new municipal securities. Comments may be submitted through January 4, 2022. [MSRB Notice](#).
- 6 The Securities and Exchange Commission (SEC) approves amendments to rules G-10 and G-48 clarifying and aligning the requirements for brokers, dealers, and municipal securities dealers. [MSRB Notice](#).
- 7 The SEC Division of Examinations and Office of Municipal Securities, the MSRB and the Financial Industry Regulatory Authority (FINRA) held a virtual program to discuss various topics of interest for municipal advisors, including preparing for an examination, common observations, relevant enforcement actions and

a tutorial on use of the SEC's Electronic Data Gathering, Analysis, and Retrieval system, known as EDGAR. The recording will be available for replay on the SEC's Compliance Outreach Program for Municipal Advisors webpage. [Agenda and Replay](#).

- 12 Effective date of amendments approved by the SEC for MSRB Rule G-10, on investor and municipal advisory client education and protection and MSRB Rule G-48, on transactions with sophisticated municipal market professionals. [MSRB Notice](#).
- 13 The SEC is embarking on a Filing Fee Disclosure and Payment Methods Modernization effort, amending most of its fee-bearing forms and schedules to modernize filing fee payment methods by adding options for Automated Clearing House (ACH) payments and debit and credit card payments and by eliminating infrequently used paper check and money order payment options. Effective Dates: January 31, 2022, except for amendments regarding payment options, which are effective on May 31, 2022. [SEC Fact Sheet](#).
- 15 Comments are due on the Governmental Accounting Standards Board (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](#).
- 19 The GASB changed the name of its most extensive report to "Annual Comprehensive Financial Report (ACRF)". [Media Advisory](#).

- 26 The MSRB filed a proposed rule change with the SEC related to MSRB Rule G-27, which will allow dealers to continue to conduct internal inspections remotely, subject to certain conditions, until June 30, 2022. [MSRB Notice](#).

NOVEMBER 2021

- 30 MSRB's extended compliance date for completing the Series 54 examination. [MSRB Notice](#).

JANUARY 2022

- 4 Comments due on MSRB's draft of compliance resources for regulated entities that include brokers, dealers and municipal advisors. The resources are to enhance the understanding of existing regulatory standards applicable to regulated entities when pricing new municipal securities. [MSRB Notice](#).
- 31 Effective date for the SEC's Filing Fee Disclosure and Payment Methods Modernization effort that amends most of its fee-bearing forms and schedules to modernize filing fee payment methods. [SEC Fact Sheet](#).

MARCH 2022

- 31 The IRS's revenue procedure 2021-39 regarding qualified private activity bonds was extended on October 4, 2021, through March 31, 2022, due to the Coronavirus Disease pandemic. [Community Update](#). **DL**

SAVE THE DATE

CDIAC Webinars, Seminars, and Conferences

JANUARY 2022

PUBLIC FUNDS INVESTMENT ESSENTIALS | 3-PART SERIES

Part 1 - Fundamentals of
Public Funds Investing
Online On-demand

Part 2 - Intermediate Public Funds Investing
January 26, 2022
Montebello, CA

Part 3 - Advanced & Applied
Public Funds Investing
January 27, 2022
Montebello, CA

www.treasurer.ca.gov/cdiac/seminars.asp

MARCH 2022

Municipal Debt Essentials
Information to be Announced

Webinars, Seminars, and Conferences

NOVEMBER

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 2022

FEBRUARY 16-18, 2022

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

www.csmfo.org

MARCH 2022

MARCH 3-4, 2022

National Association of Bond Lawyers
NABL U Presents: The Institute
(Members Only)
Miami, FL

www.nabl.org

MARCH 23-25, 2022

Government Investment
Officers Association
2022 GIOA Conference
Las Vegas, NV

www.gioa.us

MARCH 29-APRIL 1, 2022

California Association of
School Business Officials
Annual Conference & California
School Business Expo
Sacramento, CA

www.casbo.org

APRIL 2022

APRIL 20-22, 2022

National Association of Bond Lawyers
NABL U Presents The Essentials
Denver, CO

www.nabl.org

MAY 2022

MAY 3-6, 2022

California Municipal Treasurers
Association
Annual Conference
Newport Beach, CA

www.cmta.org

JUNE 2022

JUNE 5-8, 2022

Government Finance Officers Association
GFOA's Annual Conference
Austin, TX

www.gfoa.org

DL

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.