



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Governor Signs Treasurer's Bond Accountability Bill

New Law Requires Tracking of State and Local Government Bond Debt

SACRAMENTO – Legislation sponsored by state Treasurer John Chiang to give taxpayers greater access to information about state and local borrowing and how proceeds are spent was signed into law today by Gov. Jerry Brown.

The bill, SB 1029 by state Sen. Robert Hertzberg (D-Van Nuys) mandates tracking of government borrowing and spending of proceeds until bonds are paid off or redeemed.

Chiang and Hertzberg partially based the accountability proposal on the work of a panel of public finance experts convened by Chiang. A final report recommended a series of “best practices” to ensure money raised by bonds is handled in a legal and ethical manner.

“Californians need to be sure the money being borrowed to build schools, highways and critical public works is spent wisely and as approved by the voters,” said Chiang. “Senate Bill 1029 will empower taxpayers to be watchdogs by giving them more information about how bond proceeds are used.”

Treasurer Chiang began working on the accountability standards after reading media accounts of the embezzlement of nearly \$3.9 million in bond funds by an official of the Association of Bay Area Governments. The money, earmarked for public parks and street improvements in downtown San Francisco, was found missing by auditors.

Sen. Hertzberg called his bill common sense.

“I thank the Governor for signing this legislation into law and ensuring that bond management is transparent and accountable to taxpayers,” he said. “This law helps prevent lax oversight that can lead to mismanagement or misuse of bond proceeds.”

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