

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2429

Introduced by Assembly Member Thurmond

February 19, 2016

An act to amend ~~Section 15103~~ *Sections 15102, 15106, 15268, and 15270* of the Education Code, relating to school bonds.

LEGISLATIVE COUNSEL'S DIGEST

AB 2429, as amended, Thurmond. School district *and community college district* bonds.

(1) *Existing law authorizes the governing board of any school district or community college district to order an election and submit to the electors of the district the question of whether the bonds of the district shall be issued and sold to raise money for specified purposes. Existing law generally requires, to pass a school bond measure, that either at least $\frac{2}{3}$ of the votes cast on the proposition of issuing bonds be in favor of issuing the bonds to pass the measure, or, if certain conditions are met, at least 55% of the votes cast on the proposition of issuing bonds be in favor of issuing the bonds.*

Existing law prohibits the total amount of bonds issued by a school district or community college district from exceeding 1.25% of the taxable property of the district, only if the tax rate levied to meet specified requirements of the California Constitution in the case of indebtedness incurred by a school district, at a single election, would not exceed \$30 per year per \$100,000 of taxable property, as specified.

This bill would raise that limit to 2%.

(2) *Existing law authorizes a unified school district to issue bonds receiving at least 55% of the votes cast on the proposition of issuing*

the bonds that, in aggregation with bonds issued with a ²/₃ favorable vote, do not exceed 2.5% of the taxable property of the district, but only if the tax rate levied to meet specified requirements of the California Constitution in the case of indebtedness incurred by a school district, at a single election, would not exceed \$60 per year per \$100,000 of taxable property, as specified.

This bill would raise that limit to 4%. The bill would make a similar percentage increase for community college districts.

~~Existing law provides, for the purposes of school bonds, how the value of taxable property will be determined.~~

~~This bill would make nonsubstantive changes to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

1 SECTION 1. Section 15102 of the Education Code is amended
2 to read:

3 15102. The total amount of bonds issued pursuant to this
4 chapter and Chapter 1.5 (commencing with Section 15264) shall
5 not exceed ~~1.25~~ 2 percent of the taxable property of the school
6 district or community college district, or the school facilities
7 improvement district, if applicable, as shown by the last equalized
8 assessment of the county or counties in which the district is located.
9 For purposes of this section, the taxable property of a district for
10 any fiscal year shall be calculated to include, but not be limited
11 to, the assessed value of all unitary and operating nonunitary
12 property of the district, which shall be derived by dividing the
13 gross assessed value of the unitary and operating nonunitary
14 property within the district for the 1987–88 fiscal year by the gross
15 assessed value of all unitary and operating nonunitary property
16 within the county in which the district is located for the 1987–88
17 fiscal year, and multiplying that result by the gross assessed value
18 of all unitary and operating nonunitary property of the county on
19 the last equalized assessment roll.

20 SEC. 2. Section 15106 of the Education Code is amended to
21 read:

22 15106. (a) A unified school district or community college
23 district may issue bonds that, in aggregation with bonds issued
24 pursuant to Section 15270, shall not exceed ~~2.5~~ 4 percent of the

1 taxable property of the school district or community college district,
2 or the school facilities improvement district, if applicable, as shown
3 by the last equalized assessment of the county or counties in which
4 the district is located.

5 ~~In~~

6 (b) *In* computing the outstanding bonded indebtedness of a
7 unified school district or community college district for all purposes
8 of this section, any outstanding bonds shall be deemed to have
9 been issued for elementary school purposes, high school purposes,
10 and community college purposes, respectively, in the respective
11 amounts that the proceeds of the sale of those outstanding bonds,
12 excluding any premium and accrued interest received on that sale,
13 were or have been allocated by the governing board of the unified
14 school district or community college district to each of those
15 purposes respectively.

16 ~~(a)~~

17 (c) For the purposes of the State School Building Aid Law of
18 1952 (Chapter 6 (commencing with Section 16000)) with respect
19 to applications for apportionments and apportionments filed or
20 made ~~prior to~~ *before* September 15, 1961, and to the repayment
21 thereof, Chapter 4 (commencing with Section 15700), inclusive,
22 only, a unified school district shall be considered to have a bonding
23 capacity in the amount permitted by law for an elementary school
24 district and a bonding capacity in the amount permitted by law for
25 a high school district.

26 ~~(b)~~

27 (d) For purposes of this section, the taxable property of a district
28 for a fiscal year shall be calculated to include, but not be limited
29 to, the assessed value of all unitary and operating nonunitary
30 property of the district, which shall be derived by dividing the
31 gross assessed value of the unitary and operating nonunitary
32 property within the district for the 1987–88 fiscal year by the gross
33 assessed value of all unitary and operating nonunitary property
34 within the county in which the district is located for the 1987–88
35 fiscal year, and multiplying the result by the gross assessed value
36 of all unitary and operating nonunitary property of the county on
37 the last equalized assessment roll. In the event of the unification
38 of two or more school districts or community college districts
39 subsequent to the 1987–88 fiscal year, the assessed value of all
40 unitary and operating nonunitary property of the unified district

1 or community college district shall be deemed to be the total of
2 the assessed value of the taxable property of each of the unifying
3 districts as that assessed value would be determined under Section
4 15102.

5 *SEC. 3. Section 15268 of the Education Code is amended to*
6 *read:*

7 15268. The total amount of bonds issued, including bonds
8 issued pursuant to Chapter 1 (commencing with Section 15100),
9 shall not exceed~~1.25~~ 2 percent of the taxable property of the
10 district as shown by the last equalized assessment of the county
11 or counties in which the district is located. The bonds may only
12 be issued if the tax rate levied to meet the requirements of Section
13 18 of Article XVI of the California Constitution in the case of
14 indebtedness incurred by a school district pursuant to this chapter,
15 at a single election, would not exceed thirty dollars (\$30) per year
16 per one hundred thousand dollars (\$100,000) of taxable property
17 when assessed valuation is projected by the district to increase in
18 accordance with Article XIII A of the California Constitution. For
19 purposes of this section, the taxable property of a district for any
20 fiscal year shall be calculated to include, but not be limited to, the
21 assessed value of all unitary and operating nonunitary property of
22 the district, which shall be derived by dividing the gross assessed
23 value of the unitary and operating nonunitary property within the
24 district for the 1987–88 fiscal year by the gross assessed value of
25 all unitary and operating nonunitary property within the county in
26 which the district is located for the 1987–88 fiscal year, and
27 multiplying that result by the gross assessed value of all unitary
28 and operating nonunitary property of the county on the last
29 equalized assessment roll.

30 *SEC. 4. Section 15270 of the Education Code is amended to*
31 *read:*

32 15270. (a) Notwithstanding Sections 15102 and 15268, any
33 unified school district may issue bonds pursuant to this article that,
34 in aggregation with bonds issued pursuant to Chapter 1
35 (commencing with Section 15100), may not exceed~~2.5~~ 4 percent
36 of the taxable property of the district as shown by the last equalized
37 assessment of the county or counties in which the district is located.
38 The bonds may only be issued if the tax rate levied to meet the
39 requirements of Section 18 of Article XVI of the California
40 Constitution in the case of indebtedness incurred pursuant to this

1 chapter at a single election, by a unified school district, would not
2 exceed sixty dollars (\$60) per year per one hundred thousand
3 dollars (\$100,000) of taxable property when assessed valuation is
4 projected by the district to increase in accordance with Article
5 XIII A of the California Constitution.

6 (b) Notwithstanding Sections 15102 and 15268, any community
7 college district may issue bonds pursuant to this article that, in
8 aggregation with bonds issued pursuant to Chapter 1 (commencing
9 with Section 15100), may not exceed ~~2.5~~ 4 percent of the taxable
10 property of the district as shown by the last equalized assessment
11 of the county or counties in which the district is located. The bonds
12 may only be issued if the tax rate levied to meet the requirements
13 of Section 18 of Article XVI of the California Constitution in the
14 case of indebtedness incurred pursuant to this chapter at a single
15 election, by a community college district, would not exceed
16 twenty-five dollars (\$25) per year per one hundred thousand dollars
17 (\$100,000) of taxable property when assessed valuation is projected
18 by the district to increase in accordance with Article XIII A of the
19 California Constitution.

20 (c) In computing the outstanding bonded indebtedness of any
21 unified school district or community college district for all purposes
22 of this section, any outstanding bonds shall be deemed to have
23 been issued for elementary school purposes, high school purposes,
24 and community college purposes, respectively, in the respective
25 amounts that the proceeds of the sale of those outstanding bonds,
26 excluding any premium and accrued interest received on that sale,
27 were or have been allocated by the governing board of the unified
28 school district or community college district to each of those
29 purposes respectively.

30 (d) For purposes of this section, the taxable property of a district
31 for any fiscal year shall be calculated to include, but not be limited
32 to, the assessed value of all unitary and operating nonunitary
33 property of the district, which shall be derived by dividing the
34 gross assessed value of the unitary and operating nonunitary
35 property within the district for the 1987–88 fiscal year by the gross
36 assessed value of all unitary and operating nonunitary property
37 within the county in which the district is located for the 1987–88
38 fiscal year, and multiplying the result by the gross assessed value
39 of all unitary and operating nonunitary property of the county on
40 the last equalized assessment roll. In the event of the unification

1 of two or more school districts subsequent to the 1987–88 fiscal
 2 year, the assessed value of all unitary and operating nonunitary
 3 property of the unified district shall be deemed to be the total of
 4 the assessed value of the taxable property of each of the unifying
 5 districts as that assessed value would be determined under Section
 6 15268.

7 (e) For the purposes of this article, “general obligation bonds,”
 8 as that term is used in Section 18 of Article XVI of the California
 9 Constitution, means bonds of a school district or community
 10 college district the repayment of which is provided for by this
 11 chapter and Chapter 1 (commencing with Section 15100) of Part
 12 10, and includes bonds of a school facilities improvement district
 13 the repayment of which is provided for by this chapter and Chapter
 14 2 (commencing with Section 15300).

15 ~~SECTION 1. Section 15103 of the Education Code is amended~~
 16 ~~to read:~~

17 ~~15103. Notwithstanding any other law, for the purpose of~~
 18 ~~computing the limit on the amount of bonds that may be issued~~
 19 ~~by a district pursuant to the provisions of this chapter, the taxable~~
 20 ~~property of the district shall be determined upon the basis that the~~
 21 ~~district’s assessed value has not been reduced by the exemption~~
 22 ~~of the assessed value of business inventories in the district or~~
 23 ~~reduced by the homeowner’s property tax exemption.~~